Environmental Cleanup Allocation Committee

April 10, 2008
Meeting Minutes

Committee Members Present:
Mark Adelson, Santa Ana Regional Water Quality Control Board
John Bahorski, City of Cypress
Karen I. Baroldi, Orange County Sanitation District
Garry Brown, Orange County Coast Keeper
Tim Casey, City of Laguna Niguel
Paul D. Jones, Irvine Ranch Water District
Joe Parco, City of Santa Ana
Tony Olmos, City of Brea
Hector B. Salas, Caltrans
Mary Anne Skorpanich, County of Orange-Watershed and Coastal Resources Program
Sat Tamaribuchi, The Irvine Company
Dick Wilson, City of Anaheim

Committee Members Absent:
William J. Cooper, UC Irvine
James Smith, San Diego Regional Water Quality Control Board Representative

Orange County Transportation Authority Staff Present:
Monte Ward
Ellen Burton
Kurt Brotcke
Marissa Espino
Belinda Riva

1. Welcome
Chair Garry Brown welcomed the committee members and called the meeting to order at 10:08 a.m. Chair Brown explained that the focus of this meeting would be an explanation of specific rating processes and discussion for potential scoring criteria for water quality projects.

2. Minutes
The minutes were approved unanimously without changes.

3. Program Design
Chair Brown introduced Kurt Brotcke to provide an overview of the program design. Kurt outlined the matrix as a roadmap and asked the committee for discussion of each item.

A. Programming Framework Matrix

Kurt Brotcke said that the matrix would be built upon as how the committee would approach the CTFP process. The matrix would essentially serve as guidelines then the committee could issue a call for projects. Kurt said that the intent is to start the eligibility program in the summer and be able to have all agencies eligible for M2 funding.

In response to the item on funds to eligible agencies, Monte Ward stressed two requirements that are new in M2 that would take some time to develop. These new requirements are signal synchronization and pavement maintenance/management. The other requirements are carried over from Measure M.

Tim Casey commented that it did not occur him that agencies need to be declared eligible for M2 to compete for funds in a subprogram like the water quality program. Monte responded that projects can be proposed or sponsored by other eligible jurisdictions.

In response to a question by Paul Jones, Monte Ward indicated that special districts would not receive funding and special districts need to partner with jurisdictions that are eligible.

Paul asked about eligibility if a special district crossed over multiple jurisdictions. Monte responded that funding could be granted to one or more jurisdictions.

Chair Brown asked if five eligible jurisdictions could combine and appoint a special district to manage and be the custodian of that project. Monte said that that situation could be possible.

In response to a question from Tim, Tony Olmos indicated that there are projects that are partnership concepts and involve two or more eligible cities and generally have to step up as a lead agency.

Tim asked if it is possible to have co-applicants for funding. Monte responded that the jurisdiction applicant and lead agency need an agreement.

Tim suggested if there was a project that involved three cities under one special district, the cities would be the co-applicants for funding, one city would come forward as the lead agency, and possibly the three cities would contract with the special district.

Monte further simplified that someone needs to step forward as then applicant and lead agency but also have an agreement with a special district. The responsibility can be carried out by the special district.

In response to a question by Paul, Monte said that there are no cities in Orange County that are not eligible. Cities are good at keeping up and there is no anticipation for eligibility problems.

Paul Jones suggested to implement non-bureaucratic mechanisms for non-governmental organizations. Kurt Brotke said that there should be no opportunity for cities to fall out of the eligibility process that is reviewed by taxpayer oversight. Monte Ward said that if eligibility was an issue, then we must surface the problem before it approaches and have a proactive approach.

Kurt introduced the requirement item on transportation-related water quality improvements. Tony Olmos suggested to make a requirement for a master Capital Improvement Program.

In response to a question by Mary Anne Skorpanich, Monte said defining a Capital Improvement Program is one of the topics the committee needs to cover following this meeting.

Kurt proceeded to address the prerequisites in the matrix for maintenance of effort requirement and revenue by year for call period and total period. The Finance group is working on the 2008 forecast and expect change of revenue in the call period.

Kurt introduced the requirements for design projects. Local projects focus on equipment, which are relatively low cost, deployed quickly and could be adjusted. The call cycle for these local projects may come earlier than a five-year call period. The funding program was discussed at the ad hoc meeting; the suggestion was made for the funding to be divided with 75% consisting of larger regional watershed projects, and 25% allocated for lower cost making it easier to implement local projects.

Paul asked if the percentages are set guidelines and if it is possible to adjust the percentages depending on the demand and qualification between regional and local projects.

