Governance & Financing Workgroup
Meeting No. 3

June 19, 2012 ○ 1:00 pm-4:00 pm
San Diego County Water Authority
Library Conference Room

Draft Notes

Action items in italics

Attendees:

Mark Stadler, SDCWA	Kirk Ammerman, City of Chula Vista
Cathy Pieroni, City of SD	Rosalyn Prickett, RMC
Sheri McPherson, County of San Diego	Crystal Mohr, RMC
Ann Van Leer, Land Conservation Brokerage	Lewis Michaelson, Katz & Associates
Iovanka Todt, Floodplain Management Association	

1. **Welcome and Introductions**

   Lewis Michaelson welcomed the group, who did self-introductions.

2. **Recap of Previous Meeting**

   Kirk Ammerman (Workgroup Chair) provided a brief overview. Mr. Ammerman noted that at the previous meeting, the Workgroup primarily discussed reorganizing the Regional Advisory Committee (RAC), and defining roles and rules for the RAC. The group also briefly discussed potential funding options for the IRWM Program and for projects in the IRWM Plan.

3. **Meeting No. 3 Objectives**

   Lewis Michaelson outlined the current meeting objectives, including:

   - Review and discuss draft RAC Charter
   - Examine funding / financing options for IRWM program

4. **Draft RAC Charter**

Lewis Michaelson provided an overview of the Draft RAC Charter, explaining that the consultant team and the RWMG compiled this document based on input from the previous Workgroup meeting, in addition to some new topics that the Workgroup has not yet discussed. The RWMG would like the Workgroup to focus on addressing large concept-related issues in the charter, and not focus on language edits. The following is feedback regarding the RAC Charter, presented in numerical order as included in the draft charter:

Preamble
- Clarify that the RAC is an advisory body, not a decision-making body.

Section 1: Purpose
- Are RAC decisions always based on consensus? Clarify that all RAC decisions (consensus or vote) are considered by the RWMG governing bodies.
- Is this a new document? Yes, the RAC Charter did not formally exist before, although many of the roles and features of the RAC that are in the charter were previously implemented.
- Add the amount of funding and information regarding Proposition 84 after the section regarding Proposition 50.

Section 2: Scope
- Edit section title to "Role of RAC."
- Bullet letter c is too complicated, and will be revised for simplicity.

Section 3: Meetings
- Clarify that all meetings in this section are RAC-related only.
- Do the Brown Act requirements pertain to Workgroups? No, just the RAC is a Brown Act body. Add a section related to ad-hoc RAC meetings, and make it clear that these meetings are not subject to the Brown Act.

Section 4: RAC Member Composition
- Refer to Attachment A in the RAC Charter, which has RAC membership details.
- Remove SANDAG, San Diego Greater Chamber of Commerce, and the Port of San Diego from designated seats. This way these groups will be able to apply to voting seats in the future if they are interested.
- Add "sustainability" to one of the criteria that will be given consideration for At Large members.
- Add "Land Use Planning" seat. It is important to get a person on the RAC that represents a land use planning entity (City, County, SANDAG, etc.)
- Does the RAC ever have input from experts, who are non-voting members? Not to date, but that is a possibility.
- Change "technically proficient" to "knowledgeable."
- Clarify that "At Large" seats are open and can include the criteria listed, but not limited to those certain criteria.

Section 5: RAC Member Attributes and Duties

- Edit anywhere that it says "your" to "his/her."
- Absences should not be "excused" or "unexcused." There should just be a certain amount of absences allowed per year. Reduce the amount of absences to 2 per year (3 is a lot considering there are only 6 meetings a year).
- Add that RAC rules apply to alternates.

Section 6: RAC Member and Alternate Terms

- Clarify language regarding selection and the two-year vs. four-year terms. It is confusing as written.
- Need to define "conflicts of interest." This has a very specific legal definition, and can also have organization-specific definitions.
- Soften the conflict of interest language, say "recusal" instead of "termination."
- Add that the conflict of interest recusal policy applies to ad-hoc workgroup members.

Section 7: Initial RAC Member Selection

Two options were presented to the Workgroup regarding RAC member selection. The Workgroup was asked to determine which option they would prefer.

- Why doesn't the RWMG take responsibility for selecting RAC members? The RWMG agencies feel that it is not appropriate for them to do this, as it may appear that the process lacks transparency and stakeholder input.
- What is the recruitment process? RAC openings will be advertised through the IRWM stakeholder list, and will be publically announced at RAC meetings.
- Workgroup expressed support for Alternative 2, with some caveats. Do not like the idea of "dissolving" the RAC entirely. Suggest keeping ½ of the RAC for 2-year terms to ensure continuity, and opening up ½ of the seats to applicants.
- Can existing RAC members re-apply for their seats? Yes.
- Allowing the caucuses to choose may result in a self-selection process with all of the same players. People may choose their preferred colleagues, who are likely already RAC members. All organizations face these types of issues.

Section 8: RAC Member Replacement

- Workgroup expressed support for Alternative 2.

