

SUPPLEMENTAL BENEFITS FUND



SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE Special Meeting

Oroville City Hall – Council Chambers
1735 Montgomery Street
Oroville, California

MAY 27, 2015
3:30 P.M.
AGENDA

CALL TO ORDER: David Pittman, SBF Chairperson

PLEDGE OF ALLEGIANCE

ROLL CALL

Voting Members: Chairperson David Pittman, City of Oroville; Vice Chairperson Victoria Coats, FRRPD; Committee Members Don Noble, FRRPD; Linda Dahlmeier, City of Oroville; Thil Chan Wilcox, City of Oroville

Advisory Members (non-voting):

Committee Members DWR – Kevin Dossey, SWC – Tim Haines, American Rivers – Steve Rothert, Chamber of Commerce – Kevin Zeitler, American Rivers Alternate – Dave Steindorf

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the SBF Chairperson will invite anyone in the audience wishing to address the SBF on a matter that is on the agenda to state their name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, the SBF Steering Committee and/or staff may respond to your comments or questions. Under Government Code section 59454.3 the time allotted for presentations may be limited. Presentations are limited to three minutes per person.

CONSENT CALENDAR

- 1. APPROVAL OF THE MINUTES OF THE APRIL 1, 2015, REGULAR QUARTERLY MEETING – minutes attached**

COMMITTEE ACTION REQUESTED: **Approve the minutes.**

REGULAR BUSINESS

- 2. The Committee may consider approving the updates and revisions to the Regional Fund Strategic Plan (RFSP) and the RFSP Grant Applicant Information packet as recommended by the SBF RFSP ad Hoc Committee - staff report**

COMMITTEE ACTION REQUESTED:

- a. Approve the updates and revisions as presented (or)**
- b. Direct SBF staff to make changes to the presented draft (and)**
- c. Approve the updates and revisions with the presented changes (or)**
- d. Do not approve the updates and revisions and direct SBF staff to meet with the ad Hoc Committee and present the changes at a subsequent meeting of the SBF Steering Committee**

- 3. The Committee may consider issuing a NOFA for unallocated SBF funds – staff report**

COMMITTEE ACTION REQUESTED: **Receive the requested information (and)**

- a. Issue a NOFA to be released no later than June 15, 2015 (or)**
- b. Request SBF staff to bring the NOFA information to the July 1, 2015 regular quarterly Meeting of the SBF Steering Committee**

- 4. The Committee will receive information about the planed use of the previously administratively allocated \$48,403.20 to the City of Oroville, Police Department Reserve Police Officer funding for parks and trails patrol – staff report**

COMMITTEE ACTION REQUESTED: **Receive the requested information (and)**

- a. Approve the revised use of the funds (or)**
- b. Deny the revised use of the funds (or)**
- c. Request additional information to be presented at the July 1, 2015 regular quarterly meeting of the SBF Steering Committee**

STEERING COMMITTEE ADVISOR MEMBERS AND STAFF COMMENTS

- **Reports will be presented at the next regular quarterly meeting scheduled for July 1, 2015**

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

This is the time the SBF Chairperson will invite anyone in the audience wishing to address the SBF on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to three minutes.** Under Government Code section 54954.2, **the SBF Steering Committee is prohibited from taking action except for a brief response by the SBF Steering Committee or staff to a statement or question relating to a non-agenda item.**

SBF CHAIRPERSON CALL FOR AGENDA ITEMS

The SBF Chairperson will request agenda items from the Steering Committee, SBF Advisors, and SBF staff for the July 1, 2015 Regular Quarterly Meeting of the SBF Steering Committee.

ADJOURNMENT

The meeting will be adjourned. The next regular quarterly meeting of the Supplemental Benefits Fund Steering Committee will be held on Wednesday, July 1, 2015 starting at 5:30 P.M. in the Oroville City Council Chambers.

SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE



MINUTES OF THE April 1, 2015 – REGULAR QUARTERLY MEETING

Note: the following minutes provide a succinct recap of actions taken at the meeting. A complete recorded transcript is available by contacting the SBF Program Specialist at (530) 538-2518.

The agenda for the April 1, 2015, Regular Quarterly Meeting of the Supplemental Benefits Fund Steering Committee was posted at the front of City Hall and electronically on the City of Oroville website, www.cityoforoville.org on Wednesday, March 25, 2015 at 1:04 P.M.

The amended agenda was posted at the front of City Hall and electronically on the City of Oroville website, www.cityoforoville.org on Monday, March 30, 2015 at 10:03 A.M.

The April 1, 2015, Supplemental Benefits Fund Steering Committee Special Meeting was called to order by SBF Vice Chairperson David Pittman at 5:34 P.M.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Oroville Area Chamber of Commerce Advisor Member Kevin Zeitler.

ROLL CALL

Present: Voting Committee Members: FRRPD Committee Member, Don Noble, FRRPD Vice Chairperson Victoria Coats, City of Oroville Committee Member Linda Dahlmeier, City of Oroville Committee Member Thil Chan Wilcox and City of Oroville Chairperson David Pittman.

Absent Voting Committee Members: None.

Advisory Committee Members (non-voting): Kevin Dossey, Department Water Resources; Kevin Zeitler, Oroville Area Chamber of Commerce, Dave Steindorf (Alternate) American Rivers,

REGULAR BUSINESS

- 3. The Committee may consider allocating up to \$10,000 for printing tourism related brochures – staff report**

COMMITTEE ACTION REQUESTED: Authorize the \$10,000 allocation, deny the \$10,000 allocation; or provide direction to staff.

After discussion a motion was made by Vice Chairperson Coots and seconded by Committee Member Dahlmeier to approve the request to provide a \$10,000 allocation for brochures recommended by the Oroville Tourism Committee.

The motion was passed by the following vote:

Ayes: Committee Members Dahlmeier, Wilcox, Noble, Vice Chairperson Coots and Chairperson Pittman

Noes: None

Abstain: None

Absent: None

- 4. The Committee may consider a request from FRRPD to extend the contract for a water well at the Nelson Complex to July 1, 2016. – staff report**

COMMITTEE ACTION REQUESTED: Receive the requested information and (1) approve the extension request; (2) approve the extension request with modifications; (3) deny the extension request; or (4) provide direction to staff.

After discussion a motion was made by Committee Member Wilcox and seconded by Committee Member Noble to approve the extension request.

The motion was passed by the following vote:

Ayes: Committee Members Dahlmeier, Wilcox, Noble, Vice Chairperson Coots and Chairperson Pittman

Noes: None

Abstain: None

Absent: None

- 5. The Committee may consider providing direction for current unencumbered SBF funds – staff report**

COMMITTEE ACTION REQUESTED: Receive the requested information and provide direction to staff.

After discussion SBF staff was directed to set a special meeting of the SBF Steering Committee for Wednesday, May 27, 2015 starting at 3:30 P.M. to first discuss

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and potential approve the various changes to the Regional Fund Strategic Plan that the ad Hoc Committee is working on. If the changes are approved to then discuss available funds and a potential NOFA offering.

STEERING COMMITTEE ADVISOR MEMBERS AND STAFF COMMENTS

4. SBF Program Specialist Report (Bob Marciniak)

A written report was provided including a financial update and updates on the following ad Hoc Committees:

a. RFSP ad Hoc Committee: Facilitator, Bob Marciniak. Committee Members, Coots and Wilcox. Advisors: Steindorf and Zeitler (Knaus)

b. Mapping ad Hoc Committee: Facilitator, Bob Marciniak. Committee Members, Dahlmeier and Coots. Advisors: Dossey and Zeitler (Knaus) Others: Willmann (FRRPD), Rust (City of Oroville)

c. Aquatic ad Hoc Committee: Facilitator, Bob Marciniak. Committee Members, Pittman and Noble. Advisors: Dossey (Murray), Steindorf and Zeitler (Knaus) Others: Willmann (FRRPD) Rust (City of Oroville) Wright (State Parks)

d. Trail Safety ad Hoc Committee: Facilitator, Bob Marciniak. Committee Members, Pittman and Coots. Advisors: All agencies will be invited to future meetings.

9. DWR Advisor Report (Kevin Dossey)

Update on a trail map that DWR has been working on. Mr. Dossey also provided information about the trail markers that have been installed. He stated that the Biological Report due from the National Marine Fisheries Service (NOAA) has yet to be circulated, however it is expected to be in 2015. If that occurs the license would be issued with funding to the SBF by 2017.

10. SWC Advisor Report (Tim Haines)

Mr. Haines did not attend the meeting.

CORRESPONDENCE

None

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

This is the time the SBF Chairperson will invite anyone in the audience wishing to address the SBF on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to three minutes. Under Government Code section 54954.2, the SBF Steering Committee is prohibited**

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from taking action except for a brief response by the SBF Steering Committee or staff to a statement or question relating to a non-agenda item.

Stu Shanner, Oroville Veterans' Memorial questions about future NOFA

SBF CHAIRPERSON CALL FOR AGENDA ITEMS

The SBF Chairperson requested that the Regional Fund Strategic Plan revisions be presented at a special meeting of the SBF Steering Committee which was set for May 27, 2015 starting at 5:30 P.M. an additional item for that meeting will be a discussion of funds available and a possible NOFA release to the community.

ADJOURNMENT

The meeting was adjourned at 6:51 P.M. A Special Meeting of the Supplemental Benefits Fund Steering Committee will be held on Wednesday, May 27, 2015 starting at 3:30 P.M. in the Council Chambers of the City of Oroville. The next regular quarterly meeting will be held in the Council Chambers of the City of Oroville on Wednesday, July 1, 2015 starting at 5:30 P.M.

David Pittman, SBF Chairperson

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**SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE
STAFF REPORT**

TO: SBF CHAIRPERSON & COMMITTEE MEMBERS

**FROM: DON RUST, INTERIM SBF FUND ADMINISTRATOR
BOB MARCINIAK, SBF PROGRAM SPECIALIST**

**RE: UPDATED REGIONAL FUND STRATEGIC PLAN (RFSP) AND
GRANT APPLICANT INFORMATION PACKET**

DATE: MAY 27, 2015

SUMMARY

THE COMMITTEE MAY CONSIDER APPROVING THE UPDATED REGIONAL FUND STRATEGIC PLAN AND THE GRANT APPLICANT INFORMATION PACKET.

DISCUSSION

The Regional Fund Strategic Plan (RFSP) was written and approved on April 27, 2010 and is intended to be the working document for the SBF Steering Committee and a reference document for grant applicants. The RFSP has a recommendation to review and update it every five years. The SBF Chairperson on formed a ad Hoc RFSP Review Committee (Victoria Coots, Thil Chan Wilcox, David Steindorf, Claudia Knaus, Bob Marciniak) and requested that they review the plan content, history of use for the past five years and develop a user friendly grant application form. The committee completed its review and provided advance copies of the changes and the new Grant Applicant Information packet to the SBF Steering Committee for review prior to the May 27, 2015 meeting.

The edits, additions and strikeouts on the draft copy will bring the RFSP current. The Grant Applicant Information Packet (GAIP) provides an "easy to follow" guide for applicants. There are nine short sections which includes background and explanatory information as well as a new "pre-application" and a "formal" application. The GAIP should make the SBF and process for applying for grant consideration more streamlined for applicants. It does not replace the RFSP, but "calls out" the items that applicants need to know.

FISCAL IMPACT

None

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RECOMMENDATION

1. Approve the recommendations of the ad Hoc RVSP Committee (or)
2. Provide additional edits (or)
3. Request the ad Hoc Committee to continue their review and editing of the RFSP

ATTACHMENTS

- RFSP with edits & comments
- Grant Applicant Information Packet



RFSP
Ad Hoc Committee
Edits

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Updated Final Report

The Economics of Land Use

Regional Fund Strategic Plan



Prepared for:

Supplemental Benefits Fund Steering Committee

Funded by:

California Department of Water Resources
State Water Contractors

Prepared by:

Economic & Planning Systems, Inc.
Updated by the SBF RFSP ad Hoc Committee

*Economic & Planning Systems, Inc.
2150 River Plaza Drive, Suite 400
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April 22, 2010

Updated xx xx, 2015

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EPS #18567

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DRAFT

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List of Acronyms

DWR Department of Water Resources

EPS..... Economic & Planning Systems, Inc.

FERC.....Federal Energy Regulatory Commission

FRRPD..... Feather River Recreation and Parks District

FTE..... full-time equivalent

LSA..... LSA Associates, Inc.

NOFA Notice of Funds Available

RFP..... Request for Proposals

RLF.....Revolving Loan Fund

RMP..... Recreation Management Plan

SBF.....Supplemental Benefits Fund

SBF Rules of Governance.....SBF Steering Committee Rules of Governance

Settlement AgreementSettlement Agreement for Licensing the Oroville Facilities

Steering Committee.....SBF Steering Committee
Strategic Plan Regional Fund Strategic Plan
SWC State Water Contractors

EXECUTIVE SUMMARY

The Supplemental Benefits Fund (SBF), the result of a Settlement Agreement signed by multiple parties associated with the re-licensing of the Oroville Dam, will make available up to approximately \$61 million (in nominal dollars) over the next 30 to 50 years, depending on the term of the license. As stated by the SBF Steering Committee, "the intent of the Regional Fund Strategic Plan (Strategic Plan) is to get the most economic investment return from the approved projects as well as ensuring that a decorum of fairness exists in project selection."

The intent of the Executive Summary is to provide a succinct informational reference of pertinent points about the Supplemental Benefits Fund, the low flow channel of the Feather River, the Vision and Mission Statement of the SBF, as well as grant and funding information.

Comment [b2]: This paragraph was added by the review committee to set the tone of the SBF.

To assure creation and implementation of the Strategic Plan remain in sync with the intent of the SBF, the Steering Committee identified the following mission statement for the SBF:

"Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville region"

For purposes of the SBF, "nexus" is defined as the relationship of a project, or program, and ~~its~~ relationship, or connection, with the Feather River, **specifically* in the area of the low flow channel.** (ES-2)¹

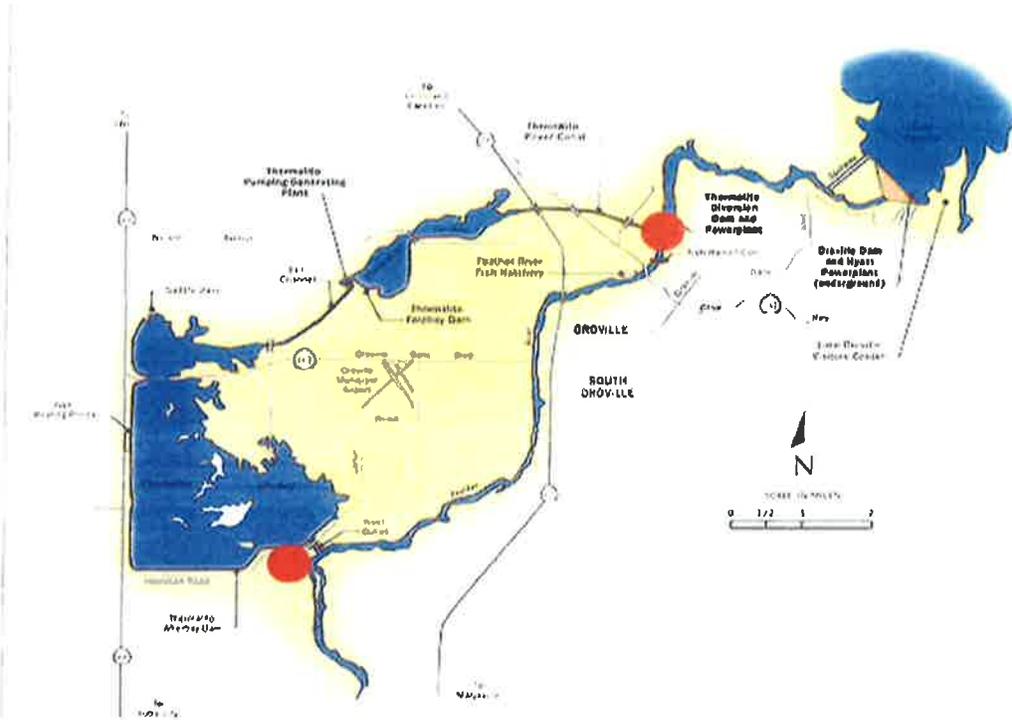
1. *on or in-sight of the Feather River, or,
2. * activities related to the Feather River, and,
3. * within the geographic boundary as defined by the map of the Feather River Recreation Park District (ES-3)
4. The application must specifically define how the project relates to the nexus.

Comment [b3]: Added to enhance understanding of "nexus"

¹ The Merriam-Webster Dictionary defines "nexus" as a relationship or connection between people or things.

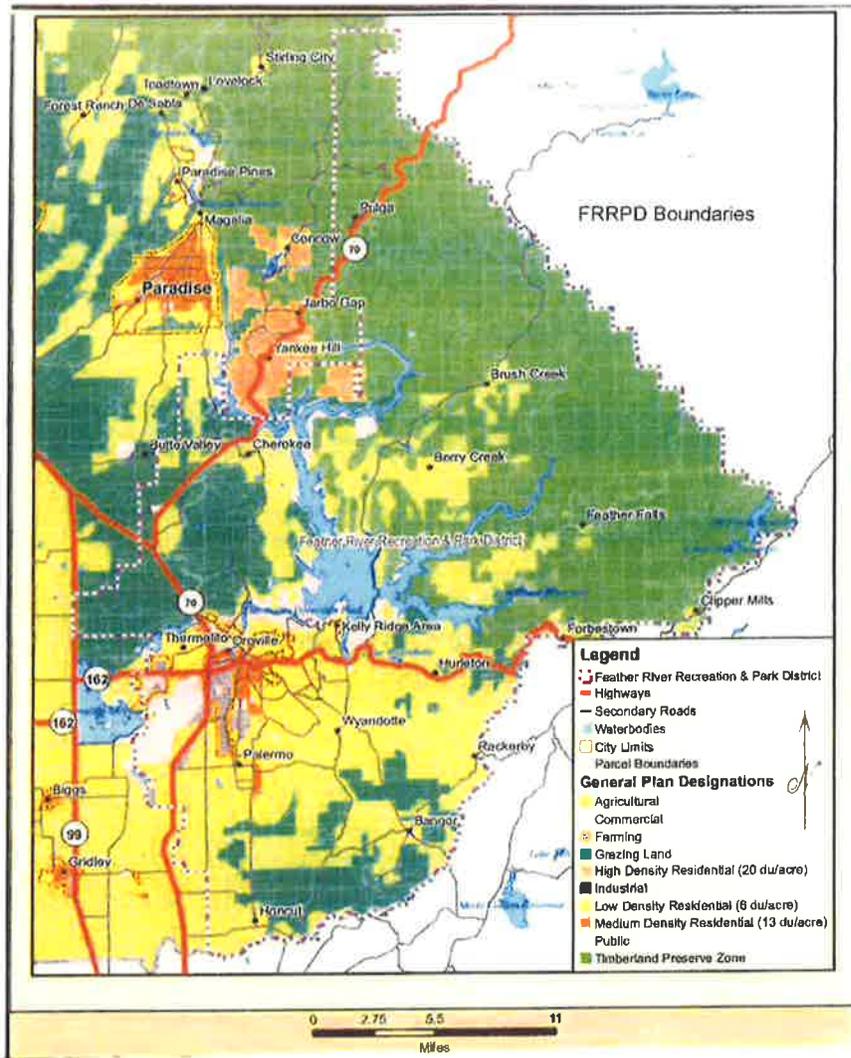
The low flow channel of the Feather River begins near the Diversion Dam and terminates near the Afterbay Outlet as noted by the red dots on the map below.

Comment [b4]: Statement & updated map reflecting the low flow channel of the Feather River



Map of Oroville Facilities

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The Feather River Recreation & Park District (FRRPD) 730 square miles in South-eastern Butte County, which comprises approximately 42 percent of the geographical area of the County and nearly 24 percent of the County's population. Population in the District is approximately 51,455 people. The largest number of the population that is covered is in the Oroville Region.

