

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

**NEWPORT BAY WATERSHED EXECUTIVE COMMITTEE
Meeting Minutes**

Date and Location: October 02, 2008 – 10:15 a.m. – 11:55 a.m.

Participants:

- Hon. John Moorlach, Chair, County of Orange, Second District
- Hon. Bill Campbell, County of Orange, Third District
- Hon. Nancy Gardner, City of Newport Beach
- Mr. Fred Ameri, Santa Ana Regional Water Quality Control Board
- Mr. Jerry Amante, City of Tustin
- Mr. Garry Brown, OC Coastkeeper
- Mr. Phil Anthony, Orange County Water District
- Ms. Celeste Cantu, Santa Ana Watershed Project Authority
- Mr. Ron Sullivan, Santa Ana Watershed Project Authority Chair
- Mr. Wyatt Troxel, Santa Ana Watershed Project Authority Vice-Chair
- Mr. Peer Swan, Irvine Ranch Water District
- Mr. Wally Kreutzen, City of Irvine
- Mr. Sat Tamaribuchi, The Irvine Company
- Hon. Bob Woodings, City of Lake Forest
- Ms. Helen Birss, Department of Fish and Game
- Ms. Mary Anne Skorpanich, County of Orange, OCPW

Attendees:

- Joe Parco, City of Santa Ana
- Karen Cowan, County of Orange
- Kari Schumaker, County of Orange
- Marilyn Thoms, County of Orange
- Andrea Toscano De Souza, County of Orange
- Larry McKenney, RBF Consulting
- Nancy Hueler, City of Newport Beach
- Mark Adelson, Santa Ana Regional Water Quality Control Board
- Dave Webb, City of Newport Beach
- Heather Dion, Townsend Public Affairs
- Mark Tettermer, Irvine Ranch Water District
- Jeff Beehler, Santa Ana Watershed Project Authority
- Alex Waite, City of Tustin
- Irwin Haydock, Newport Bay Naturalist and Friends
- Krista Sloniowski, Connective Issue
- Dennis Baker, Newport Bay Naturalist and Friends
- Roger Mallet, Newport Bay Naturalist and Friends
- Matt Petteruto, Supervisor Campbell's office
- Rick Francis, Supervisor Moorlach's office
- Paul Jones, Irvine Ranch Water District
- Mike Marcus, Orange County Water District
- Bob Stein, City of Newport Beach
- Steve Juarez, Department of Fish and Game

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

Agenda Item 1 – Introductions

The meeting was called to order by the Executive Committee Chair, Supervisor John Moorlach, at 10:15 a.m. Supervisor Moorlach introduced himself and requested that each Executive Committee member introduce themselves.

Agenda Item 2 – Workshop on integrated regional water management planning options for Central Orange County Watershed Management Areas

One Water-One Watershed representative Supervisor Bill Campbell mentioned he is not normally an attendee of Newport Bay Watershed Executive Committee, but is attending this meeting due to his involvement with One Water-One Watershed Committee. Supervisor Campbell stated that the intent is to try to establish leadership approaches for the rest of the state. The purpose is to try to cooperate across counties and districts instead of district approaches focusing on their own areas. He informed the attendees that he is on the One Water-One Watershed (OWOW) policy committee and will take back to the committee what is discussed at this meeting.

Agenda Item 2 a. – Overview of Proposition 84-Chapter 2 and State’s regional acceptance process

Mary Anne Skorpanich stated this item was a follow up to the discussion at the last Newport Bay Watershed Executive meeting regarding the upcoming regional acceptance process the State of California will be conducting. The State will be soliciting interest from any of the regions around the State that want to compete for Prop 84 Integrated Regional Water Management (IRWM) planning funds. The decision for the Central Water Management Area is whether to compete for Prop 84-Chapter 2 IRWM funding under the auspices of the OWOW process or as our own region with our own IRWM plan.

Ms. Skorpanich provided an overview of Prop 84 approved by voters in 2006. Chapter 2 focuses on safe water and water quality and provides “block grants” to implement Integrated Regional Water Management Plans. This chapter focuses on regions cooperating and integrating their water resource issues across a number of different silos: flood control, water quality, water supply, and environmental. Chapter 2 assigns \$1 billion in funding by funding area; the Santa Ana Funding Area has \$114 million for grants. Chapters 3 through 9 will have grant programs focused on more individual topic areas but will give preference to any project that is also in an IRWM plan.

Ms. Skorpanich also stated that the State will establish guidelines for the process that the regions use to develop their IRWM plans and set criteria for those plans. The State will not select which projects to fund; they will only approve them in total as a plan for funding. The OWOW plan covers the entire Santa Ana funding area and the Central Orange County plan covers a subset of the funding area.

Agenda Item 2 b. – Overview of One Water-One Watershed integrated planning process

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

Ms. Celeste Cantu stated that One Water-One Watershed (OWOW) is very early on in the process. The State of California moves slow. The group has been meeting for over a year, but still in the beginning process. The group learned to build tolerance for uncertainty, and propose new solutions crafted differently from the past.

