



SAN FRANCISCO BAY
RESTORATION AUTHORITY

San Francisco Bay Restoration Authority
Independent Citizens Oversight Committee
Annual Review Letter FY 18/19
July 28, 2020

Committee Members

Cindy Darling, Chair, East Bay Representative, Contra Costa County
Paul Jones, Vice Chair, At-Large Representative, San Mateo County
Nancy Cave, West Bay Representative, San Francisco County
Andy Rodgers, North Bay Representative, Sonoma County
Barry Nelson, At-Large Representative, Alameda County
Don Arnold, South Bay Representative, Santa Clara County

Governing Board

San Francisco Bay Restoration Authority
1515 Clay Street, 10th Floor
Oakland, CA 94612

Dear Governing Board Members:

This letter constitutes the Independent Citizens Oversight Committee's annual review of San Francisco Bay Restoration Authority's Conformance with Measure AA and covers the period of July 1, 2018 to June 30, 2019.

Conclusions and Recommendations

- The Authority staff have been open and receptive to the Independent Citizens Oversight Committee's inquiries and recommendations.
- The Authority is continuing to pursue a solid selection and implementation process for restoration projects as envisioned by the Bay Area voters when they approved this historic measure to increase the health and resilience of the Bay.
- The Authority has authorized numerous high-quality restoration projects, as summarized in the Annual Report, that will provide important environmental, recreational, and climate adaptation benefits for the Bay Area.
- The Authority staff have progressed on all and completed some of the recommendations made by the Independent Citizens Oversight Committee (ICOC) from the previous year, which are discussed in this letter.
- The Authority staff have managed to adapt, progress and report on Authority business during Covid-19 Shelter-in-Place Orders.
- The Authority continues to receive clean audit reports from an independent auditing firm and is using sound fiscal management.
- The Authority is spending the funds raised by Measure AA in conformance with the law.

What is the Independent Citizens Oversight Committee and how do we operate?

The ICOC, while expected to have six members from around the Bay, operated for most of the reporting period without a South Bay representative. On July 17, 2020, the Authority appointed Don Arnold to represent the South Bay. While we would have been a stronger committee with representation from the South Bay during this reporting period, we believe that the five members of the ICOC's combined 150-plus years of experience tackling the challenges of aquatic resource restoration and enhancement of the Bay's recreational resources still allows the ICOC members to fulfill our duties. Individual committee members have a range of expertise in wetlands, restoration, water, flood control, environmental and project monitoring, trail projects, and how best to select and implement projects. We have a breadth of experience managing government funding programs. We feel confident that South Bay engagement has remained strong based on our experience combined with the uninterrupted Board and AC member representation and extensive experience of Authority staff with South Bay projects and priorities. We look forward to working with Don Arnold during the upcoming reporting period. This year, we have operated virtually and while it has allowed the ICOC to continue its mandate of oversight, we look forward to meeting in person again someday. Cindy Darling has agreed to continue as our Chair and Paul Jones has stepped up as the new Vice Chair.

What did we review this year?

Our work has been based on the language and history of Measure AA itself, the FY 2018-2019 Annual Report, the FY 18/19 financial statements, the auditor's report for FY 18/19, and the Grant Program Round 3 results from May 8, 2020. We have had presentations on the EcoAtlas

Dashboard being used by the Authority staff for Performance Measures, the Wetland Regional Monitoring Program (WRMP) and the activities of the Bay Restoration Regulatory Integration Team (BRRIT). We reviewed our recommendations from last year and discussed how Authority staff has been addressing those recommendations. Because our work this year has been delayed by the Bay Area wide COVID 19 Shelter-In-Place orders, we have had an opportunity to review the Staff Work Plan and Budget for FY 19/20 and, as a courtesy to us, Authority staff provided the FY 20/21 for our review. We have interviewed the Authority staff to better understand their recommendations on several financial and program decisions. Based on our review, we have come to the conclusions highlighted above and the recommendations included below. For the recommendations, we have retained the grouping from last year's report to improve continuity.