Comment [b5]: Discussion item...should this be the overall SBF boundaries ???

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The SBF Steering Committee in 2011 defined the "Vision of the SBF" with the following rules of governance for applicants requesting consideration for grant funding from the Supplemental Benefits Fund.

Vision of the SBF²

Reconnecting the beauty and diversity of the Feather River with the community will be the primary component of projects approved by the Supplemental Benefits Fund Steering Committee. The approved projects will provide additional recreational opportunities and economic benefits that enhance the lifestyle of the Oroville Region

- I. **Major consideration**: The applicant **shall** provide a compelling presentation as to how the proposed project will assist in mitigating what was lost by the construction of the Oroville Dam Facilities (FERC Project No. 2100). The application **shall** take into consideration the various existing City of Oroville, Feather River Recreation & Park District, the Settlement Agreement for licensing of the Oroville Facilities FERC Project No. 2100, and other regional plans.
- II. **Moderate consideration**: The applicant **should** provide a meaningful connection to existing, or planned, facilities and projects. The application **should** also be in, or near, the low-flow channel of the Feather River (as defined in the above figure) and assist in making the Oroville Region a Northern California destination.
- III. **Low consideration**: The applicant's proposed project **may** be away from the low-flow channel of the Feather River, not connected to existing, or planned, facilities and projects, be unique or a non-profit venture within the Oroville Region including areas under FERC jurisdiction; however the must, at a minimum, meet the stated vision of the SBF.

Comment [b6]: The Vision of the SBF was established after the RFSP was approved it further defines potential levels of project consideration.

Distribution of SBF funding will take place within the context of other ongoing processes and events, and the Strategic Plan needs to be consistent with these

² The SBF Steering Committee on xxx 2011 instituted the Vision of the SBF to assist the committee, applicants and the general public to further understand request priorities.

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master plans (e.g. Department of Water Resources 2006 Recreation Management Plan). In addition, consideration as to how the proposed project will **interface** with the following Oroville Region supporting agencies should be a part of the application:

- City of Oroville (Infrastructure, safety, neighborhood leisure parks, trails, open space and museums). *City of Oroville Feather River Master Plan.*
- ~~City of Oroville Redevelopment Agency (Blight removal and economic development)~~. *Note: the Oroville Redevelopment Agency was disbanded by the State of California in 2012.*
- Department of Fish and ~~Game~~ **Wildlife** (Fish hatchery and environmental mitigation).
- Department of Water Resources (Lake, river and recreation management plan).
- Feather River Recreation and Parks District (Parks, trails and recreation programs).
- Oroville Area Chamber of Commerce (Tourism and economic development).

Comment [b7]: Added FRMP which will be the "umbrella" of all plans (hopefully)

Comment [b8]: Strike out Oroville Redevelopment Agency

Comment [b9]: Agency name change

SBF-funded projects will be selected by the SBF Steering Committee, comprised of voting representatives from the Feather River Recreation and Parks District and the City of Oroville. Advisory representatives from American Rivers, the State Water Contractors, Department of Water Resources, and the Oroville Area Chamber of Commerce may provide comments, but are not included in the voting decision. The City of Oroville also serves as the Fund Administrator, whose duties include ensuring performance of the SBF and overseeing administrative duties (through additional SBF staff) to operate the SBF on an ongoing basis. The State Water Contractors, in partnership with the Fund Administrator and Steering Committee, also have the additional responsibility of actively pursuing grant opportunities beyond SBF funding.

SBF monies will be made available through a combination of lump-sum and annual payments. The Strategic Plan's operational plan is based on a multiple-year budgeting process designed to assure allocation of revenue and selection of projects in a manner consistent with the Settlement Agreement. During each year, the Steering Committee will appropriate SBF funds on an annual basis, as certain adjustments may be required owing the variability in annual payments for any given year.

At the start of each budget cycle, the Steering Committee will distribute anticipated funding into the following categories:

- Administration
- SBF Projects
 - Large Award
 - Revolving Loan Fund
- Marketing and Community Benefit
- Contingency
- Total

Comment [b10]: Clarifies procedure

The SBF will ~~then~~ elicit proposals at the beginning of each calendar year for SBF projects, and build an SBF Project Program based on a project selection process that includes an initial application, technical scoring exercise designed to rank candidate projects, and final selection by the Steering Committee.

The Steering Committee will meet at least four times during each fiscal year to oversee the administration and implementation of the SBF, while SBF staff carries out the day-to-day implementation and execution of the Strategic Plan. Each year, the SBF Staff will be responsible for releasing notices of fund availability, eliciting project applications, reviewing and screening applications, and conducting project auditing for SBF-funded projects. In turn, the Steering Committee will be responsible for developing a multiyear project budget and program, overseeing the annual budget and making any needed adjustments, and reviewing annual reporting information on SBF-funded projects.

As SBF monies will be made available over a considerably long time period, the Strategic Plan itself will be periodically reviewed and updated as needed over time to properly reflect changes in funding opportunities and the external environment in which the SBF continues to operate.

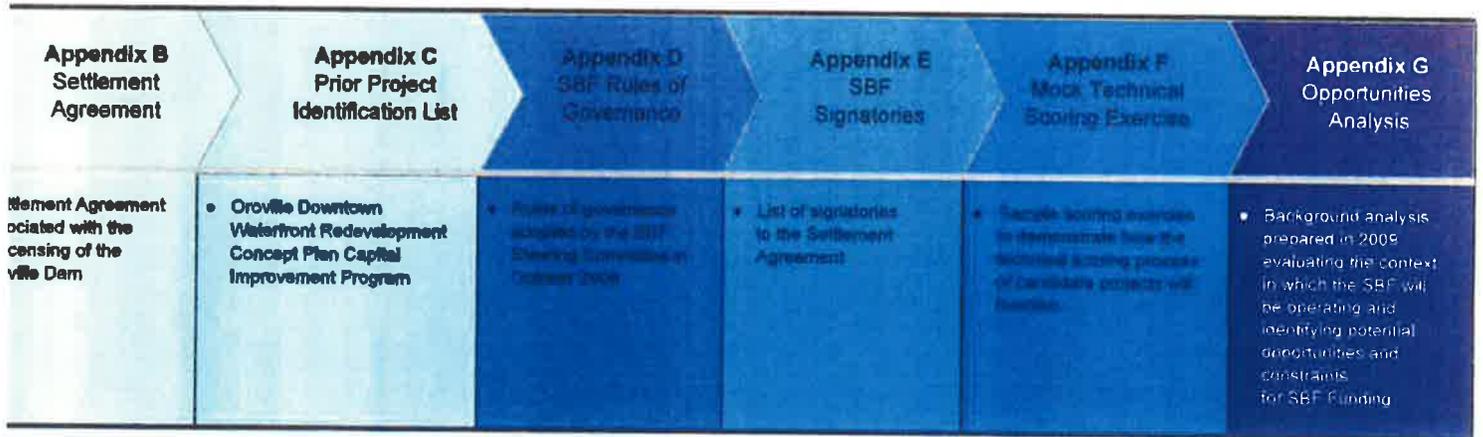
Figure ES-1 is a flow chart illustrating the contents of the Strategic Plan.

Figure ES-1
Strategic Plan Report Structure: Main Document

	Chapter 2 Strategic Goals, Objectives, & Principles	Chapter 3 Strategic Environment	Chapter 4 Operational Plan	Chapter 5 Administrative & Implementation Plan
nd nization elines	<ul style="list-style-type: none"> • Mission • Goals and Objectives • Guiding Principles 	<ul style="list-style-type: none"> • Consistency with SBF Licensing Agreement • Opportunities and Constraints • Institutional Capacity and Requirements <ul style="list-style-type: none"> - SBF Steering Committee - Additional Grants • SBF Funding Forecast and Requirements • Potential Availability of Annual SBF Funding 	<ul style="list-style-type: none"> • Budget Framework • SBF Funding Categories • Project Selection Process 	<ul style="list-style-type: none"> • Governance • Administrative Functions • Implementing Actions

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Figure ES-1
Strategic Plan Report Structure: Appendices



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This page intentionally contains no text.

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1. INTRODUCTION AND OVERVIEW

Introduction

This Regional Fund Strategic Plan (Strategic Plan) has been prepared by Economic & Planning Systems, Inc., (EPS) and LSA Associates, Inc., (LSA) under contract to the Supplemental Benefits Fund Administrator on behalf of the Supplemental Benefits Fund Steering Committee (Steering Committee). Pursuant to the terms of the Settlement Agreement for Licensing of the Oroville Facilities Federal Energy Regulatory Commission (FERC) Project No. 2100, dated March 2006 (Settlement Agreement), the Steering Committee must prepare or have prepared a Strategic Plan to guide the future use of the Supplemental Benefits Fund (SBF).

Funding for the preparation of this report has been provided by the California Department of Water Resources (DWR) and the State Water Contractors (SWC). The current Steering Committee effort to create a Strategic Plan is an extension of work occurring over the better part of the last decade related to the Oroville Facilities relicensing. The Strategic Plan will provide a framework for future decisions by the Steering Committee regarding the allocation and appropriation of SBF revenues as they become available pursuant to the terms of the Settlement Agreement.

The Strategic Plan is a working document and as such a review of it is recommended every five years. The review will allow for clarification of terms used, funding categories and other pertinent information to keep it "fresh and alive".

Background

Following submittal of the application to relicense the Oroville Dam, DWR and interested stakeholders continued to discuss and negotiate regarding the proposed terms of the relicensing, during which time multiple stakeholders with diverse interests worked with DWR to develop the Settlement Agreement.³ At issue for the local agencies are the impacts the operation of Oroville Dam, and related facilities, has had on the local economy. The goal of the Settlement Agreement was to mitigate these impacts on Oroville and the surrounding community related to the construction and continued operation of the Dam, **specifically related to the loss**

Comment [b11]: Footnote added

³ The Settlement Agreement with "Measures agreed to among the parties but not to be included in New Project License" can be found in Appendix B of the Regional Fund Strategic Plan.

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of river-related recreational opportunities (e.g., boating, fishing, and swimming) and related aesthetic enjoyment. The Settlement Agreement, which was signed by multiple parties, sets forth the proposed terms and conditions of the Oroville Facilities relicensing with the purpose of resolving all issues that have or could have been raised by the Parties to the agreement in connection with FERC's order issuing a New Project License.⁴ For purposes of providing context, **Figure 1-1** shows the FERC boundaries as well as the location of the low-flow channel. (Note: When the Final Strategic Plan is posted to the internet, there will be a hyperlink here to another webpage with a list of the Participating Agencies).

Supplemental Benefits Fund

The Supplemental Benefits Fund (SBF) is specified in Appendix B of the Settlement Agreement.⁵ It is the need for a strategic framework for administration of the SBF that has given rise to this Strategic Plan. Section G 1.0 of Appendix B states "at the direction of the Steering Committee the Fund Administrator shall develop a Strategic Plan to guide the Steering Committee in selecting and funding proposed projects in a manner that optimizes the overall benefits to the local region consistent with the availability of the funds."

At the beginning of the Strategic Plan preparation process, the EPS Consultant Team ~~(which consists of EPS and LSA)~~ met with the SBF Coordinator, the Fund Administrator, City of Oroville Interim Planning Manager, City of Oroville Redevelopment Agency Coordinator, and two members of the Steering Committee (representing the City of Oroville and Feather River Recreation and Parks District [FRRPD]) to initiate the work program. As part of that effort, the group developed the working version of the SBF mission statement, and the EPS Consultant Team prepared an Opportunities Analysis, which evaluated the setting for recreation, tourism, economic development, and infrastructure in the Oroville Region against the SBF mission statement to identify the most appropriate issues and dynamics that the SBF could address over the horizon of the Settlement Agreement.

Comment [b12]: Eliminates sub contractor names

Strategic Plan

According to the Request for Proposals (RFP) issued by the Fund Administrator, the intent of the Strategic Plan is to get the most economic investment return from the

⁴ Settlement Agreement for Licensing of the Oroville Facilities FERC Project No. 2100, dated March 2006.

⁵ Also contained in Appendix C of this report.

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approved projects, as well as ensuring that a decorum of fairness exists in project selection. Key components of the Strategic Plan **should** focus on: **these:**

- Identifying the purpose, including a mission statement.
- Identifying goals to accomplish the mission.
- Identifying specific approaches or strategies that must be implemented to reach each goal.
- Identifying specific action plans to implement each strategy.
- Monitoring and updating parameters.

This Strategic Plan provides the Steering Committee with a framework for making decisions regarding the allocation and appropriation of SBF revenues. This decision-making framework is necessary because (1) the Settlement Agreement sets forth criteria regarding expenditures of the SBF, (2) there are limited funds available to be paid out over the term of the Settlement Agreement, (3) there will be many competing requests for funding, and (4) a rational and objective method for allocating and appropriating funding is necessary to assure efficiency and transparency of fund expenditures.

Organization

This Strategic Plan is organized into four parts:

1. A set of strategic goals, objectives, and principles that will guide decision making.
2. The "strategic environment" is defined as the outside factors that influence decision making, including the terms of the Settlement Agreement, institutional capacities and constraints, and a forecast of the funding that is likely to be available over time, including the environmental or operational factors that may influence the amount of funding.
3. An "operational plan" offers a framework for allocation of SBF revenues and how projects receiving SBF funding will be selected.
4. An "administrative plan" describes how the SBF will be administered over time, including governance, budgeting and fund management, liaison with other government agencies and the public-at-large, administrative and technical support, and project monitoring and auditing.

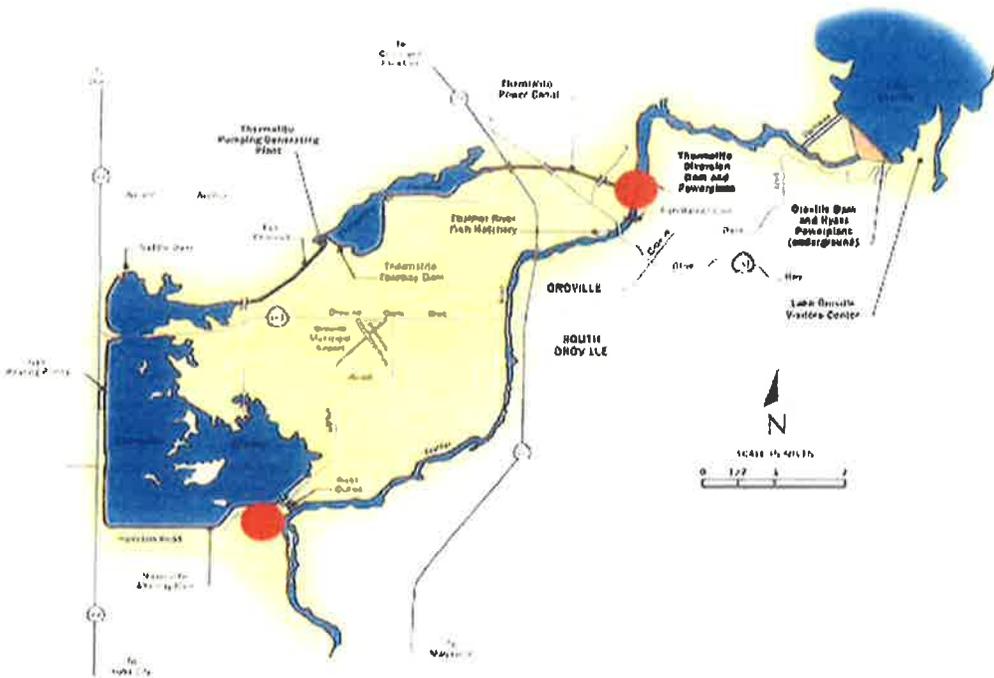
J-D

Guidelines for the Strategic Plan

The Steering Committee's ability to select and fund successful projects in line with the mission of the SBF will be heavily influenced by the reliability and relative ease with which the Steering Committee can use the Strategic Plan. The Strategic Plan adheres to the following guidelines, which are ultimately designed to assist the Steering Committee with its duties and to ensure that selected projects will be started, completed and maintained:

- The Strategic Plan should provide a clear, consistent, and transparent process for selecting projects and the amount of funding for selected projects.
- The Strategic Plan should be easy to administer.
- The Strategic Plan should contain sufficient flexibility to allow the Steering Committee to periodically revisit the goals of the SBF and determine whether modifications are required.
- The Strategic Plan project selection process should include measures that help monitor the effectiveness and value added by funded projects to ensure that SBF funding yields tangible benefits to the local communities.
- The Strategic Plan should help ensure that the SBF serves as an efficient steward of public investment, while maintaining high standards that meet the communities' needs and complements the various communities' General Plans, parks and recreation plans, and other relevant master plans.
- The Strategic Plan should conform to a long-term vision to benefit the Oroville Region that is consistent with the SBF Mission Statement and recognizes previous efforts on the Oroville Facilities relicensing agreement.
- The Strategic Plan's project selection process should conform to a long-term vision that emphasizes benefit to the Oroville region. This vision should be consistent with the SBF mission statement related to recreation, quality of life, economic development, and a nexus to the Feather River. The vision should also recognize the community's previous efforts on the Oroville Facilities relicensing agreement.

Figure 1-1 FERC Boundary and Feather River Low Flow Channel



Map of Orville Facilities

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2. STRATEGIC GOALS, OBJECTIVES, AND PRINCIPLES

Mission of the Supplemental Benefits Fund

The intent of the SBF is to extend the economic benefits created by use of Oroville's water impoundment facilities to the Oroville region. Historically, operation of these facilities created several impacts, primarily associated with recreation and economic development of the Oroville Region. Creation of the Oroville Dam changed the physical landscape of Oroville, and the Feather River in the Oroville Region, and altered people's ability to recreate, creating certain new recreation amenities while hindering or eliminating others. Construction of the Dam and its associated facilities between 1961 and 1967 also provided a new source of employment and a temporary economic stimulus for the local communities during the project construction period. Long term it has provided several benefits to the region including the creation of Lake Oroville, the Thermalito Forebay and the Thermalito Afterbay recreation areas, the Oroville State Wildlife Area; extensive flood control improvements for the region and the Sacramento Delta also occurred with the building of the Oroville Dam. As a result, the negotiations for relicensing the Oroville Dam addressed the concerns associated with these dynamics, and creation of the SBF serves to recognize that existence and that the operation of the Dam continues to have a positive impact on local communities.

To assure creation and implementation of the Strategic Plan remain in sync with the intent of the SBF, the Steering Committee identified a mission statement for the SBF. This mission statement forms the basis on which the Strategic Plan is built:

Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville region.⁶

Goals and Objectives

In conjunction with the mission statement, a set of goals and objectives for the SBF were identified at the outset of the Strategic Plan process:⁷

⁶ Refer to ES-1 for the definition of nexus.

⁷ Memorandum to the Steering Committee, December 17, 2008.

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2-24

Goal 1: Provide investment to stimulate recreation and tourism, economic development, and job creation along the Feather River in the Oroville Region.

- Objective 1.1: Delineate geographic limits of Oroville Region. (see page ES-3)
- Objective 1.2: Obtain Steering Committee consensus on the relative importance of investment priorities.
- SBF Grant Applicant Resource: SBF Program Specialist

Comment [b13]: Reference for boundaries map

Comment [b14]: Adds resource

Goal 2: Ensure proposed projects complement the DWR Recreation Management Plan (RMP).

- Objective 2.1: Review DWR RMP to identify investment opportunities.
- Objective 2.2: Phase proposed projects in concert with DWR project phasing.
- SBF Grant Applicant Resource: RMP, DWR Field Office

Comment [b15]: Adds resources

Goal 3: Prioritize funding for projects that maximize SBF funding capacity.

- Objective 3.1: Include criteria in project evaluation and ranking system to accomplish these:
 - Reward a project’s leverage (bring additional public or private funding forward).
 - Reward a project’s ability to return funding.
 - Assess a project’s ability to self-fund annual operation and maintenance costs.
 - Assess the applicant’s ability to complete a phase of, and/or the entire project.
 - SBF Grant Applicant Resource: SBF Program Specialist

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Goal 4: Prioritize funding for projects that generate other benefits and revenue(s) to the local community.