Mr. Wyatt Troxel stated that the OWOW concept was intended to benefit the entire watershed and had to be broader than SAWPA with an array of interests to meet the needs of our communities, watersheds, and environments for the next 15 years. The process embarked on is from the ground up. A framework has been created to bring things forward and fulfill what the State expects to qualify for Proposition 84. Prop 84 is not the goal, but a step in a process – a short term focus for a long term purpose. The process of engagement is to gain more assets and relationships.

Thus far, they have not formally approved a governance structure for the OWOW IRWM process. Santa Ana Water Project Authority (SAWPA) is operating under an organizational structure that is believed to fit the profile the DWR is going to expect. Fundamentally, the OWOW process is dictated by the participants not by SAWPA. SAWPA is an administrator of the program. The construct of OWOW is all member agencies.

The Steering Committee is an initial structure to represent water interests, environmental and environmental justice interests. There are 10 members of the Steering Committee. SAWPA represents only 20 percent of the steering committee. The Steering Committee is not going to determine the projects as far as qualifications. The purpose and function of the Steering Committee is to see that the rules of engagement to be set by DWR are followed. The selection process is fair and representative, and that everybody has a fair and open opportunity to present their needs and interests. It offers a structure that promotes open engagement by anybody that is interested in pursuing funding for Prop 84 at this time. It is anticipated that the organization will far out live Prop 84 activities, and will engage in future to come leveraging thing together versus how we might not be successful individually.

On the technical side, Pillar groups have facilitated objectives for their particular areas of interest representing an array of topics outlined in Prop 84, and not just Chapter 2. The Pillar groups develop their own objectives in isolation. In workshops these objectives are shared with other Pillars and compared with other Pillars looking for linkages integrating potential linkages. The objectives are presented to the Steering Committee; reviewed, hashed out, modified and then that was presented and approved by the SAWPA commission. SAWPA supports the effort and does not dictate the effort.

The process to start accommodating projects is called the Decision Plus System driven by a set of criteria. Proposed projects will go through this crucible to determine how they are integrated and to what degree they can be integrated whether or not the proponent even thought it would be integrated by looking at the linkage of various projects – called the Numeric Valuated Process – then reviewed by the Pillars and brought back to the Steering Committee to determine if they are being fairly and completely considered. The plan language used will go through a process. The Steering Committee is not comprised of technical people. The process involves a complicated yet systematic vetting system. Sets of projects will be presented not individual projects. There

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

might be capital projects or programmatic proposals that and resolve issues to get the best use of whatever funding available, based on our success with the State.

Agenda Item 2 c. – Analysis of two integrated planning options for Proposition 84-Chapter 2

Ms. Skorpanich presented advantages and disadvantages of the two alternatives:

OPPORTUNITIES & ADVANTAGES	
OWOW Integrated Regional Plan	Central OC Integrated Regional Plan
Support for regional projects/programs for groundwater management and conservation that will improve water supply reliability for Central OC	Promote Central OC WMA regional priorities for water quality, water supply, habitat, and flood management
Achieve legislative intent per implementing legislation, i.e., integrating across disciplines and planning for larger scale regions	Broad-based governance structure in place for 25 years
Easier demonstrating benefits to disadvantaged communities, a key priority for State	History of consensus based decision making process for plan development
Reduces in-region competition for funds at grant proposal stage, simplifies DWR’s approval process, and increases likelihood of award in earlier funding rounds	Established recognition that not all water resource needs have the same financing capabilities; some more reliant on grants and less able to provide matching funds
Central OC and North OC both part of one integrated regional plan	History of multi-benefit prioritization for grant funding
“Power in numbers” – the potential to achieve more working together than separately	Plans developed, although expected to be modified after State guidelines issued
Build stakeholder relationships and shared goals throughout the larger region—Big Bear to Pacific Ocean—that can be leveraged in future legislation and funding programs	

CHALLENGES & DISADVANTAGES	
OWOW Integrated Regional Plan	Central OC Integrated Regional Plan
Lack of a memorialized governance structure weakens the planning process and introduces greater uncertainty for local agencies	Grant funding competitiveness may be downgraded due to limited benefits for disadvantaged communities within Central Orange County
Proceedings not conducted as open public meetings; currently opportunities for participation are tightly controlled	Limits the scale of water supply and water conservation projects that local agencies could champion
Water supply may trump other water resource priorities of cities and counties such as water quality and flood control	Multiple plans within the Santa Ana funding area competing for grant funds may make DWR’s review and approval process more involved

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

<p>An allocation strategy that offers a “10% off coupon” on projects ignores the difference in financing abilities for water and wastewater agencies with rate payers vs. cities and counties with tax payers</p>	<p>Early funding rounds will likely give preference to projects that address drought issues and benefit disadvantaged communities</p>
	<p>Central OC might not be vetted by State as a region eligible to compete for Proposition 84-Chapter 2; fall back position is participate in OWOW plan</p>

Agenda Item 2 d. – Discussion of planning options

Ms. Gardner requested clarification on who in the OWOW process makes the decisions.

