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Date: 7/14/20 11:22 AM (GMT-08:00)
To: Michele King <MKing@valleywater.org>
Subject: Please post and share with board members for item 2.7

Kremen Motion - 9 parts for discussion

1. Grant administrator resources

Direct staff to:

- Direct the board Auditor to audit the current grants administration process, including but not limited to, interviewing current, past and rejected grant applicants in the last 4 years;
 - Develop best practices for grant administration going forward
 - Make a budget adjustment for raising detail of past audit from desk audit to full board audit
 - Make a budget adjustment using the Fiscal year 2020 budget as a base, three grant administration personnel;
 - Bring on board an internal auditor (management auditor) and task with looking at grant administration
 - If required, to be referred to board audit committee on a priority basis.
- Upon request, give access to certain NGOs the names of union business agents for their request that grant administration be outsourced.

2. Grants administration overhead

Direct staff to modify the ballot measure sections related to grant and partnerships associated with non-state and local governmental entities to the following:

- The mini-grant application shall be at most 2 pages
 - For mini grants, the District shall pay for 75% of any liability insurance required by the District.
 - Put on agenda, discussion of risk management performance on grant contract review
 - Liability insurance to be consistent with actual risk
 - For mini grants. 20% should be added to handle applicants' internal administrative costs.

- Once application form approved by board and legal, no further legal review on form
 - Put on agenda, discussion of legal's performance on grant contract review.
 - Liability insurance to be consistent with actual risk
- The grant or partnership application shall be at most 6 pages
 - For grant or partnerships, the District shall pay 50% of any additional liability insurance required by the District.
- All invoices associated with mini grants
 - Shall be paid 50% at the next District check run
 - The remaining 50% shall be paid within 30 days unless Valley Water staff specifically asks the Board not to pay a specific invoice.
- All invoices associated with grants and partnerships
 - Shall be paid 50% within 30 days upon a statement from the grant or partnership holder that the work has been completed (or work-in-process)

The remaining 50% share be paid within 90 days unless Valley Water staff specifically asks the Board not to pay a specific invoice.

3. Fair allocation of interest costs

Direct to Staff add to the measure (or as a board policy).

The Chief Executive Officer (CEO) or designee of Valley Water is directed to cause a written interest and principal Report to be prepared for each fiscal year in the PAWS report for which the measure is active. The proposed bonding for each Priority (A-F) should be identified and forecast interest expenses should be allocated within each category. More specifically this report will show the following:

- Debt proceeds (net of issuance costs)
- Estimated principal and interest payments by year
- Anticipated spend by priority
- Allocation of principal and interest by priority
 - Allocation of interest capitalized for each CIP priority

4. Priority A1 Reallocation of Pacheco funds to the following

Direct to Staff add to the measure:

Reallocate \$8m funding from A1 Pacheco as follows:

Provide up to \$533,333 per year for the following: partnerships with the city of Morgan Hill (\$183,333) and provide up to \$350,000 per year total for partnerships with small municipalities (whom do not have staff focusing on grant acquisition and grant management) for projects related to vegetation management, pipe leak detection and repair, proactive prevention of chloramine contamination into Deer, Adobe and Matadero Creeks, Llagas Creek flood control, and any allowable usage under flood protection and environmental stewardship allowed under the District Act. Small municipalities are defined as under 30,000 people, rounding up to the nearest 1,000 as per the 2010 census and / or each relevant special district wholly within the small municipalities.

Refer, if required to storage committee.

Add to board policy discussion:

Nothing in Priority A1 commits the board to Pacheco. Money to be used for EIR only.

5. FAHCE

Direction to Staff to:

Direct clerk to schedule a closed session to discuss legal issues involving FAHCE.

Conduct an officially noticed board public meeting by March 31, 2021 on the FAHCE process, releasing to the public pertinent documents, including flow modelling results, most recent internal administrative draft EIR, most recent internal administrative draft Fish Habitat Restoration Plan and documentation that a request has been made to the State Water Board to notice for public comment an updated Change Petition. Include also presentation of a plan to integrate the fishery projects of the tax measure with the projects of the FAHCE process so as to optimize the ecological impact of the fishery projects of this priority (D4).

6. Dropping of Lawsuits

Direct to Staff:

- Discussion of withdrawing from the Bay Delta lawsuit.
- Discussion of withdrawing from the Berryessa lawsuit over against the Regional Water Board over unfunded state mandate.

7. Fish Migration Barrier Study under D4

Direct staff to:

Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate.

Approximate cost of \$500,000

8. F9 updates

Direct to Staff update the measure:

1. Provide three (3) grant cycles every five (5) years that follow pre-established competitive criteria related to flood protection and environmental stewardship (with a small carveout for water supply).

- Allocate funds to Flood Control (_____%) and Creek Restoration (_____%)
 - Other than the following water supply related items:
 - Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students.
 - Provide annual mini-grant funding opportunities for projects related to *safe, clean drinking water*, flood protection and environmental stewardship.

_____% of the funds for creek restoration funds should be in census blocks, tracts or other metrics as established by staff and approved by board are classified as disadvantaged.

9. Sunset provision to be added

Direction to board clerk:

Schedule a special meeting to discuss sunset provisions and other aspects of proposed ballot measure. More specifically:

The sunset date shall be 15 years from the expiration of the current measure.

Analysis of cost to put reoccurring measures on ballot