

CABY CC Conference Call – 4/6/2016

10 am

Present: Gavin Feiger, Izzy Martin, Neysa King, Elena DeLacy, Nancy Weber, Derrick Whitehead and Ken Payne (EDCWA), Marie Davis (PCWA), Andy Fecko (PCWA)

Item 1: Do we want to submit DAC RFP Comments via CABY as a group or as individual organizations/agencies?

Izzy asked if CABY should take a position on commenting. Izzy was invited to attend the Stakeholder Advisory Council meeting with DWR. She said that DWR has two goals:

- (1) State wants each area to do some sort of consistent needs assessment. Template should leave room for difference. Each area has different needs. State would like to have all of these need assessments so that they can put together a state-wide document
- (2) Outreach needs to lead to Disadvantaged Communities participating in IRWMs. They should be bringing projects forward. Two pots of money for implementation: DWR and SWRCB.

There can only be one proposal from each region. DWR is discouraging regions from submitting multiple applications. All of the IRWMs must proactively endorse the application from each respective region. Applicants must be participants of IRWMs and have experience conducting this type of work.

TSF comments ask for clarity across these issues, since the current RFP does not address this.

Nancy: How should we handle submitting a letter to DWR re: comments? It was later decided that we should not submit an overall CABY comment letter; rather, each separate organization or agency can submit their own comments.

Item 2: Since we have multiple IRWMs in the “Mountain Counties” region for which DWR is requesting a proposal, Sierra Water Work Group has sponsored a meeting to figure out who should be the lead applicant for the Mountain Counties region.

Successful applicants should be involved in IRWMs and have experience conducting DAC outreach and advocacy/environmental justice issues.

Let’s start with what is the outcome we desire? We would like to have agreement about the needs assessment across the region. How does CABY want to work with the other IRWMs in the Mountain Counties region?

One idea: Having one Lead Applicant and subcontract to each IRWM the tasks for outreach and assessment.

Neysa: pick 2 people to represent CABY (water agency and non-profit) at the upcoming meeting on April 18 at EID in Placerville from 11-1.

Marie: What is the purpose of the meeting? What is the end goal and what is the need for representation?

Izzy – it may be more than just informational. Everyone may go back to their respective IRWM with alternatives. DWR is clear that they want one coordinated application and all the IRWMs need to be represented. The outcome has to be more DAC outreach and projects in DACs.

Neysa moves to send 2 representatives (on CABY's behalf – one from water agency and one from NGOs) to gather information and engage in a conversation and bring recommendations to the IRWM. A decision would be made by the CC and/or PC.

Elena seconds the motion.

Approval (2/3rds from CC) – Unanimous

Call officially ended at 10:45 am.

March 30, 2016

To: CABY Planning Committee

From: CABY Planning Committee members Rachel Hutchinson, Luke Hunt, Elena Delacy & Izzy Martin

Rationale for Maintaining vs. Dissolving The Non-profit CABY-RWMG

Background: At the December 9, 2015 and March 9, 2016 CABY PC/CC Meetings, it was discussed at length whether the Non-profit organization created in 2009 should be dissolved or not, in light of serious funding deficiencies and conflict of interest issues for Board Members.

When the non-profit corporation (CABY-RWMG) was formed in 2009, it was created for the express purpose of serving as the central fundraising and contract administration entity. In 2011, this non-profit corporation applied for and received the Prop. 84 Round 1 Planning Grant and contracted with Burdick & Co. to complete the IRWMP update. During this period, a suit was brought against CABY-RWMG by an employee of the consultant Burdick & Co. At this time CABY RWMG did not have Directors and Officers Liability Insurance. The suit was settled out of court without impact on the CABY; however, water agencies were impacted by the decision.

In 2015 the contract with Burdick and Co. ended, along with any funding support for the non-profit corporation's ongoing administrative expenses, which include premiums for Directors and Officers Insurance, General Liability Insurance and fees associated with tax preparation and filing. CABY-RWMG currently has seven Directors on its Board: Elizabeth Martin, Rachel Hutchinson, Gavin Feiger, Elena DeLacy, Pierre Rivas and Catrina Olson. The CABY-RWMG currently has less than \$200 in financial assets.

Arguments in Favor of Maintaining the CABY-RWMG:

- (1) CABY-RWMG could hypothetically hire staff if it had consistent funding.
- (2) CABY-RWMG could apply for and receive grant funds from a wide variety of funding sources if someone were available to write such a grant.
- (3) CABY-RWMG has the potential to serve as the "CABY contact" entity with staff, an address, and a single voice. (Note: no one on the board of the non-profit can represent government or non-profit orgs.) CABY-RWMG staff could complete CABY admin tasks associated with grant management and administration.
- (4) CABY-RWMG presents a vehicle for non-profit and small municipalities not involved in the Joint Powers Authority (JPA) formed by the four water agencies in the region to appoint members to CABY's ultimate decision-making body, the Coordinating Committee (CC).
- (5) CABY-RWMG is a legal entity that could form an agreement with the JPA. However, an MOU between the JPA and the CC can be formed as well.