Kurt indicated the importance of having flexibility in the guidelines. John Bahorski stressed fairness so no one is left out. Monte responded that there is an opportunity to determine the process.

John suggested to promote the incentive for collaboration on a regional level, which include two or more cities and special districts.

Mark Adelson proposed to have a past date that marks the starting point to when the date of adoption would be considered a match, as to not allow all prior development costs.

Tony suggested to define and make it clear what it means to match fund reimbursement. Tim Casey responded that it may be more important to look at the definition of match funds than a particular cut-off date. The committee needs to define what might be eligible prior expenditures that could be considered for funding.

In response to a question by Ellen Burton, Monte Ward said there would be eligibility for reimbursement for prior development if there is a transportation nexus.

Kurt Brotcke said the shelf life of environmental documents should be evaluated to a certain degree. In some instances, there are elaborate plans that do not involve the environmental process but are still valid. The committee should not draw a date unless there is an environmental document with a shelf life.

Mark Adelson agreed with Mary Anne Skorpanich that prior expenditures and investments in engineered plans and designs adds sufficient value to a project to be considered match but not to be considered for reimbursable costs in the past.

Monte suggested the idea of establishing an eligible design base. There are so many uncertainties prior to final design and programming in the earlier phases of the projects that sometimes lead to delays and project fall out. There was a general consensus among the committee for design base forward. Tony Olmos stressed final not preliminary design in the eligible design base.

Chair Brown said the committee has discussed issues for certain private and educational institutions to be considered eligible. Monitoring applications and something with educational institution could be integrated into a project, but these entities alone should not be eligible for the program. Mark said that education as a minor component of a larger project should be considered for eligibility but not education itself.

Sat Tamaribuchi said that the eligible design base would be handled in the project scoring criteria.   If a project is extraordinarily cost-effective and beneficial, the committee still may be able to consider education but it is at a disadvantage because final designs have not been done. The committee needs to make certain that best projects are selected based on cost-effectiveness and water quality management.

Monte said the committee needs to look into risk analysis for projects that develop timelines. Sat indicated scaling sensitivity towards projects that contribute benefits. Monte said the committee must use match and reimbursement as tools to determine the award of funding.

Chair Brown said that if an agency has more sources of funding, then they get more points in the scoring process. With projects that have a greater percentage of match, the project should be awarded with more points. The committee had a consensus that more sources of funding for local is better.

Kurt reviewed the delivery commitment discussed in the ad hoc meeting.

Monte gave the example that the biggest challenge in the program for road funds is delivery commitment and unanticipated delays. From a programming standpoint, the

majority of time is spent adjusting to issues that arise during projects. It is better off for projects to define how to deal with those problems upfront.

Mary Anne Skorpanich related to how the state has done in the past few years is obligating to the grantee to operate project work over a given period of time of possibly 20 years.

Mark Adelson responded that it is important for the public to know that funding has sustainability and durability over time. Regarding the maximum project funding, Tim asked if the committee has rough cost estimates for some of the integrated regional water management planned projects .

Mary Anne said that project costs range from less than $1 million to tens of millions, with some over $100 million. Mark said priority projects range in cost of half a million to the $20-30 million range. Generally, high cost projects typically request a relatively small percentage of grant funding.

Tim Casey asked if there is an illustrative scoring criteria from regional or state water boards. The models here are probably drawn from M1 transportation experience.

Mark said the state water board program has a minimum match but not in respect to percentage of match. As long as the project meets the minimum match, the project meets the criteria and there is no weight placed on the percentage of match funding.

Tim asked how the scoring criteria for water boards are waged among the projects that get at the most cost-effective and beneficial, which may be a foreign concept to the transportation arena.

Mary Anne said there was something that the County of Orange competed for in the state water board program in terms of scoring threshold or criteria. Mark responded that he does not recall a threshold or criteria but indicated that those terms possibly exist.

Monte Ward said that there is a constant tension in transportation in terms of rewarding overmatch. However, the entity with the more cost-effective project for water quality and traffic benefits succeeds. The committee needs to look at program design and review the process to deal with overmatch.

Karen Baroldi suggested that it should be clear to the applicants that there is a higher score in the criteria for those who have a higher percentage of match rather than having a general requirement for having a general percentage or minimum standard for match.

Paul Jones advocates a minimum matching amount for a percentage base because then entities would attempt to engineer and benefit from the program. Even the more expensive projects are most likely multi-jurisdictional projects, therefore there would be

more than one agency involved. The committee needs to look at a baseline in terms of percentage because the burden would not be on one agency in larger projects.

