

**Greater Monterey County Integrated Regional Water Management Plan
Regional Water Management Group Meeting
December 18, 2013
1:30 - 3:30 PM
Salinas City Hall, Salinas, CA**

RWMG Attendees:

Michael Ricker – City of Salinas
Brian True – Marina Coast Water District
Julianne Rhodes – Watershed Institute, CSUMB
Sierra Ryan – Central Coast Wetlands Group
Monique Fountain – Elkhorn Slough National Estuarine Research Reserve
Karen McBride – Rural Community Assistance Corporation
Ken Ekelund – Garrapata Creek Watershed Council
Colin Bailey – Environmental Justice Coalition for Water

Non-RWMG Attendees:

Susan Robinson – IRWM Plan Coordinator
Sarah Reich – ECONorthwest
Jeanette Pantoja – California Rural Legal Assistance
Pearl Kan – California Rural Legal Assistance
Katie McNeill – Central Coast Regional Water Quality Control Board
Monica Reis – California Department of Water Resources

Meeting Minutes:

1. Brief Introductions. Jeanette introduced Pearl Kan, who is now working with CRLA on drinking water-related issues.

2. 2014 Water Bond. Ken began by asking if anyone had attended the workshop about the 2014 Water Bond in Seaside that was sponsored by the State Assembly's Water, Parks and Wildlife Committee the previous day. Sierra said she had, and mentioned that other Regional Water Management Group (RWMG) members including Elizabeth and Paul were there as well. Ken said that Senator Monning was on a Senate committee working on the 2014 Water Bond and had requested comments from our Group on AB 1331 and SB 42. Even if the Assembly Committee has heard similar comments from other constituents during the workshop, Ken said he thinks it's important that the RWMG reiterate our comments about the Water Bond. The 2014 Water Bond is expected to be about \$6 billion. It may be a long shot, Ken said, largely because whole sections of the state may vote against it due to the fact that the bond includes quite a bit of funding set aside exclusively for the Delta region.

So Ken said we should send a letter to Senator Monning as soon as possible, preferably by early January. He emphasized that we shouldn't waste time asking for specific projects, which is viewed as pork barrel. We should focus generally on all the types of projects that are included in the IRWM Plan. We should emphasize that our area has been underfunded and that we do not receive money, as many other regions do, from the State Water Project. We should also stress that we need a more secure means for funding these types of projects; we may or may not get the Water Bond passed, and even if we do that source of funds eventually dries up and organizations such as the RCD, which have important ongoing projects, are forced to fire staff and discontinue their programs. Ken suggested we include Susan's chart, which compares AB 1331 and SB 42 (and which had been sent to the RWMG previously), along with a 1-1.5 page summary, including 4-6 summary points. We should send it to Senator Monning and Assembly Member Stone, and cc Senator Cannella and Assembly Member Alejo. We should also make the letter available to the Monterey Peninsula and the Pajaro RWMGs. Ken said we should state in the letter that we think it essential that "eligible applicants" for future IRWM grant funds include public utilities and mutual water companies (along with non-profits and public agencies).

Katie McNeill mentioned that operations and maintenance has been a real problem for disadvantaged

communities (DACs), and that we should consider requesting more funding for that. Sierra said that many people at the workshop had emphasized the need to make the IRWM grant application process easier and more affordable, because the current application process makes it impossible for many DACs and small organizations to apply. Katie added that we might also consider a comment to prioritize improvements to water quality, reducing nitrates in groundwater for example, and other types of water quality problems. Jeanette suggested that we include a comment on the unfairness of the current population-based funding model – the fact that because our region is more rural, we get less funding. Ken agreed, and added that rural areas such as ours have to be more self-sufficient because we can't get the infrastructure that the more populated areas have access to, and this is a funding problem.

Susan volunteered to draft the letter and asked if anyone would be willing to review and provide input. Several people volunteered to help: Katie, Monique, Colin, and Sierra. Susan will then send the letter to the whole group for discussion (via email). Our goal is to send the letter in early January, and absolutely no later than January 12th or 15th. Ken said he would be willing to sign the letter on behalf of the group (which makes sense since he was the one who initiated this discussion early on with Senator Monning). Sierra asked if there might be any conflict with the individual RWMG members sending their own letters individually; Ken said not at all, and encouraged them to do so. Sierra said the comments from CCWG would be consistent with the RWMG's points but would emphasize more of the "down in the weeds" issues. Susan encouraged that.

3. Preliminary Economic Analysis Tool: Susan had explained in the meeting notice and agenda, which she had sent out prior to the meeting, the general reason for developing a preliminary economic analysis tool: Proposition 84 IRWM Program Guidelines require that economic feasibility, including water quality and water supply benefits and other expected benefits and costs, be considered as part of the standard project review process for the IRWM Plan. However, many project proponents do not have the staff capabilities or resources to address this requirement. The preliminary economic tool will consist of spreadsheet templates to assist organizations and local jurisdictions in completing a preliminary economic feasibility analysis of their projects. The tool will help project proponents and the RWMG preliminarily assess a project's general economic strengths and weaknesses.