Section 9: Member and Alternate Attendance

- Edit so that there are no "unexcused" absences, and only 2 are allowed per year.

Section 10: Member Termination

- Would be difficult and potentially humiliating for the RAC to vote on this. Suggest reconvening the Membership Workgroup that will resolve this issue if it arises. This would be a standing workgroup that exists for two years at a time.

Section 11: RAC Chair and Vice Chair Roles, Selection, and Replacement

- Revise "reinstated every second year." This is confusing.
- Edit all instances of "reinstatement."

Section 12: RAC Decision Making Process

- Revise "achieved" to "achievable." This has a different meaning, and achievable is more appropriate.
- Revise the financial matters section, the language is confusing.

Section 13: Ad-hoc Workgroup Member Selection

- Should the RAC criteria be applied to ad-hoc workgroup members? Yes, the same traits desired for RAC members are also desired for ad-hoc workgroup members.
- Should membership for ad-hoc workgroups pertaining to project selection be limited to only RAC members? There was general support for the idea of only allowing RAC members to be on the project selection workgroups; however, consensus was not achieved.
- Append the workgroup decision-making process to the RAC Charter, and apply the ground rules from this document to the workgroups.

Section 14: Public Comments at RAC Meetings

- This is very formal, but appropriate given that the RAC is a Brown Act body.

5. Funding/Financing Options

Rosalyn Prickett provided an overview of this topic, presenting a matrix of various potential funding strategies for overall IRWM program management, IRWM project implementation, and grant applications. Below is an overview of the discussion:

- What is the general timeframe we are discussing for program management? Does this need immediate funding?
  - No, there is secure funding from the RWMG through 2016.
- In general, what kinds of activities fall under "program management"?
  - Managing the RWMG, RAC, and Workgroup meetings; developing program materials; conducting outreach; managing the website; etc. Right now program management is a larger effort due to the IRWM Plan Update, but that is funded through a planning grant from DWR.
- It may be difficult to raise funds for this effort, because the program management tasks do not necessarily result in tangible results, which people generally want to see when committing funding to something.
- With respect to the proposal to form a non-profit (501(c)(3)) organization, is there precedent for this?
  - Yes, the Santa Ana Watershed Project Authority (SAWPA) and the Ventura Watersheds Coalition are both non-profit groups that run IRWM programs.
- Is there a reason to believe the RWMG will stop funding the IRWM Program?
  - Maybe in the future, but funding is secure through 2016.
  - It is difficult to make a decision regarding funding that far in the future – so much is likely going to change in the next five years.
- The regional sales tax as a program/project funding source is highly unfeasible.
- In the South Orange County IRWM Program, each participating agency pays a small fee to participate. We could potentially apply that scheme to the San Diego region.

- o Need to consider the "color of money," not all agencies and entities will be able to provide funding for these efforts.
- Need to discuss the amount of money that would be required. How much does the IRWM program cost to administer?
  - o This is difficult to say, but program management is approx. $100,000 per year.
  - o The grant applications are the most expensive piece, costing approximately $15,000 to $18,000 per project with database costs factored in.
- With regards to the Orange County example, how would that be implemented? Would agencies have to pay a fee to be eligible for RAC membership? Or would agencies be required to pay to be eligible for grant funding?
  - o This has not been decided yet, either option is possible.
  - o Should not be split in a "pay to play" fashion. The IRWM Program imparts regional benefits whether or not agencies sit on the RAC or receive grant funding. All water and wastewater agencies in the region should be required to pay.
  - o Disagree – a regional fee should include "pay to play" features, where agencies must pay the fee to be eligible for grant funding.
  - o Workgroup agreed that NGOs and DACs should not be asked to pay the fee, as it would likely prohibit these groups from participating.
- What happens when Proposition 84 expires, and there is no longer a financial incentive to pay the fee?
  - o Workgroup agreed that this will present a challenge.
- What about SANDAG and the Quality of Life initiative? Has the RWMG discussed joining this group?
  - o This funding is supposed to go towards unfunded mandates associated with stormwater management, and will not be made available for IRWM purposes.
- There needs to be a demonstrated need for program management funding. It needs to be articulated once the MOU expires in 2016.
  - o Program funding is a difficult issue, which should probably be discussed in a larger setting such as the RAC.
  - o Suggestion that the conversation not be limited to carrying on as the RWMG has in the past. The group should consider potentially raising money to pay for a staff person that will be responsible for garnering additional IRWM Program funding. This would likely occur under the non-profit approach.
  - o This option would be sustainable after Proposition 84 expires.
- Workgroup agreed that they are not comfortable with a project submission fee, noting that this would likely prevent NGO and DAC involvement.

6. Summary and Action Items

Kirk Ammerman provided the meeting summary, noting that the Workgroup reached consensus on most items in the RAC Charter, and looks forward to seeing edits and changes that reflect the Workgroup's recommendations. He also noted that the Workgroup had a robust discussion about funding and financing options, but agreed that there needs to be a larger discussion about these issues. Finally, Mr. Ammerman noted that the group agreed that this would be the final meeting of the Governance & Finance Workgroup.