

FINAL MEETING NOTES

Date of Meeting: January 20th, 2021, 10:00 AM – 12:00 PM
Location: Online Meeting
Subject: Regional Compliance for a Sustainable Bay Advisory Committee Meeting #4
Attendees:

Advisory Committee:

In Attendance (Yes/No)

Shannan Young, City of Dublin, ACCWP	No
Kristin Hathaway, City of Oakland, ACCWP	Yes
Karin Graves, CCCWP	Yes
Frank Kennedy, Kennedy & Associates, CCCWP	Yes
Matt Fabry, SMCWPPP	Yes
James O’Connell, City of Redwood City, SMCWPPP	No
Rinta Perkins, City of Santa Clara, SCVURPPP	Yes
Pam Boyle Rodriguez, City of Palo Alto, SCVURPPP	Yes
Kevin Cullen, Fairfield-Suisun	No
Rob Carson, MCSTOPPP	Yes
Jamison Crosby, Napa County Stormwater Management Program	Yes
Sarah Minick, SFPUC	No
Oriana Hart, County of Sonoma	Yes
Angela Clapp, Port of Oakland	Yes
Hardeep Takhar, Caltrans	No
Wilfung Martono, Caltrans	No
<u>Steering Committee:</u>	
Amanda Booth, City of San Pablo	Yes
Sarah Kolarik, City of San Pablo	Yes
Joanne Le, City of Richmond	Yes
Steve Waymire, City of Walnut Creek	No
Lucile Paquette, City of Walnut Creek	Yes
Michele Mancuso, Contra Costa County	Yes
<u>Project Consultant Team:</u>	
Lisa Austin, Geosyntec	Yes
Kelly Havens, Geosyntec	Yes
Mark Kieser, Kieser & Associates	Yes
Jill Bicknell, EOA	Yes
Peter Schultze-Allen, EOA	Yes
<u>Tracking System Developer:</u>	
Tony Hale, San Francisco Estuary Institute	Yes

Discussion Topics

1. Introductions and Agenda Overview

No comments on agenda.

2. Project Schedule Update and Notes Approval

Advisory Meeting #3 notes approved. Kelly Havens provided an overview of the project schedule.

3. Presentation of Proposed System and TAC Feedback

Amanda Booth and Kelly presented on proposed in-lieu fee System.

Overview of Program

- *Rinta Perkins* – For the in-lieu fee because this can be done across jurisdictional boundaries, are there variations of cost to construct? Are you looking at one fee for all, or some variation depending on location? *Amanda* – We are looking at program wide fee or project by project. If program wide, we need a fee study, which needs to be conducted consistent with AB 1600. *Rinta* – Have you thought of NGO or affordable housing projects and allowing a discounted fee for these projects? *Amanda* – We have been looking at this for the NEB ratio. We may not include this in our initial program but want to provide flexibility for the future.
- *Peter Schultze-Allen* – Could a developer build the offsite mitigation themselves and still participate in the program? This happened in Emeryville; the developer paid a fee up front for maintenance only. *Amanda* – Yes, a developer could build an off-site project, but they will still have to go through the ILF process, essentially they would pay themselves the ILF.

Control Measures

- *Rinta* – Is suspended bioretention included as a possible control measure, e.g., Silva Cells?
Kelly – Yes, if designed to include required bioretention components, they could be allowed.

Exchange Ratios

- *Rinta* – Would the trade ratio be negotiated by the developer, or would it be set up in advance in the system? I like the concept, will be receiving demand, this concept could open up supply from local developers participating. Depending on the ratio could be enticing for municipalities and could benefit old industrial areas. *Amanda* – this is to be determined depending on ratio approach.
- *Matt* – Thinking about the larger basis than Contra Costa County – are there challenges with either ratio approach? A program-based metric, would that work for Alameda? Regionally based ratios could be more transferrable to cross-county trades.

