

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING – DIVISION OF FINANCIAL ASSISTANCE
JUNE 16, 2005

ITEM 2

SUBJECT

ADOPTION OF THE PROPOSITION 50 SANTA MONICA BAY RESTORATION GRANT PROGRAM COMPETITIVE PROJECT LIST ([CPL](#))

DISCUSSION

Proposition 50, the *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002*, was passed by California's voters at the November 2005 statewide election. Chapter 5, "Clean Water and Water Quality," Section 79543 of Proposition 50 provides funds specifically for implementation of priority actions specified in the Santa Monica Bay Restoration Plan (Plan). This Plan was adopted by the Bay Watershed Council in 2002. Eighteen million dollars (\$18 million) has been appropriated from Section 79543 to implement priority actions from the Plan. The Santa Monica Bay Restoration Commission (Commission) is responsible for assisting in the development, selection, and oversight of projects in the Santa Monica Bay watershed funded by Proposition 50. Public agencies and non-profit organizations are eligible for these grant funds.

The Commission is authorized to recommend projects to the State Water Resources Control Board (State Water Board) that will help achieve the following Plan priorities; an asterisk denotes the highest priorities in the Plan:

Pollution Control Priorities

- *Zero dry-weather beach closures at Santa Monica Bay beaches by 2005.
- *Installation of storm water/infiltration devices at high priority sites to achieve significant load reductions for pollutants of concern.
- *A 50 percent reduction of trash to the Bay by 2006.
- A 50 percent reduction in mile-days Santa Monica Bay beaches are posted.
- End-of-channel/tributary trash capture devices installed at all feasible sites by 2006.
- Elimination of all excess flows into Malibu Creek.
- A 90 percent reduction of trash to the Bay by 2010.

Habitat Restoration Priorities

- *A 20 percent increase in kelp canopy within the Bay.
- *Restoration of Ballona Wetlands.
- *Restoration of Malibu Lagoon.
- A 20 percent increase in wetland/coastal habitat acres (lagoons, marshes, intertidal, dunes) restored by 2006.
- Restoration of 100 acres of native watershed habitats (riparian/streambank) located within a 200-foot buffer zone of local waterbodies, by 2006.
- An increase of 20 miles of potential steelhead habitat.

In addition to meeting one or more of the objectives specified above, all projects receiving grants from Section 79543 of Proposition 50 must meet the requirements of the Coastal Nonpoint Source Control Program (Chapter 7, Division 26 of the Water Code commencing with Section 79148).

During early fall 2004, Commission staff initiated the selection and funding process. This included the establishment of a schedule and release of a Request For Proposals (RFP). A workshop for potential applicants was held on December 16, 2004, and applicants were given until January 31, 2005, to submit proposals for consideration.

As of January 31, 2005, the Commission received the following in response to its RFP:

- Number of project proposals submitted: 40
- Pollution control projects: 28
- Habitat restoration projects: 12
- Number of agencies and organizations submitting proposals: 17
- Total requested funds: \$45.3 million
- Total matching funds: \$49.6 million

From February 28, 2005, to March 11, 2005, six staff members from the Commission and ten outside organizations evaluated and ranked the proposals. The outside organizations that assisted in the evaluation and ranking were: National Oceanic and Atmospheric Administration, City of Los Angeles, County of Los Angeles, Heal the Bay, Santa Monica Mountains Conservancy, S.G.A, Inc., City of Culver City, City of Santa Monica, and Los Angeles Regional Water Quality Control Board (Los Angeles Regional Water Board). Most proposals were reviewed by at least six reviewers; no proposal received fewer than five evaluations. Although the questions on the evaluation forms differed depending on the nature of the proposal (Habitat Restoration or Pollution Control), all proposals were evaluated according to the same basic criteria: Long-term Benefit to Santa Monica Bay, Project Feasibility, Qualifications of the Applicant, Other Benefits to the Bay (educational, recreational, etc.), and how well the proposal addressed the requirements in the RFP.

At the completion of the review period, Commission staff compiled scores and comments, assigned preliminary rankings, and scheduled a Review Panel meeting to determine final selections and rankings for the CPL. The Review Panel met on March 24, 2005. At the Review Panel meeting, panel members determined that the nineteen (19) top ranked proposals (those with the highest average scores) merited automatic placement on the CPL. The top 19 proposals will require all of the \$18 million currently available for implementation. The Review Panel also determined that 11 other proposals merited placement on the CPL, but that funding for these additional proposals should be contingent on the availability of additional funds from a subsequent appropriation or from a higher ranked proposal being rejected for funding. The Review Panel determined that the remaining ten proposals did not meet the requirements of the RFP; these applicants were informed in writing of the results of the Review Panel. Finally, the Review Panel recommended that conditions be included on several of the proposed projects such as reducing or expanding the scopes of work or reducing the amount of the grant.

The CPL was submitted and approved by the Commission's Governing Board at its April 14, 2005, meeting. The Governing Board chose to adopt the CPL without the rankings and comments recommended by the Review Panel. The Governing Board chose instead to review and approve the full proposals before making grant commitments. The CPL is attached as "Santa Monica Bay Restoration Commission Proposition 50 Grant Program Competitive Project List."