Mr. Troxel replied that Decision Plus makes the decision.

Ms. Cantu stated that Decision Plus is a computer program populated with goals and analysis information.

Ms. Gardner asked if decisions will be determined by points.

Ms. Cantu stated that projects ranked for funding will be determined by suite of projects fits what group is trying to accomplish.

Ms. Gardner asked how a project gets points for integration.

Ms. Cantu replied that this a question of granularity. If you look at the larger dynamics tied together it is a matter of perspective. Chapter 2 calls for an integration process and the funding is an incentive for collaboration. One goal is to engender a process on a larger regional basis. The second goal is to establish a positive working relationship with Regional Water Quality Control Board. The third goal is to create good plans and get some money to flow. Suites o projects are determined by how they address needs in the watershed.

Mr. Swan commented that the process sounds complicated and is not clear who makes the decisions and would feel more comfortable knowing that a committee was making the decision.

Ms. Cantu replied that the Steering Committee looks at the process. Everyone is invited to the next meeting.

Mr. Jones commented that he would like a written document with technical procedure and mechanics of governance process.

Mr. McKenney commented that he would like a ranking of projects.

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

Ms. Cantu replied that everything is possible. We are in the beginning of this process. The decision grows from the bottom up. We need to find a synergy to meet the goal of Chapter 2. We are relying on faith and participation.

Mr. Amante stated he is not a process guy. He is a decision maker as a policy maker. He does not feel it the OWOW process is defined enough to make any determination.

Ms. Cantu replied that the reactive paradigm is out and that the new system needs input.

Ms. Skorpanich stated that Central Orange County is accustomed to a different level of engagement. To date, the pillar members have defined existing conditions and challenges and proposed strategies for their topic area only. All other work on goals and objectives has been undertaken by non-public meetings of the ten pillar chairs and ten Steering Committee members.

Supervisor Moorlach stated that elected policy makers want to make decisions based on sound process and thorough information.

Mr. Phil Anthony asked what stakeholders would like to see changed.

Mr. Fred Ameri stated he is concerned about the process and requested a detailed policy document.

Mr. Sat Tamaribuchi suggested including an allocation portions of the \$114 million from Prop 84-Chapter 2.

Ms. Skorpanich stated that there are more pros than cons to Central Orange County competing for Prop 84 funds as part of the OWOW process. A written document stating the governance model should be part of the OWOW process and available for the participants and the public. Policy principles were offered to improve the process:

1. SAWPA Commission adopts a resolution memorializing the Steering Committee as the highest authority for OWOW process at its next regularly scheduled meeting.

Goal: memorialize decision making authority within the OWOW process and clarify that OWOW process and plan belongs to the region, not a single agency. Commitment needed before State undertakes its regional acceptance process.

2. Conduct Steering Committee in accordance with open meeting laws with public notice and opportunities for wider attendance.

Goal: broaden participation and flow of information to the entire region and expand opportunities for engagement to all interested parties.

3. Provide notice of Pillar meetings and Pillar Chair meetings to all OWOW participants.

Goal: broaden participation and flow of information to the entire region and expand opportunities for engagement to all interested parties.

*Newport Bay Watershed Executive Committee
Special Meeting/Workshop Meeting Minutes, October 02, 2008*

4. Publish details of OWOW planning process and schedule on OWOW website; update website information as process and schedule change.

Goal: broaden participation and flow of information to the entire region and expand opportunities for engagement to all interested parties.

5. Publish draft and final documents (goals, objectives, chapters) from the Steering Committee, Pillars, and Pillar Chair committee on the OWOW website.

Goal: broaden participation and flow of information to the entire region and expand opportunities for engagement to all interested parties.

6. To meet the State's requirements for formal plan adoption, have the Steering Committee select a subset of at least agencies, two of which have statutory responsibility for water management.

Goal: institutionalize region's ownership in the OWOW process and plan.

Ms. Cantu invites all to come to the next meeting.

Agenda Item 3 – Next meeting date:

November 19, 2008 – Boardroom of the Irvine Ranch Water District

Agenda Item 4 – Executive Committee Member Comments

None.

Agenda Item 5 – Public Comments and General Comments

Mr. Irwin Haydock supports the vision, strategic plan, and governance system being framed from the bottom up.

Mr. Dennis Baker wants to see a desired state included in the IRWM plan.

Ms. Cantu stated that DWR requires this process.

Mr. Roger Mallet requested that a technical manual, committee review, and a watershed definition be included in the OWOW process.

Ms. Cantu suggests how connected we are in one watershed.

Agenda Item 6 – Adjourn

The meeting was adjourned at 11:55 a.m.