



The Future of CABY:

Financing Integrated Regional Water Management beyond the Water Bond

CABY IRWM Vision Statement

To meet the integrated water needs of the people and the rivers of the Cosumnes, American, Bear and Yuba region now and into the future

Introduction

As CABY proceeds with the revision of the original CABY IRWMP, the entity faces some critical questions regarding its financing plan and interrelated questions about governance and staffing for CABY into the future.

There are two central questions that need to be answered in order to derive a clear financing plan for CABY into the future. In general, those questions explore whether: 1) CABY should operate purely for project development and implementation purposes through the existing DWR- Water Bond funding programs; OR 2) CABY should build its organizational capacity to promote Integrated Regional Water Management collaboration while advancing projects on a consistent basis that is not solely reliant on the volatility of DWR funding sources.

This document has been prepared for CABY stakeholders to advance a discussion and to facilitate the determination of CABY's financing plan into the future. This plan will ultimately be described in Chapter 13 of the CABY IRWMP (a mandatory section) and will guide the implementation of CABY's efforts for the life of the updated plan.

Towards a Diversified (or Broad) Funding Base

In the deliberation of the second question (stated above) CABY may wish to explore viable funding opportunities outside of the traditional IRWM proposition bond monies which may become more volatile or nonexistent once Proposition 84 funding is exhausted (post 2014 Implementation round). Given current economic conditions and future uncertainty, CABY's organizational and project implementation capacity appears vulnerable. If CABY intends to realize its stated vision into the future, the development of a more diversified, broad financing plan will be required.

A "broad base" may be defined as the following:

- Establishing a mixed and balanced income stream that will provide a relatively stable base from year-to-year. For example, a good mixture might be: one third foundation grants (some multi-year), one third government grants/contracts (again, some multi-year if possible), and one third from individuals such as through annual memberships, fee for service, etc.
- Cultivating a mix of large and small contributors. It is dangerous for an entity to become dependent on a few or single large donors or contracts. In such a scenario, the loss of any one of them can have disastrous consequences for the organization.

Possible Sources of Revenue

In order to broaden CABY's funding base, here are some possible revenue streams to support projects and the larger collaborative regional effort.

Grant Funding

- **Foundation Grants:** CABY organization and/or CABY stakeholders initiate the development of proposals and the cultivation of relationships with foundation funders (current example: National Fish and Wildlife Foundation funded partnership with American Rivers, Tuolumne County Resource Conservation District and Environmental Defense Fund on Sierrawide meadows project)
- **Other Government Grants (State and Federal):** In addition to DWR grant programs, CABY or CABY stakeholders initiate the development of proposals pursuing other state and federal grant programs (i.e., EPA, SNC, SWRCB, etc...)
- **DWR Bond Funding:** As long as bond funding exists, CABY will continue to pursue planning and implementation funding. Also, CABY, with other IRWM groups, could consider actively campaigning for more bond measures.
- **Other Grants Related:** CABY stakeholders write in CABY tasks (include CABY as a partner) on project proposals submitted to foundations, state and federal grant programs (where applicable); CABY staff /consultants develop proposals that provide CABY with either an administrative fee or a more integrated role in the implementation of projects that, in so doing, develop CABY's organizational capacity; any project that is developed through CABY and gets funded by any source pays a CABY 'fee' for its support/services.

Fee for Service

CABY could offer a portfolio of services that are aligned with the organization's mission and vision. These services would be offered for fees for distinct services that could either be fixed or on a sliding scale, depending on the "client's" organization budget/capacity. Specific services could include:

- Convening and facilitating meetings for various issues-based working groups and committees (such as Western Placer Creeks)
- Grant writing for IRWM related proposals where lead sponsors do not have their own organizational capacity or lack the staff time to prepare proposals
- Coordinating regional meetings, conferences and conducting outreach throughout the region or inter-IRWM wide
- Preparing reports, outreach materials and other print and on-line materials to advance integrated regional collaboration on water management related issues

Membership Fees

While DWR has been very specific that any 'pay to play' fees associated with IRWMs are strictly prohibited, CABY could develop a voluntary sliding scale fee structure (based on organization/agency annual budget size) for annual membership. This could be a means of formalizing how an entity becomes a member of the organization. An interrelated element to a membership structure would include clarifying and defining the distinct structural components of the organization (i.e., RWMG board, Coordinating Committee, Planning Committee, etc.). How does a participating entity become a member of any one of these distinct elements of the organization? Are there term limits, etc.?

Other sources of revenue (for discussion)?

Governance and Personnel

CABY's decisions related to financing the entity, whether project focused or broader in scope, implicate governance and personnel decisions. If the Planning Committee decides to pursue a more diversified financing approach to build CABY's organizational capacity, what governance structure and staffing would such an approach require? If the PC decides that CABY's future focus should be project driven and

dependent entirely on bond funding, what would be the realistic governance and personnel structure to support CABY should that approach prevail?

Conclusion

In order to meet the integrated water needs of the people and the rivers of the Cosumnes, American, Bear and Yuba region now and into the future, CABY will need to realistically examine its financing options as it prepares for the probable loss of water bond funding following the 2014 DWR Implementation funding cycle. CABY is required to develop a financing plan for both projects and the collaborative regional effort in its updated IRWMP. Therefore, the Planning Committee will need to make clear decisions guiding CABY staff in the development of a financing plan that allows CABY to meet its desire mission and vision into the future. The outcomes of this discussion will inform the essential next steps towards the development of a draft financing plan as well as in defining supportive and realistic governance and personnel structures.