Commission staff will notify applicants by the end of May 2005 of their placement on the CPL. All applicants will be notified that placement on the CPL is not a commitment by the Commission or the State Water Board to fund a project, and that funds will be committed to projects only after submittal and thorough review of a full proposal. After notifying applicants of their placement on the CPL, Commission staff will work with applicants to develop their full proposals. The Commission Technical Advisory Committee (TAC) or a TAC subcommittee will assist staff in the development of full proposals and provide technical input where appropriate. From May through November 2005, grant commitments will be given to individual projects until the available funds are committed. The Governing Board of the Commission must approve all full proposals for a grant commitment before funds are committed.

POLICY ISSUE

Should the State Water Board:

1. Adopt the Santa Monica Bay Restoration Commission's Proposition 50 CPL allowing eligible applicants to submit comprehensive grant proposals and receive grant funds from Proposition 50 to address environmental problems within the Santa Monica Bay Watershed provided the proposal meets all requirements of Proposition 50, is consistent with adopted regional water quality control plans, is consistent with priority actions in the Santa Monica Bay Restoration Plan, meets the requirements of the Request for Proposals, and is approved by the Governing Board of the Santa Monica Bay Restoration Commission?
2. Authorize the Executive Director, or her designee, or the Chief of the Division of Financial Assistance (Division) to issue grants, contracts, and amendments to implement the projects on the attached CPL?

FISCAL IMPACT

The Budget of 2003/2004 appropriated \$18 million to the State Water Board for grants to implement priority actions in the Santa Monica Bay Restoration Plan. The staff required to administer Santa Monica Bay Restoration Grants for projects on the CPL will be funded by a five-percent allowance from Proposition 50. Staffing levels approved for the Commission and the Division will be sufficient to review and process grants approved for Proposition 50 funding.

REGIONAL WATER BOARD IMPACT

Yes, Los Angeles Regional Water Board.

STAFF RECOMMENDATION

1. The State Water Board should adopt the Santa Monica Bay Restoration Commission's Proposition 50 CPL allowing eligible applicants to submit comprehensive grant proposals and receive grant funds from Proposition 50 to address environmental problems within the Santa Monica Bay Watershed provided the proposal meets all requirements of Proposition 50, is consistent with adopted regional water quality control plans, is consistent with priority actions in the Santa Monica Bay Restoration Plan, meets the requirements of the Commission's Request for Proposals, and is approved by the Governing Board of the Santa Monica Bay Restoration Commission.
2. The State Water Board should authorize the Executive Director, or her designee, or the Chief of the Division of Financial Assistance to issue grants, contracts, and amendments to implement the projects on the attached CPL.

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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2005 -

ADOPTION OF THE PROPOSITION 50 SANTA MONICA BAY RESTORATION COMMISSION GRANT PROGRAM COMPETITIVE PROJECT LIST (CPL)

WHEREAS:

1. The *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* (Proposition 50) designated funds specifically for implementation of priority actions in the Santa Monica Bay Restoration Plan (Plan);
2. The Budget of 2003/2004 appropriated \$18 million from Proposition 50 to the State Water Resources Control Board to implement priority actions in the Plan;
3. The Santa Monica Bay Restoration Commission is established as a National Estuary Program per Section 320 of the Federal Water Quality Act of 1987 (PL 100-4) and is committed to the restoration, conservation, cleanup, protection and enhancement of Santa Monica Bay and the wise use of the natural resources within its watersheds;
4. The Santa Monica Bay Restoration Commission Governing Board is the governing body of the Santa Monica Bay Restoration Commission;
5. The Santa Monica Bay Restoration Commission has determined project eligibility and grant priorities;
6. The Santa Monica Bay Restoration Commission has undertaken a process to solicit and receive project proposals that achieve specific goals and priorities of the Plan;
7. A Review Panel has reviewed the proposals received, established a CPL, and forwarded that list to the Governing Board of the Santa Monica Bay Restoration Commission; and
8. The Governing Board of the Santa Monica Bay Restoration Commission adopted the Competitive Project List (Resolution No. 05-07) at their April 14, 2005 meeting.

THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

1. Adopts the Santa Monica Bay Restoration Commission's Proposition 50 CPL allowing eligible applicants to submit comprehensive grant proposals and receive grant funds from Proposition 50 to address environmental problems within the Santa Monica Bay Watershed provided the proposal meets all requirements of Proposition 50, is consistent with adopted regional water quality control plans, is consistent with priority actions in the Santa Monica Bay Restoration Plan, meets the requirements of the Commission's Request for Proposals, and is approved by the Governing Board of the Santa Monica Bay Restoration Commission.

2. Authorizes the Executive Director, or her designee, or the Chief of the Division of Financial Assistance to issue grants, contracts, and amendments to implement the projects on the attached CPL.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on June 16, 2005.

Debbie Irvin
Clerk to the Board