Sarah Reich from ECONorthwest joined the meeting via phone from Portland, OR to explain the preliminary economic analysis tool that she and ECONorthwest have been hired, with Planning Grant funds, to create for the RWMG. Sarah said that there are two objectives: to help project proponents think about the benefits and effects of their projects; and to help RWMG project reviewers understand the economic benefits at a screening level. The goal in developing the tool, she said, is to find that "sweet spot" regarding the right level of information requested from the project proponents: where the project proponents are not overly burdened by the amount of information requested yet the project reviewers have sufficient information to preliminarily determine economic benefits of the projects. The process will draw on both quantitative and qualitative information. Sarah made a point to say that they are not going for "false precision" at this point, recognizing that some economic information may not be available yet for some projects.

As far as timing goes, Sarah explained that ECONorthwest will be working full force on this in January. They will develop a draft of the templates and pretest most likely in February, and then refine and finalize by March 1, 2014. They will be asking project proponents to look across the full range of effects their projects will generate. ECONorthwest will provide lots of examples of benefits for different types of projects, clearly divided into different categories. There is likely to be a narrative portion and an Excel spreadsheet. The tool will help project proponents understand types of information they will need to gather for future grant applications.

Jeanette asked, are we doing this for the IRWM Plan or for the grant application? Susan responded that it is somewhere in between; we won't be asking *every* project proponent to complete a preliminary economic analysis, only those who would like their projects to be considered "at this time" for grant funding. The results of the preliminary economic analysis won't be used directly for the application (though it will help project proponents understand what sort of information they will need to provide at a later date for the application); rather, the information will be used to help the RWMG compare costs and benefits of the various projects as part of their review process in selecting projects for a grant application (e.g., Round 3 of the Implementation Grant program). Hence, it will be used as a "screening tool." Jeanette asked how involved this process will be, considering staff

time. Sarah responded that they are trying to make the process as simple and straightforward as possible. That's why pretesting will be important. Susan asked if Jeanette would be interested in being involved during the development of the preliminary economic analysis tool, and she said she would.

Monique asked what the model was that ECONorthwest was using to base the preliminary economic analysis tool on. Sarah responded that they don't have a model per se; they are looking at the economic guidelines that DWR recommends and the materials that they have provided. So everything they do will at least be consistent with that. She emphasized that there won't be a lot of complex analysis, just simple arithmetic.

Colin mentioned that EJCW along with several other organizations have been in conversation with DWR regarding obstacles for DACs in the application process. He requested that whatever ECONorthwest develops be consistent with whatever changes DWR is going to make to the process for Round 3. Susan asked what the anticipated timing of that might be. Colin thought possibly in the second quarter of 2014, to which Susan responded that our tool will be completed by then. Sarah added that she thinks the *spirit* of this tool will be useful no matter what changes DWR comes up with. Susan asked if Colin, and anyone else, would also like to be involved during the development of this tool, and he said he would. So those who would like to provide input into the development of the preliminary economic analysis tool include: Jeanette, Colin, Brian, and Monique.

4. Round 3 Timeframe and Project Review Process (Take 2): Prior to the meeting, Susan had emailed the RWMG her suggested changes to the Project Review/Ranking process and a proposed timeframe leading up to the Round 3 Implementation Grant application, which she had amended since the last RWMG meeting (in September). She noted that the final PSP (project solicitation package) for the Round 3 Implementation Grant is anticipated to be released by DWR in the fall of 2014, with applications due in the winter.

Susan began by explaining her suggested changes for the Project Ranking system. Essentially they consist of removing the IRWM Grant Program Criteria category, which consisted of 20 points, and re-distributing those points as follows: 10 points added to the "Overall Strength of Project" category ("technical feasibility" goes from 4 to 8 points, "budget" goes from 3 to 5 points, and "work plan" goes from 3 to 7 points); and 10 points for a new category created specifically for DAC or environmental justice projects (emphasizing that the project must address a "critical need" of a DAC). Susan said she suggests removing the IRWM Grant Program Criteria category because, based on her experience with Round 2, she realized it is less important how well a single project addresses IRWM Program Preferences and more important how well the *suite* of projects submitted for IRWM grant funds, together, address IRWM Program Preferences. Therefore she doesn't think it makes sense to include this criterion in ranking projects for the IRWM Plan, though it does make sense to consider IRWM Program Preferences when the RWMG comes around to selecting projects for an IRWM grant package. She thus recommends removing this category at the project ranking stage, but *including* it later in the "project selection" stage – that is, when the RWMG Project Selection Committee considers which projects to include in an IRWM grant application. As for the re-distribution of points, she explained that, again based on her experience with Round 2, we simply need to weight more heavily the actual strength of the projects in terms of technical feasibility, budget, and work plan. And since DWR gives preference to DAC projects in IRWM grants (10% of all IRWM grant funds are set aside for DAC projects), we should be sure that DAC projects are equivalently weighted in our ranking system.