- *Matt* – Regarding the new pollutant-based framework, would you need an area-weighted average for larger projects that include multiple land uses? This approach seems like putting a lot of eggs in the PCBs basket, need to consider emerging contaminants coming. Seems we need flexibility for equivalent land use framework. *Kelly* – The approach may need to evolve over time, using available data and accepted RWSM outputs for pilot.
- *Pam* – Is historic land use considered or just current for pollutant considerations? *Kelly* – Proposing to use land uses that the County has established in RAA and/or ABAG. This could be updated as data is corrected.
- *Pam* – In terms of implementation, what would be needed to quality check what the buyer is purchasing? Would the manager of the system or the municipality would be checking? *Amanda* – There would be a quality control process, each facility would be approved and certified through the System, likely conducted by the municipality in which the facility is located.
- *Matt* – It seems like a buyer may have a hard time finding metrics to meet the equivalent land use if I'm understanding correctly. Could there be the ability to compensate by buying more of the cleaner credits? *Kelly* – Yes, we can think about how the System could allow that flexibility.

Fee Components

- *Matt* – It seems like without knowing what these ratios are, you are going to keep adding increased cost or burden on purchasing an off-site metric and could end up disincentivizing participation. Perhaps come up with a fee structure that ensures that the equivalent acres greened fee covers net environmental benefit. I'm advocating for simplicity, not too many fees. *Amanda* – We are speaking to developers about what could scare them away. We are concerned about ratio and working with developers to find out what they would be willing to pay. *Rinta* – In City of Santa Clara, we have a recent experience negotiating alternative compliance with the developer. We started out with 1.5 ratio plus environmental benefits, and negotiations are ongoing.
- *Amanda* – We are not taking into account the land value in fee development; hopefully increased cost would be offset by the economic value. There is variance in GSI costs. We also have to be consistent with AB 1600. There are three ways we could develop an EAG fee that makes sense and is rooted in reality, including: (1) Do a study on municipal GSI project costs. (2) Release an RFP for P3 provider to bid, and establish costs based on that. (3) Market sets the costs (offsite project builder gets to set cost based on cost to build).
- *Lisa* – For an RFP for P3 provider, you would also want to do a municipal cost study to set a ceiling.

Net Environmental Benefit

- *Pam* – Is there an example of optimization of O&M? *Kelly* – There was a presentation at CASQA discussing a San Diego study related to optimizing inlet cleaning. By tracking how much sediment was collected at inlets for two years, they were able to change the locations and frequency of inlet cleanings at specific inlets during the third year and collected more material with the same number of staff hours.
- *Rinta* – Relating to net environmental benefit project prioritization, how is this decided? *Amanda* – Priority is NEB projects relating to what is required in the MRP. Beyond that, subcommittee of CCCWP would determine via a policy or prioritization list.
- *Matt* – Would net environmental benefit projects also happen before buyer project? *Amanda* – CEQA doesn't dictate that these need to be build first (as opposed to equivalent acres greened projects).
- *Matt* – Would net environmental benefit projects be done by the municipal side? You could argue that if you have a ratio that says you have to buy 1.3 times what you're doing onsite, that is already providing a net environmental benefit. *Lisa* – The developer who is buying credits is not looking at this ratio. Equation is to think through setting fee, but this will be behind the scenes or up to negotiation, wouldn't be shown to a developer.
- *Matt* – We would all like to have more funding, but the net environmental benefit funding pool could put a new burden on municipalities to come up with projects/programs.

4. Presentation of System Template Documents

Jill Bicknell provided an overview of the proposed System Template Documents.

5. Presentation of Tracking System

Tony Hale provided an overview of the tracking system for the Regional Alternative Compliance System.

- *Matt* – Tracking system looks interesting, and I look forward to reviewing.

6. Summary of Key Discussion; Next Steps

1. Please provide any additional comments on the System.
2. Next AC meeting will be held following legal review of the System Summary Report. Legal review is planned for April/May of this year. Next meeting is expected to be held in June.