



**Governance & Financing Workgroup
Meeting No. 2**

**April 5, 2012 ○ 9:00 am-12:00 pm
San Diego County Water Authority
Library Conference Room**

Draft Notes

Action items in italics

Attendees:

Mark Stadler, SDCWA	Michael Drennan, Weston Solutions
Cathy Pieroni, City of SD	Kirk Ammerman, City of Chula Vista
Sheri Miller, Rural Community Assistance Corporation	Kathy Caldwell, RMC
Leslie Reynolds, Groundwork San Diego-Chollas Creek	Crystal Mohr, RMC
Iovanka Todt, Floodplain Management Association	Lewis Michaelson, Katz & Associates

1. Welcome and Introductions

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

2. Recap of Previous Meeting

Lewis Michaelson asked Kirk Ammerman (Workgroup Chair) to provide a brief overview. Mr. Ammerman noted that at the previous meeting the workgroup drafted a decision process for the IRWM Plan Update workgroups. Mr. Michaelson noted that this process has been successfully implemented in all other workgroups that have met to date. Mr. Ammerman also noted that due to time constraints, the group did not quite have time to develop the RAC decision-making process.

3. Meeting No. 2 Objectives

Lewis Michaelson provided an overview of the current meeting objectives, including:

- Draft decision process and membership guidelines for RAC
- Preliminary direction on funding/financing options

4. and 5. Draft Decision Process and Draft RAC Membership Guidelines

Please note that due to the nature of the discussion, items #4 and #5 on the agenda were discussed simultaneously.

Mark Stadler initiated the discussion, asking workgroup attendees to take note of the handouts provided. He noted that the Memorandum of Understanding (MOU) between the Regional Water Management Group (RWMG) agencies specifically discusses the Regional Advisory Committee (RAC). This MOU is valid through 2016.

Cathy Pieroni noted that she would like to add some history regarding the RAC. In particular she noted that currently the RAC has 28 voting and 4 non-voting members. The RWMG would like to have a discussion about the size of the RAC. Does the workgroup think that this is the right size? In addition, she noted that looking at the current make-up of the RAC, the RWMG has tried to keep membership balanced geographically and topically. Further, Ms. Pieroni noted that there is a current process for when members step down or are no longer able to serve. To date when this occurs, members within each topical area either nominate/appoint people to replace former members, or individual organizations replace people internally when a former member is no longer able to serve. The nominations are taken to the RWMG, who makes the official appointments. It was noted that this process has not been formalized, and is not currently documented in written form.

Further, Mark Stadler added that in August 2009 RAC members were asked to sign a RAC Attendance Policy document, which described that no more than three unexcused absences will be accepted in a 12-month period. Mr. Stadler noted that to date the RWMG has placed telephone calls to remind RAC members of the attendance policy, but nobody has been officially removed from the RAC for violating the agreement. He also noted that new members that have been added since August 2009 have not been asked to sign the Attendance Policy document.

The following is a discussion that occurred among the workgroup with regards to membership, attendance, and decision processes of the RAC:

- Are the various topical areas treated differently with regards to replacing members?
 - In general the RAC will make recommendations, and the RWMG makes a final decision regarding membership. In the past the Retail Water Entities have worked together to nominate a person to replace a former member when one is no longer able to serve. In contrast, members from the Natural Resources and Watersheds and Members at Large topical areas have generally been replaced internally from organizations currently serving on the RAC.
- The issue with term limits, etc. for RAC members has not been implemented or robustly considered until now, because there has been a desire to continue with the current momentum generated by the RAC.
- Need to discuss two potential groups that are interested in joining the RAC: the Metro Wastewater Joint Powers Authority (JPA), and Surf Rider San Diego.

- What category would these groups fall under?
 - This is something that needs to be discussed. In particular, it was noted that there is not currently a spot on the RAC for these groups.
- Is it sufficient that the RAC currently has members (Albert Lau and Kirk Ammerman) that are also on the Metro Wastewater JPA?
 - This is a short-term, not a long-term solution.
- Suggest that the group look at the MOU and the general purpose of the RAC. He suggested that the group work to define the RAC on general terms before defining specific appointments to the RAC.
- Need to look at the overall purpose of the RAC. The MOU is very general and does not explain the history outlined by Cathy.
- Is there a need to increase transparency by solidifying and formalizing the RAC membership process, rules for replacing members, etc.?
- Going beyond this discussion, something that is important is considering the future. We do not know how long the IRWM program as we know it (funded by DWR) will last. We need to consider more long term solutions such as creating a JPA, etc.
- We really are not thinking about fundamentally changing the governance structure, especially since the current MOU goes through 2016. What we are considering is formalizing our existing process and putting some formal rules in place.
- When I look at the list of current RAC members, I think that their names and titles alone do not necessarily describe what role they play on the RAC. There is a basic premise and purpose behind the current members such as a person that represents a certain geographic area or certain topical area. These things are not captured in the overall categories that we have now. Would like to better categorize these positions to explain what roles members are supposed to fill.
- I agree with the above statement. Going through this exercise will help us to look forward at IRWM planning and answer the question of: do we have the right people?

