

**Minutes of the Commission Strategic Planning Meeting of the
Southern California Coastal Water Research Project Authority (SCCWRP)**

**Held at the offices of the Authority:
3535 Harbor Blvd., Costa Mesa, California 92626**

**May 1, 2014
9:00 AM**

COMMISSIONERS PRESENT

John Kemmerer — *US Environmental Protection Agency (EPA), Region IX*
Janet Hashimoto — *US Environmental Protection Agency (EPA), Region IX*
Vicky Whitney — *State Water Resources Control Board*
Darrin Polhemus — *State Water Resources Control Board*
Clare Waldmann — *California Ocean Protection Council*
Sam Unger — *Los Angeles Regional Water Quality Control Board*
Kurt Berchtold (Chair) — *Santa Ana Regional Water Quality Control Board*
Hope Smythe — *Santa Ana Regional Water Quality Control Board*
David Gibson — *San Diego Regional Water Quality Control Board*
David Barker — *San Diego Regional Water Quality Control Board*
Mas Dojiri — *City of Los Angeles*
Grace Hyde — *Los Angeles County Sanitation Districts*
Philip Friess — *Los Angeles County Sanitation Districts*
Robert Ghirelli — *Orange County Sanitation District*
Ed Torres — *Orange County Sanitation District*
Halla Razak — *City of San Diego*
Tim Stebbins — *City of San Diego*
Gerhardt Hubner (Vice-Chair) — *Ventura County Watershed Protection District*
Gary Hildebrand — *Los Angeles County Department of Public Works*
Mary Anne Skorpanich — *County of Orange*
Chris Crompton — *County of Orange*

STAFF PRESENT

Stephen Weisberg — *Executive Director*
Bryan Nece — *Administrative Officer*
Ken Schiff — *Deputy Director*
Steve Bay — *Principal Investigator*
John Griffith — *Principal Investigator*
Keith Maruya — *Principal Investigator*
Eric Stein — *Principal Investigator*
Karen Setty — *Science Writer*
Ashmita Sengupta — *Scientist*
Alvina Mehinto — *Scientist*
Joshua Steele — *Scientist*
Doris Vidal-Dorsch — *Scientist*

OTHERS PRESENT

Jerry Schubel (Expert Panel Chair) — *Aquarium of the Pacific*

Joe Gully (CTAG Chair) — *Los Angeles County Sanitation Districts*

Bram Sercu (CTAG Vice-Chair) — *Ventura County Watershed Protection District*

Jonathan Bishop — *State Water Resources Control Board*

Stan Asato — *City of Los Angeles*

Commission Chair Berchtold called the meeting to order at 9:02 AM.

1. Meeting Goals and Review of Previous Strategic Planning Meetings

Weisberg summarized outcomes of previous Commission strategic planning meetings. The first strategic planning meeting in 1994, not long after SCCWRP's governance restructuring in 1990, created a new mission statement and a vision for regional monitoring. The second strategic planning meeting in 1997, not long after Weisberg's arrival as Executive Director, created new research areas and drove a fundamental shift from data generation to data integration. The third strategic planning meeting in 2001 led stormwater agencies to join SCCWRP's membership. The fourth strategic planning meeting in 2007, following a survey of external partners and clients, led to an increased investment in outreach and communication, as well as the addition of the Ocean Protection Council to SCCWRP's membership to better connect with the State's Natural Resources Agency.

In preparation for today's Strategic Planning meeting, an expert panel was used to review the organization and identify potential areas for improvement. Weisberg explained that in previous Strategic Planning meetings, few final decisions were made because there was typically insufficient time for in-depth discussion. More often, the most important planning items have required more detailed follow-up activities, typically assigned to subcommittees. Therefore, today's goal would be to determine directions, potential options, and appropriate follow-up mechanisms.

2. Report from the Expert Panel that Reviewed SCCWRP

Weisberg introduced Jerry Schubel, the chair of SCCWRP's expert review panel, who presented the panel's findings to the Commission. He began by describing the panel members, who were all directors (or retired directors) of national research laboratories. Schubel next discussed the panel's responses to their three charge questions (listed below), but led-off with his personal thoughts. He believed SCCWRP's remarkable level of excellence has been maintained over 45 years due to: outstanding leadership, management, and governance; continued credibility and respect of the research community; and a research agenda comprised of coherent multi-year programs instead of a series of individual disconnected projects.