Monte Ward added that the scoring needs to look in relationship to the criteria and tie the two policies of a minimum matching amount and higher percentage of match.

Chair Brown asked the committee to suggest percentage numbers for a minimum matching amount.

Paul Jones said on the federal government level, the U.S. Bureau of Reclamation has a program for local water quality resources and uses 25% as local match.

Sat Tamaribuchi suggested the percentages of 35% to 65%.

Mark Adelson said state water board programs are typically 25% local match and 75%.

Mary Anne Skorpanich suggested a local sliding scale match depending on project scale.

Chair Brown suggested 25% local, 35% regional for match.

Tony Olmos said that the committee must look at the quality of the projects into the rating scale of merits and focus on that. In terms of match, the committee can reward additional points but not necessarily give preference to greater match.

Sat said the minimum percentage would be the criteria and after that, it is based on judgment. Monte added that the criteria would also be based on experience. Sat also said that another point would be of two projects that are similar and if one has more match, then the award would go to the project with more match.

Chair Brown indicated that no one has suggested a percentage lower than 25%, therefore that can be the minimum standard.

Mary Anne also indicated two sets of points: that the criteria should be based on the merits of the project and the priority of water pollution, in addition to whether or not the project is shelf ready.

Joe Parco suggested that 25% local may eliminate smaller cities. Tony responded that some cities do not have the budget and may not have the ability to compete. Karen said there could be adjustments made for disadvantaged communities. Mark asked what constitutes an economically disadvantaged community and what criteria is applicable to scale back match amounts.

Tim Casey suggested that it would be helpful to see rating criteria from water agencies and regional water boards to hone in on the best projects. Karen Baroldi gave the

committee copies of the Concept Proposal Application and Evaluation Criteria used by the state water board in the screening phase.

John Bahorski suggested that smaller cities are not necessarily concerned with water quality but more so the basic services. These are probably areas the committee would like to target.

Karen Baroldi asked if the committee could incorporate an environmental justice component in the ranking criteria that would possibly drop the percentage of match.

Paul Jones suggested to focus on the tailored approach to Orange County and see if we will face a real problem with disadvantaged communities.

Mary Anne Skorpanich suggested to review the annual costs and reports for the regional boards. Cost reporting is not perfect but it gives a general idea for numbers per capita.

Paul said that the bottom line is to best spend the money for water quality and how does committee make the rating process fair, equitable and streamlined. It is important to establish a process that does not eliminate or exclude anyone based on money. The committee should not create a complicated criteria.

Tim Casey said that local and regional would have a different match requirement gauge. The committee is trying to determine the fiscal capabilities of all the cities, which would be a difficult challenge. Every city should be receiving something from this committee that would be publicly visible and a return on the investment. The catch basin inserts are an effective water quality BMPs and this committee should develop a program that does not raise the bar too high.

Paul said there should be a non-competitive element and provide what gives the best outcomes for overall water quality.

Monte Ward said the issue of not being able to afford and participate is not a threshold issue. If an exception comes up, then we should have the criteria that has flexibility.

In response to a question by Sat Tamaribuchi regarding bus stops and trash cans, Monte said the cities are responsible. Sat suggested to come up with a program that is offered by OCTA as assistance for management of cleanup for bus stops and catch basins for strategic areas.

Paul suggested that we target funds to particular areas and design programs to the outcome of water quality.

Kurt Brotcke reviewed the maximum funding by phase, ad hoc meeting on technical evaluation review, consultants and post award requirements.

Monte Ward said he learned from public perspective that request delays over time mean red flags on oversight and results in tension. The lesson from that situation is to create a better managed program. Chair Brown said the intent of the program is to show benefits. With any project that is approved, there should be a monitoring component after three years to show measurable benefits or results. Tim Casey added that it is best that OCTA knows if the committee made an investment that is ineffective.

Ellen Burton asked in the scoring criteria if there are any consistencies with adopted plans that give points to higher priorities and if there are any documents that show what are the priority projects. Mary Anne Skorpanich indicated that there are two related lists, project list and identified regulatory programs that are designed to address water quality. Chair Brown said there are existing lists and the county is working to develop priority lists.

Mary Anne said that the committee needs to determine how to best utilize these lists and make them coherent to this program.

B. Scoring Criteria Sample

Kurt reviewed the Scoring Criteria Sample portion of the program design. Among the six areas to the framework, the most challenging to determine is cost-effectiveness.

