



California Urban Streams Partnership
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Recommendations for a 2014 Water Bond

Brief Background to California's Watershed Resource Protection Programs

Starting in 1997, Governor Pete Wilson administratively established a Watershed Protection and Restoration Council to explore opportunities and more effectively coordinate resource protection efforts within the state's natural watersheds. By 1999, a State Water Resources Control Board (Water Board) Watershed Protection Program began through the implementation of Proposition 13. The enactment of AB 2117, in 2000, resulted in a joint Water Board and Resources Agency Task Force Report to the Legislature on the water resource management needs of the state and how the hundreds of local agency and community based watershed organizations deliver important watershed management services.

CALFED joined the watershed movement when it began, in 2000, funding watershed coordinators and watershed projects within the watersheds that led to the Delta. The Water Board also established a watershed coordinator in each of the nine regional board offices with Proposition 99 tobacco tax funds. Some of the regional boards began structuring and implementing their regulatory programs and responsibilities based upon watershed boundaries. AB 2534 (Pavley), enacted in 2002 to implement Proposition 40, started the Integrated Watershed Management Program. This legislation created a California Watershed Council (public advisory) and directed the CalEPA and the Natural Resource Agency (CNRA) enter into an MOU to coordinate this new program and other programs between themselves, other agencies and the public. A statewide watershed plan was written with extensive stakeholder involvement and released in 2004 as a Watershed Action Plan for California. A strategic plan prepared by the California Watershed Network, a stakeholder coalition, supplemented this effort.

The Watershed Council met during this time and included more than 300 participants supported by the Administration's recognition of the value of partnerships between the state and local communities. This led to several years in which watershed focused restoration work was backed up with knowledge of and appreciation by the Legislature and the Administration for the work performed by both urban and

rural watershed councils, resource conservation districts, the conservation corps and other local special districts. In addition, the CALFED watershed grants program created a great deal of constructive communication and interactions among the various parties of the watershed community.

Decline in Watershed Management

The progress made in collaboration and integration of watershed restoration has begun to unravel. One positive event resulting from the dismantling of the CALFED program in 2006 was transferring its watershed program to the Department of Conservation. The DOC very ably continued the watershed program that CALFED started. However, the Prop 50, enacted in 2003, ignored the Integrated Watershed grants program and instead created the new Integrated Regional Water Management Program (IRWMP). The IRWMP was originally supposed to be a shared program between the Water Board and the Department of Water Resources (DWR) (not less than 50% of the funding was to be appropriated to the Water Board). The new program started with regional planning grants and the first project implementation grants were awarded in 2006. Proposition 84, in what is seen by the watershed community as a backdoor political maneuver, established DWR as the sole program manager for IRWMP. The Department of Conservation was no longer funded to implement the Integrated Watershed program or fund watershed coordinator positions. Additionally, the Water Board's regional watershed coordinators were eliminated in 2012 due to the continuing budget cuts.

Analysis of Current Dilemma

The focus of IRWMP, as administered by DWR, has been water supply and water conservation. In the larger urban areas, e.g., the SF Bay Area, San Diego and the Los Angeles Basin, IRWMP is dominated by water supply and water treatment agencies as well as large and influential contractors. It has been very difficult for most community based watershed organizations (those seeking to accomplish multi-objective based restoration projects, including flood damage reduction, stormwater management, endangered species recovery, landscape-based water conservation and wetland and riparian recovery) to compete against the larger well-funded entities. It appears that they believe that IRWMP should primarily be a funding program used for water supply, while the other water resources management needs are perceived as more of an inconvenience. Although attitudes have evolved on the part of some water agencies about the value of integrating water and natural resource projects, the huge bureaucracy which comes with the IRWMP has created high transaction costs and long planning time frames that favor larger and more expensive projects. The IRWMP process appears to be working for large-scale “pipes and pumps” infrastructure related projects through local government agencies and large private firms. However, it is failing throughout the state for the restoration and management of the lands and waterways, projects that have been primarily performed by community-based non-profits and small businesses supporting local community based jobs while providing critical state and local benefits.

Although the IRWMP is supposed to also serve disadvantaged communities, Herculean efforts in the SF Bay Area to include projects within these communities have caused a lot of frustration due to the inability of community groups to manage the cost and administrative details/hurdles to participate. The

lengthy sequence of events that begins with the application, including numerous reviews, the frequently changing contract regulations, and the astounding lapses in invoice processing and payment have led many community groups across the state to simply avoid the IRWMP entirely. One of the original objectives in the SF Bay Area was to provide local jobs to accomplish needed watershed work. The reality, however, is that minimum wage workers sometime must wait months, if not a year, to be compensated for their time. Typically, the sponsoring local organizations do not have the capitol to carry project expenses during the time that IRWMP procedures currently require.

The IRWMP is seen in many regions as a “Pay To Play” program, and the goal of integration is seen largely as a “big staple” process , with projects becoming “coordinated and integrated” by simply adding them to priority lists and then stapling them together. The common method for a project to become a priority is for a representative to attend numerous meetings in order to pressure decision makers to place their respective project high on the list. Furthermore, another means to get a project listed is to hire a professional represent you and your project, rather than have your project honestly evaluated on its merits. In some regions, the Water Board's watershed coordinators tried to represent groups that contained very few resources. Unfortunately, this potential service is no longer available.