Five things the panel would do if they were on the SCCWRP commission:

- Actively support the strong regional focus of SCCWRP
- Maintain consistency of direction and representation by commissioners
- Maintain consistency of representation and active participation through CTAG
- Ensure SCCWRP works collectively and collaboratively with CTAG

- Align core funding with current and future needs identified by CTAG and the Commission

Five things the panel would do if they were the Executive Director

- Share the ownership and leadership of SCCWRP with Department Heads and senior staff
- Engage more effectively the senior staff and CTAG in the research planning process
- Arrange focused meetings with groups of commissioners by sector and/or geography
- Maintain the current external communication strategy and enhance internal communication strategies
- Review and take appropriate actions to improve some important personnel policies and practices

Five largest assets to preserve at SCCWRP:

- Sustained strong leadership and management
- Unique ability to bring together different sectors of regulated and regulatory agencies
- Governance structure that allows for credible, unbiased and balanced research
- Scientific credibility and collaboration
- Scientific focus on relevant themes within the Southern California geography

Commission discussion first focused on the agency's research agenda. When asked, Schubel felt SCCWRP currently has the correct balance of regional versus national/international focus. He also recommended strengthening buy-in of the research agenda by more fully including senior SCCWRP staff and CTAG members in its development. Also in response to Commissioner questions, Schubel stated that the core funding support for SCCWRP research was essential and that leveraging external funds was paramount to maintaining financial stability in the face of future unpredictability. Ultimately, Schubel recommended creating a diverse funding portfolio focused on the research areas important to member agencies.

Commission discussion next focused on SCCWRP's governance and the role of staff. Schubel recommended SCCWRP continue to translate science into management terms and provide policy alternatives, thereby enhancing discussion and decision making by the Commission, without advocating any specific policy. He felt the Southern California Bight Regional Monitoring Program (Bight) served as a shining example of SCCWRP's ability to generate information rather than just data. Several Commissioners observed problems when other organizations were perceived as biased or failed to respond to questions formulated by policy makers. Regarding scientific respectability, Schubel believed SCCWRP was doing everything necessary to maintain its reputation and encouraged SCCWRP to continually innovate and not rely on past successes.

In closing, Commission Chair Berchtold thanked Schubel and the panel for their service. Commissioner Barker arrived at 9:35 AM.

3. Staff Actions in Response to Expert Panel Recommendations

Weisberg presented his response to the expert panel recommendations. He started by gratefully acknowledging the excellent performance of the panel and sharing his intention to

take action on all of their recommendations. Their big picture findings were quite positive, describing SCCWRP as “one of the nation’s premier research centers” and “a small agency that has had a disproportionately large impact on environmental decisions,” with a focus on outcomes rather than outputs. Though nothing was “broken,” they did identify several possible directions for improvement, which Weisberg consolidated into four topic areas.

The first direction for improvement was SCCWRP’s relationship with CTAG. Weisberg agreed with the expert panel that CTAG is vitally important to SCCWRP and described steps already underway to bolster interactions. Fundamentally, this means changing CTAG-SCCWRP relationship from a reactive, review interaction to a more proactive, planning collaboration. These steps included developing a new CTAG Charter and Operating Guidelines (agenda item 5), as well as a new series of intersessional meetings to promote CTAG’s dynamic involvement in research planning.

The second direction for improvement was SCCWRP’s funding model. Weisberg stated that meeting the Agency financial goals, while not currently problematic, was becoming more challenging. The challenge arose from increasing operating expenses, but member agency dues that have remained flat for the past five years and will remain flat for the next three years. Ultimately, this limits the amount of funds available for research. To respond to this challenge, Weisberg had already begun soliciting the Commission’s input regarding the Agency’s funding model. This topic will be addressed during agenda item 6.

The third direction for improvement was Commission involvement in the Research Plan. Historically, the Commission has not formally involved itself in research planning in order to maintain the Agency’s scientific autonomy and technical independence. However, the expert panel recommended the Commission meet in small groups (e.g., by sector or geography). Weisberg indicated his willingness to hold these small group meetings at the Commission’s discretion. Schubel clarified that this recommendation was meant to ensure alignment on high-level issues, as opposed to fostering detailed research development. The Commission response to this suggestion was mixed. Some Commissioners felt they could use more time after regular Commission meetings to deepen discussion and interaction. Others felt the interaction during one-on-one meetings with the Director was sufficient or that this was the responsibility of CTAG.