- Objective 4.1: Develop measurable performance standards related to private and public revenue generation (e.g., sales tax).
- Objective 4.2: Develop eligibility criteria that ensure a minimal level of “local” benefit.
- SBF Grant Applicant Resource: City of Oroville Finance Director

Comment [b16]: Adds resources

2-25

Goal 5: Consider use of SBF funding toward sustainable development opportunities.

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- Objective 5.1: Define "sustainable" opportunities, including power generation and clean water potential produced by candidate SBF projects.

Comment [b17]: Adds resource

- SBF Grant Applicant Resource: [SBF Program Specialist](#)

Goal 6: Determine appropriate allocations of the SBF to fund a potential project's administrative, capital, environmental permitting, and other costs.

- Objective 6.1: Work with the [SBF Program Specialist](#) to prioritize categories of costs consistent with the plan's intent.
- Objective 6.2: Based on the Steering Committee priorities, quantify anticipated costs by major cost category.
- Objective 6.3: The [SBF Program Specialist](#) prepare a cash flow of anticipated costs by major category.

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Comment [b18]: Adds resource

- SBF Grant Applicant Resource: [SBF Program Specialist](#)

Goal 7: Ensure that economic and recreational benefits are distributed appropriately in the region.

- Objective 7.1: Develop measurable performance standards that evaluate economic and recreation benefits, for example; jobs created, participation, and usage.
- Objective 7.2: Identify geographical benefit distribution.⁸

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Goal 8: Strengthen and provide resources to the Steering Committee and SWC partnership.

- Objective 8.1: Identify specific Steering Committee/SWC staff for grant researching/writing.
- Objective 8.2: Identify specific grant leads for initial pursuit.
- SBF Grant Applicant Resource: [SBF Program Specialist](#)

Comment [b19]: Adds resource

⁸ Refer to map on page ES-2.5

2-26

Goal 9:⁹ Recreation Goal: Provide multiple recreational opportunities that utilize and enhance access to existing resources with the boundaries of the Feather River Plan.

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- SBF Grant Applicant Resource: SBF Program Specialist, City of Oroville & FRRPD General Plans

Goal 10: Access Goal: Encourage secure and managed access for all segments of the population, with connections to the surrounding community and future development.

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- SBF Grant Applicant Resource: SBF Program Specialist, City of Oroville & FRRPD General Plans

Comment [c20]: Ad Hoc Committee believes this goal is covered in goal 7)

Goal 11: Natural Environment Goal: Ensure the continued success of habitat restoration and improve the ecological health of the river and floodplain in concert with river restoration goals.

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- SBF Grant Applicant Resource: DWR River Restoration Plan, California Department of Fish & Wildlife

Comment [c21]: Ad hoc committee suggests adding this to goal 5)

Comment [b22]: Goals 9, 10 & 11 were approved by the SBF Steering Committee in 2014

Guiding Principles

The Steering Committee is ultimately responsible for the selection of projects and level of funding assigned to each selected project. These guiding principles serve as a framework for this selection process:

- Opportunities should be viewed in the context of "nexus with the Feather River."
- Opportunities should be evaluated as to the ability to mitigate for the impact of ongoing operations of the Oroville Facilities.
- Opportunities need to consider the ability to confer benefit broadly to areas in and adjacent to the Feather River throughout the Oroville Region.¹⁰
- SBF Grant Applicant Resource: SBF Vision & Mission Statement, map of the low flow channel of the Feather River and map of the FRRPD boundaries.

Comment [b23]: Added for clarifications

Deleted: The Oroville Region is defined broadly as the boundaries of the Feather River Recreation & Park District, however the SBF is intended to provide funding to projects in and along the

Deleted: low flow channel of the Feather River (see page ES2 & ES3) and as identified in the Opportunities Analysis (page 10).

⁹ Goals 9, 10 and 11 were established by the SBF Steering Committee on May 14, 2014

¹⁰ This goal is dependent on the completion of the Feather River Master Plan,

2-27

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- Opportunities should provide continuity and conformity with previous efforts on the Oroville Facilities re-licensing effort and be viewed against a long-term vision for the SBF to adhere to its mission statement as it relates to recreation, quality of life, economic development, and a nexus to the Feather River.

2-29

3. STRATEGIC ENVIRONMENT

Distribution of SBF funding will take place within the context of **other ongoing processes and events**. Several public agencies serving the Oroville Region, some of which are represented on the Steering Committee, will be implementing a series of master plans. ~~At the same time, residents and visitors will continue to recreate in the Oroville Region, and private businesses will continue to serve their customers and seek growth opportunities.~~

Comment [b24]: Recommend striking out.

This chapter provides an overview of the context in which the SBF will function. The chapter begins with identifying other institutional efforts underway that may overlap with the SBF and a description of the opportunities and constraints of the SBF within the context of its own mission. In following, it provides an estimate of the amount of revenues available for SBF funding and a discussion of the particular requirements set forth in the SBF Measures for project selection.¹¹

Comment [b25]: Footnote clarification

Consistency with the Supplemental Benefits Fund Licensing Agreement

The SBF Measures state that the benefits created by the SBF cannot conflict "with the actions taken by DWR pursuant to the new FERC license issued for the Oroville Facilities and the Settlement Agreement."¹² ~~The SBF Measures also require that the Strategic Plan include protocols to ensure consistency between the Strategic Plan and the new Oroville Facilities license, specifically including the approved Recreation Management Plan, but also generally, the plans identified below.~~

Comment [b26]: Footnote clarification

Recreation and Economic Development Plans and Programs

Project selection by the SBF will occur simultaneously with the implementation of a range of other local, State, and federal plans and programs sponsored by public agencies operating in the Oroville Region. The purpose and scope of these plans and programs span a range of topics, including physical land planning, economic development, recreation, tourism promotion, and infrastructure planning. The capital improvements identified in these plans may overlap with SBF projects in one of these ways:

¹¹ *****add reference page once established.

¹² Projects should be in unison and complimentary to DWR's Recreation Management Plan.

2-30

- The SBF may select a project that is also a capital improvement in another plan or program. (Example: the Aquatic Center at the North Forebay and Riverbend Park)
- The SBF may select a project that is not part of another plan or program but is complementary to it.
- ~~The SBF may select a project that is not part of another plan or program but potentially poses a conflict.~~

Comment [b27]: Examples added

Comment [c28]: Deems to be problematic in providing guidance to the SBF Steering Committee

Section 5.7 of the SBF Measures states that the Strategic Plan will include protocols to ensure consistency with DWR's Recreation Management Plan¹³ (prepared in 2006), which anticipates approximately \$30 million to possibly greater than \$50 million in recreation-related capital expenditures during the term of the new license. The SBF Measures also state that the Strategic Plan should be consistent with goals for recreation and economic development in the Oroville Region. Existing or anticipated plans include these:

- Feather River Recreation and Park District (FRRPD) Master Plan (under development)
- City of Oroville General Plan (June 2009)
- City of Oroville Downtown Waterfront Concept Plan (2004)
- City of Oroville 2014 Economic Development Strategy (June 2009)
- City of Oroville Comprehensive Economic Development Strategy Priority List (June 2009)
- City of Oroville Tourism, Marketing Plan (2007)
- City of Oroville Parks, Trails, and Open Space Master Plan (under development)
- ~~City of Oroville PLEI Study (2012)~~
- ~~City of Oroville Art, Cultural Entertainment District (ACE) 2014 |~~
- Butte County Comprehensive Economic Development Strategy Priority List (July 2009)
- Butte County General Plan Economic Development Element (under development)

Comment [b29]: Recent studies added for reference information

¹³ The DWR Recreation Management Plan can be accessed at:
http://www.water.ca.gov/orovillereclicensing/docs/settlement_agreement/SA%20RMP.pdf

- DWR Whitewater Recreation Study (February 2009)
- State Parks Plan
- DWR Recreation Management Plan (March 2006)

At the outset, it is essential that the Participating Agencies review the Strategic Plan to assure consistency with this important objective. The fund allocation, project screening, and selection process are designed to incorporate consistency with these plans and programs on an ongoing basis; recommended annual review and reporting also address this need for consistency.

Opportunities and Constraints

The Opportunities Analysis Report, prepared for the Steering Committee by EPS in May 2009 (**Appendix G**), analyzes recreation, economic development, other physical infrastructure, and tourism dynamics in the City of Oroville Planning Area. **The ultimate purpose of the Opportunities Analysis was to identify a set of potential opportunities and constraints that match up against the mission of the SBF.** The Steering Committee can choose areas of funding and set project selection priorities based on this information. The opportunities and constraints summarized below are a sub-set of the findings from the May 2009 analysis and reflect the current recreation and economic setting in the Oroville region. Over time, opportunities and constraints will change as the local economy and recreational setting evolve.

Comment [b30]: Tense changed

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Opportunities

The opportunities identified in the Opportunities Analysis are meant to provide the Steering Committee with the ability to choose SBF funding priorities and then implement these priorities through the creation of a project criteria and ranking system. The Opportunities Analysis identifies the following opportunities that are concurrent with the SBF mission **and funding priorities:**

Comment [b31]: Added for clarification

- 1. SBF capital spending on existing facilities should prioritize connections between and the use of existing facilities.** Opportunities, including improved signage and way-finding, as well as new trail connections, could also benefit local recreationists and help educate visitors, potentially attracting new visitors or extending the stays of visitors familiar to the area.
- 2. SBF capital spending on new facilities should prioritize facilities that are unique to the region and complement rather than compete with existing and planned facilities.** The Steering Committee has the opportunity to

complement the master plans underway by the FRRPD, City of Oroville, and DWR. The potential also exists to concurrently improve the quality of life for local residents while enhancing the Study Area's ability to attract non-local visitors.

3. SBF funding could provide for a coordinated and focused marketing strategy for the region and its recreation and tourism assets.¹⁴

Increased coordination related to marketing could enable cost efficiencies in these efforts, as well as the ability to market to broader audiences or through increased use of otherwise cost prohibitive mediums, such as television.

4. SBF funding should leverage additional public and private investment in projects that are consistent with the SBF mission. The way in which potential Settlement Agreement monetary amounts were determined and the specific Settlement Agreement terms make clear that SBF funds should be used to leverage additional funding. This premise extends beyond the SWC commitment to fund a half-time grant-writing position to solicit funding to complement SBF funding.

5. SBF funding of "human capital" may be appropriate for funding of projects which meet the SBF Vision and goals.

Constraints

The Opportunities Analysis also contains a number of potential constraints that should be considered by the Steering Committee when selecting projects. Of these, the following constraint may significantly affect future decisions by the Steering Committee:

1. Several complimentary planning documents are being prepared, and the Strategic Plan may be completed before these other documents.

Preparation of these documents, described in the section above as "under development," presents two potential challenges. First, the timing for final approval of these plans and studies is uncertain, and the Strategic Plan will need to determine how to integrate these efforts over time. Second, the agencies in the Oroville Region preparing these reports are, in many cases, independently developing and implementing their own master plans. ~~It is possible that these agencies will have differing priorities and potentially incongruent goals or action plans.~~

Deleted: which for the purposes of the SBF is defined as providing funding for personnel expense for start-up operations (i.e.) The Aquatic Center and the Event Coordinator for major community and tourism events. The SBF may fund human capital on a limited basis with the understanding that the project(s) will be self-sustaining in an agreed upon period of time.

Comment [b32]: Delete as it is speculative

¹⁴ Includes several recommendations included in the "Tourism Marketing Coordination and Implementation Plan," prepared by The Pacific Group, dated October 1, 2007.

2-33

Institutional Capacity and Requirements

As a supplemental agreement between the DWR and the signatories of the Settlement Agreement, the SBF Measures created a structure for the signatories to distribute funds. This structure was further refined with the creation of the SBF Steering Committee Rules of Governance (SBF Rules of Governance), established via resolution in March of 2006 (contained in **Appendix D**). This section describes the goals and duties of each of the SBF parties playing a direct role in funding efforts.

Supplemental Benefits Fund Steering Committee

While there are a host of signatories to the relicensing agreement, the SBF is managed by the Steering Committee, whose purpose is to ensure that SBF funding is in fact used for the purpose envisioned by the SBF Measures. The principal duties of the Steering Committee are to approve the Strategic Plan, select projects for SBF funding, and determine the level of funding for selected projects.

The Steering Committee is composed of eight Steering Committee members plus a representative from DWR acting as an advisory member. As described below, there are five voting members and four advisory, non-voting members:

- **Voting members** include three members from the Oroville City Council and two members of the Board of Directors of the FRRPD. The Oroville mayor appoints the City members for 1-year terms; these appointments are staggered to ensure that knowledge is passed on efficiently. For the FRRPD, the **chairperson appoints** each member for a one year period.
- **Non-voting advisory members** include the SWC, DWR, the Oroville Area Chamber of Commerce, and the American Rivers. The SWC member has additional responsibilities associated with reporting of the pursuit and management of supplemental grants in conjunction with efforts by the City, FRRPD, and SBF Fund Administrator (further described later in this chapter). In practice, these agencies do not appear to have a set process, or term, for Steering Committee appointments.

Comment [b33]: Clarifies how appointment is made.

The public agencies directly represented on the Steering Committee have a variety of constituents and overlapping service areas; however, these members also indirectly represent the interest of other signatories not included on the Steering Committee.

~~The Steering Committee must meet at least once each year to monitor the implementation of the Strategic Plan; review, select, and approve proposed projects~~

~~and associated funding levels; and elect a new Steering Committee chair. Each member serves a 1-year term.~~ According to the SBF Rules of Governance, regular meetings are held on the first Wednesday every three (3) months from the date of the Rules of Governance Resolution. Meetings are held the first Wednesday of January, April, July, and October. All SBF meetings are open to the public and are held in the Council Chambers of the City of Oroville.

Comment [b34]: Delete ...RFSP has been adopted

Comment [b35]: Informational

Voting Process

The Steering Committee will select projects based on a majority vote of voting members. However, an affirmative majority vote must include at least one representative from each voting agency (i.e., the City of Oroville and FRRPD), per Section D, 6.0 of the SBF Measures and the SBF Rules of Governance; as a result in some cases a 4-member affirmative vote will be needed.

Fund Administrator

The City of Oroville is the Fund Administrator, whose purpose is to ensure performance of administrative duties needed to operate the SBF. The Fund Administrator has created a new position, the SBF Program Specialist which provides a half-time staff person acting as the principal liaison with the Fund Administrator, DWR and the Steering Committee for the establishment and operation of the SBF. Section C of the SBF Measures identifies the following duties for the Fund Administrator:

Comment [b36]: Corrects title

- Convene Steering Committee meetings and implement Steering Committee decisions. (SBF Program Specialist)
- Manage all records, agendas, minutes, correspondence, and other pertinent financial information (further described in Chapter 5). (SBF Program Specialist)
- Develop the Strategic Plan. (Approved April 22, 2010 and updated May 27, 2015)
- Enter into an Implementation Agreement with DWR. (Oroville City Council)
- Perform grant-funding tasks and provide additional staffing as needed to assist with this task. These specific grant-funding efforts will rely on resources provided by the City and FRRPD, without using any additional allocation of SBF funding. (SBF Program Specialist)
- Enter into binding contracts and agreements as the legal entity for the SBF. (Oroville City Council)

Comment [b37]: Clarifies who does what

2-35

Department of Water Resources

Participation by DWR in the SBF serves three main goals: (1) to establish the SBF; (2) to make funds available in the form of initial, lump-sum payments and annual payments, including any potential adjustments (as described in a later section of this chapter on Page 3-10); and (3) to act as a non-voting, advisory member on the Steering Committee.

State Water Contractors: Pursuit of Additional Grants

In addition to serving as a non-voting, advisory member on the Steering Committee, the SWC will partner with the Fund Administrator and the Steering Committee to actively provide a funding resource to assist in locating grant opportunities. ~~in addition to SBF funding, SWC is the ultimate funding source for the SBF.~~ As stated in the SBF Measures, at the very least these efforts should secure enough funding to permit the fixed annual payments to keep pace with inflation. As described in Section F of the SBF Measures, the SWC will undertake these activities, with particularly aggressive efforts during the first 10 years of the new license:

Comment [b38]: Clarifies SWC role

- ~~• Develop a SWC Grant Assistance Program whose purpose is to secure money that allows SBF funding to keep pace with inflation.~~
- ~~• Develop a SWC Community Grant Program whose purpose is to secure additional grant funds that are complimentary to SBF funding.~~
- ~~• Coordinate with the Fund Administrator to pursue other grants.~~
- ~~• Provide in-house staff expertise related to successful fundraising techniques.~~
- Provide up to 50 percent of one full-time equivalent (FTE) staff person to pursue grant funding. SWC will provide this level of staff support until 5 years before the new license expires.

Comment [b39]: These activities will be coordinated by the Fund Administrator & the SBF Program Specialist

Section F, part 3.0, also states that "the Fund Administrator, in coordination with the resources of the Steering Committee voting members [the City and FRRPD], agrees to make available appropriate staff and other resources to complement the grant funding efforts of the SWC without using any Fund allocations."

Supplemental Benefits Fund Funding Forecast and Requirements

The license signing for Oroville is was anticipated to occur by December 31, 2009.¹⁵ The total amount of available SBF revenues will depend on the term of the license for the Oroville Facilities, which has not yet been determined. A 50-year term would generate up to \$61.3 million, while a 30-year term would generate up to \$35.3 million, in nominal dollars. However, the present value of this revenue stream is significantly lower, as discussed below.

Comment [b40]: Clarifies proper tense

Pre-Allocated Payments

Pre-allocated payments reflect the cost of improvements that were previously funded by DWR during negotiation of relicensing the Oroville Facilities. These payments primarily funded improvements to Riverbend Park.

Initial Payments

Future SBF revenues will initially comprise lump-sum payments whose revenues will be the same regardless of duration of the license. Specifically, the State Department of Finance's approval of the executed Settlement Agreement for the Oroville Facilities will trigger release of the first lump-sum payment. Under the terms, the SWC will release up to \$1.9 million in the month of June following Settlement Agreement approval; these funds will be made available to reimburse the SBF for actual expenses incurred up until that time. Any funds not spent by that time will be released along with the second lump-sum payment described below. Additionally, the Fund Administrator negotiated with DWR & SWC to allow a \$100,000 advance against the \$4.1 million lump-sum payment to the SBF which is due at license signing. This has allowed the SBF to continue to offer funds to the community.

Comment [b41]: Interim funding support from DWR

The SBF has already funded select projects against this initial source of funding; **Table 3-1** contains an updated reconciliation of projects and costs to date, and shows the amount remaining against the initial \$1.9 million payment.

Comment [b42]: Provides current as of the RVSP revision time

When FERC signs the new license for the Oroville Dam, DWR will release the second lump-sum payment to the SBF, amounting to \$4.1 million, in addition to any remaining funds from the first, initial payment.

¹⁵ Approval of the FERC license and ultimate funding of the SBF has not occurred due to the non issuance of the Biological Opinion by the National Marine Fisheries Service (NOA). At best guess the FERC approval may not occur until mid 2017.

Annual Payments

Subsequent revenues will come from a series of annual payments, made on June 30 of each year. The amount of these annual payments will be based on the term of the license, and could vary between \$800,000 (for a 30-year term) and \$1 million (for a 50-year term).

These annual payments, however, are not subject to escalation. As such, the present value of this revenue stream is substantially lower compared to the nominal (not-escalated) value. **Table 3-2** shows annual inflation rates over the past 30 years. Based on the average annual inflation rate over this timeframe, EPS estimated the net present value of the annual payments for a 30-year, 40-year, and 50-year license. **Table 3-3** shows that the present value of the SBF funding stream ranges from approximately \$16 million to \$26 million, depending on the term of the license.

