



SAN FRANCISCO ESTUARY INSTITUTE

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RMP Steering Committee Meeting

November 13, 2014

San Francisco Estuary Institute

Meeting Summary

Priority discussions for review are highlighted in yellow.

Attendees

SC Member	Affiliation	Representing	Present
Jim Ervin	City of San Jose	POTW-Large	Yes
Dan Tafolla	Vallejo Sanitation and Flood Control District	POTW-Small	Yes
Karin North**	City of Palo Alto	POTW-Medium	Yes
Adam Olivieri	BASMAA / EOA, Inc.	Stormwater	Yes
Peter Carroll	Tesoro Golden Eagle Refinery	Refineries	Yes
John Coleman	Bay Planning Coalition	Dredgers	Yes
Rob Lawrence	US Army Corps of Engineers	USACE	Yes (by phone)
VACANT		Industry	NA
David Frandsen	NRG Energy	Cooling Water	Yes
Tom Mumley*	SFB Regional Water Quality Control Board	Water Board	Yes

* Chair, ** Vice Chair

Guests and Staff

- Dave Ceppos (CSUS-Center for Collaborative Policy)
- Lawrence Leung (SFEI)
- Jay Davis (SFEI)
- Phil Trowbridge (SFEI)
- Adam Wong (SFEI)
- Warner Chabot (SFEI)
- Jim Kelly (SFEI)

I. Approval of Agenda and Minutes [Tom Mumley]

Peter Carroll reopened the discussion from the July 12th meeting summary with regards to the detail level of SC meeting summaries. The group agreed that SFEI will continue to provide summaries with the same level of detail. When SFEI sends out the meeting summary for review, they will highlight sections of particular importance for review. No sections were deemed to be of issue in the previous summary.

Items for Approval:

Adam Olivieri motioned to approve the previous SC Meeting Minutes, Karin North seconded, and they were unanimously approved.

II. Confirmation of Chairs [Tom Mumley]

Peter Carroll began a brief discussion about the possibility of term lengths and limits, and the group agreed that those items should be codified in the forthcoming draft Charter.

Items for Approval:

Peter Carroll motioned to maintain the current Chairperson, Tom Mumley, and Vice-Chair, Karin North. Adam Olivieri seconded the motion. SC members voted unanimously in favor of the proposal.

III. Information: TRC Meeting Summary [Phil Trowbridge]

Phil Trowbridge highlighted four issues from the September 23, 2014, TRC meeting.

1. A two-year proposal for the randomized monitoring of the Bay margins was delivered to the TRC, with a scope of work totaling \$511k over two years. The TRC requested that SFEI look into ways to reduce that budget. SFEI has since issued a small Request for Proposals in order to receive more realistic numbers from subcontractors. During this process, Water Board staff and others expressed the desire for targeted sampling to complement the randomized Margins sampling. SFEI is currently working on a revised proposal for the TRC.
2. USGS presented on their suspended sediments work, projecting an increase of \$60k in costs for the next year to maintain their current level of work. The RMP has been using USACOE funding for this project, which has been provided at a static level since 1992. A request for funding has been submitted to the Bureau of Reclamation, but no response has been received yet.
3. Phil presented his decision to not shift the RMP to a fiscal year, which the TRC agreed with. The proposal has been postponed until FY 2017. Additionally, Phil relayed that he had checked with the auditors, and the RMP would not incur additional costs due to remaining on a Calendar Year accounting while SFEI switched to a Fiscal Year.

4. The TRC recommended that \$8,000 of undesignated funds be allocated to add the 2012 bird egg data to the 2006/2009 Bird Egg Report. This proposal was sent to the SC by email, and was unanimously approved on October 2, 2014.

Adam Olivieri raised a question with regards to Page 1 of the TRC minutes, indicating that it was unlikely that Chris Sommers had presented on Dave Ceppos charter development work.

Action Items:

1. SFEI Staff will confirm TRC minutes from 9/23/14. Double check who reported on the Charter Review (listed as Chris Sommers).