Commissioners Berchtold, Hashimoto, Hildebrand, and Skorpanich volunteered to form a subcommittee, with Berchtold as chair, to explore options for subgroup meetings and make a recommendation to the full Commission at their June meeting. The Commission requested Weisberg verify with SCCWRP’s legal counsel that small group meetings would not violate the Brown Act.

Commissioner Gibson arrived at 10:24 AM.

The fourth direction for improvement was increased staff involvement in organizational directions and decisions. Weisberg had already arranged a series of “players-only” staff meetings, held without management present, to identify issues of greatest importance to

scientists, technicians, and administrative personnel. The outcome of these meetings will be discussed with staff on May 5, and reported at the June Commission meeting.

4. SCCWRP's Mission Statement, Goals, and Performance Metrics

Weisberg began this item by showing the Agency's current mission statement. This mission statement, originally developed in 1994, appeared outdated since the Agency has evolved over the past 20 years. Weisberg provided a revised mission and vision statement that he felt more accurately reflects the current mission, changes in how success is judged, and a new vision that creates a bridge with the old vision statement. He also recommended several organizational goals, strategies, and performance metrics. These goals included examples such as serving as a leading source of unbiased science, developing scientific consensus on issues relevant to management, and transitioning scientific products to application.

After some clarifying discussion, the Commission had dialogue regarding appropriate goals and metrics for success. The Commission entertained ideas such as creating goals that balance long-term and short-term needs in the research planning process. Potential agency metrics of success, which are currently developed by the Commission chair for the Executive Director's performance review, could include applicability of SCCWRP research or CTAG interactions. The Commission created a subcommittee to work with Weisberg on developing a proposed mission statement and other supporting materials, as needed. The subcommittee consisted of Commissioners Hildebrand, Hyde, Polhemus, Skorpanich, Unger, and an unnamed CTAG representative, with Hyde as chair. The goal is for the committee to present a proposed mission statement (or an affirmation that the existing one is still appropriate) to the Commission at the September meeting.

5. Proposed CTAG Charter

Based on a directive from the Commission, and in response to the expert panel, Weisberg has worked with CTAG over the past nine months to create a revised Charter. The previous Charter was approximately 15 years old and required updating based on the evolving role of CTAG, the recent change in CTAG governance, and appointment of new CTAG representatives. Weisberg briefly described the two documents created in collaboration with CTAG; a draft CTAG Charter for Commission approval and a draft CTAG Operating Guidelines for Commission feedback. He also suggested the Commission task himself and CTAG with developing a third document to capture desired CTAG appointee attributes and qualifications.

CTAG Vice-Chair Bram Sercu, who led the CTAG Charter subcommittee, gave a presentation describing the improved content and challenges creating the new Charter. The new Charter created a mission statement and defined: goals, activities and products with metrics of success; deriving group summary statements to differentiate individual vs. consensus opinions; communication with commissioners; research planning, and; CTAG self-evaluation.

The Commissioners raised several questions about CTAG's involvement in prioritizing Research Plan projects. Sercu and Weisberg confirmed they have been doing this annually, but are moving CTAG into a more proactive mode. This includes intersessional CTAG meetings to discuss member agency research needs and data gaps relative to SCCWRP's 10-year research vision. Several Commissioners thanked Sercu and showed their appreciation for CTAG's efforts to date.

The Commission raised two issues with the new CTAG Charter. The first issue was the Commission's concern about CTAG's ability to add (and remove) CTAG members. The Commission originally gave CTAG this authority following the previous strategic planning meeting in 2007, which led to their addition of the California Coastal Commission (CCC) as a CTAG member (but not a Commission member). However, several Commissioners expressed the potential drawbacks to this authority, suggesting that CTAG's authority should be limited to inviting guests, as needed, for technical expertise. In a related issue, the Commission asked about the status of the CCC interaction with CTAG. Weisberg responded that the CCC desire to remain as CTAG members was high, even though their recent participation has been low. He further indicated that their previous interactions had led to positive outcomes and that many member agencies must address coastal zone management issues regulated by the CCC so they had valuable perspective to add. The Commission's second issue was the language associated with the expectation for CTAG to help SCCWRP identify research collaborators, which Sercu clarified should convey responsiveness to SCCWRP needs rather than an active promotion role. Weisberg felt CTAG could, for example, help identify partnerships for case studies.