Because the current value of future SBF funding is relatively low, it is vitally important for the SBF to maximize its funding through the aggressive pursuit of additional grants, use of leverage, and repayment of SBF funding awards, as described below. The efforts by the SWC, with additional assistance from the Fund Administrator and Steering Committee voting members, (as described in the Settlement Agreement), to pursue additional grants should help to secure at least enough funding to keep pace with inflation.¹⁶

Leveraging Additional Funding Sources

There are at least three possible sources of revenues that could increase the overall amount of funding for SBF projects. **The first is the pursuit of additional grants.** The SWC, the Fund Administrator, and Steering Committee voting members will aggressively pursue additional grant funds (e.g., State propositions, private foundations, etc.) that will both serve to fund more projects and, at a minimum, provide enough additional funding to allow the SBF to keep pace with inflation. Because the amount of total grant funding is unknown at this time, it is excluded from the revenue forecast. However, securing additional funding through grants is critical to maintaining the value of annual payments.

The second is the use of leverage. Leverage generally refers to the ability to secure other funding sources, which could include grants but also other dedicated

¹⁶ Because annual payments from DWR are constant and do not contain any escalation factor, additional grant efforts should at the very least aim to secure enough funding to ensure that annual payments are supplemented by an amount equivalent to annual inflation.

sources, such as outside loans, funding from other public agencies, or bonds. Outside loans would be a private undertaking by SBF project applicants and will vary by project. Contributions from other public agencies (e.g., General Fund allocations or state funds) are also at the discretion of each agency and cannot be forecasted at this time.

The Opportunities Analysis contains an evaluation of the SBF's potential to issue bonds to provide an up-front source of revenues that could enable funding of a large-scale project requiring an early infusion of capital. However, this analysis reveals that the SBF would be able to guarantee only a small repayment stream—one that could not be impacted by any delay in annual payments owing to a lower water allocation (which would result in a smaller payment to the SBF and a deferral of the balance to future years). The amount of issuance costs and interest over the term of the bond, based on reduced payments, would have a disproportionate impact on such a small bond, as shown in **Table 3-4**.¹⁷ As such, initially the issuance of revenue bonds does not appear to be an effective use of SBF funds when leveraged with the other potential revenue streams to support a cost-efficient bond sale. However, should the SBF be presented with an opportunity to qualify for any type of interest-free bonds, such an arrangement would certainly merit consideration.

The third source of additional funding would be the potential use of a revolving loan fund. Such a fund would use a portion of the available monies for projects that could repay the amount funded by the SBF, thereby creating a long-term stream of revenues that would not be depleted over time. The mechanics of this revenue source are described in further detail in **Chapter 4**.

Potential Adjustments to Annual Payments

According to the SBF Measures, there are two scenarios that could affect the level of revenues generated from annual payments by the SWC. The Opportunities Analysis describes each of these scenarios in detail. A brief summary is provided below.

¹⁷ Please note that the estimate shown in this analysis is represented in constant dollars. As a result, it does not consider the time-value of money. In reality, the unescalated annual payments to the SBF will have a diminished value over time to fund projects—the payments remain the same but the cost of projects will rise. A full analysis would include an evaluation of this dynamic considered against the cost of interest and issuance on the bond.

2-39

Department of Water Resources Water Allocation Adjustments

Each May, DWR provides a water allocation to the SWC ranging from 0 to 100 percent of the requested amount:

- As long as DWR's May allocation provides 36 percent or more of the SWC allocation request, the SBF will receive the annual payment according to the Settlement Agreement (\$800,000 to \$1 million depending on the license term).
- If an allocation is 26 to 35 percent of the requested amount, the SBF will only receive \$500,000 that year (regardless of the license term).
- If the annual allocation is less than 26 percent of the requested amount, the SBF will only receive \$300,000 for that year (regardless of the license term).

According to the SBF Measures, the revenue reduction would be *deferred* to the future, not lost, by the SBF. The DWR would replenish the SBF over a 5-year period following an allocation exceeding 36 percent.¹⁸

For example, had the SBF been in effect since 1968, there would have only been 2 years (1991 and 2008) in which there would have been a reduction in payments by the DWR.

Oroville Facilities-Generation Adjustment

A second potential adjustment to SBF revenues would stem from any circumstances causing a stoppage in power generation at the Oroville Facilities, such as power outages or judicial or legislative actions. A sustained power outage at the Oroville Facilities would result in significant increases in power costs for DWR, who currently offsets about one-third of its demand for power through its internal power-generation operations at the Oroville Facilities. Any associated cost increase would subsequently be passed onto the SWC in the form of higher wholesale power costs. Because the portion of this cost that would be absorbed by SWC (as opposed to passed onto retail customers) is unknown, the revenue adjustment described by this scenario implicitly assumes that the SWC would face a significant financial hardship and provides relief to the SWC in the form of reduced annual payments to DWR, who would in turn fund the SBF accordingly.

- A loss of up to 10 percent of water-power generation would not impact the DWR's payment to the SBF.

¹⁸ Should DWR issue another substantially reduced allocation while the SWC is repaying a previous reduction, the DWR may further delay the original repayment until the allocation returns to a level of 36 percent or higher.

- An 11-percent to 100-percent water-power-generation reduction would result in a corresponding payment reduction of 1 percent to 90 percent.

According to the SBF Measures, any annual decrease in payment caused by water-power generation would *not* be repaid to the SBF. This reduction would simply be a loss to the SBF. Telephone interviews with DWR indicated that this situation has never occurred, nor is it anticipated to occur in the course of regular business. Catastrophic events, such as a major fire at the plant or a legislative decision to stop activities at the Oroville Facilities, cannot be predicted.

Potential Availability of Annual Supplemental Benefits Fund Funding

The Opportunities Analysis contains a forecast of potential annual revenues that could be available for SBF project funding; this section briefly revisits this forecast for purposes of providing an overview of potential available funding on an annual basis.

Table 3-5 shows the estimated gross revenues (in nominal dollars) from initial lump-sum payments, annual payments, other pre-allocated revenues, and net revenues for a 50-year license. **Table 3-5** also shows, for illustrative purposes, potential adjustments to gross revenues caused by a decrease in water allocation (which are subsequently repaid) and a decrease in power generation at the Oroville Facilities (which are not repaid). While the actual number and depth of any adjustments are unknown, this revenue stream helps show how revenues could be impacted.

In the sample revenue stream shown on **Table 3-5**, DWR's 2010 water allocation is only 30 percent of the SWC's requested amount, triggering a reduced SBF payment of \$500,000 instead of the \$1 million originally anticipated for a 50-year license. As a result, the SBF has \$500,000 less in 2010 to fund projects than it had expected; over the following 5 years, the DWR allocation remains above 36 percent, and the \$500,000 is repaid in 5 yearly increments.

The sample revenue stream also shows, solely for purposes of illustration, a power-generation reduction in 2016 and 2017 that results in a payment loss of \$100,000; once again, this revenue is not subject to repayment and is simply lost.

**Table 3-1
 Supplemental Benefits Fund: Strategic Plan
 Funding Reconciliation for The First Lump-Sum Payment**

Project Description	Amount
FUNDS EXPENDED TO DATE	
Large Projects	
Table Mt. Golf Club, Inc.	\$30,000
FRRPD Riverbend North Park - Soccer Fields	\$1,020,000
Subtotal Large Projects Funded	\$1,050,000
Small Projects	
Oroville Gone Wild	\$5,000
Kids at Risk Sports Intervention Program	\$5,000
The Potter Project	\$4,400
YMCA Swimming Pool Repairs	\$5,000
Metal Sculpture Project	\$5,000
City Fire Rescue Equipment	\$4,637
Landscape/Chinese Brick/Bolt Museum Area	\$4,000
Oroville Library/Conf. Room	\$4,835
Subtotal Small Projects Funded	\$37,872
Other Projects/Funding Awards	
Oroville Area Chamber of Commerce	\$100,000
Administrative Costs [1]	\$265,113
Total Projects and Costs Funded	\$1,452,985
TOTAL FUNDS REMAINING	
Administrative Funds	\$271,897
Small Projects	\$12,128
Unallocated	\$197,990
Subtotal Funds Remaining	\$482,015
TOTAL FUNDS	\$1,935,000

"sbf_funded"

Source: SBF Coordinator, January 2009 and August 2009.

[1] Includes costs incurred and accrued through 6.30.2009.

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Table 3-2
Supplemental Benefits Fund: Strategic Plan
Historical United States Inflation, 1979 - 2008

Year	Avg. Annual Inflation Rate	3-Year Moving Average
1979	11.22%	-
1980	13.58%	-
1981	10.35%	11.72%
1982	6.16%	10.03%
1983	3.22%	6.58%
1984	4.30%	4.56%
1985	3.55%	3.69%
1986	1.91%	3.25%
1987	3.66%	3.04%
1988	4.08%	3.22%
1989	4.83%	4.19%
1990	5.39%	4.77%
1991	4.25%	4.82%
1992	3.03%	4.22%
1993	2.96%	3.41%
1994	2.61%	2.87%
1995	2.81%	2.79%
1996	2.93%	2.78%
1997	2.34%	2.69%
1998	1.55%	2.27%
1999	2.19%	2.03%
2000	3.38%	2.37%
2001	2.83%	2.80%
2002	1.59%	2.60%
2003	2.27%	2.23%
2004	2.68%	2.18%
2005	3.39%	2.78%
2006	3.24%	3.10%
2007	2.85%	3.16%
2008	3.85%	3.31%
Average:		
10-Year - 1999-08	2.83%	2.66%
20-Year - 1989-08	3.05%	3.07%
30-Year - 1979-08	4.10%	3.84%

"inflation"

Source: Inflationdata.com (retrieved Aug 7, 2009).

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Table 3-3
Supplemental Benefits Fund: Strategic Plan
Present Value of Annual Payments, 2010-2059 (in 2010 \$000s)

Item	50-YEAR LICENSE (in \$000s)	40-YEAR LICENSE (in \$000s)	30-YEAR LICENSE (in \$000s)
Discount Rate [1]	3.05%	3.05%	3.05%
Nominal Annual Payments	\$1,000	\$900	\$800
Present Value of Payments (in 2010\$)			
<u>Year:</u>			
2010	\$1,000	\$900	\$800
2011	\$970	\$873	\$776
2012	\$942	\$848	\$753
2013	\$914	\$822	\$731
2014	\$887	\$798	\$709
2015	\$861	\$775	\$688
2016	\$835	\$752	\$668
2017	\$810	\$729	\$648
2018	\$786	\$708	\$629
2019	\$763	\$687	\$611
2020	\$741	\$667	\$592
2021	\$719	\$647	\$575
2022	\$697	\$628	\$558
2023	\$677	\$609	\$541
2024	\$657	\$591	\$525
2025	\$637	\$574	\$510
2026	\$618	\$557	\$495
2027	\$600	\$540	\$480
2028	\$582	\$524	\$466
2029	\$565	\$509	\$452
2030	\$548	\$494	\$439
2031	\$532	\$479	\$426
2032	\$517	\$465	\$413
2033	\$501	\$451	\$401
2034	\$486	\$438	\$389
2035	\$472	\$425	\$378
2036	\$458	\$412	\$366
2037	\$445	\$400	\$356
2038	\$431	\$388	\$345
2039	\$419	\$377	\$335
2040	\$406	\$366	-
2041	\$394	\$355	-
2042	\$383	\$344	-
2043	\$371	\$334	-
2044	\$360	\$324	-
2045	\$350	\$315	-
2046	\$339	\$305	-
2047	\$329	\$296	-
2048	\$319	\$288	-
2049	\$310	\$279	-
2050	\$301	-	-
2051	\$292	-	-
2052	\$283	-	-
2053	\$275	-	-
2054	\$267	-	-
2055	\$259	-	-
2056	\$251	-	-
2057	\$244	-	-
2058	\$237	-	-
2059	\$230	-	-
Total (in 2010\$)	\$26,272	\$21,270	\$16,058

"PV"

Source: Inflationdata.com (retrieved Aug 7, 2009) and EPS.

[1] The Discount Rate is the 20-year average historical inflation rate. See Table 3-2.

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**d: Strategic Plan
y - Conservative Scenario**

**\$300,000
Annual Payment**

Assumptions	Estimated Bonding Capacity - 30 Year Term [1]		
	7% Interest	8% Interest	9% Interest
ent	\$300,000	\$300,000	\$300,000
itration Costs	4% (\$12,000)	(\$12,000)	(\$12,000)
rage	10% (\$30,000)	(\$30,000)	(\$30,000)
g	\$2,000	\$2,000	\$2,000
ervice (Rounded)	\$260,000	\$260,000	\$260,000
Size			
	\$3,226,351	\$2,927,024	\$2,671,150
g	(\$26,351)	(\$27,024)	\$28,850
d)	\$3,200,000	\$2,900,000	\$2,700,000
ed)	\$3,200,000	\$2,900,000	\$2,700,000
	\$3,200,000	\$2,900,000	\$2,700,000
	12 months (\$224,000)	(\$232,000)	(\$243,000)
CEEDS	5% (\$160,000)	(\$145,000)	(\$135,000)
	\$2,816,000	\$2,523,000	\$2,322,000
st of Bond [2]			
er 30 Yrs. Without Bonds	\$9,000,000	\$9,000,000	\$9,000,000
	\$6,184,000	\$6,477,000	\$6,678,000
	\$160,000	\$145,000	\$135,000
t of Bond	\$6,344,000	\$6,622,000	\$6,813,000
venues	70%	74%	76%

ied on conservative assumptions. The actual interest rate will be determined at the time of bond sale. "bonds"
 sis, the opportunity cost of a bond was calculated using constant dollars. A full analysis would need to account for the present

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(in \$000s)

50-Year License Assumption

Total	2006-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2029	2030-2039	2040-2049	2050-2059
\$1,935	\$1,935														
\$4,135		\$4,135													
\$6,070	\$1,935	\$4,135													
\$50,000	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
\$5,200	\$5,200														
TBD	\$0														
\$61,270	\$7,135	\$5,135	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
\$61,270	\$7,135	\$12,270	\$13,270	\$14,270	\$15,270	\$16,270	\$17,270	\$18,270	\$19,270	\$20,270	\$21,270	\$31,270	\$41,270	\$51,270	\$61,270
	<u>Example</u>														
ation		30%	50%	75%	100%	100%	100%								
		\$500	\$0	\$0	\$0	\$0	\$0								
		\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000								
		\$0	\$100	\$100	\$100	\$100	\$100								
duction		\$0	\$0	\$0	\$0	\$0	\$0								
		\$0	\$0	\$0	\$0	\$0	\$0	<u>Example</u>	<u>Example</u>						
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0	\$0
		(\$500)	\$0	\$0	\$0	\$0	\$0	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0	\$0
\$61,170	\$7,135	\$4,635	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$950	\$950	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
\$61,170	\$7,135	\$11,770	\$12,870	\$13,970	\$15,070	\$16,170	\$17,270	\$18,220	\$19,170	\$20,170	\$21,170	\$31,170	\$41,170	\$51,170	\$61,170

"gross_rev"

r may not be reimbursable,
and \$2.2 million towards Riverbend Park improvements in 2006.
ayment.

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This page intentionally contains no text.

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4. OPERATIONAL PLAN

The operational plan describes how SBF revenue will be allocated to a variety of qualified purposes, and how projects will be selected for funding. This formal structure is intended to assure allocation of revenue and selection of projects that is consistent with the Settlement Agreement, conferring the greatest benefit to the Oroville Region, and providing the transparency necessary to gain and hold the confidence of the Participating Agencies and the public-at-large.

The operational plan addresses the two major operations of the Steering Committee; the allocation of SBF revenues to the eligible (refer to ES-1 & ES-4) and necessary purposes (such as administration costs) and the selection of projects to be funded over time.

Comment [c43]: Deleted "overtime"

Comment [c44]: Added for clarification

Budget Framework

The SBF will adopt and maintain an annual operating budget, on a fiscal-year basis (July 1st to June 30), similar in form to budgets adopted by other public agencies. In addition to adopting an annual budget each July reflecting the appropriation of funds to the various fund categories, the budget will provide a basis of annual auditing (i.e., the comprehensive annual financial report). The annual budgets and audit will be part of and also feed into planning the multiple-year budget, as described below.

Comment [c45]: Matches City of Oroville & FRRPD fiscal years)

Multiple-Year Project Funding Cycle

Subject to the terms of the new license, nearly all SBF funding will be ~~paid~~ provided annually to the Fund Administrator in a single lump sum. Although funded and budgeted annually, it is recommended that the SBF funding allocation (use of funds for projects) be based on a multiple-year funding cycle subject to annual budget appropriations. ~~Most public agencies use such a multiple-year funding cycle when programming capital improvement funding. Because a majority of SBF funding will fund capital improvements, the multiple-year funding cycle is the most appropriate funding allocation framework.~~

Comment [c46]: Removed as it is defined in the following bullet points

Attributes of a multiple-year funding cycle that benefit the SBF include these:

- Ability to fund projects that exceed annual funding limitations.
- Ability to prioritize investments.
- Enhance public involvement and transparency of the funding process.
- Accountability for funding programming.

- Responsiveness to potential annual variation in revenue stream.
- Longer planning horizon that more closely matches timeline for investments.

Although it is recommended that the overall SBF funding allocation framework be based on a 5-year timeframe, as described below, the Steering Committee will be making SBF funding decisions on an annual basis as part of its annual budget adoption process. **Table 4-2** provides an illustrative example of a multiple-year budget allocation compared to a single-year budget allocation. The amounts shown in **Table 4-2** are for example purposes only.

Comment [c47]: SBF Steering Committee to discuss if the "Revolving Loan" category should be eliminated; if not there should not be a forgiveness factor

Annual Budget Allocations

Annually, the Steering Committee will need to appropriate SBF funds to each of the funding categories identified in the Strategic Plan. These funding categories are described in further detail in the next section.

~~Funding appropriations will need to be made on an annual basis because of the following factors:~~

Funding appropriations may be effected by the following factors:

- Unforeseen changes in capital project priorities.
- Potential variability in annual payments to the Fund Administrator.
- Variability caused by repayments for funding interruptions.
- Variability caused by repayment of RLF loans.
- Variability in securing additional grant funding.