IV. Information: 2014 Budget Status [Lawrence Leung]

Lawrence Leung reviewed the November 6 Memo. He highlighted that SFEI would like to combine all the active RMP projects into the current budget year, rather than keeping old budget years open for multiple years. Tom Mumley and Karin North agreed with the proposal, no vote was taken as it was pointed out that this was a previously agreed upon item that was only now being implemented.

Adam Olivieri asked for clarification about the various representations of the \$200k reserve funds across the first figure on page 23, the chart on page 24, and the chart on page 38 of the agenda package. Additionally, he and Karin North identified several uses of "unencumbered funds" left un-updated in the documents.

Adam Olivieri also inquired as to the composition of the carryover funds originating from 2013. Phil Trowbridge explained that these funds were mainly from the Nutrients conceptual model work and wet weather sampling that was delayed due to drought conditions. These items can be seen as lines 4.6 and 4.7 in the Item 4, Attachment 2.

Tom Mumley opened discussion about the appropriate location to account for incoming monies from Caltrans. He explained that the current line item under "Cash, Set-Asides, and Undesignated Funds as of reporting date", seemed inappropriate as Caltrans is contractually obligated to deliver those funds. Karin North explained that in the past, Meg Sedlak had been reticent to include the Caltrans monies in the budget until they were in hand. Tom Mumley elaborated that previously, Caltrans had not been under contract, but that the budget should be updated to reflect the new situation.

[Note: Subsequent to the SC meeting, SFEI determined that the CalTrans funds are part of the expected stormwater fees. They are tracked as accounts receivable because CalTrans does not pay the fees until they receive an annual report. SFEI includes these funds in the expected RMP fee revenue for the year. These funds do not go directly in the undesignated funds as was suggested at the meeting.]

Action Items:

1. SFEI Staff
 - a. In section starting on page 20, clean up use of "unencumbered" vs. "undesignated"

- b. Develop consistent representation of \$200k reserve policy within the Undesignated fund. Add a note to the Balance Sheet that the RMP has a policy to maintain a \$200k minimum balance of Undesignated Funds.
- c. Figure out where to appropriately account for the Caltrans money. They are contractually obligated to pay us. Are these funds additional revenue that goes directly into the Undesignated Fund?

V. Action: Approval of the Line Item 2015 Budget and the 2015 Program Plan [Phil Trowbridge]

Introduction

Phil Trowbridge began by acknowledging that he had received direction from the SC in the July meeting to deliver a more detailed budget that was better tied to deliverables, with more line items and more categories. In response, he split the “Program Management” category and its 4 line items into two categories: “Program Management” and “Governance”. Likewise, the category “Information Management & Synthesis” was split into “Data Management”, “Annual Reporting”, and “Communications”. Status & Trends and Special Studies remain as categories. In total, the number of line items increased from 36 to 53.

Dredger Revenue

Phil presented dredger revenues for 2015, explaining that there is a shortfall of \$165k due to dredger volumes and their associated fees decreasing due to regulatory incentives. Part of the 2015 budget proposal was the use of the remaining \$88k in the Designated Dredger Reserve Funds and \$77k from Undesignated funds to cover this shortfall. Tom Mumley clarified where the Dredger Reserve funds originated, explaining that a target exists every year for incoming revenues from dredgers, and that any amount received above that target went into reserve. Revenues have been below targets for several years and there is no expectation that that trajectory will reverse. John Coleman asked if the volume calculations for dredgers fees included the beneficial reuse of in-Bay sediments. Phil Trowbridge responded that the algorithm only accounted for in-Bay disposal of dredged materials, as tracked by the Water Board, and that reuse of dredged materials on land was not included. Rob Lawrence explained that there is no current in-Bay beneficial reuse of sediments. Tom Mumley summarized by saying that the current algorithm has probably run its course, and that a new plan is needed.

Set Asides

Phil Trowbridge explained that there is a lot of complexity involved in maintaining separate set asides in multiple categories (Water Chemistry, Program Review, Cormorant Monitoring, etc. See Page 37 of the Agenda). He proposed combining all set asides, and presented the forecasted withdrawals or deposits from 2015 to 2023.

