BACKGROUND INFORMATION AND STAFF RECOMMENDATIONS

NCIRWMP POLICY REVIEW PANEL & TECHNICAL PEER REVIEW COMMITTEE MEETING, JULY 21, 2011

The following items correspond to the North Coast Integrated Regional Water Management Plan (NCIRWMP) agenda for July 21 and are in agenda order. The items below include background information for agenda items that require additional explanation and include staff recommendations for action.

Evaluate proposed alternatives for decision-making

Background: In the last seven years, time sensitive issues related to funding, policies, legislation and miscellaneous factors have arisen that have the potential to affect the NCIRWMP. In cases where there has not been time to convene the entire Policy Review Panel (PRP) to respond to these time sensitive issues, the PRP has designated the Chair and Vice-Chair to confer and take action related to funding, legislation and policy matters so long as these actions are reflective of the past policy direction of the PRP, and are in keeping with the stated objectives of the NCIRWMP. Past examples of these decisions/actions have included letters to legislators regarding policy issues that may affect the NCIRWMP, actions on behalf of project proponents during the "bond freeze", verbal authorization for staff to pursue time sensitive funding opportunities on behalf of the NCIRWMP, and general correspondence on behalf of the NCIRWMP.

Recommendation: Staff recommends that the Policy Review Panel designate the Chair and Vice-Chair to make time-sensitive decisions and take action related to funding, legislative input, and other IRWM program requirements that are consistent with past PRP direction and in the best interests of the North Coast Region. Such decisions would be relayed to the full PRP after completion. Issues and decisions that are not time sensitive would continue to be addressed at the NCIRWMP meetings.

Evaluate Meeting Strategies (standing meetings, locations, tele-conference options)

Background: Because of the size of the North Coast region, travel to meetings is a challenge for PRP and Technical Peer Review Panel (TPRC) members and the public. Several options have been discussed to offset these challenges, including setting a standing meeting, alternating meeting locations in different counties, and using technology to avoid travel to meetings. With the adoption of the revised NCIRWMP MoMU, the meetings are required to be held within the NCIRWMP region – Redding is therefore no longer a meeting location option. Tele-conference options have been explored, and are extremely expensive and require the same level of noticing and staffing at each tele-conference hub as is required at regular meetings.

Recommendation: Staff recommends that regular NCIRWMP PRP/TPRC standing meetings be established, and that these meetings alternate between Humboldt, Mendocino, Trinity and Siskiyou counties. When there are not adequate agenda items to justify holding one of the standing meetings, the meeting may be cancelled by decision of the Chair and Vice-chair. When issues arise that must be addressed prior to a standing meeting, the Chair and Vice-chair may authorize staff to determine a meeting date that allows for attendance by the majority of the PRP and/or the TPRC. Staff will continue to explore tele-conference options.

Funding opportunities updates, timelines & legislative news

Miscellaneous legislative updates to be provided during the meeting.

Background – funding opportunities: The Sustainable Communities Planning Grant is funded by Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. It authorizes the Legislature to appropriate $90 million for planning grants and planning incentives that reduce energy consumption, conserve water, improve air and water quality, and provide other community benefits. The North Coast IRWMP (with Humboldt County as lead applicant) is eligible to apply for $1-2 million in funding through this program

Recommendation – funding opportunities: Staff recommends that the PRP authorize staff to develop an application to the Strategic Growth Council for development of a regional plan for energy independence, greenhouse gas emissions reduction, public health and natural resources management consistent with the objectives and approach of the NCIRWMP. Staff will discuss the plan with individual PRP and TPRC members to obtain their ideas and input regarding key application elements and approach. A draft of the plan will be provided to PRP and TPRC members for their input prior to submittal.

Project budget under-runs and funding reallocation processes

Background: In some cases, a NCIRWMP implementation project may complete under budget or otherwise not expend their entire grant allotment. Typically the funding agencies have allowed reallocation of funds to another project *within the suite* of projects included in the grant agreement for additional work toward the project. In previous instances where there has been funding to reallocate, the PRP has reallocated the funding to the projects within county where the under-budget project occurs. The PRP members from that county have in turn determined how to reallocate the money to project(s) within that county.