Comment [c48]: ?? take out if RLF is eliminated

This structure provides the Steering Committee with flexibility to modify annual budget allocations to a particular SBF funding category. ~~if-necessary.~~

Figure 4-1 shows the SBF funding categories along with likely sources of funding. Targeted annual allocation ranges, based on an assumed annual allocation of \$1 million, are as follows (percentages are expressed as a percentage of stated payments to the Fund Administrator):

- SBF Administration (variable)—5 percent to 10 percent (\$50,000 to \$100,000).
- SBF Projects—Large Projects (variable)—45 percent to 65 percent (\$450,000 to \$650,000).
- SBF Projects—Revolving Loan Fund (variable)—5 percent to 15 percent (\$50,000 to \$150,000). (Note, should this category be eliminated these funds could be transferred to the Marketing/Community Benefits Fund to cover the items suggested below)

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Figure 4-1
SBF Annual Budget Process
(Illustrative Example)

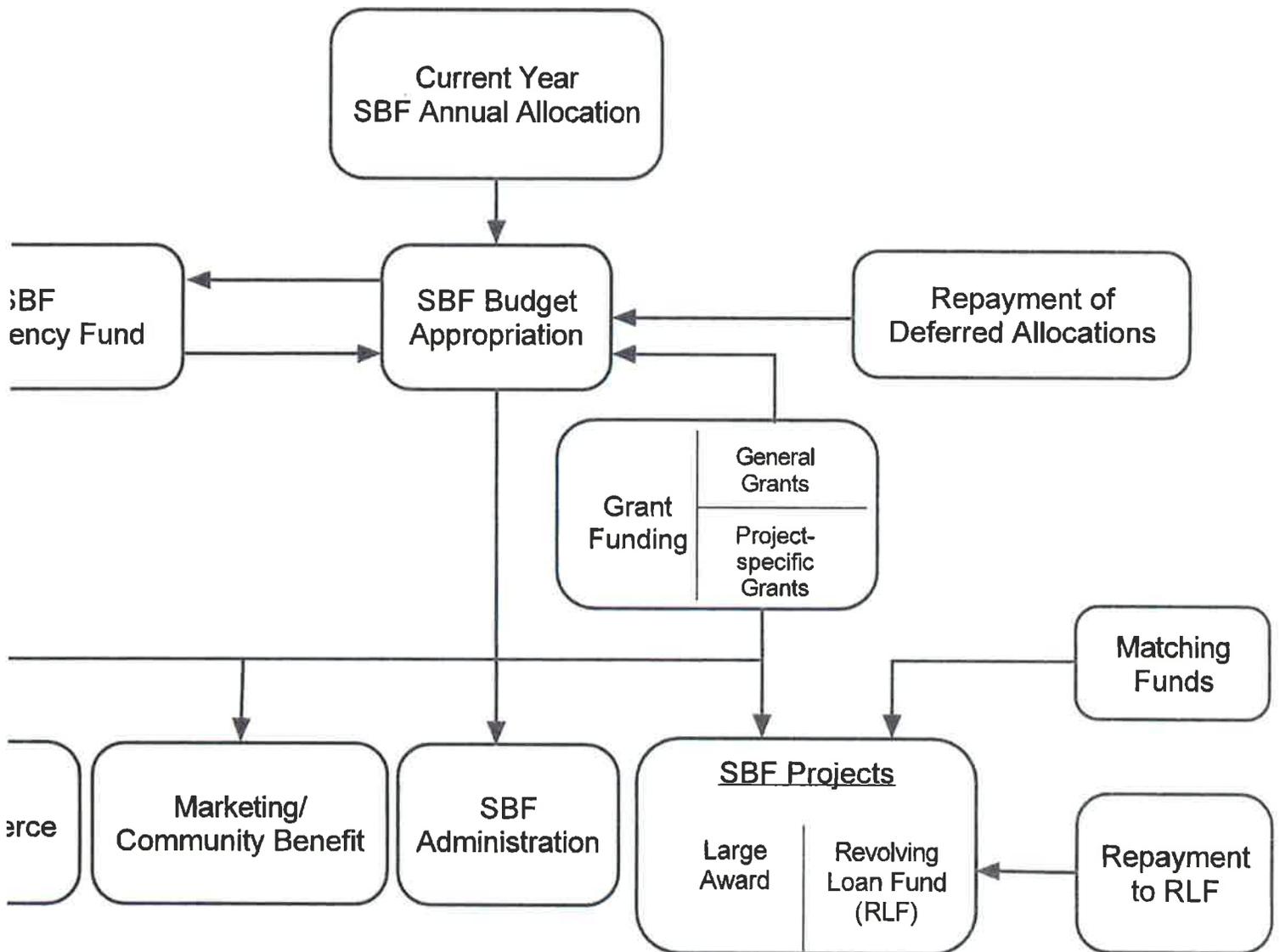
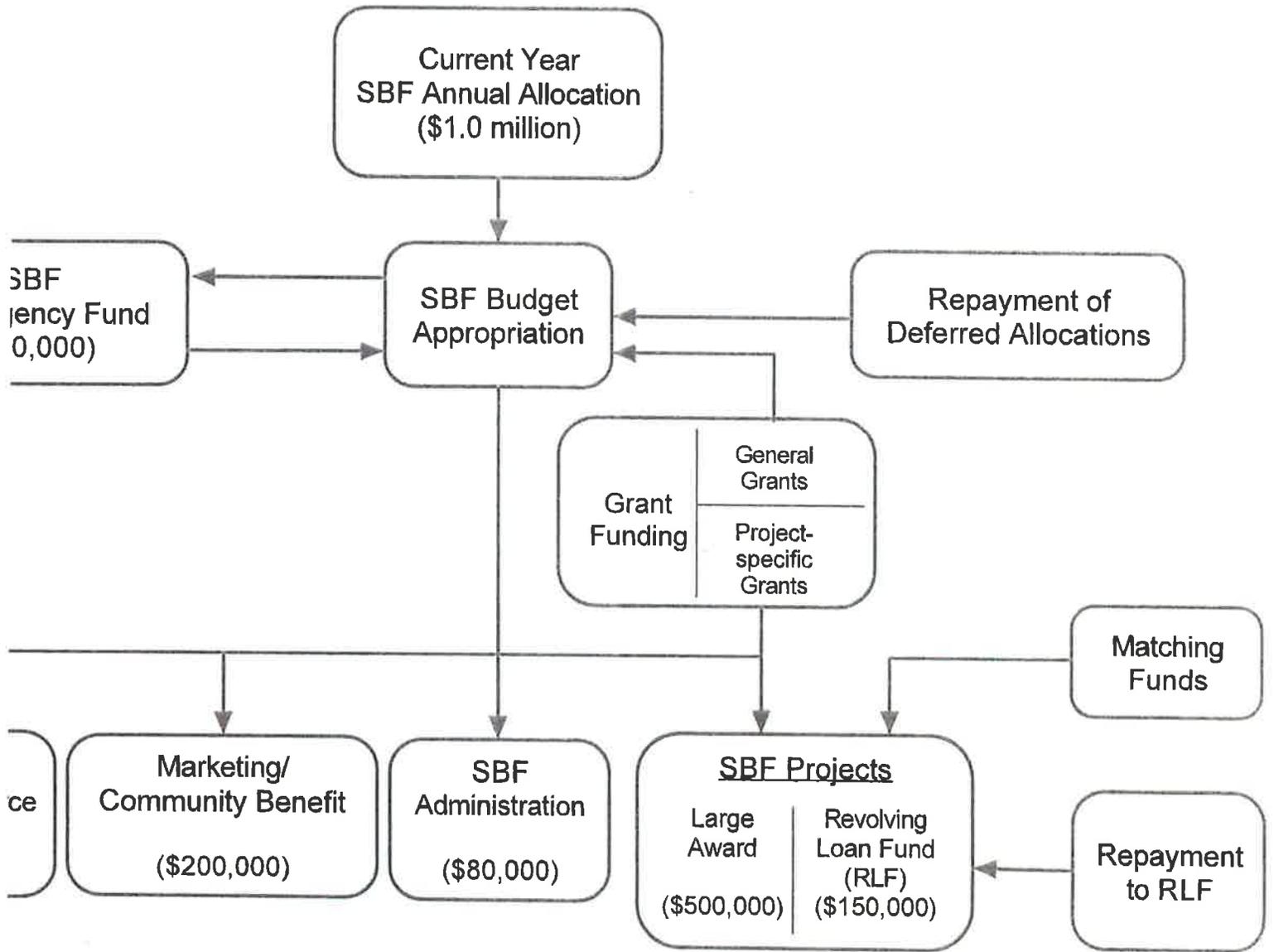


Figure 4-2
SBF Annual Budget Process
Scenario 1 - Full Annual Payment
(Illustrative Example)



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- Marketing/Community Benefit Fund (variable)—10 percent to 20 percent (\$100,000 to \$200,000). (Suggest adding brochures, event coordinator & safety stipend for trail/park patrol as fixed items under this category)
- Marketing/Chamber of Commerce (fixed)—6 percent (\$60,000).
- Contingency—~~0~~ 2 percent to 5 percent (~~\$ 0~~ \$20,000 to \$50,000).

As described above, the Steering Committee has the discretion to modify the percentage allocations (during budget discussions) to the funding categories if necessary.

As described in this chapter, the ~~amount of~~ dollars allocated to certain SBF funding categories are intended to be fixed, whereas others are intended to be variable. Fixed funding categories, such as the marketing/chamber of commerce category, are intended to be funded at their maximum levels in any given year regardless of annual fluctuations in payments to the Fund Administrator. ~~The ability to maintain maximum funding levels in fixed categories will be balanced by the ability to reduce annual funding appropriations in the variable SBF funding categories.~~

Annually As part of developing and adopting the annual operating budget, the Steering Committee ~~would~~ will determine the annual SBF budget through the following steps:

1. Determine annual payment from DWR to SBF Fund Administrator.
2. Add to the annual payment to the SBF Fund Administrator any repayment of funds from DWR being repaid because of a prior deferral in annual payments.
3. Add any contingency funds (described below) that must be used to maintain maximum funding levels for fixed SBF funding categories.
4. Identify any grants secured by additional ongoing efforts. ~~and allocate grant funding to the appropriate funding category.~~
5. Appropriate annual funding to each SBF funding category based on the ~~maximum of the~~ targeted annual percentage allocation or targeted annual dollar amount.
6. Appropriate funding to the projects selected ~~for funding~~ in the SBF Projects Program.

Figures 4-2 and 4-3 show illustrative examples of the annual budget allocation process under two scenarios: the first is a full annual payment scenario, and the second, a reduced annual payment scenario. In each example, the amounts shown

Comment [c49]: Update if suggested category changes occur

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by fund category are for illustrative purposes only and may not reflect the amounts allocated to each fund category in a given year or multiple-year project funding cycle. In the first scenario, the full annual payment to the Fund Administrator is allocated to each SBF funding category based upon an example percentage allocation to each funding category. This example assumes no repayment of prior-year deferrals from DWR and no need to use any contingency funds.

In the second scenario, the Fund Administrator receives only \$600,000 (60 percent of the \$1.0 million in annual payments) in the current year. Consequently, because the total dollar amount is reduced, the example amounts allocated to each fund category are also reduced, except the fixed funding allocation to the Marketing/Chamber of Commerce fund category.

Both examples are for illustration purposes. ~~and do not reflect potential or recommended percentage distribution of any of the categories. The actual flow of funds will be determined based on the known funds that will be available (as discussed later).~~

Supplemental Benefits Fund Funding Categories

~~Once the amount of available funding is known, the Steering Committee will allocate this available revenue to five different categories, including an administration fund, large award fund, revolving loan fund, marketing and community benefit fund, and contingency fund.~~

Table 4-1 identifies each funding category and contains a summary of key features for each category. Aside from **fixed** funding ~~for SBF Administration~~, all applicants are eligible to apply for funding through one or more of the other funding categories. Eligible applicants include individuals, community organizations, public agencies, as well as any for-profit and not-for-profit enterprises. The following paragraphs describe the SBF funding categories in more detail.

Supplemental Benefits Fund Administration

The Strategic Plan allocates between 5 and 10 percent of annual SBF revenue to fund the ongoing annual SBF administration. As an example, if SBF funding equals \$1.0 million annually, between \$50,000 and \$100,000 would be used to fund SBF administration. Annual administration efforts include the following activities:

- Strategic Plan implementation, and project direction and oversight, with a .5 to 1.0 FTE SBF Coordinator.
- SBF funding request solicitation and review.

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- Legal costs.
- Steering Committee meeting coordination and administrative support.
- Outreach with public, affected agencies, and other stakeholders/interested parties.
- Monitoring, auditing, compliance, record keeping and reporting on projects awarded SBF funding.
- Other SBF specific assignments as determined.

~~As stated in the Settlement Agreement, initial funding for SBF administration was a larger amount made available during start-up of the SBF and to fund the writing and implementation of the Strategic Plan. Going forward, the funding allocation for SBF administration will be determined by the Steering Committee. At the beginning of each multiple-year funding cycle, the Steering Committee may decide to alter the percentage of funds being allocated to SBF administration. According to the Settlement Agreement, any funding allocated to, but not used for, SBF administration shall be reallocated to the SBF. The Steering Committee shall have discretion to determine which funding category or categories shall benefit from reallocated funding not used for SBF administration, but it is recommended that any unused funds be redirected to SBF project funds.~~

Comment [c50]: Not applicable

Supplemental Benefits Fund Projects

Projects—Large Award

This funding category is intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission & Vision Statements as determined through a project selection and ranking system that is described in greater detail ~~in a later section of this chapter. (see page xx).~~ Between forty-five (45) and sixty-five (65) percent of the SBF funding stream will be dedicated to the Projects—Large Award category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall not be a maximum amount established for any single project. There will, however, be a minimum request amount of \$20,000 for SBF projects in this category.

~~As described in more detail later in this chapter,~~ Applicants shall be required to complete a pre-application and, if invited to do so, a full project application for project consideration. Projects will be considered at the beginning of each multiple-year funding period. Any new projects seeking consideration after the start of the current multiple-year funding period ~~would~~ will accumulate during the current

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funding cycle and ~~would~~ will be evaluated and rated as part of the next funding cycle.

Comment [c51]: Consider eliminating or revising

Revolving Loan Fund

The Strategic Plan directs that between five (5) and fifteen (15) percent of annual SBF revenues be dedicated to projects seeking loans that can be leveraged into a long-term Revolving Loan Fund (RLF) funding category. Projects eligible for this funding category will be evaluated as part of the same process used to evaluate applicants seeking approval through the SBF Projects—Large Award funding category.

Funding shall be considered by the Steering Committee for the entire 5-year funding cycle. During certain years there may be additional revenues from the repayment of deferred allocations or repayment to the RLF; after funding the fixed amounts for Marketing/Chamber of Commerce funding category, any remaining revenues will be reallocated to the SBF Projects—Large Award and RLF funding categories.

Marketing/Community Benefit Fund

This funding category is also intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission. Between ten (10) and twenty (20) percent of the SBF funding stream will be dedicated to the Marketing and Community Benefit category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall be a maximum amount of \$250,000 established for any single project.

The intent of the Marketing and Community Benefit Projects category is three fold:

1. Give the Steering Committee the ability to fund projects on an as-requested basis, while such project requests are not weighted and ranked in priority with others in the same funding pool, but rather approved or rejected based on their individual merit as determined by the Steering Committee.
2. Drawing on findings of the Opportunities Analysis, fund coordination of marketing efforts between various entities and agencies that all market activity in the Oroville Region. Specific strategies summarized in the Opportunities Analysis include these:
 - Create a marketing brand for the area—this was completed in 2009 through efforts by DWR, the City, and the Chamber of Commerce.
 - Actively manage and coordinate media communications and publications.

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- Improve signage and way-finding (orienting visitors toward and between existing and planned recreation and tourism assets).
 - Conduct joint marketing of business development and tourism (e.g., market tourism while promoting quality-of-life attributes to prospective businesses and employers).
 - Emphasize tourism marketing and promotion with appropriate connections to the City, County, and other special agency economic development strategies.
3. Fund efforts, events, or other activities that target community benefit or enhancement. This funding category is intended to target local community organizations, agencies, or other groups that actively promote events, activities, or other efforts that benefit local residents and draw people into the Oroville Region. Examples of community benefit activities include these:
- Community assistance projects (e.g., volunteer work-days, community clean-up efforts, local/neighborhood park renovations, or ~~elderly-senior~~ assistance projects).
 - Seasonal celebrations (e.g., crop/harvest celebrations, Halloween, or parades).
 - Local activities/events (e.g., cultural events or public agency major milestones).
 - Sporting events with regional draw (e.g., triathlons or fishing tournaments).
 - Locally produced public art celebrating the heritage/identity of the Oroville Region.

In general, projects funded through this category should support local businesses, attract new visitors to the Oroville Region—for overnight trips or multiple days if possible—provide an opportunity for attendees/participants to spend their retail dollars in the Oroville Region, or reflect a collaborative effort by multiple groups or agencies pursuing community development, tourism, or recreation goals.

The Marketing and Community Benefit category is designed to follow a similar pre-application and application ~~process. invitation-format-as-the-SBF-Projects-Large-Award-funding-category.- Such-applications-shall-be-considered-annually-by-the-Steering-Committee,-starting-with-a-NOFA.~~

Comment [c52]: See #1 under Marketing/Community Benefit Fund for parameters

Marketing/Chamber of Commerce Fund

This fixed funding category provides a consistent annual grant of \$60,000 to the Oroville Area Chamber of Commerce (Chamber) for tourism and community event activities. Annually, the Chamber will submit a budget for anticipated usage of the grant funding. The Chamber submission, which will be provided in lieu of a formal application, will require Steering Committee review and approval. Aside from SBF funding, the Chamber is encouraged to obtain matching funds for activities from its members, the general public and other available grant sources. SBF reimbursement to the Chamber will be made upon receipt and approval of a summary report with documentation substantiating the expenditures.

Contingency

The Strategic Plan allocates between ~~zero (0)~~ two (2) and five (5) percent of annual SBF revenues be set aside into a Contingency funding category that can be used to buffer against funding stream interruptions or other unanticipated needs that may arise during each 5-year funding cycle. This funding category is intended to be variable and subject to funding stream interruptions.

~~Annually, the Steering Committee will designate between zero (0) two (2) and 5 percent of anticipated funding for that year into the Contingency fund. In any year that the funding stream may be reduced, the Steering Committee may elect to suspend funding allocations to the Contingency fund and may, furthermore, deem it necessary to use Contingency funds to satisfy other, fixed funding category obligations. Any surplus revenues at the end of a funding year would accumulate to the Contingency fund to buffer against future year interruptions; at the end of each funding cycle, the Steering Committee will review the amount remaining in the Contingency fund and determine whether to re-allocate those funds to projects or keep the money there for the next funding cycle.~~

Comment [b53]: Deleted as the same thing is stated in the paragraph above

Grant Funding

As discussed previously, grant procurement will be instrumental to the overall success of the SBF mission. The Steering Committee, in cooperation with the SWC and the SBF Fund Administrator, will actively pursue grant funding to leverage SBF funds. ~~for SBF purposes. Grant funding represents a potential revenue stream that the Steering Committee may be able to use in two different ways. First, project-specific grant funding is anticipated to be used for the specific project for which the grant was received. In such cases, grant funding would be in addition to the annual SBF budget appropriation to a given category (e.g., SBF projects) and would fund a specific project.~~

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In other cases, it is possible that the Steering Committee might be able to secure grant funding that is less programmed (e.g., planning grants). In such cases, it is possible that such grant funds might be added to the amount available for annual appropriation before the total amount is allocated to the different funding categories.

Comment [b54]: Removed as grant funding is for project/program specific and is not used to "build \$\$" for future use...the way it was written implies that \$\$ will be added to categories from grants

Project Selection Process

The Strategic Plan includes a set of parameters for SBF projects and establishes a process by which those projects are selected and funded. ~~does not include a set of recommended SBF projects; rather it establishes a process for selecting and funding such projects over time.~~ This section describes how the SBF will accomplish this objective through the use of a project selection process. ~~similar to that followed by local governments to develop and prioritize their capital improvement programs.~~ This activity—soliciting project proposals, evaluating these projects, and selecting projects for funding—will be the primary ongoing function of the Steering Committee and the SBF staff. During the initial stakeholders meetings a list was developed from community input; some of these projects may have relevancy and may be considered in future SBF funding cycles. See **Appendix B-C** for the Prior Project Identification List.

Building a Supplemental Benefits Fund Project Program

~~The objective of the Project Application and Selection Process is the establishment of an "SBF Project Program," essentially a capital improvement or expenditure program for the SBF. Similar to capital improvement programs typically adopted by cities or other local jurisdictions, the SBF Project Program will identify a set of projects to be funded over a 5-year funding cycle, as described previously. The projects selected would be described in considerable detail and be prioritized given the projected flow of SBF revenue along with other revenue that may be available for a given project.~~ The underlying principle of the Project Application and Selection Process is to allocate the limited SBF resources in the most efficient, beneficial, and cost-effective manner, given the policy objectives of the SBF and the conditions set forth in the Settlement Agreement.

Comment [b55]: Eliminated to limit confusion

The Project Application and Selection Process

To create public confidence and transparency along with a technically sound selection process given the wide range of potential projects, the competing interests, and the limited funding available, it will be essential to follow the established ~~a very formal~~ decision-making process that:

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4. Technical Scoring of Proposed Project

Scoring Project Applications will allow the establishment of a rank order of Projects based on objective criteria regarding their relative merit. This requires a set of Project Evaluation Criteria: standards of measurement that are objective, applicable, and quantifiable. The following Project Evaluation Criteria are recommended:

- Ability to attract matching funding.
- Ability to pay back funding to the SBF from revenues derived from investment.
- "Nexus" to the Feather River.
- Consistency with local plans.
- Potential to enhance local jobs or create training opportunities.
- Ability to enhance community "sustainable development" objectives.
- Ability to enhance the quality of life for residents in the region and attract visitors.