Building for the Future and Managing Expectations

The restoration of the San Francisco Bay will fundamentally improve the Bay Area for decades to come. That vision, which is embodied in the strategic goals for Measure AA, is bold and ambitious. It will take time and will power to achieve those goals. We are heartened to see the continued progress in selecting and beginning to implement projects to meet those strategic goals. We understand that implementing projects on this scale will take time. We support the work of the staff, the Authority, the applicants, and the Advisory Committee to date. The following are our recommendations:

As we saw last year, the Annual Report shows a large gap between cumulative expenses and remaining balance, which might be misconstrued as SFBRA sitting on funds instead of promptly allocating those funds. Our recommendations on how to manage these expectations are included under Overall Financial Tracking. In addition, it would be useful to include a multi-year budget projection showing how funds will be expended over time.

Authority staff needs to better explain why it takes time to expend funds as well as include efforts to ensure that projects are getting implemented on schedule. Authority staff should require grantees to describe project progress details and explain any significant milestones and efforts to rectify problems. If there are program requirements such as Project Labor Agreements (PLA) that are unfamiliar to some grantees, Authority staff must make sure they have access to training and resources that help them meet those requirements. We understand that staff have provided PLA templates and some grantees are developing programmatic agreements. These are both great ways to ensure progress and adequate project reporting information.

Geographic Distribution

Last year, we discussed that Contra Costa County was behind in allocated project funding. That has been somewhat addressed by approving the Lower Walnut Creek and North Richmond

Shoreline Living Levee projects. Staff should continue to focus on ensuring that the geographic goals for funding are being met and, if there is a current gap in geographic distribution of funding, explaining what the program is doing to address that disparity.

The committee also questioned why Sonoma County did not show up in the county funding summary in EcoAtlas Dashboard. The answer, that funding for Sonoma County projects were included in the Multi-county “wedge” in the graphic, should be included as a footnote.

Bay Restoration Regulatory Integration Team (BRRIT) and the Wetland Regional Monitoring Program (WRMP)

The ICOC continues to be very supportive of the BRRIT because we believe this will be an important tool to make sure projects can comply with regulatory requirements in an efficient manner, which should result in lower costs and greater benefit for the environment protected by the regulations. We urge the BRRIT to continue to focus on developing agreement on monitoring requirements for projects in coordination with the WRMP. This can help resolve problems related to potentially duplicative or unnecessary monitoring and reporting requirements. Like the BRRIT, the WRMP can increase efficiency while improving the ability to understand how the resources are responding to restoration efforts. The recession gripping the Bay Area makes it even more important for government to look for ways to streamline permit approvals in order to be more efficient and to provide clarity for the approved project applicants.

The process being used to solicit projects for BRRIT consideration is working, but the ICOC recommends consider increasing the frequency of accepting new projects, perhaps switching to a quarterly system instead of bi-annual. We understand that BRRIT has been open to more frequent interactions.

Staff Work Plan and Operating Budget

Last year, we reviewed the staff work plan and operating budget and commended staff for their efficiency. We anticipated that the work would evolve in scale and complexity. Our review of the work plan for the current and next year, as well as the operating budget, continues to show that the number of staff is expanding to meet the challenges of additional projects at an appropriate level.

As our region and our nation continue to struggle with the legacy of racial inequality, the ICOC believes it is important for those of us involved in environmental restoration efforts to reach out to communities of color. These communities have historically been less involved in environmental issues while they have often been disproportionately impacted by pollution and health hazards. We believe it is important to ensure that they have equal access to the decision-making process and have a healthy place to live, learn, work, and enjoy the benefits of improved access to nature. The ICOC was pleased to see that environmental justice reforms are

being implemented (short term and long term) as reflected in the Authority staff work plan. In addition to having a consultant create a report, the Advisory Committee has been focusing a lot of their time on shaping these reforms. We encourage the Advisory Committee to continue to pursue these efforts.