It is expected that with current and future funding there will be projects that are completed under-budget and will have remaining funds to reallocate. A number of options will be presented for discussion and consideration during the meeting.

Proposed Process for Updated Project Evaluation and Ranking Process

Background: At the November 10, 2010 PRP and TPRC meeting, the TPRC recommended to the PRP that they authorize a review and enhancement process to update the NCIRWMP plan and project evaluation process, given the adoption of the revised MoMU, the addition of additional PRP members, the upcoming revision of the NCIRWMP via the planning grant, and in the interest of continuous process improvement. The evaluation process to date has been as follows:

- Planning: updates and revisions to the NCIRWM Plan have been reviewed by the PRP, TPRC, regional stakeholders and by the general public via the NCIRWMP website and other mechanisms.
- Projects: a scoring sheet was developed based on Department of Water Resources (DWR) scoring criteria in order to ensure that the NCIRWMP projects adhered to IRWM program guidelines and that the overall NCIRWMP application was ranked highly by DWR. Additional criteria were added to the scoring sheet by the TPRC/PRP that reflects local priorities. The scoring sheet is one element of the overall review and evaluation process – other elements include project viability and readiness

at different funding levels, equity among counties, balance of project types in the overall regional project portfolio, overall funding match in the regional project portfolio, level of economic disadvantage and/or public health risk and other direction provided by the Policy Review Panel. The evaluation process has consisted of rigorous review by the TPRC, followed by a separate and second level of review and approval by the PRP. The PRP has in the past decided to approve projects for funding that did not score as highly as some other projects based on issues of economic disadvantage or in the interest of regional equity. Conflict of interest is avoided by following the standards of the Fair Political Practices Commission – every TPRC member with any interest in a project recuses themselves and leaves the room prior to a discussion/scoring of the project. In the last seven years, and over multiple funding application processes, there has been one complaint registered regarding the project scoring and evaluation process.

Recommendation: Staff recommends that the PRP form an ad hoc committee comprised of staff and TPRC members who will evaluate the existing approach to project evaluation and ranking and develop a draft proposed approach for consideration at the next PRP meeting. This ad hoc committee will exist only for the duration of this evaluation revision process and will disband after the PRP has adopted the revised evaluation process. Staff will discuss priorities and ideas with individual PRP members, TPRC members who are not on the ad hoc committee, and DWR staff in order to inform this process. A draft proposed evaluation approach will be provided for PRP and public review and comment prior to the next PRP meeting and the proposed evaluation approach will be placed on the agenda for a decision at the next PRP meeting.

Energy-Climate advisory committee

Background: The Policy Review Panel added energy independence and climate change to the suite of NCIRWMP objectives in 2009. As a result of this addition, staff have incorporated these objectives into the NCIRWMP planning framework, have participated in workshops related to energy independence and climate change, and have contracted for a regional assessment of biomass potential. Additionally, the NCIRWMP has successfully pursued several funding opportunities related to energy independence and GHG emissions reduction, including the $ 4.3 million dollar North Coast Energy Independence Program (NCEIP) Municipal Financing grant, and the $972,000 California Energy Commission Energy Efficiency Block Grant Program grant. The Policy Review Panel directed staff to consider an advisory committee on energy independence and climate in support of the NCEIP Municipal Financing program. The NCEIP Municipal Financing grant was terminated due to a lawsuit. Given the changes in the funding landscape, the need to integrate climate and energy into the planning grant, the wide range of issues covered by energy independence and climate change (eg, solar, geothermal, hydro-electric, wind, wave, retrofits, sequestration, transportation, climate adaptation), and the wide range of expertise in each of these areas, staff believe a formal committee would not be an efficient use of staff resources nor a good use of individual committee member's time.

Recommendation: Instead of forming a new committee, staff will consult on an as-needed basis with experts from throughout and beyond the region on issues related to energy independence and climate change. Staff proposes that the consideration of a committee be re-evaluated in the future as needed.