There were three outcomes from this agenda item. First, Sercu and Weisberg were asked to revise the Charter and supporting documents to address these issues, and will present an updated new version for consideration at the June Commission meeting. Second, CTAG was asked to provide feedback as to whether they would like to continue CCC participation on CTAG, with the idea that the Commission could approve their continued participation if CTAG desired. Third, Commissioner Skorpanich motioned to charge SCCWRP and CTAG with developing guidelines for CTAG member qualifications for presentation at a future Commission meeting. Commissioner Razak seconded the motion and the Commission approved it unanimously with Commissioner Kemmerer abstaining. This document should include a mechanism for the Commission to receive feedback on under-performing CTAG representatives.

6. Review of the Organization's Funding Model

Weisberg began this item by reinforcing that the Agency is financially sound and discussions regarding this item had to do with long-term strategic planning, not with short-term financial management. He reinforced this by indicating SCCWRP has a strong balance sheet, almost no debt, and large future revenue projection, as well good fiscal management practices that have led to exception-free audits every year for more than a decade.

Weisberg then reviewed success at achieving the five financial principles on which he manages the agency:

1. Preserve a general fund balance equal to 25% of annual operating expenses
2. Operate in the black on a three year running average
3. Maintain a ratio of internal:external funds between 25-50%
4. Balance funding from regulator and regulated sources
5. Ensure a diversity of external funding

He indicated that the organization is achieving the first two principles, but is no longer achieving the latter three. He indicated that the principal reasons for this was that the core

funding from the regulated agencies has remained static for the last five years while operating costs have increased and that the agency strategy has been to make up the difference through increased grants. While this provides nice leverage for the internal funds, the result is that the ratio of regulator funds now comprise 77% of the budget, a single funder (the State of California) provides 72% of the funds and the ratio of internal:contract funds is now less than 20%, meaning that it is increasingly challenging for the organization to set its own research direction. He indicated that there is potential for these metrics to move further from goals as core funding is slated to remain static again for the next three years, but reiterated that there is time to correct this trajectory because of the organization's sound underlying financial position.

Weisberg then described three options for correcting the trajectory:

- Shrink the organization so that there is less need for external funds,
- Change the size of operations to ebb and flow with funding fluctuations (with a corresponding loss in scientific continuity as staff employment is contingent on their attracting funding), and
- Modify the member agency funding model.

Pending Commission guidance, Weisberg has already started enacting the first option, reducing staff size by almost 10% over the last three years.

The Commission asked several clarifying remarks including overhead cost calculations, how the cost of responding to Commission requests impacts the research budget, and about the selection process for externally-funded research projects. Conversations focused on the extent to which SCCWRP is able to set its own research agenda when the finances are so heavily weighted towards external funding. Weisberg indicated that SCCWRP was selective in the external funds it accepts, making sure that the work is aligned with the organizational goals, but that the static internal funds combined with an increasing number of Commission requests for specific activities has decreased SCCWRP's ability to respond to some of the member agency research needs.

The Commission explored several possibilities for increasing base member contributions. The first possibility was increasing stormwater member contributions, but some stormwater members expressed contractual difficulty with this approach. The second possibility was creating a dues structure for regulatory agencies, but regulated agencies expressed legislative restrictions that prevented paying membership dues. The third possibility was creating an "unbundled" cost structure for specific activities such as Bight regional monitoring.

The Commission decided that a subcommittee, comprised of the Personnel and Finance Committee members and Commissioner Polhemus, will identify and evaluate various alternative funding models for the Agency. This Committee will present these alternatives, plus a preferred alternative and related performance goals, at the September Commission meeting.

Commissioner Unger left at 2:50 PM.

7. Recycled Water as a Potential New SCCWRP Research Focus

Weisberg sought Commission feedback about a potential new SCCWRP research focus on recycled water. He indicated that he doesn't typically ask the Commission for guidance on research directions, but that he needed it in this case since adoption of this topic could potentially require significant organizational changes, including new staff, new research partnerships, and changes to the Joint Powers Agreement.

Weisberg explained that several Commissioners had approached him about having SCCWRP add recycled water research to its portfolio, as they saw a common need among the member agencies:

- Oversight of the drinking water program was moving from the Department of Public Health to the State Water Resources Control Board
- The wastewater agencies were increasingly being asked to increase reclamation while reducing ambient discharges
- The stormwater agencies were being asked to increase infiltration or recapture while reducing ambient discharges

Weisberg indicated that in addition, several of the current research areas that SCCWRP is focused on, including impacts from brine discharges, rapid microbiological monitoring, constituents of emerging concern and bioanalytical screening tools, are highly applicable to recycled water.