Comment [c59]: Steering Committee to determine if this remains

The technical scoring of projects will be completed by the Steering Committee based upon the application submitted and a formal presentation by the project applicants. An ordinal score²⁰ would be assigned based on the range of values for each criterion. Another aspect of the Project Evaluation Criteria is their relative importance. They may all have equal weight but more likely some may be more important than others. For this reason the criteria themselves ~~should be~~ are placed in rank order, the most heavily weighted first. A value ~~can be~~ is given to each, given their relative importance. For example, "Ability to pay back funding to the SBF from revenues derived from investment" is recommended to have a higher value than "potential to enhance sustainable development objectives."

Comment [c60]: See footnote regarding "ordinal"

Table 4-4 provides a description of the Project Evaluation Criteria and how each criterion will be measured and scored. Each criterion will provide a quantifiable measure that allows comparison of the relative merit of individual proposed projects. For the purposes of comparison, the ranking will generally be

²⁰ Ordinal score (statistics) a scale on which data is shown simply in order of magnitude since there is no standard of measurement of differences: for instance, a squash ladder is an ordinal scale since one can say only that one person is better than another, but not by how much Compare [interval scale](#), [ratio scale](#), [nominal scale](#)

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converted into an ordinal scale (e.g., quintiles). **Table 4-5** shows how these raw scores could be derived for each criteria, based on the methodology described in **Table 4-4**. Finally, because some of the criteria may bear more weight than others, the ordinal score for a given project will be multiplied by the weighting factor, as noted above, to produce a net score.

Appendix F contains a mock scoring exercise that demonstrates how the Steering Committee will complete the technical scoring process. It is important to note that the projects selected for this mock technical scoring exercise are examples only and are not intended to reflect suggestions or recommendations for SBF-funded projects.

5. Staff SBF Program Specialist Assembly and Submittal of Proposed Projects

After working with project applicants to ensure applications are complete and ready for consideration, SBF staff will assemble all project proposals together and prepare packages for the Steering Committee's technical scoring and ranking of proposed projects. Project packages will contain the project application, project scoring and rating sheet(s), along with a comment form for Steering Committee use in scoring and ranking projects.

6. Technical Ranking of Proposed Projects *Valuation must be adjusted by a consensus of the SBF Steering Committee prior to the scoring process.*

The technical ranking of the proposed projects under consideration would occur by comparing their raw initial score applied to the weighting of the Evaluation Criteria. This presumes that a set of Proposed Projects would be considered simultaneously as a part of assembling the SBF Project Program. As noted above it would be most efficient for this to be done periodically, say every five (5) years, beginning with the creation of the first SBF Project Program. During the intervening years the SBF would generally adhere to the Project Program, although circumstances may dictate variation. For example, an unforeseen Proposed Project of very high merit could emerge that causes reconsideration of the Program-based funding priorities. In such a case, the SBF Coordinator would need to seek additional guidance from the Steering Committee. But otherwise, Proposed Projects would accumulate during the period and be evaluated and ranked as a part of the subsequent funding cycle.

In the event the SBF Coordinator or Steering Committee receives what appears to be a worthy Project application in the middle of the multiple-year funding cycle, the Steering Committee should consider whether it would like the application scored and compared against the current project priority list. Assuming this action takes place and assuming the Steering Committee deems

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the new Project worthy of funding, the Steering Committee might revisit the multiple-year funding cycle Project list.

Comment [c61]: #6 needs to be discussed by the Steering Committee with appropriate direction given

7. Steering Committee Project Selection

SBF staff will collect the handwritten project scoring and ranking materials from the Steering Committee. Staff will enter this information into the electronic scoring system established by this RFSP so that the project scoring and ranking could then be presented to the Steering Committee for their final consideration of project selection. For each multiple-year funding cycle, the Steering Committee will then have the opportunity, in a public hearing format, to make project selection recommendations based on the Steering Committee's scoring and ranking of the Proposed Projects.

In its position as the designated decision maker, the Steering Committee may ultimately choose to alter the weight of project criteria before finalizing its selection of proposed projects for funding; such changes in selection criteria would require a vote according to the rules set forth by the SBF Measures (Section D). In this case, the Steering Committee would be required to rescore all candidate projects. This would likely take one of two forms:

- Should the Steering Committee disagree with the scoring of a particular project in one or more criteria, the Steering Committee could direct the SBF Coordinator to rescore a particular project (and adjust other projects' scoring accordingly) based on specific direction provided by the Steering Committee.
- Should the Steering Committee disagree with the overall results of the project rankings, the Steering Committee could alter the weighting for one or more criteria. In this case, the Steering Committee would rescore all candidate projects and present the revised results to the Steering Committee.

In any event, the Steering Committee will then establish the SBF Project Program based on the Proposed Project Priorities and the funding that is projected to be available during the 5-year funding cycle.

8. Steering Committee Annual Review and Funding Appropriation

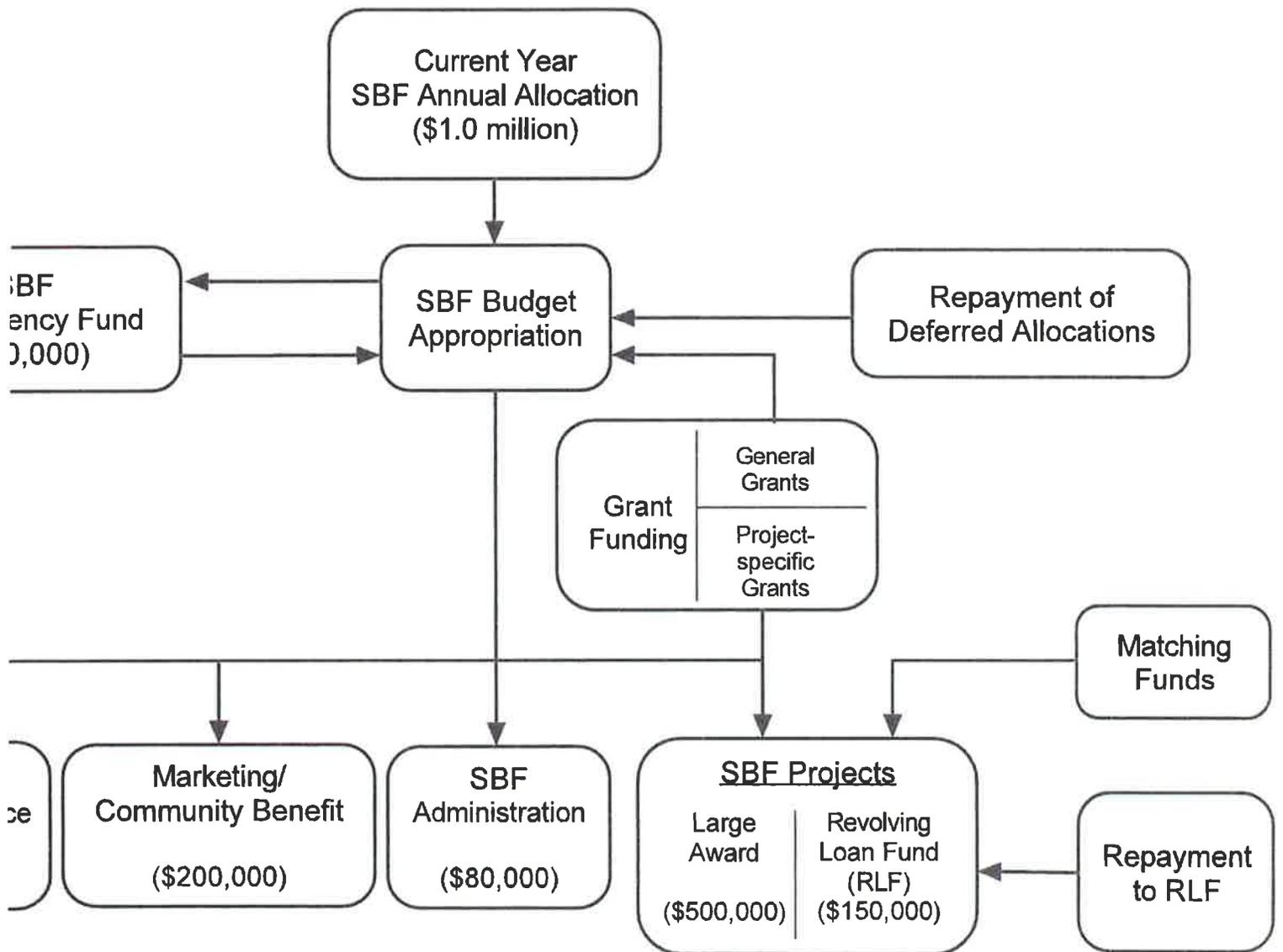
At the regular ~~June~~ July meeting, the Steering Committee will ~~meet to~~ establish an Annual SBF Budget, based on announced funding by DWR. ~~an official document that will appropriate available SBF funding to its approved uses, including administrative costs, programmed expenditures, and funding specific SBF Projects included in the SBF Project Program.~~ During these quarterly meetings the Steering Committee will ~~also~~ need to consider a performance

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review of previously funded SBF Projects to assure that funded entities are making appropriate progress and have expended funds consistently with the Project Application. The SBF Program Specialist provides a quarterly report of financial and project progress. The Steering Committee will also need to make management decisions (e.g., how and by whom administrative duties are being conducted) and review and approve annual financial audits.

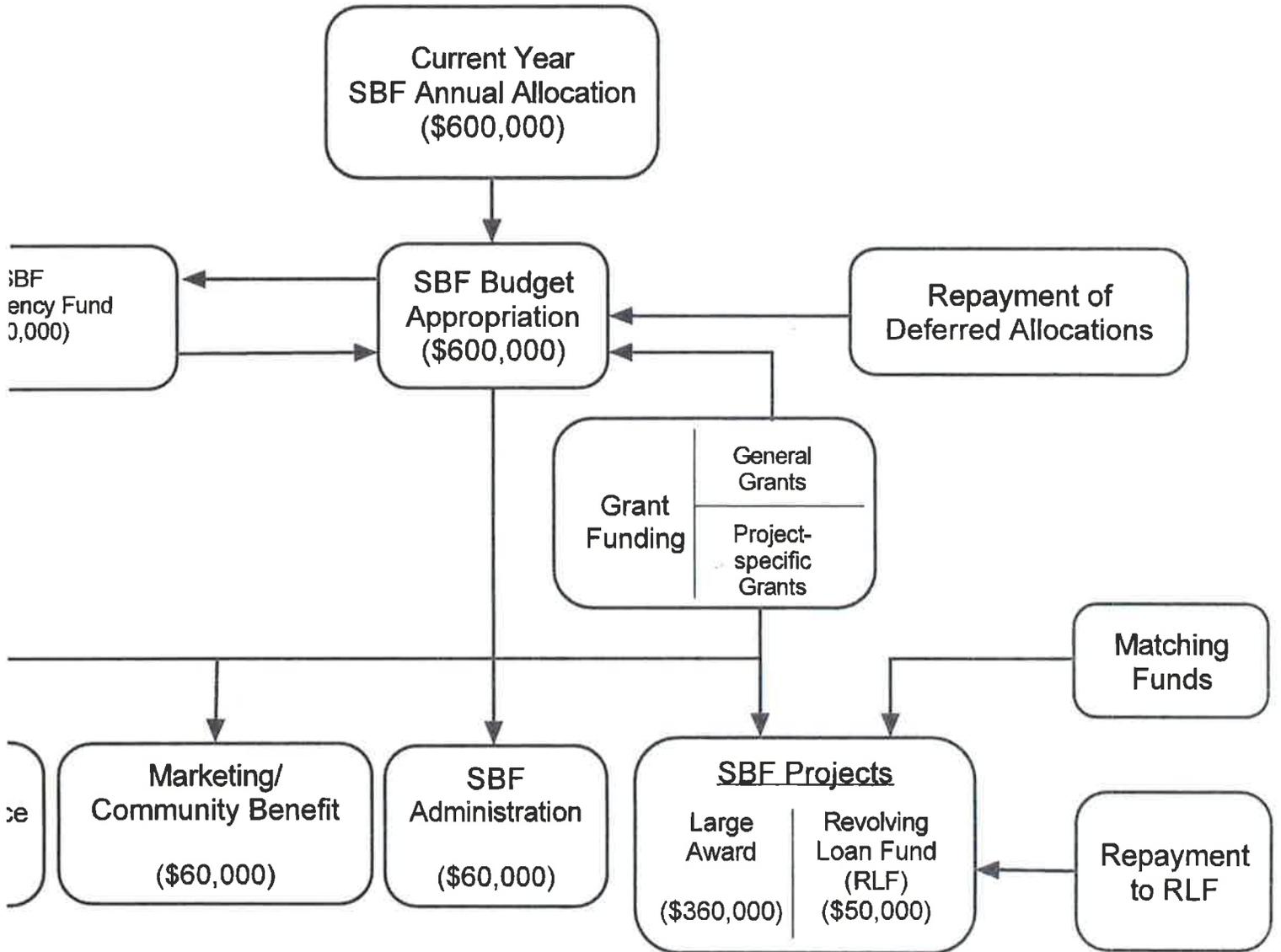
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Figure 4-2
SBF Annual Budget Process
Scenario 1 - Full Annual Payment
(Illustrative Example)



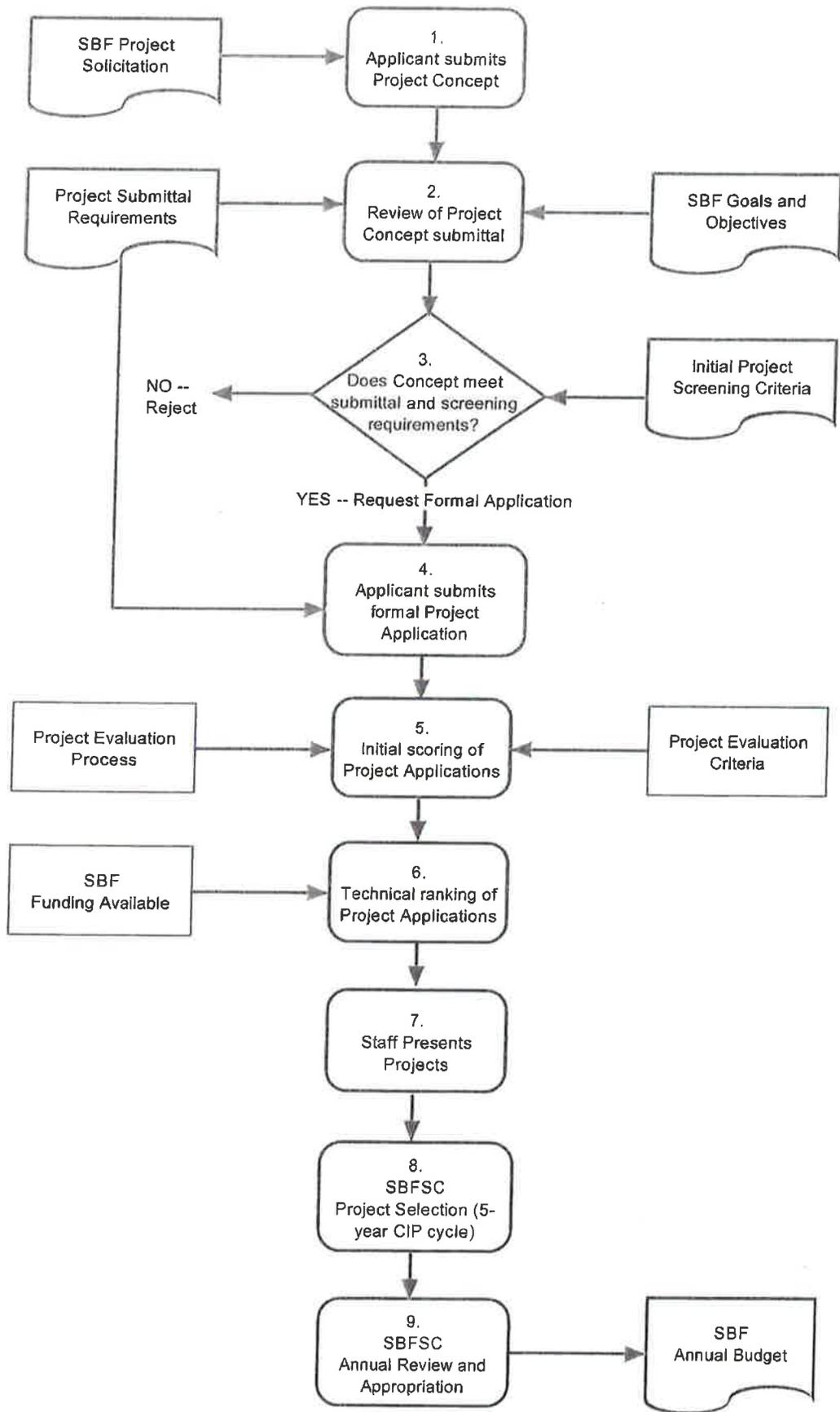
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Figure 4-3
SBF Annual Budget Process
Scenario 2 - Reduced Annual Payment
(Illustrative Example)



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**Figure 4-4
Overview of SBF Screening Process**



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id: Strategic Plan
 gories

Description	Example Percentage [1]	Fixed vs. Variable	Award by Category or per Project	Application Process	Other Considerations
Outreach, project solicitation and review, Steering Committee support, RFSP implementation, project oversight, monitoring/auditing of SBF projects.	8 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$100,000 annually [2]	Not applicable.	Subject to review for each multi-year funding cycle. Per the Settlement Agreement, any money for administration not used would be reallocated to Project fund(s).
Projects that are consistent with the SBF objectives.	50 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	No maximum established.	1) Project Concept Application. 2) Full project applications only upon invitation.	Annual appropriation may not be reduced if funding stream is interrupted.
Funding via loans for projects that can repay the obligation.	15 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$20,000 Minimum Request. No Maximum Established.	1) Project Concept Application. 2) Full project applications only upon invitation.	Annual appropriation may not be reduced if funding stream is interrupted.
Profit Promotion of tourism, marketing, and recreation for the region, coordinated with DWR marketing and with other agencies. Also targeted to community organizations/ events that celebrate the area, its residents, and its culture.	20 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$0 - \$200,000 annually.	1) Project Concept Application. 2) Full project applications only upon invitation.	Subject to review for each multi-year funding cycle. Annual appropriation may be reduced if funding stream is interrupted.
Promotion of tourism and other community events and activities consistent with the Chamber of Commerce's mission.	6 percent	Fixed annually	\$0 - \$200,000 annually.	Not applicable - see Chapter 4 text for description of annual reporting requirements.	The Steering Committee will require a written report summarizing the annual program supported by SBF funding. The Steering Committee will also require quarterly reports on the Chamber's progress.
Contingency to buffer against funding stream interruptions or for special circumstances.	1 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$0 - \$50,000 annually.	Not applicable.	Steering Committee discretion on use of funds. Annual appropriation may be reduced if funding stream is interrupted.

illustrative purposes only. See Chapter 4 text for a description of the percentage ranges by fund category, which the Steering Committee has discretion to adjust if necessary.
 1 during the first two years will equal \$300,000 annually per the Settlement Agreement.

summary

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**Table 4-2
Supplemental Benefits Fund: Strategic Plan
Funding Cycle Budget Allocation Comparison - Illustrative Example**

Category	Example Percentage [1]	Multiyear Funding Cycle Total	Annual Amount
SBF Administration	9%	\$450,000	\$90,000
SBF Projects - Large Award	50%	\$2,500,000	\$500,000
SBF Projects - RLF	10%	\$500,000	\$100,000
Marketing/Community Benefit	20%	\$1,000,000	\$200,000
Marketing/Chamber of Commerce	6%	\$300,000	\$60,000
Contingency	5%	\$250,000	\$50,000
Subtotal Projects		\$5,000,000	\$1,000,000
Total	100%	\$5,000,000	\$1,000,000

Assumptions "cycle"
 \$1,000,000 Annual SBF allocation
 5 Year funding cycle

[1] Example percentages for illustrative purposes only. Below is the range of percentages that apply to each funding category.