Arguments in Favor of Dissolving the CABY-RWMG:

- (1) CABY-RWMG Board members cannot represent their organizations/agencies.
- (2) The CABY-RWMG non-profit organization requires a minimum of \$2,000/year to keep operational. To date, there have been no viable suggestions made from proponents of maintaining the CABY-RWMG as to how the 501c3 could be supported financially.
- (3) The CABY-RWMG has served the purpose for which it was created. It no longer serves the purpose, so should not be maintained.
- (4) The CABY-RWMG takes a considerable amount of time to run. Board members cannot “bill time” to their respective organizations/agencies to serve on the Board.
- (5) The CABY-RWMG does not make CABY decisions. In fact, all decisions of the RWMG are required to be approved of by the PC, creating a conflict of interest for the CABY-RWMG itself wherein it is expected to serve the interests of an outside organization instead of overseeing its own activities to accomplish its own mission. This is also problematic under non-profit law.
- (6) The CABY-RWMG does not currently, nor has it ever; provide a unified voice for CABY.
- (7) The amount of time and funding necessary to prepare the CABY-RWMG for the hypothetical role of hiring staff, maintaining an office, etc. would be extraordinary, impractical and unrealistic.
- (8) The CABY by-laws need to be deeply amended as they have provisions that are not legal under non-profit law.
- (9) Given that the CABY was involved in a lawsuit the cost of getting D&O insurance could go higher.
- (10) CABY members have not supported paying dues to maintain the RWMG.

Some Alternatives to the CABY-RWMG as part of CABY’s overall Governance Structure:

Designate a “Conservation Caucus” of CABY PC to appoint a minimum of 4 members and up to 6 members to the CC from amongst their members that have signed the CABY plan.

Smaller municipalities, tribal governments and water agencies that are not part of the CABY JPA could form a similar “government caucus” to pick a minimum of 3 reps from amongst their members that have signed the CABY plan. This would bring the total number of CC members to a minimum of 11 to as many as 13.

Designate a CC contact person for CABY with some term. Right now, this is Elena (acting Secretary) by default. This person should be a chairperson rather than the secretary. The Chair of the CC would not speak on behalf of CABY when dealing with formal requests (i.e. letters of support, grant proposals/reporting, position statements) without first getting approval from the entire CC.

Responsibilities of the CC Chair would include: identifying agenda items for meetings; setting meeting times and dates; working with participants to identify possible meeting locations; communicating with the PC, the public and DWR as the voice of CABY.

A possible solution for keeping the CABY-RWMG afloat:

Charge all PC members a membership fee to participate in CABY. This membership fee would fund CABY-RWMG expenses year to year. This would require by-in from the entire PC, which is highly doubtful. (To date CABY members have not supported paying dues to maintain the RWMG.) It would also exclude smaller NGOs and certain participants/stakeholders who cannot contribute funds to a membership-based non-profit organization.

Other Considerations:

At this point there are three different versions of the CABY “governance structure” including our CABY Plan, our by-laws, and the new water agency JPA. These documents have some inconsistencies between how they describe our governance structure. In addition, the Governance Chapter of the plan has some inconsistencies within its current language. Now, with the addition of the water agency JPA recently adopted by four agencies (EID, PCWA, NID & EDCWA), the Governance Chapter is in even more need of amendment. This would be an excellent opportunity to enact the new governance structure recommendations below.

Our Recommendations

I. At the June meeting the PC should consider taking the following actions:

1. Ask the CABY RWMG to dissolve as a non-profit and close down its operations ASAP.
2. Ask the CABY PC to allow 3 additional seats on the CC to represent the smaller municipalities, tribal governments and water agencies that are not part of the CABY JPA.
3. Ask the PC to create a “conservation caucus” that serves the non-profit conservation organizations that have endorsed the CABY Plan (either plan). This caucus will select their 4 representatives on the CABY CC.
4. Ask the PC to create a “government caucus” that serves the smaller municipalities, tribal governments and water agencies that are not part of the CABY JPA and that have endorsed the CABY Plan (either plan). This caucus will select their 3 representatives on the CABY CC.
5. Direct the CC to work together to edit the Governance Chapter in the CABY Plan to reflect these changes. Ask them to bring this new Chapter back to the PC in September 2016.

II. The CC should then consider the following actions:

1. Select a Chair of the CC to serve as the point of contact for CABY with the powers described above.
2. Select a committee of the CC to oversee the update of the Governance Chapter.

III. The CABY RWMG should then consider the following actions:

1. Formally vote to dissolve the corporation.
2. Appoint someone to oversee the final paperwork to dissolve the corporation.