Lewis Michaelson then asked the question, are there areas of interest that are not currently represented on the RAC? Looking at the list, are there people missing?

- Need to note that the head of the RWMG agencies already believe that the RAC is large enough. In order to add more people we would need to remove others.
- Need to also note that the RAC is intended to be balanced, diverse, and that RAC members need to be technically proficient in the areas they represent.
- Looking at the list, I do not see sufficient natural resources expertise in the South County.
- Question: in the category of retail water, is this only pertaining to potable water supply? Is there room for recycled water?

- Would like to see more representation of underrepresented populations (disadvantaged communities) in the category of water quality.
- Is the category currently held by Rob Roy for any tribal interest, or specific to the La Jolla Band of Lusieno Indians?

At this point, Lewis Michaelson suggested that the group move forward to drafting an overall RAC membership category document that explains the desired categories. The following is the discussion regarding that suggestion:

- Concerned about membership rules being too rigid. We want to have flexibility to consider access to membership.
- Definitely want a geographic balance, and a balance of public agencies and non-governmental organizations (NGOs).
- Outside of the existing categories (Retail Water, Water Quality/Wastewater, Natural Resources/Watersheds, and At Large), I think that Tribal and Disadvantaged Community (DAC) organizations are missing.
- There needs to be a better urban/rural balance.
- There needs to be a category for technical expertise to align with the IRWM Plan Update, such as climate change, land use, and integrated flood management.
- There needs to be a category for regulators
- How often should the members change over? Should there be term limits?
 - I am opposed to term limits. They may be a way to keep very valuable people off the RAC.
 - Perhaps we should have an annual or bi-annual review of members to see how well they are adhering to the Attendance Policy. This would be implementation of membership terms rather than term limits.
- Think it would be wise to take the caucus approach that we utilize with the retail water entities where they get together to make a nomination, and the RWMG makes final appointments.
- Why are there a certain number of representatives in each category? Is there a reason behind this?
 - There is no reason other than the fact that members have been added over time to fill certain needs and provide the necessary balance needed to have a productive group.
- I think it is necessary to define a process.

The group discussed a draft process for RAC membership. The process would include three steps: 1) Each category (caucus) will get together to nominate people to serve on the RAC, 2) RAC will make an ultimate nomination; 3) RWMG will consider the RAC nomination and make a final appointment. This process will not be true for the At Large members, who will be nominated through Step 2 and Step 3 alone (the At Large group will not caucus to generate a nomination).

- With the process outlined above, it is apparent that we need to have set categories for each RAC member so that it is very clear to each caucus, to the RAC, and to the RWMG what type of person is needed on the RAC at any given time.
- *RMC to create a “measles chart” that demonstrates where current RAC members fit within the categories determined by the Workgroup.*
- Suggest that instead of term limits, we consider a formal process for reviewing members every certain amount of time (terms vs. term limits concept). Suggest that we do this every two years on a rotating basis so that not all members are up for review at one time.
- We need to determine what to do in the event that a member is terminated. What is the process for this? There needs to be a formal policy on removal.
- How do we determine alternates?
 - Right now it is strictly up to each member to appoint an alternate.
- Each alternate needs to be someone that can seamlessly pick up and carry on the work of the RAC without disruption to the group.
- We need a general conduct policy for ground rules.
- Need to re-consider the concept of non-voting members. Why is this present?
 - The non-voting members are generally there by choice. They aren’t in a situation where they are not allowed to vote, but rather they represent entities that should not vote (outside government agencies or regulators).
- *Michael Drennan to take notes on the Preliminary Draft RAC Membership Criteria established by the Workgroup, and to conduct interviews of the RWMG representatives to refine the criteria before submitting to the Workgroup.*

The following is the Preliminary Draft RAC Membership Criteria outlined by the Workgroup:

General Rules

- Members should be geographically diverse
- Overall RAC should be diverse in terms of NGO and agency representatives
- There will be terms (rather than term limits), where membership is up for consideration every two-years on a rotating basis

RWMG (3 seats)

- City of San Diego
- County of San Diego
- San Diego County Water Authority

Water Supply (5 seats)

- Retail (North County)
- Retail (South County)
- Groundwater (Rural/East County)
- Recycled Water
- Water Conservation (assumed as NGO seat)

Water Quality (5 seats)

- Stormwater Management (Urban)
- Reservoirs
- Water Quality/Data Management NGO
- Regional Board
- Wastewater

Natural Resource and Watershed Protection (5 seats)

- Protection and Restoration (potentially River Conservancy)
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- Community Outreach and Education
- Recreation
- Coastal Ecosystems

DAC/Environmental Justice/Tribal Representatives (3 seats)

- DAC
- Environmental Justice
- Tribal

At Large (7 seats)

- Climate Change
- Land Use – spot specifically reserved for a representative from SANDAG
- Flood
- Military Community
- Business/Economic Community
- Agriculture
- Energy-Water Nexus

Following the discussion outlined above regarding the Preliminary Draft RAC Membership Criteria, the group discussed the Draft RAC Decision Process in further detail. Below is an overview of that discussion:

- Currently the RAC conducts knocking. This is used to determine support for an item. The RAC has officially voted in the past on more substantive issues such as allocation of grant funding.
- The knocking is a good tool, and has worked. Part of this success has been due to Kathy Flannery's skills in using the knocking to adequately determine when there is support and when the group should continue discussing an item.
- While the knocking worked well in the past, it is time to move forward towards something more formal.
- Would the workgroup consensus process be sufficient for the RAC?
- I think that we should do just simple majority voting.
- Simple majority voting does not necessarily move groups towards consensus, because it does not give incentive for compromising.

The group ultimately decided (tentatively) on the following decision process for the RAC:

- Implement the Workgroup consensus-based approach. This will be used as a gauge to determine support for issues.
- The Chair of the RAC reserves the right to determine when the group needs more time for discussion, and when the group is in stalemate and needs to move forward towards a vote.
- Votes that involve monetary decisions will require a 2/3 super majority. All other votes will require a simple majority.

Next, the group discussed how non-RAC members will be involved in the discussion process at RAC meetings. The following is an overview of that discussion:

- The agenda is public. The RAC meetings should therefore be treated as public meetings where there are comment cards and people can speak to specific items on the agenda as they come up.
- The RAC meetings should not be so open to public input. The IRWM workshops and workgroups are the forum for public input.
- Maybe considering pulling out certain items for public discussion when there is an obvious interest.
- What is the legality of this? If the RAC is subject to terms of the Brown Act, aren't public comments required?
- *RWVG to follow-up with legal counsel to determine what is required at RAC meetings and workgroup meetings, and to determine if these meetings are subject to Brown Act requirements.*

6. Provide a Preliminary Direction on Funding/Financing Options

The group did not have time to fully discuss the funding and financing options, but framed the discussion to prepare for the next Workgroup meeting. Kathy Caldwell provided an overview of the issue, noting that DWR has indicated that there will be a funding shift once the IRWM (Proposition 84) program has ended, which will require regions to be less reliant on state and federal funding sources. As such, DWR has directed all IRWM regions to include within their IRWM Plan Updates, a discussion on how funding will be secured after Proposition 84 funds have been exhausted.

- The following is a summary of the discussion that took place regarding potential funding and financing options for the IRWM Program:
 - Could potentially look to connect with the SANDAG Quality of Life funding strategy and the Water Quality Working Group.
 - Need to consider that even SANDAG has limited funding and this may not be a viable option.
 - There is a thought that the state and/or local agencies could leverage a Public Goods charge, which would be paid for from ratepayers.

- Ratepayers could also potentially contribute through Proposition 218. It was noted that the legality of this issue presents challenges, and would be difficult to implement.
- Could consider leveraging a surcharge or user fee for participation in the IRWM Program.
- Los Angeles County is looking at leveraging a tax to pay for stormwater-related projects, with a nexus to the IRWM Program.
 - *RMC to look into this fee and determine the terms (2/3 vs. majority vote) and how this could potentially be applied to the San Diego Region.*

6. Public Comments

No members of the public were present at this Workgroup meeting.

7. Summary and Action Items

No summary was conducted due to timing. Action items will be followed-up on after completion of the notes.