<u>Category</u>	<u>Percentage Range</u>
SBF Administration	5-10%
SBF Projects - Large Award	45-65%
SBF Projects - RLF	5-15%
Marketing/Community Benefit	10-20%
Marketing/Chamber of Comm. (fixed)	6%
Contingency	0-5%

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**tal Benefits Fund: Strategic Plan
f Project Application Requirements by Type of Application**

	<u>Initial Application</u>	<u>Full Application</u>	
	Project Concept	Project - Large Award	Marketing/ Community Benefit
ning Criteria			
ness of Proposal	X		X
cy with SBF Goals	X	X	X
idiness	X	X	X
of O&M funding	X	X	
cy with DWR Recreation Management Plan [1]	X	X	X
cy with City of Oroville Waterfront Master Plan [1]	X	X	X
cy with FRRPD Master Plan [1]	X	X	X
riteria for Full Application [2]			
ttract Matching Funding		X	X
epay SBF Funding		X	
re Feather River		X	X
Enhance Local Jobs		X	
cy with Local Plans		X	X
ent of "Sustainable Development" Objectives		X	
nhance Quality of Life for Residents		X	X
ract Visitors			

"apps"

ncy with local plans and objectives, a.k.a., the regional vision.
al criteria would be required for full application for Marketing and Community Benefit or for
ect - Large Award Projects.

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Fund: Strategic Plan
SBF Project Selection Process

Metric [1]	Method	Criteria Range (5 is highest)	Data Needed	Proposed Weighting
% of Matching Funds/Value Compared to Total Project Costs (matching value may include donated materials, time, or other resources)	Calculate metric and place proposed projects being considered in rank order, highest ratio the best. Total ratio forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Project Value (dollars invested) and matching funding applied	5
Loans as a % of total funding requested	Calculate % of Funding Request that would be repaid via Revolving Loan Fund. Percentages then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Request for loan versus grant by applicant.	5
Subjective Measure of: 1) Proximity to River 2) Link to River recreation 3) Other River "nexus" (such as riparian restoration)	Subjective Scoring (Low = 0, Medium = 1, High = 2) for each Factor by SBF Coordinator. Totals then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Project description should include specific location and describe how it is related to enhancing river recreation and how it may achieve other river "nexus"	5

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Fund: Strategic Plan
SBF Project Selection Process

Metric [1]	Method	Criteria Range (5 is highest)	Data Needed	Proposed Weighting
<p>Metrics:</p> <p>1) Quantity of Permanent Full-Time Direct Jobs</p> <p>AND</p> <p>2) Quality of Permanent Full-Time Direct Jobs (compared by AMI)</p>	<p>1) Calculate number of direct jobs associated with proposed project.</p> <p>2) Calculate number of direct jobs associated with proposed project that will be at or above 120% of AMI.</p> <p>3) Total scores forced into quintiles, based on range of scores from all applications.</p>	<p>Score projects 5 - 1:</p> <p>81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt</p>	<p>Estimated business volume and related permanent full-time direct employment and likely local business linkages.</p> <p>Estimated wages for each permanent full-time job created by the Project.</p>	2
<p>Inclusion of project in pre-existing set of local plans and programs.</p>	<p>1 point per CIP.</p> <p>Points then forced into quintiles, based on range of scores and total # of applications.</p>	<p>Score projects 5 - 1:</p> <p>81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt</p>	<p>Electronic copies of approved local plans and programs (for easy searching).</p>	2
<p>IS Mayors Climate Protection Agreement Targets (12 total targets)</p>	<p>Compare Project Features to Climate Agreement Targets. Project receives 1 point for every target achieved.</p> <p>Points then forced into quintiles, based on range of scores and total # of applications.</p>	<p>Score projects 5 - 1:</p> <p>81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt</p>	<p>This method should be refined if/when regional and/or local sustainability plans are developed and adopted by the SBF Steering Committee.</p>	1

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Fund: Strategic Plan
SBF Project Selection Process

Metric [1]	Method	Criteria Range (5 is highest)	Data Needed	Proposed Weighting
Subjective Assessment by Steering Committee regarding the following actors: <ul style="list-style-type: none"> • Project Uniqueness • Utility by Local Residents • Appeal to Visitors • Increase in Level of Service 	Assign Points (Low=1, Med=3, High=5). Points then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Need to establish a set of standards for public and private services and determine a baseline that would be altered by proposed projects.	4

refers to the standard of measurement being used to quantify or evaluate a given criteria.

**Table 4-5
Supplemental Benefits Fund: Strategic Plan
Preliminary Derivation of Raw Scores for SBF Project Applications**

Criteria	Raw Score Derivation			Raw Score Value
	Initial Input [1]	From	To	
1) Ability to Match Funding				
Lowest Amount	10			
Highest Amount	95			
Value Range per Group	17.00			
Highest Group-- top 20%		78.01	95.00	5
2nd Highest Group-- 21-40%		61.01	78.00	4
3rd Highest Group--41-60%		44.01	61.00	3
4th Highest Group-- 61-80%		27.01	44.00	2
5th Highest Group-- 81-100%		10.00	27.00	1
2) Ability to Repay SBF Funding				
Lowest Amount	0%			
Highest Amount	100%			
Value Range per Group	20.00%			
Highest Group-- top 20%		80.01%	100.00%	5
2nd Highest Group-- 21-40%		60.01%	80.00%	4
3rd Highest Group--41-60%		40.01%	60.00%	3
4th Highest Group-- 61-80%		20.01%	40.00%	2
5th Highest Group-- 81-100%		0.00%	20.00%	1
3) Nexus to Feather River				
Lowest Amount	8			
Highest Amount	18			
Value Range per Group	2.00			
Highest Group-- top 20%		16.01	18.00	5
2nd Highest Group-- 21-40%		14.01	16.00	4
3rd Highest Group--41-60%		12.01	14.00	3
4th Highest Group-- 61-80%		10.01	12.00	2
5th Highest Group-- 81-100%		8.00	10.00	1

Project scorer to fill in Lowest and Highest Amounts. Percentage and Raw Score Amounts will calculate automatically.

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Table 4-5
Supplemental Benefits Fund: Strategic Plan
Preliminary Derivation of Raw Scores for SBF Project Applications

Criteria	Raw Score Derivation			Raw Score Value
	Initial Input [1]	From	To	
4) Potential to Enhance Local Jobs				
Lowest Amount	0			
Highest Amount	150			
Value Range per Group	30.00			
Highest Group-- top 20%		120.01	150.00	5
2nd Highest Group-- 21-40%		90.01	120.00	4
3rd Highest Group--41-60%		60.01	90.00	3
4th Highest Group-- 61-80%		30.01	60.00	2
5th Highest Group-- 81-100%		0.00	30.00	1
5) Consistency with Other Local Plans				
Lowest Amount	1			
Highest Amount	4			
Value Range per Group	0.60			
Highest Group-- top 20%		3.41	4.00	5
2nd Highest Group-- 21-40%		2.81	3.40	4
3rd Highest Group--41-60%		2.21	2.80	3
4th Highest Group-- 61-80%		1.61	2.20	2
5th Highest Group-- 81-100%		1.00	1.60	1
6) Enhancement of Sustainable Development Objectives				
Lowest Amount	2			
Highest Amount	8			
Value Range per Group	1.20			
Highest Group-- top 20%		6.81	8.00	5
2nd Highest Group-- 21-40%		5.61	6.80	4
3rd Highest Group--41-60%		4.41	5.60	3
4th Highest Group-- 61-80%		3.21	4.40	2
5th Highest Group-- 81-100%		2.00	3.20	1

**Table 4-5
 Supplemental Benefits Fund: Strategic Plan
 Preliminary Derivation of Raw Scores for SBF Project Applications**

Criteria	Raw Score Derivation			Raw Score Value
	Initial Input [1]	From	To	
7) Enhancement of Quality of Life for Residents and Ability to Attract Visitors				
Lowest Amount	8			
Highest Amount	20			
Value Range per Group	2.40			
Highest Group-- top 20%		17.61	20.00	5
2nd Highest Group-- 21-40%		15.21	17.60	4
3rd Highest Group--41-60%		12.81	15.20	3
4th Highest Group-- 61-80%		10.41	12.80	2
5th Highest Group-- 81-100%		8.00	10.40	1

"quintiles"

[1] The example "lowest amount" and "highest amount" scores are consistent with the mock technical scoring exercise presented in Appendix F.

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5. ADMINISTRATIVE AND IMPLEMENTATION PLAN *MOVE TO SUPPORTING DOC SECTION*

Governance

The Steering Committee, pursuant to the terms of the Settlement Agreement and the positions of the Participating Agencies, will provide governance for the SBF. All decisions regarding the allocation and appropriation of funds ultimately rest with the Steering Committee. As a standing committee, the Steering Committee will meet periodically to execute their mandated duties. The information presented in this chapter relies on a combination of existing documents, particularly the SBF Measures and the SBF Rules of Governance, as well as direction from the SBF Steering Committee and systems used by other entities involving representation by multiple public agencies, such as a JPA.

Administrative Functions

The Steering Committee will not be capable of carrying out their duties without administrative support. As is the case with any public agency, a variety of functions will be necessary on an ongoing basis, including these:

- Logistical and staff support for Steering Committee meetings.
- Administering the Project Selection Process.
- Preparing an annual operating budget.
- Coordinating with the Fund Administrator regarding the accounting and use of SBF funds.
- Maintaining liaison with Participating Agencies and the public-at-large.
- Monitoring and auditing entities (and their projects) that have received funding to assure consistency with terms of the loan or grant-of-funds
- Maintaining financial records.

Meeting Coordination and Execution

The SBF Program Specialist ~~Coordinator~~ or other designated SBF staff (Staff) will be responsible for convening regularly scheduled Steering Committee meetings. While only required to meet at least once annually, this Strategic Plan recommends more frequent meetings to facilitate project selection and ongoing administration of the

SBF. Assuming a 5-year cycle as outlined in this Strategic Plan, the Steering Committee should meet at least once each calendar quarter. In the first year of each multiple-year cycle, the Steering Committee may decide that bi-monthly meetings are necessary. As is presently the case, the Steering Committee always has the discretion to convene meetings on a more frequent, as-needed basis.

In convening SBF meetings, Staff will be responsible for preparing agendas, preparing and coordinating materials to be considered on each agenda, and preparing and distributing meeting minutes. Staff must also ensure that the Steering Committee, in implementing this Strategic Plan, complies with the terms of the Settlement Agreement, the Implementation Agreement, and any and all applicable laws.

Table 5-1 presents proposed SBF **Program Specialist Coordinator** tasks and Steering Committee decisions that could be, at a minimum, used as a meeting template for quarterly Steering Committee meetings. The proposed standing meeting agenda ensures that each of the Steering Committee's obligations is dealt with during the course of the meeting cycles within each calendar year. The following sections describe these administrative functions in greater detail.

Supplemental Benefits Fund Program Specialist Coordinator: Quarterly Duties

The SBF **Program Specialist Coordinator** is responsible for the day-to-day implementation and execution of the Strategic Plan. The annual funding and project selection cycle begins in the fourth quarter of each calendar year. Assuming development of a 5-year capital improvement program in the following year, the SBF Coordinator will release a notice of anticipated funds and conduct outreach for Project Concept Applications for all funding categories. In preparation for off-years (Years 2-5 of a budgeting cycle), the SBF **Program Specialist Coordinator** will accept Project Concept applications for the subsequent 5-year funding cycle and monitoring for any projects whose merits would have been competitive with projects already selected for the current multiple-year budgeting cycle.

During the first quarter of each calendar year, the SBF **Program Specialist Coordinator** will present the approved Project Concepts to the Steering Committee. Those preliminary applicants that have successfully met the initial prescreening criteria for funding will be invited to submit full applications. The SBF Coordinator may provide technical assistance to SBF project applicants to ensure complete applications, and on receipt of full applications, will score the full applications.

**Plan
Regular Calendar Year**

	Quarter 2	Quarter 3	Quarter 4
<p>pts to SC ns -</p> <p>SBF</p>	<ol style="list-style-type: none"> 1. Score SBF Projects-- Large Award and RLF Applications 2. Score Mktg. and Comm. Benefit App's 3. Present SBF Projects -- Large Award and RLF 4. Present Mktg and Community Benefit Applications 5. Pursue Grant Opportunities 	<ol style="list-style-type: none"> 1. Solicit Project Monitoring/Auditing Info 2. Report on Progress of SBF projects 3. Pursue Grant Opportunities 4. Report on Grant Funding Opportunities 4. Pursue Grant Opportunities 	<ol style="list-style-type: none"> 1. Report Project Monitoring/Auditing Info. 2. Submit NOFA for all Categories 3. Conduct Outreach for All Categories 4. Solicit Project Concept Applications 5. Pursue Grant Opportunities
<p>is</p> <p>get</p>	<ol style="list-style-type: none"> 1. Select SBF Projects-- Large Award and RLF projects 2. Select Mktg and Community Benefit Projects 	<ol style="list-style-type: none"> 1. Receive report on status of SBF projects. 2. Receive report on grant funding opportunities 	<ol style="list-style-type: none"> 1. Review Project Monitoring/Auditing Info

"calendar"

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During the second quarter of each calendar year, the SBF Program Specialist Coordinator will assemble and package the project applications for Steering Committee technical scoring and ranking. The SBF Coordinator will request that the Steering Committee score the project applications for SBF Projects—Large Award and RLF applications, as well as the Community Benefit/Enhancement and Marketing categories. Special meetings may be needed to complete the application process in a timely manner.

During the third quarter of each calendar year, the SBF Program Specialist Coordinator will solicit and review Project Monitoring and Auditing Information for projects that had previously received funding. The SBF Coordinator will also present a summary of progress made by SBF-funded projects and supplemental grant opportunities pursued and obtained to date.

During the fourth quarter of each calendar year, the cycle begins again. In addition to any notice of funds and outreach, the SBF Program Specialist Coordinator will summarize and report the annual auditing information provided by SBF funding recipients to the Steering Committee.

Steering Committee: Quarterly Meetings

The Steering Committee will use its quarterly meetings to oversee the SBF annual budget, to score SBF project applications, to select projects to be funded by the SBF, and to review annual reporting information on SBF funded projects (see **Table 5-1**).

During the first-quarter meeting of each calendar year, the Steering Committee will review the presentation of project concepts made by the SBF Program Specialist Coordinator for Project Concept applications in the SBF Projects—Large Award and RLF category, as well as the Marketing and Community Benefit category. During this meeting, the Steering Committee will also develop a preliminary 5-year budget (in Year 1 of a 5-year funding cycle) or a preliminary single-year budget (in Years 2–5 of a 5-year funding cycle). This budget will be preliminary in nature because information from DWR regarding the anticipated annual payment amount will not yet be available; however, the preliminary budget can begin to account for funding received through grants, repayments to the RLF, or any unused monies from the previous year.

During the second quarter of each calendar year, DWR will announce the actual amount of SBF funding to be paid on June 30, which will allow the Steering Committee to finalize the multiple-year or annual budget and select projects for SBF funding. During the second quarter meeting, the Steering Committee will begin by setting the budget for each funding category. Then, the Steering

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Committee will complete the technical scoring and ranking of SBF Projects—Large Award and RLF applications, as well as the Marketing and Community Benefit category, (based on a technical scoring process described above). The Steering Committee will make the final determination for SBF funding awards, including recipients and amount of funding for each of the funding categories, based on the Steering Committee’s technical rankings and subsequent deliberations. Please note that the ample content described for this meeting may require two meetings instead of one.

During the third quarter of each calendar year, the Steering Committee will receive a summary of progress made by SBF-funded projects and supplemental grant opportunities.

The fourth quarter meeting of each calendar year focuses on reporting, monitoring, and auditing of projects that received funding during the previous year. This meeting is intended to hear the SBF Program Specialist Coordinator summary report on progress for funded projects, as well as to address any major project problems (e.g., non-compliance with SBF funding requirements).

As previously mentioned, the amount of effort in the first year of each multiple-year cycle may require more administrative effort and potentially more frequent meetings of the Steering Committee.

Project Selection Process

A primary function of the SBF Program Specialist Staff will be to administer the SBF project selection process. As described in this Strategic Plan, the SBF Program Specialist Staff will take the lead in soliciting project applications, reviewing project applications (both project concept and full project applications), and assembling and packaging the full project applications for Steering Committee technical scoring and consideration. Project applicants or prospective applicants will likely request that the SBF Program Specialist Staff provide technical assistance in determining how to best comply with application requirements. the SBF Program Specialist Staff will serve as the Steering Committee’s liaison with project applicants, Participating Agencies, and the public-at-large. The level of effort for technical assistance and public outreach will likely be consistent with the level of activity related to project application and processing.

Annual Budgeting

The SBF Program Specialist Staff will be required to prepare the SBF’s annual budget for adoption by the Steering Committee. As described herein, the annual budgeting process will require monitoring of several potential revenue streams and

2-79

subsequent determination of projected SBF expenditures. The SBF Program Specialist Staff will be required to maintain the SBF financial records consistent with the reporting requirements of public agencies. This effort will require Staff working and coordinating with the Fund Administrator. In addition, the SBF Program Specialist Staff could also be required to assist with a third-party audit of the SBF financial records (e.g., by State or Federal agencies).

Monitoring and Auditing Project Awards

The SBF Program Specialist Staff will be responsible for reporting to the Steering Committee regarding the status of project award expenditure and compliance with the requirements of SBF expenditures. At least once annually (recommended for Steering Committee consideration at the fourth-quarter meeting), Staff shall prepare an annual SBF Project Award Status report to update the Steering Committee on project award expenditures. If necessary, such Staff reports shall recommend Steering Committee action in the event that project expenditures are not in compliance with all requirements. If Steering Committee recommends actions, the SBF Program Specialist Staff will be responsible for coordinating the execution of recommended actions.

Table 5-2 includes specific and general requirements the Steering Committee should consider requiring for the annual reporting of successful project applicants. The specific requirements of each applicant may vary depending on the specifics of a project and its repayment source, if applicable. For example, a project that intends to repay all or a portion of its grant amount would be required to submit information about its repayment source; whereas, this requirement would not be necessary for grant recipients.

Implementing Actions

The Strategic Plan will be implemented through the following actions.

1. Prepare the Implementation Agreement

Section H of the SBF Measures requires the development of an Implementation Agreement, the purpose of which is to "direct future performance of all administrative duties associated with implementation of the Fund." The following components must be included in the Implementation Agreement:

- Contract Execution and State/Federal Environmental Law Compliance.
- Project Monitoring, including non-performance remedies.

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- Documentation and Auditing of Projects Associated with the Use of Public Funds.
- Issue Resolution with DWR.
- Implementation of Steering Committee Decisions.
- Project Implementation Criteria, including scheduling/benchmarking, permitting requirements, regular reporting to Fund Administrator, and Penalties for Failure to Comply.

Many of the Strategic Plan concepts and recommended actions can be incorporated into the Implementation Plan to demonstrate compliance with the aforementioned components.

Responsible agency: SBF Steering Committee and SBF Program Specialist Coordinator

Timeframe: Before the first NOFA

2. Resolve Provider(s) of Administrative Functions

As noted above, the Steering Committee will require administrative support. The Steering Committee, and the SBF Administrator, will need to determine who will, over time, provide these functions. This administrative effort will require funding because it is unlikely that the Participating Agencies will be willing to loan staff or otherwise fund these efforts outside the context of the SBF. Although this Strategic Plan uses the term Staff, the administrative functions described herein may be performed through one of, or a combination of, these:

- Steering Committee staff: individuals, either part- or full-time, hired by the Steering Committee.
- Contract professionals: under the supervision of the SBF Coordinator and at the discretion of the Steering Committee, one or more private consultants could be retained to perform SBF administrative functions.

Responsible agency: Steering Committee and SBF Program Specialist Staff

Timeframe: Annually

3. Establish Appeals Process for Concept Projects that are Rejected

One of the early steps in the project selection process is a screening process, whose purpose is designed to ensure that candidate projects fall within the general parameters of the SBF mission, goals, and objectives. The Steering

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Committee will establish a standardized appeals process for project applicants who do not pass the initial screening process.