Tom Mumley requested an explanation and some additional thought with regards to the \$111k balance that was projected to be carried at the end of 2023. He explained that part of the carryover related to sediment benthos and toxicity sampling analysis, two items with uncertain futures. He wanted to make sure that these funds were enough to cover those items that the Program is committed to in the future. He

also sought clarification of the necessity to maintain a second reserve in tandem with the undesignated funds reserve.

Phil Trowbridge explained that the current projections included the full costs of items like benthos sampling in 2018, but that by combining each of the set aside items into one item, it would give the Program additional flexibility.

[Note: Subsequent to the meeting, SFEI determined that the reason that there was a projected Set Aside balance of \$111k in 2023 was because there was an \$88k Set Aside for a Program Review that was being carried forward each year. Whenever the SC decides to conduct the next RMP Program Review, these funds will be used up. For the S&T Set Aside funds, there will only be \$23k left over after 2023. Therefore, the S&T Set Asides do not constitute a second undesignated funds reserve.]

Undesignated Funds

Phil Trowbridge presented the ledger of balance changes to the Undesignated Funds. The budgeted use of Undesignated Funds in 2015 would total \$211k.

Program Management and Communications Costs:

Phil Trowbridge opened the discussion by explaining that the increase in Program Management costs was due to an increase from \$12k to \$50k for budgeting and planning. The \$12k budget for this task was unreasonable given the amount of work needed to produce the annual budget, Multi-Year Plan, Program Plan, and Detailed Workplan.

Communications costs were also increased in the 2015 budget due to it being a full Pulse year, as well as for increased stakeholder engagement. Tom Mumley asked to clarify what the costs were for stakeholder engagement. Phil Trowbridge explained that it was a new line item for \$42k and that it reflected requests by outside stakeholders for RMP staff to attend their board meetings. It would include attending different board meetings, other meetings, and phone communications with stakeholders. Tom Mumley clarified that because this was a new line item, this work had previously been a part of general Program Management. Peter Carroll expressed his appreciation of SFEI staff making themselves available, while also pointing out that costs might be highest in this first year with two key individuals (Warner Chabot and Phil Trowbridge) being new to the program. Phil Trowbridge agreed that it was possible that these costs would be reduced in future years. His main goal was to make sure that it was included as a new line item, as this will allow for better tracking and understanding of the true costs of these tasks. He and Karin North both expressed keen interest in what the actual numbers for 2015 would be.

Adam Olivieri asked for clarification about the difference between items 5B (Stakeholder Engagement) and 1E (External Coordination) from the RMP 2015 Expenses table (page 41). Phil Trowbridge explained that 1E was for communicating and coordinating with entities external to the RMP (such as the Delta RMP and SCCWRP), while 5B was for engaging with RMP Stakeholders.

Unfunded Items

Phil Trowbridge wanted to call specific attention to four line items that were included in the budget but were unfunded.