A long discussion ensued. Sierra asked whether creating a new category for DACs wasn't double counting, since in Round 2 the "Project Need" category was essentially given for DAC projects. Susan remarked that wasn't the intention of creating the "Project Need" category, that "urgent need" could be for any type of project, not just DACs. Ken agreed, and said that the "Project Need" was actually created on account of the Granite Ridge project, which scored poorly in our ranking system but which everyone agreed had critical need. Sierra seemed to accept this explanation. Brian asked if, with this new Project Ranking system, there was a "key" to re-scoring existing projects alongside the new projects that will be submitted for acceptance into the IRWM Plan – since it would simply be too much work to completely re-score all of the existing projects. Michael felt that it was important to re-score all of the existing projects if we introduce a new Project Ranking system, for the sake of consistency. A long discussion ensued about this. Sierra emphasized that we simply cannot re-score the existing 50+ projects, plus the new projects – it's just too much work, and it's unnecessary since most of the categories have already

been scored; and although scoring is subjective, because it is being done by a committee we can assume that the scoring will generally be consistent over time.

Getting back to Brian's question about whether there is a "key" to re-scoring, the group decided that if we changed the points in the "Overall Strength of Project" category to simply double the old points in each of those sub-categories, we could go back into the old worksheet and simply double those scores for existing projects. This, then, would be the "key." Michael wasn't comfortable with that, but the others liked the idea and Susan went ahead and made that change to the new recommended Project Ranking system. Jeanette asked Susan if the changes from "budget" to "project costs/financing" and from "water supply, water quality, flood reduction, and other benefits" to "strength of benefits, and whether there are *multiple* benefits" reflected substantive changes, but Susan said no, the changes were mainly semantic to be more consistent with DWR's language. Michael continued to express dissatisfaction with these changes, and the debate continued. Sierra and Monique both commented that the "new" system isn't unfair to existing project proponents because all of the projects, new and old, will in fact be scored according to the same criteria. Brian mentioned that a project proponent would have an opportunity to re-submit his/her project application if he/she wanted the project to be completely re-scored using the new system. Michael was more comfortable knowing that, but still not entirely happy introducing a new system. At the end of a lengthy discussion, Susan informed everyone that we did not have a quorum to vote on the amended Project Ranking system, and everyone agreed that we should hold the vote electronically. Susan will ask the RWMG to vote when she sends out the meeting minutes. She asked Michael to please feel free to let the whole RWMG know why he is uncomfortable with changing the Project Ranking system when we begin the electronic vote, and he said he would.

Jeanette brought up the potential problem of lacking expertise in any one water resource area (water supply, water quality, environmental quality, flood protection, etc.) on the Project Review Committee, noting that we can't "force" anyone to be on the committee. Julianne asked what if other experts were "on call," if we weren't able to get a full balance of expertise on the Project Review Committee. Everyone seemed to think this was a good idea.

Susan then described the suggested timeframe for Round 3. She noted that she had moved up the project solicitation date for the IRWM Plan from end of March to March 3, just to give us more time prior to Round 3. Everyone seemed OK with the timeframe, as presented.

Sierra suggested that we add a criterion for "eligibility" for Round 3: that the project proponent be able to pay for the application process (this was based on experience in Round 2). Everyone agreed this was a good idea. Monica brought up the importance of project proponents knowing exactly what is involved in being the lead applicant. This initiated a discussion about the importance of *having* a lead applicant. Sierra suggested that we ask, right on the application form (for projects being submitted into the IRWM Plan) whether the project proponent would be willing and able to act as lead applicant. Susan noted that this factor might influence whether or not a project gets selected in Round 3; she asked, is that a good thing or a bad thing? Someone remarked it's a bad thing, but it's practical. Monica reminded the group that the lead applicant doesn't need to be one of the project proponents in the application. Brian commented that this is a good argument for creating a nonprofit that acts as lead applicant on behalf of the RWMG. Susan noted that this is what the Santa Cruz IRWM region had done under Prop 50, and that perhaps we should dedicate time at a RWMG meeting for a full discussion of this topic.

Susan said she would like to go back to monthly RWMG meetings again, now that the preliminary economic analysis tool will be underway and project solicitations for the IRWM Plan will be starting again soon. General agreement with that idea was expressed.

5. Updates: Both Sierra and Karen, who were on the agenda for brief updates concerning the Water Resource Project Coordination process and RCAC's work with DACs, respectively, offered to table their discussions until the next meeting.

Happy holidays, everyone! See you in the New Year!

Next month's RWMG meeting is scheduled for January 15th from 1:30 – 3:30 PM, location TBD.