Paul Jones suggested that the cost-effectiveness and water quality improvement benefit portion should be juxtaposed with equal importance because of the level of complexity. It is important to first look at the water quality benefits then evaluate the costs.

Dick Wilson said he does not want to make the scoring process so difficult that applicants have to do a higher level of scientific research, but rather the scoring criteria should be straightforward enough so it is not burdensome. Mary Anne said the criteria could account for how many water quality problems the applicant addresses.

Monte suggested that applicants can fill out the application and see their score as they are developing it, providing a toolkit that allows them to see the scoring process.

Chair Brown said this scoring criteria needs major discussion for setting parameters. It is important to address the guidelines and what are the priority pollutants, but it is impossible to determine the true costs because it is beyond anyone's means.

Monte asked what would be the approach for how the pollutants were going to be approached and asked what are the efforts being done if we did not have this committee for funding.

Mary Anne said that there is a consortium of regulating committees consisting of about 20-30 agencies for basic research, bench testing and BMPs to look at cost-

effectiveness. However, grant funding is always needed to conduct these tests and BMPs. Paul suggested the committee collaborate with these agencies.
Monte Ward said the program is in place to enhance not replace what is already going on among cities in terms of water quality. Paul Jones said that given the magnitude of the costs, the combination of funding will not resolve the problem.

Kurt Brotcke introduced the local match portion on the scoring criteria and asked for discussion.

Sat Tamaribuchi suggested local match should be something to compare after looking at criteria and the minimum would be a requirement for the applicant to qualify. Tim Casey said that the points on the current draft of the scoring criteria are skewed away from water quality.

John Bahorski said that project readiness should hold more points because of the delivery commitment. If the project already has the permits, environmental and secured plans, then the level of certainty of delivery commitment would increase.

Paul said that if areas in parts of the county have been neglected and have insufficient funding by using solution basis, the criteria should be flexible on an exception basis to waive local match.

Sat asked if County of Orange is an eligible agency and suggested to have a program where the county manages the installation of catch basins in prime locations. The county would provide low administrative costs and have the cities maintain the basins. John asked if it would be possible for the county to act as the lead agency for catch basins and local agencies could come to the county to implement the basins. Mary Anne Skorpanich suggested that it would be easier to give money directly to the cities.

Chair Brown anticipates cities signing up for a program for catch basins and create a large purchase order for these basins to facilitate for lower costs. Monte said this committee should develop program guidelines for the outreach project and surface real ideas.

Kurt explained the transportation nexus portion and other requirements of the scoring criteria.

Mary Anne suggested that the program would install the catch basins and the cities or agencies would match with operations and maintenance.

John indicated that there should be points awarded for collaborative projects that involve other cities and agencies. Mary Anne asked if it was necessarily more beneficial for collaboration. Tim said that it is a necessity to stay true to the focus that is water quality management on the basis of cost effectiveness.

Tony Olmos suggested two distinctly different scoring criteria for local and regional. Paul said that a possible gauge on a regional scale would be how many participants are involved within a particular watershed. Monte Ward said financial participation and operation from benefits of collaboration are more beneficial than letters of support.

Tim Casey said that what matters is two or more agencies that will implement programs and will sustain in X amount of years. This committee should develop a catch basin program as a baseline because the results would be visible.

Mark Adelson added that CDS systems serve the same function even for privately operated areas. Tony Olmos indicated that there is only the commitment issue to implement and maintain something like a catch basin program. Mark said that a solution would be to put in CDS units in trunk systems instead of drain inserts at every catch basin.

Chair Brown said that at the ad hoc meeting there was a gaining consensus and asked if anyone in the committee wanted to join.

Dick Wilson gave to the committee handouts for two program grant evaluations from CA Dept. of Water Resources and Marine Spill Response Corporation.

C. Programming Sample
Kurt Brotcke briefly reviewed over the programming sample for the Environmental Cleanup Allocation program.

4. Workshop Summary

    A. Review
    Monte said that in the workshop discussions there are several action items. One of the topics is how do we come together for the capital improvement program and start compiling resources.

    B. Discussion of action items
    In programming, Monte indicated that the committee needs to determine what is transportation-related and come up with ideas based on discussion and develop guidelines.

5. Public Comments
No public comments.

6. Next Meeting – May 8, 2008

7. Committee Member Reports
Mark Adelson recognized Chair Brown and OC Coast Keeper for achieving a grant for their incentive program.

7. Adjournment
The committee meeting was adjourned at 12:01 p.m.