1. The first was California Toxics Rule Water Chemistry Monitoring. The data were last collected 10 years ago, and the cost of completing the monitoring effort is estimated at \$50k for three samples. This cost estimate was high because the RMP would have to collect the samples during the winter season (worse case condition) instead of during the summer during the planned RMP sampling efforts. Tom Mumley expressed agreement on keeping this item unfunded. He acknowledged that there is value in the regulatory arena for these analyses, but wanted to be sure that the current data on hand are not excessively dated. Jim Ervin said that the results for CTR analyses could be confusing and that most importantly he wants the decisions made about monitoring to loop back to the regulatory policy. He stated that if data are not going to be collected, then it seems unfair for the dischargers to be regulated on those parameters. Tom Mumley and Karin North came to the conclusion that the most appropriate course of action would be to have Water Board staff attend a BACWA meeting to discuss whether or not these analyses are an issue.
2. Phil Trowbridge explained that the potential increase in funding for the USGS suspended sediments work was not yet confirmed, so it was not included. The line item for the USGS-Sacramento reflects the current estimate for the cost of that work.
3. Phil Trowbridge then discussed funding for a redesign of the SFEI website. He explained that while the site does need a redesign, funding for that effort was not included in order to balance the budget.
4. Phil Trowbridge explained a similar situation with regard to the line item for Products for New Media (e.g., an eBook for the Pulse). There is work to be done under this line item, but at this point it is a lower priority and thus will remain unfunded. Karin North inquired as to what the cost differential was between the paper Pulse and an eBook version. Adam Olivieri expressed that he was fine with a digital version only. Peter Carroll said that there are varied preferences among his constituents. Karin North asked if reducing the number of copies printed was actually much of a savings; short of not producing a paper version at all, there might not be a large cost savings. Jay Davis clarified that the line item of Products for New Media was for the eBook only, a PDF version of the Pulse was a trivial cost, and would still be produced. Tom Mumley said that he was under the impression that the eBook was a one-time cost and that he was surprised to see it as a recurring item. Phil Trowbridge replied that the original eBook costs for software and developing expertise were one-time costs, but that the development of additional content (videos, interactive elements, etc.) were encompassed by this line item. He added that if the desire was only to animate the PDF version of the Pulse every year, then it would be very close to the one-time cost. Tom Mumley shared that he received feedback that there was added value from video and the like, but that the Program has to work out an optimum communication plan. He added that there would obviously have to be some give and take in the budget if these new media elements were prioritized, that the money would have to be pulled in from somewhere.

2015 Pulse Costs and Content

Adam Olivieri questioned if we need a full edition of the Pulse for 2015. Phil Trowbridge stated that it was planned to be a companion piece to the 2015 State of the Estuary conference, focusing on Pollutants of Concern. Karin North said that, while the plan had been to produce a full Pulse every other year, that should not drive the program to produce a product out of a sense of obligation. She is most interested in a full version if we can produce profiles on Pollutants of Concern similar to those about Contaminants of Emerging Concern produced in 2013. Phil asked if the Pulse would be an appropriate place to capture the outcomes of the reference document that the Water Board plans to produce about where we are and where we are going with mercury and PCB TMDLs. Tom answered that there is not enough time to have that work ready for the 2015 Pulse, and that he worried that there was not enough time for the RMP to both generate the storylines and to produce the content for the Pulse in 2015. He asked how consistently we would be able to rank Pollutants of Concern. He also said that there is no expectation for the Pulse to complement the SOE conference. Jay responded that there was at least some expectation, due to planned work for the Pulse to update indicator values in support of the SOE report. Tom Mumley proposed revisiting the specifics of this line item at a later date, but moving on unless there was a motion to cut it entirely from the budget. Jay Davis expressed his view that the Pulse is the key information product of the RMP, and that he would send out an outline to move the decision process along before the January SC meeting.

Next there was discussion about the differences between the “full” and “lite” versions of the Pulse. Karin gave feedback that her colleagues did not necessarily see the difference, as they both have high production quality. Jay responded that there is a difference in focus between the two versions (the Pulse is about the Bay, while the RMP Update is about the RMP), and that perhaps it would be possible to do a bay-wide focused Pulse with an effort level similar to the RMP Update version. Tom agreed that that option may need to be pursued due to time constraints. He worried that, with approximately 6 months until print, there was not an approved outline and that Jay has additional commitments in the coming year. The agreement was that Jay could move forward with scoping a full version of the Pulse, contingent on approval of the outline that will be sent out before the January meeting.

Dredger Fee Algorithm

Phil Trowbridge and John Coleman discussed a schedule for holding meetings about the algorithm for collecting RMP fees from dredgers. It is anticipated that 2 or 3 meetings will be needed. Phil will coordinate with John to hold a planning meeting in early 2015 to be ready to present the issue at a BPC meeting in May 2015. The issue needs to be resolved by September 2015 when the invoices for the 2016 RMP budget will be issued.