Overall Financial Tracking

The ICOC continues to recommend that the Authority clarify that funds have been authorized, committed, programmed, and obligated to specific projects, even if not yet spent. To give readers a sense of when funds will be actually spent, staff should better explain that these funds in the “Schedule” table are “Grant Awards.” Staff should also explain the entire funding and financial tracking process and how it takes time to move from a Board authorization to grant agreement and work program, and then to invoicing for multiple years of funding as the approved project is implemented. We understand that staff are working on new graphics to address these issues and we look forward to reviewing these.

Interest Income

The ICOC recognizes that the historic decline in interest rates caused by the pandemic are changing the expected interest income. We support the current allocation of interest to the operating budget, but continue to encourage the Authority to improve its future estimates of interest income and allocate that income in future budgets to best meet the needs of the overall program.

Contingency Fund

Last year, we encouraged the staff to refine their contingency fund planning while we supported the 15% contingency fund in the budget. We discussed how the contingency fund was operating this year and are generally satisfied with the approach the staff have been using.

Adaptive Management and Performance Measures

EcoAtlas Dashboard for performance measures has good interactive elements. It is a helpful summary for people who are not technically inclined. Over time it will become an excellent repository of individual project information and allow users see how the Restoration Authority is doing in terms of meeting its overarching goals. We encourage the use of a video or tutorial on the use of the EcoAtlas to be created by staff to ensure the public can use this interactive tool.

As for overall efforts to understand how the restoration projects are performing and how they can be improved, the ICOC continues to advocate for an efficient, forward-looking approach using tools like the WRMP to document the progress of our restoration objectives. We

understand that there is some consideration of using a project fee for monitoring rather than on a project-by-project basis, which might be useful and more efficient.

Outreach and Communication in Unsettled Times

Ensuring continued public support over the long haul will require increased public outreach and engagement. The Authority has worked diligently on improvements to outreach. While we recognize that the pandemic, the associated recession, and the issues around systemic racism have come to dominate the news cycle, the ICOC encourages the Authority to look for ways to link Bay restoration to these headline issues.

For example, relative to both COVID and the financial recession, explain how restoration projects can proceed and provide economic stimulus. People can work outdoors on restoration jobs in a time where many other forms of economic activity have come to a standstill. In addition, access to open space and nature has helped people exercise and stay healthy and sane during this time of crisis. Ultimately restoration of the Bay resources improves the quality of life for all Bay Area residents.

With the continued focus on environmental justice and partnership with people of color, the Authority can highlight improved public access and contributions to increasing the workforce in these communities. Outreach efforts should include more young people and people of color in interviews. Let them tell the story of how they are benefiting from Authority projects. These public relations efforts can complement the community engagement efforts centering on environmental justice that we discussed in the Staff Work Plan and Budget section of this report.

The Authority should work with grantees and potential grantees to ensure that project planning includes community engagement designed to include those communities in project design. The ICOC recommends that the Authority ensure that grantees and potential grantees conduct equitable, culturally-relevant community outreach and engagement to meaningfully involve underrepresented, identified vulnerable, and/or disadvantaged communities. Such outreach and engagement should continue throughout the project planning, review, permitting, and implementation processes.

To improve understanding of restoration efforts overall, the ICOC suggests that as projects become more numerous, staff should consider reporting regionally within the Annual Report. Project-by-project reporting can get confusing as the number of projects increases and it becomes more difficult to differentiate multiple projects with similar names and different phases. To make it more accessible to the public, a regional focus can make it easier to comprehend and many citizens and elected officials will want to focus on their community or region.

Lastly, although other issues have taken over the headlines, the ICOC continues to believe it is important to highlight how Measure AA funded restoration around the Bay can help our region prepare for the impacts of climate change. Scientists have warned about a potential pandemic for years. We were not prepared. Scientists are continuing to warn about climate change. We need to listen and prepare.

This report was approved by the Independent Citizens Oversight Committee at its meeting held on July 28, 2020.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Cindy Darling". The signature is written in a cursive, flowing style.

Cindy Darling
Independent Citizens Oversight Committee, Chair