

**Greater Monterey County Integrated Regional Water Management Program
Regional Water Management Group Meeting**

**July 17, 2019
Moss Landing Marine Labs**

RWMG Entity Attendees:

Horacio Amezquita – San Jerardo Cooperative, Inc.
Shandy Carroll – Monterey County Agricultural Commissioner’s Office
Ross Clark – Central Coast Wetlands Group
Beth Febus – Big Sur Land Trust
Elizabeth Krafft – Monterey County Water Resources Agency
Mike McCullough – Monterey One Water
Paul Robins – Resource Conservation District of Monterey County
Eric Tynan – Castroville Community Services District

Non-RWMG Attendees:

Jeff Condit – Monterey Regional Stormwater Management Program
Sarah Hardgrave – Supervisor Mary Adams’s Office
John Hunt – UC Davis
Robin Lee – Member of the Public
Susan Robinson – Greater Monterey County IRWM Program Director

Meeting Minutes

1. Brief Introductions.

2. Vote to Approve Greater Monterey County Storm Water Resource Plan: Susan Robinson announced that the Greater Monterey County Storm Water Resource Plan (SWRP) has been completed and is posted on the IRWM website (under “Documents”). She asked if anyone had questions or comments; there were none. A vote was held to approve the SWRP and to incorporate it into the Greater Monterey County IRWM Plan: All voted in favor, none opposed. Susan noted that four RWMG members had emailed their votes prior to the meeting: Karen McBride (RCAC), John Olson (CSUMB), and Bridget Hoover (Monterey Bay National Marine Sanctuary) all voted in favor; Monique Fountain (Elkhorn Slough Foundation) abstained, on account of not having read the plan. Susan thanked John Hunt, Ross Clark and the team at Central Coast Wetlands Group for a superb job in producing the plan; and Ross and John thanked the RWMG for their input and active participation.

3. Funding Monterey Bay Water Resource Projects: Susan began with some background: At the February 20, 2019 RWMG meeting, as part of the SWRP discussion regarding an implementation strategy for projects in the plan, John Hunt raised the broader question: Can we “master plan” water projects in the Monterey Bay area and identify a successful strategy for finding/developing funding for those projects to see them through to implementation? This could involve forming or working with an existing entity that could act as fiscal sponsor and as a sort of “hub” (or “brain trust”) for planning and cataloguing projects, identifying existing funding or creating entirely new funding tools (e.g., bonds), and housing monitoring data and results. Susan then turned the meeting over to John Hunt to lead Part II of that discussion.

John noted that at the end of the February meeting the core SWRP group was tasked with looking at possible fiscal sponsors. In the private sector, John mentioned a new startup company, Aqaix, which has created a digital platform where water projects can be catalogued and donors/investors can find them. He noted that this is a great way to bring in matching funds. John said that in the previous conversation with the RWMG, people seemed less interested in creating a “higher level entity” that would take charge, but

rather expressed preference for a JPA-type entity, or in growing existing foundations to become a fiscal sponsor (e.g., California Marine Sanctuary Foundation, or Regional Water Management Foundation in Santa Cruz, or Community Foundation of Monterey County). He also mentioned the Santa Clara Valley Water District's successful strategy of creating a large multi-purpose bond to fund projects in their region. Someone mentioned the Groundwater Sustainability Agency (GSA), which has the power to set a fee structure. John noted that in the private sector, some insurance companies are getting involved in funding projects because it's cheaper to fund upfront costs than to pay on the back end (avoided costs).

John raised the question, how do we build the organizational and fiscal capacity to support a "brain trust" that would also include policy and scientific expertise? He noted that we have a lot of that capacity currently, spread out across our organizations. He suggested that perhaps we begin by building a "low-fi" prototype; for example, we begin with three or four projects in a high-priority area with multiple benefit possibilities. What types of financing could we get? How do we build the digital capacity to be able to "compare apples to apples" when organizing projects? Ross asked the group, should the structure be one large entity, or a distributed partnership like IRWM? The distributive model may work better, he suggested, since "bureaucratic oversight" tends to get pushback. Susan added, however, that based on experience, there needs to be a small core of individuals at the center devoted to this purpose, in order to keep things moving forward; otherwise nothing gets done.

John noted that a lot of farmers aren't interested in State-funded projects; so the ability to bring in private funds would be useful (or "self-fund," with the benefit of regulatory relief). Robin Lee emphasized the importance of having a place to register one's projects, with support to help project proponents identify and obtain funding. John noted once again Aqaix's digital registry of water projects, and suggested introducing Aqaix's CEO, Mike Gardner, to the group. Aqaix is a global company; they are still in beta but they already have many donors signed on. John said that Mike is actively interested in adding Central Coast water projects. Registering projects would be available to project proponents at no cost. There appeared to be interest in introducing Mike Gardner to the group.