Program Plan

Jay Davis quickly addressed the Program Plan draft, and questioned if it was providing value to the SC in addition to that provided by the Detailed Workplan. Tom Mumley admitted that other than him, very few people probably read the Program Plan, and it is not used as a reference. It was agreed that it would be reviewed in January when it could be compared with the Detailed Workplan.

Items for Approval

1. Karin North motioned to approve the first recommended motion (Page 36). Peter Carroll seconded the motion and it was approved unanimously.

Action Items

1. TM
 - a. Water Board staff will attend a meeting of the BACWA Permits Committee discuss whether water testing for CTR parameters is necessary.
2. JD
 - a. Send out a proposal for the 2015 Pulse to SC via email. (Note: the SC questioned the need for a full Pulse; asked if fewer hard copies could be printed; asked for an eBook minus new content)
3. PT
 - a. Add an item to the January SC agenda to discuss Set-Aside Funds, Monitoring Contingency, CalTrans payments, and Undesignated Funds. Clarify the rationale for having \$100k in S&T Monitoring Set-Aside Funds in 2023. Are these funds needed for the next cycle of expensive monitoring?
 - b. Schedule 2-3 meetings with the BPC, Water Board, and others regarding the algorithm for dredger fees. Schedule an initial planning meeting with BPC. Need a final answer by September 2015.
 - c. Add an item to the January SC agenda to discuss whether both the Program Plan and the Detailed Workplan are needed. The 2015 Program Plan was not approved at the November 13, 2014 meeting.

VI. Action: Set RMP Fees for 2016-2018

Karin North, speaking on behalf of Dan Tafolla and Jim Ervin, conveyed that the POTW community were willing to accept a 3.5% increase in fees, which was approved at the BACWA retreat. Adam Olivieri said that for BASMAA, a 4% fee increase was not possible, and that even going above 2% was difficult to approve. He felt he could put 3% on the table, but also wanted to stress the importance of pursuing efficiencies and expense reductions where possible. He clarified that an approval for 3% was not in the minutes from the previous stormwater management meeting, but he thought stormwater agencies would go along with that number. John Coleman said that, based on comments from within the dredger community, 2.5 or 3% would work. He expressed a desire to go fully electronic with the various RMP communication products.

David Frandsen, representing power generators with once-through cooling, opened a discussion on the fee structure as a whole. He explained that the distribution of fees had not changed since they were set in 1992. However, at the Pittsburg Power Plant (PPP), the 14 units that were operating in 1992 were now down to 2 units and the operating hours were down to 1.5% of the total from 1992. He added that his company, which is now the only remaining fee payer for cooling water, pays fees of 4% of the total RMP fees, currently \$137k per year. Finally he said that all cooling water operations of this type would cease by 2017 at the latest, and possibly by 2016. Therefore he requested that the Cooling Water sector's fees be dropped to 1%, including a refund for 2015 fees down to that 1% level.

Tom Mumley summarized this as two separate issues. The first being that within three years 4% of the budget would be permanently removed from the program, and then secondly, the reduction in fees for the interim years. David agreed and asked why this had not come up before. Tom responded that there had not been attendance at RMP meetings from the Cooling Water sector in years, but that he was

appreciative of David's presence. Tom also remarked that making this downwards adjustment for generators would essentially offset the increases that the other members had just been discussing. Peter Carroll asked if it was within the power of the SC to change the distribution of fees or to issue a refund. Tom explained that the SC has this authority. The most important issue thinking in his view was that it would set a precedent for changing the fee distribution. Jim Kelly added that as someone who used to represent wastewater treatment plants, he knew that the metals loads that determined the initial fee distribution for POTWs were 75 to 80% lower now than in 1992, and worried that making changes could be opening Pandora's Box. Karin North agreed that changing the distribution of fees was a significant item that needed to be discussed at the next meeting. She asked that the SC vote on the decision about increasing the fees for the 2016-2018 budget.

Rob Lawrence left the call-in to the meeting.

Items for Approval

1. Peter Carroll motion for a 3% increase of fees per year for 2016 through 2018. John Coleman seconded. The measure was approved unanimously.