These realities of failure were lightly recognized in the “Water 360 Report” for the April 2013 Integrated Water Management Summit hosted by DWR. Top Administration officials spoke clearly of the need to resolve these dilemmas and to improve resource management services to all areas of California. However, with nearly a year passing since the Summit, the middle management agency staff charged with resolving these dilemmas appear to have limited personnel, funding, and/ or interest to pursue improvements as other new priorities have risen.

Recommendations

A 2014 water bond could regain some of the focus and socio-economic equity in water and watershed resources management. Please find our recommendations below:

1. The Pavley Integrated Watershed Management Program should be re-established and funded, possibly within the Department of Conservation, to bring together CalEPA, Natural Resources Agency, and local communities to better manage and restore urban and rural watershed resources. The DOC has proven that it has both the capacity and the skills to manage this program with sensitivity, recognizing the constraints of smaller local agencies, small businesses and non-profit organizations. The bond should state the intent to implement the Integrated Watershed Management Program (PRC, Sections 30945-30949) via the IWMP strategic plan and the recommendations of the AB 2117 report to the Legislature, following a brief six month update of both.
2. IRWMP implementation should be returned to a coordinated program of the CalEPA and the Natural Resources Agency to ensure the broad multi-benefit watershed focus it was originally intended to have. Local community support and liaison should be provided through the regional water boards and the DOC watershed coordinator grants to ensure communities and neighborhoods with limited capacity are able to adequately participate in these funding programs.

3. Both current bond proposals direct that the California Conservation Corps or a respective local conservation corps to be used whenever feasible for ecosystem restoration projects. This clause reappears in most bond acts but has never been very effective at presenting training or job opportunities in the natural resources sphere. We believe that it would be more effective if the bond act acknowledged that environmental restoration is one of the most cost-effective forms of climate change preparedness and that watershed projects could provide important training and jobs for the future. A specific funding allocation should go to the CCC's 'Watershed Stewards Project' (WSP) to develop jobs and partnerships with other agencies (especially the State Water Board and CA Fish and Wildlife), communities, and non-profit entities to undertake riparian ecosystem and watershed restoration, water quality monitoring, storm water management, water conservation rainwater capture, drought tolerant landscaping, and other similar projects. The WSP could fund pilot projects through grants or partnerships with other funded projects.
4. The proposed bonds dedicate funds to disadvantaged communities and otherwise give priority to disadvantaged communities with a need for safe drinking water supplies. While we believe that this is an important priority, we have some concerns. For some areas of the state, where these communities may exist with drinkable and overall acceptable water quality, one of the most compelling needs is to serve disadvantaged communities where the history of urban development has located them in floodplains that are unserved with flood protection or adequate stormwater infrastructure. These water management needs should be eligible for funding within disadvantaged communities under watershed, regional water security, and storm water provisions within any bond proposal.
5. The IRWMP program requires a cost-benefit analysis to be completed for each funded project; however, assistance which is supposed to be provided from the Department of Water Resources for completing cost benefit analyses for disadvantaged community projects was not provided in the last round of implementation grants. Each regional water management group should be required to fund an independent professional review team consisting of experts in stream and wetland restoration, stormwater management, and water supply, including disciplines such as hydrology, fluvial geomorphology, economic analysis, etc.) The review group would conduct the cost benefit analysis and the review of a project's merits prior to a project being included on the regional funding list. It is important to note that this process is modeled in part on the widely acclaimed independent panel in the North Coast IRWMP.
6. Section 79743(f), in AB 1331, appears to assign storm water management responsibilities to the IRWMP. It would be a huge step backwards to discontinue direct Water Board grants for storm water management/water quality projects. While storm water may be an appropriate element of the IRWMP, as currently constituted, it is inadequate to encompass all state stormwater projects. Riparian restoration has long been recognized for its water quality and water storage benefits and contributions to meeting TMDLs. In addition to the traditional storm water needs, regional boards are adopting trash TMDL's for urban streams which could lead to significant costs being unfairly burdened upon the lowest lying municipality. These jurisdictions should be eligible for storm water related funding.
7. The specific identification and funding opportunities extended to the California River Parkways and the Urban Streams Restoration Programs [AB 1331 - Sec 79731(c) and SB 848 – Sec 79736(a)(4)] are

welcome. However, both programs are described as ‘river parkways’ programs when, in fact, the DWR Urban Streams Program is not a parkway program, although some projects may have parkway features. These sections should be re-worded to state: “Restore streams and rivers throughout the state . . .” In addition, in an effort to gain widespread community support, provisions should be added to ensure significant multi-year funding is available to the Urban Streams Program that many local and often disadvantage communities rely upon.

8. A huge need exists for consistency among the state agencies within the grant administration process (e.g., application, contracting, and invoicing) and project monitoring requirements. In addition, there is a need for consistency among the various programs in providing for the internal administrative cost of NGO's and small businesses. Both current bond proposals allow state agencies to use up to 5% for administration and up to 10% for planning and monitoring. Similarly, to ensure broad community participation, funds for project administration and management costs incurred by small NGOs and business grantees should also be allowed.

With the demise of the state’s redevelopment agencies and programs, a water bond could provide key infrastructure to disadvantaged communities and communities in need of assistance – infrastructure in a form that celebrates natural resources and demonstrates the viability of meeting our greenhouse gas reduction challenges. Integrated infrastructure that delivers quality drinking water, safe wastewater and storm water systems, appropriate landscape-based flood damage reduction projects, community waterways and parks, and pedestrian/bicycle focused roadways are already happening, but usually only in our wealthier communities. We feel that the recommendations we have presented will go a long way towards providing this assistance as well as improving our public health and overall quality of life to all citizens.