Weisberg noted that there were several challenges to taking on more recycled water research including, 1) strengthening SCCWRP's relationships with water supply agencies as they would be important consumers of that research and would need to see SCCWRP as a trusted provider, 2) collaborating with organization's presently focused on drinking water research, as SCCWRP's model is to build scientific consensus through collaboration and leveraging resources and skills, while avoiding research competition, and 3) achieving a balance of funding from regulator and regulated entities agency to ensure perception of organizational neutrality.

Several Commissioners echoed Weisberg's comments about the need to connect recycled water science between drinking water agencies and wastewater treatment agencies, particularly in support of direct potable reuse. Jon Bishop added that he saw SCCWRP as a potential vehicle to help with that dialog. Commissioner Razak reinforced this thought, indicating that the City of San Diego is seeking greater synergy to address alternative water supplies and reduce discharges to the ocean. Several Commissioners noted that these issues are exacerbated by longstanding groundwater overdraft issues and impending drought cycles.

The Commissioners next discussed a variety of potential research needs, of which there appeared to be many. Several Commissioners including Whitney, Hubner, Skorpanich, Razak, and Gibson envisioned strong leveraging opportunities, minimization of duplicate effort, and cross-pollination of ideas by connecting SCCWRP with drinking water agency research. Commissioner Dojiri recommended an exploratory workshop to identify ways in which the drinking water, wastewater, and stormwater communities could interact to achieve research progress on these many complex cross-cutting issues. Jonathon Bishop, who is actively involved in facilitating transition of Department of Public Health Drinking Water Division to

the SWRCB, volunteered to host the workshop and suggested that it could be located at SCCWRP.

After much discussion about a joint research workshop, the Commission agreed to the following next steps: 1) a subset of Commissioners will talk with their counterparts in the drinking water arena to assess community interest in holding a one-day meeting jointly among the wastewater, stormwater, drinking water and regulatory communities to outline research priorities within recycled water; 2) Commissioners will provide Weisberg names of industry leaders to coordinate outreach as part of step 1, and; 3) Weisberg will assist Commissioner Whitney in developing some talking points for those Commissioners who would be reaching out to the drinking water industry leaders identified in Step 2. The Commissioners will report the outcome of their one-on-one interactions at their June meeting and decide whether a joint workshop is warranted.

8. Summary of Decisions and Action Items

Weisberg summarized action items from the meeting. He will also distribute a list of action items by email next week, in advance of the meeting minutes.

The summary of decisions included:

- Commissioners Berchtold, Hashimoto, Hildebrand, and Skorpanich volunteered to form a subcommittee, with Berchtold as chair, to explore options for subgroup meetings and make a recommendation to the full Commission.
- The outcome of SCCWRP staff meetings directed at improving involvement in organizational decisions and directions will be reported by Weisberg at the June Commission meeting
- Commissioners Hildebrand, Hyde, Polhemus, Skorpanich, Unger, and an un-named CTAG representative, with Hyde as chair, volunteered to form a subcommittee to assist Weisberg to develop a proposed mission statement and other supporting materials, as needed, to be presented to the Commission at the September meeting.
- Sercu and Weisberg will revise the CTAG Charter and supporting documents and present an updated version for consideration at the June Commission meeting
- CTAG will report on the desirability of continuing the Coastal Commission's continued participation on CTAG.
- SCCWRP and CTAG will develop guidelines for CTAG member qualifications for presentation at a future Commission meeting.
- Personnel and Finance Committee members and Commissioner Polhemus will identify and evaluate various alternative funding models for the Agency. This Committee will present these alternatives, plus a preferred alternative and related performance goals, at the September Commission meeting.
- A subset of Commissioners will talk with their counterparts in the drinking water arena to assess community interest in holding a one-day meeting jointly among the wastewater, stormwater, drinking water and regulatory communities to outline research priorities within recycled water. Commissioners will report the outcome of their one-on-one interactions at their June meeting and decide whether a joint workshop is warranted.

9. Future Meeting Agenda Items

Commissioner Kemmerer and others requested adding an agenda item on stormwater recharge at a future meeting.

10. Other Business and Communications

In response to a request for access to the powerpoints for today's presentations, Weisberg and Karen Setty confirmed they would be available on SCCWRP's website by the end of the day.

11. Public Comments

No public comments were raised.

12. Adjournment

The meeting was adjourned at 4:45 PM. The next regularly scheduled meeting will be at the offices of the Authority on Friday, June 6, 2014.

Attest:

Bryan Nece
Secretary