Action Items

1. Phil Trowbridge - Prepare a proposal for how to deal with the Cooling Water fees for the SC to consider in January 2015. The proposal put forward by NRG was reduce their fees from 4% to 1% of the RMP budget, retroactive to 2015. Impacts on the overall RMP budget and other stakeholder groups need to be considered.

VII. Information: Presentation of Result of Charter Review [David Ceppos]

David Ceppos from the Center for Collaborative Policy at Sacramento State presented the findings from a series of interviews with RMP stakeholders. He started by saying that there was no presumption that anything was currently broken, and that they were not looking to kick sleeping dogs. He and Rich Wilson came away from the interviews with an appreciation that the RMP is functioning very well, but that fine-tuning is always possible. He explained that the interview process was confidential, with standardized questions, designed to allow his team to provide a qualitative assessment of the program. They looked for trends or the lack thereof, without attributing responses to individuals, so as to not weigh any single statement unevenly. In order to reduce costs, the report for this project was provided as a Powerpoint.

Tom Mumley asked for clarification on an issue raised regarding improved communications between groups (TRC and SC). Phil Trowbridge responded that it primarily dealt with some groups needing to improve communication between their members of the TRC and SC. Tom accepted this and suggested that the charter clearly enunciate what the responsibilities are of members of both the SC and TRC. He also suggested that there could be potential improvements in digital archiving that would allow greater accessibility for committee members to shared information.

There was a discussion about who should be a member of the TRC, following a slide sharing a quote: "We should not require participation from non-technical people as this doesn't work." The SC agreed that it was an issue that needed to be addressed but also seemed to agree that high level thinking by TRC members helps drive a broad understanding of issues.

David Ceppos also raised the question of what the exact role is for Water Board staff within the RMP. He asked if they were meant to be a first among equals or a true equal member? He shared that the trend from most respondents was that they simply did not know. The organic way in which the RMP evolved has worked very well, but it is also important to memorialize the roles that have developed. Tom acknowledged that he can be a dominant participant in the meetings, but attributed that to his personality rather than his job, but expressed a desire to make sure others were not unhappy. He said that it was only recently that he had taken up the chairmanship, and that it was a position that had been purposely avoided by Water Board staff in the past because of the potential impression. The SC seemed to be comfortable with the current setup, but he would step aside without hesitation. David was quick to clarify that that was not at all what was being recommended. Instead he was just looking for clarification of the Water Board's role, stemming from the MOU's language when the RMP was formed. He hoped that the charter process could clarify and put that role in writing, and similarly memorialize some of the other norms of the SC, including decisions by consensus.

David Ceppos finished by saying that if there was any feedback please contact him or Rich Wilson. Peter Carroll briefly raised the question of whether the SC wanted to move forward with a draft charter, but the group agreed that it would be valuable.

VIII. Information: Deliverables, Action Items, and Workgroup Updates [Phil Trowbridge]

Phil highlighted four deliverables that were on the stoplight report with red lights. The Broadscan analysis by NIST was stalled on NIST's end, but progress is being made. Meg Sedlak's PFC work is on track to be finished by the end of the year. The bird egg report with 2012 data should be done by the end of the year. Don Yee's Coring Manuscript is out for comments from coauthors, and he is having difficulty getting back comments, but it too should be finished by year's end.

Phil expressed a desire to set tentative dates for all four 2015 SC meetings, however, there were conflicts with the proposed January meeting dates for both Adam Olivieri and John Coleman. Tom said it was difficult for people to commit to dates so far in advance, but Peter expressed support for at least attempting to set the full slate of meeting dates.

Tom Mumley skipped the plus-delta and adjourned the meeting.

Action Items

1. Phil Trowbridge
 - a. Propose several options for the slate of 2015 SC meeting dates.
 - b. Work with NIST, Don Yee, Meg Sedlak, and Jay to complete the late deliverables by the end of the year (Broadscan report, Coring manuscript, PFC manuscript, and Bird Egg report, respectively).
 - c. Check with TM on completion of previous action items.