Mike McCullough cautioned, however, that private investment behind public projects may be a "buyer beware" situation. John noted that as a good point, particularly investors looking for a return on investment. Ross added that it's difficult trying to figure out how some of our projects can be monetized (e.g., acres of farmland not flooded). There is a lot of venture capital out there looking for projects to fund, he said – yet we need to be cognizant of Mike's point. Mike liked the distributive model, but noted the challenge in getting it off the ground, e.g., dealing with multiple agencies, and startup costs; small nonprofits, in particular, may not have those upfront funds available. Robin suggested possibly partnering with the Community Foundation of Monterey County. Someone else noted that the City of Salinas is initiating a community benefits public/private partnership to implement their storm water projects (2NDNATURE is involved). John brought up the potential for "green" bonds, where the bondholders get paid based on the performance of the project (pay for performance contracts).

Sarah Hardgrave said she values the framework of the Regional Water Management Group, and how IRWM looks at the whole picture. She encouraged this group to get involved with the Groundwater Sustainability Plan (GSP) effort, and to make presentations to the GSA, the County Board of Supervisors, and others in order to educate them about the work of the RWMG. There was discussion about the GSA and whether they might be able to partially fund this effort (seeing as it would help implement projects in the GSP as well). Horacio Amezcuita noted that the GSA will be revising Chapter 9 of the GSP (projects) on Thursday, and encouraged RWMG members to attend; he commented that the GSA should be taking projects from the IRWM Plan because so many of the IRWM projects do affect groundwater. Sarah encouraged the RWMG to get on the GSA's agenda and *educate* them about IRWM.

John wondered about the utilities (Cal Water, CalAm, Alco) in the region – noting that they also have a fee structure. Is there a role for them in terms of capacity building? Susan noted that Brenda Granillo with Cal Water is a member of the RWMG.

Going back to the type of organizational structure that we seek to create, Ross recommended that the fiscal purpose be separated from the coordinating purpose (“the brain trust”). He felt the brain trust was most important (and harder to figure out), and of secondary importance was finding fiscal entities and funding sources to fit the various needs. He asked, how do we get to this next level?

Ideas: Start a nonprofit? Get a planning grant? Identify a local foundation that might be interested in providing startup funds? Ross asked, what do agencies like Monterey County Water Resources Agency (MCWRA) and Monterey One Water *need*? Could they fund some projects that would help them achieve their goals? Shandy Carroll suggested organizing a “summit.” Elizabeth Krafft noted that MCWRA is trying to organize a summit for September. She suggested, maybe MCWRA needs to focus on dams (for example) and let their partners focus on projects like Arundo removal. Elizabeth also noted that MCWRA *doesn’t* have expertise in funding mechanisms. She also noted hesitancy from stakeholders to enter into private/public funding partnerships. John noted that there is a lot of private funding that doesn’t demand monetary return on investment (ROI); ROI can be in terms of environmental benefits accrued rather than dollars. Ross suggested contacting Resources Legacy Fund and asking about possible bridge funding. John suggested creating a pilot project, with 3-4 projects. How might those projects fit together in a way that would attract funders (efficiency of scale, etc.)? We would create a “value-added clearinghouse.”

Next steps: John will contact the Community Foundation of Monterey County and the GSA, and think about other potential fiscal agents. Sarah reiterated as an important next step presenting to the County Supervisors, GSA, MCWRA, etc. about IRWM. She stressed the importance of raising awareness about the incredible work products that the RWMG/IRWM process has produced in order to get buy-in.

John and Susan agreed to formulate next steps, refine ideas, and bring them back to the RWMG.

4. TerraCount: Shandy Carroll is the Ag Commissioner’s Office new representative on the RWMG, replacing Christina McGinnis. Shandy introduced herself to the group and then presented a program called TerraCount, developed by California Department of Conservation and The Nature Conservancy (<https://maps.conservation.ca.gov/TerraCount/>). TerraCount is a free GIS-based decision making tool that utilizes open data from multiple sources to customize at the County level the baseline greenhouse gas (GHG) emissions from current land use. By creating a GHG emissions baseline, it allows planners to show detrimental impacts of developing agricultural land, and positive impacts of riparian restoration, cover crops, and hedgerows (to name a few).

Shandy noted that a lot of ag land in Monterey County is being converted to development. TerraCount looks at the GHG changes from, for instance, converting one type of ag land to another, or converting an ag field into a parking lot. TerraCount is also being used as a database to track land changes over time in terms of GHG emissions (as part of California’s GHG emission reduction goals). So Shandy may be asking RWMG partners, for example, how many acres would be turned into grassland with your project – and that data would be entered into the tool. Susan noted that the tool could be useful to quantify GHG emission reduction benefits for purposes of finding funding. If we can *quantify* benefits, we may get more support for the projects. Ross reminded everyone of the GHG emissions tool currently posted on the Greater Monterey County IRWM website (the California Emissions Estimator Tool, or CalEEMod, can be found at <http://www.greatermontereyirwmp.org/current/solicitation/>). This tool looks at the carbon footprint of a project, but not transition of land use.

5. Other Business. There was no other business.

The next RWMG meeting will be held on August 21, 2019, 1:30PM – 4:30PM, location TBD.