Responsible agency: Steering Committee and SBF Program Specialist Staff
Timeframe: Before Accepting Any Project concept applications.

4. Conduct Initial Project Solicitation and Selection Process

The core of the Steering Committee responsibilities is the selection and funding of projects that achieve the purposes of the SBF, as described above. The first time the Selection Process is applied will be critical to the success of the SBF—it is through this process that the Steering Committee will begin to function as outlined in this Strategic Plan and also refine aspects of their operation as the actual work is being conducted.

Responsible agency: Steering Committee

Timeframe: Begin accepting Project concept applications in January 2010

5. Establish Parameters of RLF

The Steering Committee will determine the parameters of the RLF (e.g., interest rate, repayment timeline, and benchmarks) to most appropriately ensure an ongoing source of SBF Funding.

Responsible agency: Steering Committee

Timeframe: Before the first NOFA

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**Benefits Fund: Strategic Plan
Annual Reporting Requirements**

	SBF Project-- Large Award Grant	SBF Project-- RLF Borrower	Marketing and Community Benefit
Requirements			
Spending on any Operations & Maintenance (contingent upon funding award)	X	X	X
Declared matching funds	X	X	X
Compliance with Project Schedule	X	X	X
Requirements			
Submission of Annual Financial Report (CAFR)	X	X	
Reconciliation for SBF Funds Expended	X	X	X
Confirmation that borrower is in compliance with requirements		X	
Submission of Job Training Opportunities Created and Salaries (if any reported in application)	X	X	
Submission of Reports (as detailed in application)	X	X	X

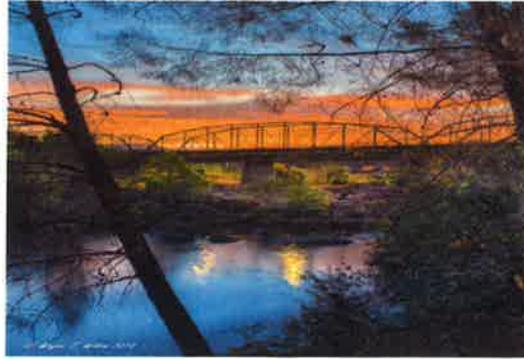
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SBF Grant Application Package

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SUPPLEMENTAL BENEFITS FUND REGIONAL FUND STRATEGIC PLAN EXCERPTS

GRANT APPLICANT INFORMATION

The following provides pertinent information to assist applicants requesting grant funding consideration from the Supplemental Benefits Fund. Applicants are encouraged to also review the complete Regional Fund Strategic Plan which is available at www.cityoforoville.org Local Government/SBF. Please contact the SBF Program Specialist at 530-538-2518 or email to xbf@cityoforoville.org with any questions.

- I. Mission of the Supplemental Benefits Fund (SBF)
- II. Vision of the Supplemental Benefits Fund
- III. Identifying the Low Flow Channel of the Feather River
- IV. How Funding Availability is Determined
- V. Funding Categories
- VI. Application Scoring and SBF Steering Committee Voting Process
- VII. Pre-application Request
- VIII. Pre-application Request Appeal Process
- IX. Grant Application

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I. MISSION OF THE SUPPLEMENTAL BENEFITS FUND

The intent of the SBF is to extend the economic benefits created by use of Oroville's water impoundment facilities to the Oroville region. Historically, operation of these facilities created several impacts, primarily associated with recreation and economic development of the Oroville Region. Creation of the Oroville Dam changed the physical landscape of Oroville, and the Feather River in the Oroville Region, and altered people's ability to recreate, creating certain new recreation amenities while hindering or eliminating others. Construction of the Dam and its associated facilities between 1961 and 1967 also provided a new source of employment and a temporary economic stimulus for the local communities during the project construction period. Long term it has provided several benefits to the region including the creation of Lake Oroville, the Thermalito Forebay and the Thermalito Afterbay recreation areas, the Oroville State Wildlife Area. Extensive flood control improvements for the region and the Sacramento Delta also occurred with the building of the Oroville Dam. As a result, the negotiations for relicensing the Oroville Dam addressed the concerns associated with these dynamics, and creation of the SBF serves to recognize that existence and that the operation of the Dam continues to have a positive impact on local communities.

To assure creation and implementation of the Strategic Plan remain in sync with the intent of the SBF, the Steering Committee identified a mission statement for the SBF. Applicants need to consider the Mission and Vision Statements as it forms the basis on which the Strategic Plan is built:

"Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville region"

II. VISION OF THE SBF¹

Reconnecting the beauty and diversity of the Feather River with the community will be the primary component of projects approved by the Supplemental Benefits Fund Steering Committee. The approved projects will provide additional recreational opportunities and economic benefits that enhance the lifestyle of the Oroville Region.

- I. **Major grant consideration**: The applicant **shall** provide a compelling presentation as to how the proposed project will assist in mitigating what was lost by the construction of the Oroville Dam Facilities (FERC Project No. 2100). The application **shall** take into

¹ The SBF Steering Committee in 2011 instituted the Vision of the SBF to assist the committee, applicants and the general public to further understand request priorities.

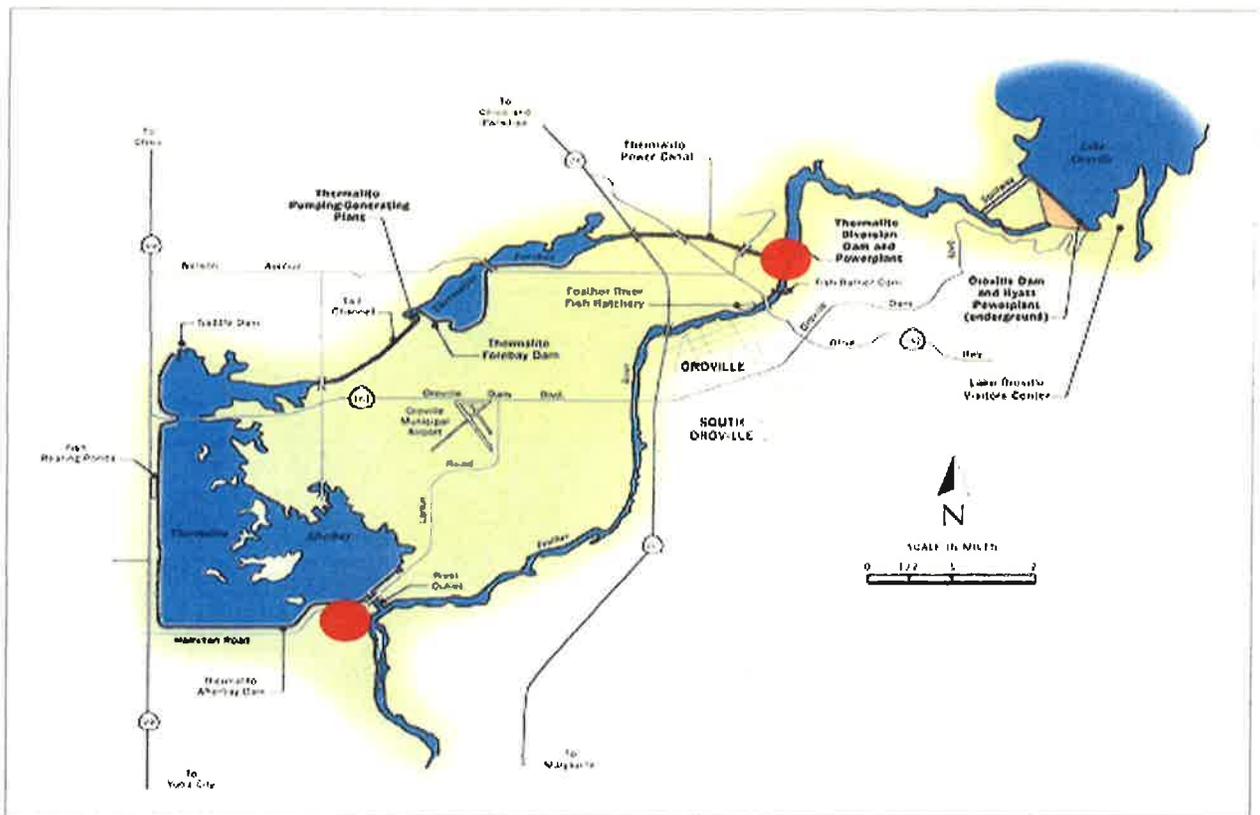
7-86

consideration the various existing City of Oroville, Feather River Recreation & Park District, the Settlement Agreement for licensing of the Oroville Facilities FERC Project No. 2100, and other regional plans.

- II. **Moderate grant consideration:** The applicant **should** provide a meaningful connection to existing, or planned, facilities and projects. The application **should** also be in, or near, the low-flow channel of the Feather River (as defined below) and assist in making the Oroville Region a Northern California destination.
- III. **Low grant consideration:** The applicant's proposed project **may** be away from the low-flow channel of the Feather River, not connected to existing, or planned, facilities and projects, be unique or a non-profit venture within the Oroville Region including areas under FERC jurisdiction; however it must, at a minimum, meet the stated vision of the SBF.

III. IDENTIFYING THE LOW FLOW CHANNEL OF THE FEATHER RIVER

The low flow channel of the Feather River, which provides a major grant consideration factor, begins near the Diversion Dam and terminates near the Afterbay Outlet as noted by the red dots on the following map.



Map of Oroville Facilities

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IV. HOW FUNDING AVAILABILITY IS DETERMINED

The SBF adopts and maintains an annual operating budget, on a fiscal-year basis (July 1st to June 30). Available funds are determined by the current allocation from DW/SWC.¹ Fund availability can change from year to year based on several factors which include water delivery availability and hydro power production. Until the new license for the Settlement Agreement for licensing of the Oroville Facilities (FERC Project No. 2100) is approved the SBF is dependent on an annual \$100,000 draw against funds that will be released at license signing. After license signing and dependent on the license term up to \$1,000,000 per year will be potentially available.

V. FUNDING CATEGORIES

The underlying principles of the Grant Consideration Request and the Project Application Selection Process is to allocate the limited SBF funding resources in the most efficient, beneficial, and cost-effective manner, given the Vision and Mission Statements of the SBF and the conditions set forth in the Settlement Agreement.

Projects—Large Award

This funding category is intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission & SBF Vision. Between forty-five (45) and sixty-five (65) percent of the SBF funding stream will be dedicated to the Projects—Large Award category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall not be a maximum amount established for any single project. There will, however, be a minimum request amount of \$20,000 for SBF projects in this category.

Projects will be considered at the beginning of each multiple-year funding period. Applicants shall be required to complete a pre-application and, if invited to do so, a formal project application for project consideration. Any new projects seeking consideration after the start of the current multiple-year funding period will accumulate during the current funding cycle and will be evaluated and rated as part of the next funding cycle.

Optional Revolving Loan Fund

The Strategic Plan directs that between five (5) and fifteen (15) percent of annual SBF revenues be dedicated to projects seeking loans that can be leveraged into a long-term Revolving Loan Fund (RLF) funding category. Projects eligible for this funding category will be evaluated as part of the same process used to evaluate applicants seeking approval through the SBF Projects—

¹ DWR = California Department of Water Resources; SWC = State Water Contractors

Large Award funding category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle.

Marketing/Community Benefit Fund

This funding category is intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission and Vision. Between ten (10) and twenty (20) percent of the SBF funding stream will be dedicated to the Marketing and Community Benefit category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall be a maximum amount of \$250,000 established for any single project.

The intent of the Marketing and Community Benefit Projects category is three fold:

1. Give the SBF Steering Committee the ability to fund projects on an as-requested basis, while such project requests are not weighted and ranked in priority with others in the same funding pool, but rather approved or rejected based on their individual merit as determined by the SBF Steering Committee.
2. Drawing on findings of the Opportunities Analysis, fund coordination of marketing efforts between various entities and agencies that all market activity in the Oroville Region. Specific strategies summarized in the Opportunities Analysis include these:
 - Create a marketing brand for the area—this was completed in 2009 through efforts by DWR, the City, and the Oroville Area Chamber of Commerce.
 - Actively manage and coordinate media communications and publications.
 - Improve signage and way-finding (orienting visitors toward and between existing and planned recreation and tourism assets).
 - Conduct joint marketing of business development and tourism (e.g., market tourism while promoting quality-of-life attributes to prospective businesses and employers).
 - Emphasize tourism marketing and promotion with appropriate connections to the City, County, and other special agency economic development strategies.
3. Fund efforts, events, or other activities that target community benefit or enhancement. This funding category is intended to target local community organizations, agencies, or other groups that actively promote events, activities, or other efforts that benefit local residents and draw people into the Oroville Region. Examples of community benefit activities include these:

- Community assistance projects (e.g., volunteer work-days, community clean-up efforts, local/neighborhood park renovations, or senior assistance projects).
- Major community event co-ordination, production & promotion.
- Seasonal celebrations (e.g., Feather Fiesta Days, 4th of July Celebration, Salmon Festival, Holiday Light Parade, etc.).
- Local activities/events (e.g., cultural events or public agency major milestones).
- Sporting events with regional draw (e.g., triathlons or fishing tournaments).
- Locally produced public art celebrating the community's heritage.

In general, projects funded through this category should support local businesses, attract new visitors to the Oroville Region—for overnight trips or multiple days if possible—provide an opportunity for attendees/participants to spend their retail dollars in the Oroville Region, or reflect a collaborative effort by multiple groups or agencies pursuing community development, tourism, or recreation goals.

VI. APPLICATION SCORING AND SBF STEERING COMMITTEE VOTING PROCESS

A. Technical Scoring of Proposed Projects

Scoring Project Applications will allow the establishment of a ranked order of Projects based on objective criteria regarding their relative merit. Standards of measurement that are objective, applicable, and quantifiable have been established, including: The evaluation criteria are:

- Ability to attract matching funding.
- If appropriate, the ability to pay back funding to the SBF from revenues derived from investment.
- "Nexus" to the Feather River.
- Consistency with local plans.
- Potential to enhance local jobs or create training opportunities.
- Ability to enhance the quality of life for residents in the region and attract visitors.

The technical scoring of projects will be completed by the Steering Committee based upon the application submitted and a formal presentation by the project

applicants. A score¹ will be assigned based on the range of values for each criterion. Another aspect of the Project Evaluation Criteria is their relative importance. They may all have equal weight but more likely some may be more important than others. For this reason the criteria themselves placed in rank order, the most heavily weighted first. A value is given to each, given their relative importance

B. SBF Steering Committee Voting Process

The Steering Committee will select projects based on a majority vote of voting members. However, an affirmative majority vote must include at least one representative from each voting agency (i.e., the City of Oroville and FRRPD), per Section D, 6.0 of the SBF Measures and the SBF Rules of Governance. The SBF Steering Committee decision is considered final.

VII. PRE-APPLICATION REQUEST (PROJECT CONCEPT)

Once available funds have been determined the SBF Steering Committee will announce the categories and the total funds available. The announcement will be published in a local newspaper as well as on the websites of both the City of Oroville and the Feather River Recreation & Park District. Interested parties will be required to complete the following pre-application request. The pre-application request will be screened for the following criteria:

1. Completeness of the pre-application.
2. Consistency with SBF Goals & Vision.
3. Consistency with DWR Recreation Management Plan and other local plans and programs (the Regional Vision)

An applicant whose pre-application request does not meet the initial screening criteria has the right to appeal to the SBF Steering Committee based upon the established appeal procedures.

¹ Scoring applications is one phase of the overall review process. Scores help the reviewer to use common factors for all applications. Scoring is a tool; however the final decision of the SBF Steering Committee is by a majority vote as described on page 7.



**Supplemental Benefits Fund
Oroville, California**

PRE-APPLICATION PROJECT REQUEST

**THE MINIMUM & MAXIMUM REQUEST AMOUNTS WILL
BE ANNOUNCED BY THE SBF STEERING COMMITTEE**

Amount Requested: \$ _____

Name of Applicant and Associated Entity (if any)

Legal status of organization:

Mailing address:

Telephone number

Email

1. PROJECT DESCRIPTION

(The Project Description may vary widely in length depending on the size and scope of the project that would be funded and the size of the grant being requested. A useful structure to assist the readers and decision makers is to break the project down into component goals, each with its own heading and complete description)

4. CONSISTENCY WITH SBF GOALS

Place a check-mark next to each of the SBF Goals that are consistent with your request

- Provide multiple recreational opportunities that utilize and enhance access to existing resources within the boundaries of the Feather River Plan. (SBF 2014)
- Encourage secure and managed access for all segments of the populations, with connections to the surrounding community and future development. (SBF 2014)
- Ensures the continued success of habitat restoration and improve the ecological health of the river and floodplain in concert with river restoration goals. (SBF 2014)
- Ensures proposed projects complement the Department of Water Resources (DWR) Recreation Management Plan (RMP). (RFSP/2010)
- Maximizes SBF funding capacity by demonstrating leverage – the project has multiple sources of funding, of which SBF funding is only a part. (RFSP/2010)
- Generates other benefits and revenue(s) to the local community. (RFSP/2010)
- Ability to acquire matching funds (other grant, cash, or in-kind services)

SBF 2014 = Refined goals approved October 1, 2014

RFSP = Regional Fund Strategic Plan approved April 27, 2010

4. NEXUS TO THE FEATHER RIVER

A project's nexus to the Feather River will be evaluated using the following criteria.

(Nexus = connection, link; refer to the SBF Vision Statement for additional clarification)

1. Physical proximity to the river,
2. Link to river recreation, or
3. Other river nexus, such as riparian restoration.

Please explain how the proposed project has a nexus with the Feather River. You may include maps, other graphic detail, or additional information that demonstrates the project's nexus with the Feather River.



APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

Authorized Signature

Date

Name and Title (Please type or print)

**SEND COMPLETED APPLICATION AND 3 COPIES
(DATE TO BE ANNOUNCED)**

To:
City of Oroville
Supplemental Benefits Fund
SBF Program Specialist
1735 Montgomery Street
Oroville, Ca 95965

**FAXED OR ELECTRONICALLY TRANSMITTED
COPIES WILL NOT BE ACCEPTED**

VIII. PRE-APPLICATION REQUEST APPEAL PROCESS

As part of the Regional Fund Strategic Plan (RFSP) the SBF Steering Committee established a standardized appeal process for applicants that do not meet the pre-application screening process. The approved Appeal Process is as follows:

1. Completeness of the pre-application; consistency with SBF Goals & Vision and consistency with the DWR Recreation Management Plan and other local plans and programs (the Regional Vision) are reviewed by SBF Staff. If the specifics of those sections are not met, the applicant is notified in writing that the application has been denied.
2. The applicant will have five (5) calendar days to appeal, in writing, the denial decision. The appeal must include reasons why the application would be subject to further review based upon the RFSP.
3. Once an appeal has been received, a special meeting of the SBF Steering Committee will be called (within 15 days) for the Committee to review the appeal.
4. After the Special Meeting, the applicant will be notified in writing within five (5) calendar days of the SBF Steering Committee's decision.
 - In the event the appeal is denied, the SBF Steering Committee decision will be considered final.
 - An appeal that is overturned by the SBF Steering Committee will be moved to the same review process of all other applications.

Responses to denial letters must be sent, in writing, to:

City of Oroville
Supplemental Benefits Fund
Fund Administrator
Attention: SBF Program Specialist
1735 Montgomery Street
Oroville, Ca 95965

IX. FORMAL GRANT APPLICATION TO BE COMPLETED WHEN REQUESTED BY THE SBF STEERING COMMITTEE



**Supplemental Benefits Fund
Oroville, California**

Formal Project Application

**THE MINIMUM & MAXIMUM REQUEST AMOUNTS WILL
BE ANNOUNCED BY THE SBF STEERING COMMITTEE**

Amount Requested: \$ _____

NOTE: (1) Please complete all requested information; (2) If the question is not applicable to your request enter N/A; (3) If additional space is required please attach additional pages with a reference to the section that you are continuing.

Name of Applicant and Associated Entity (if any)

Legal status of organization:

Contact Information

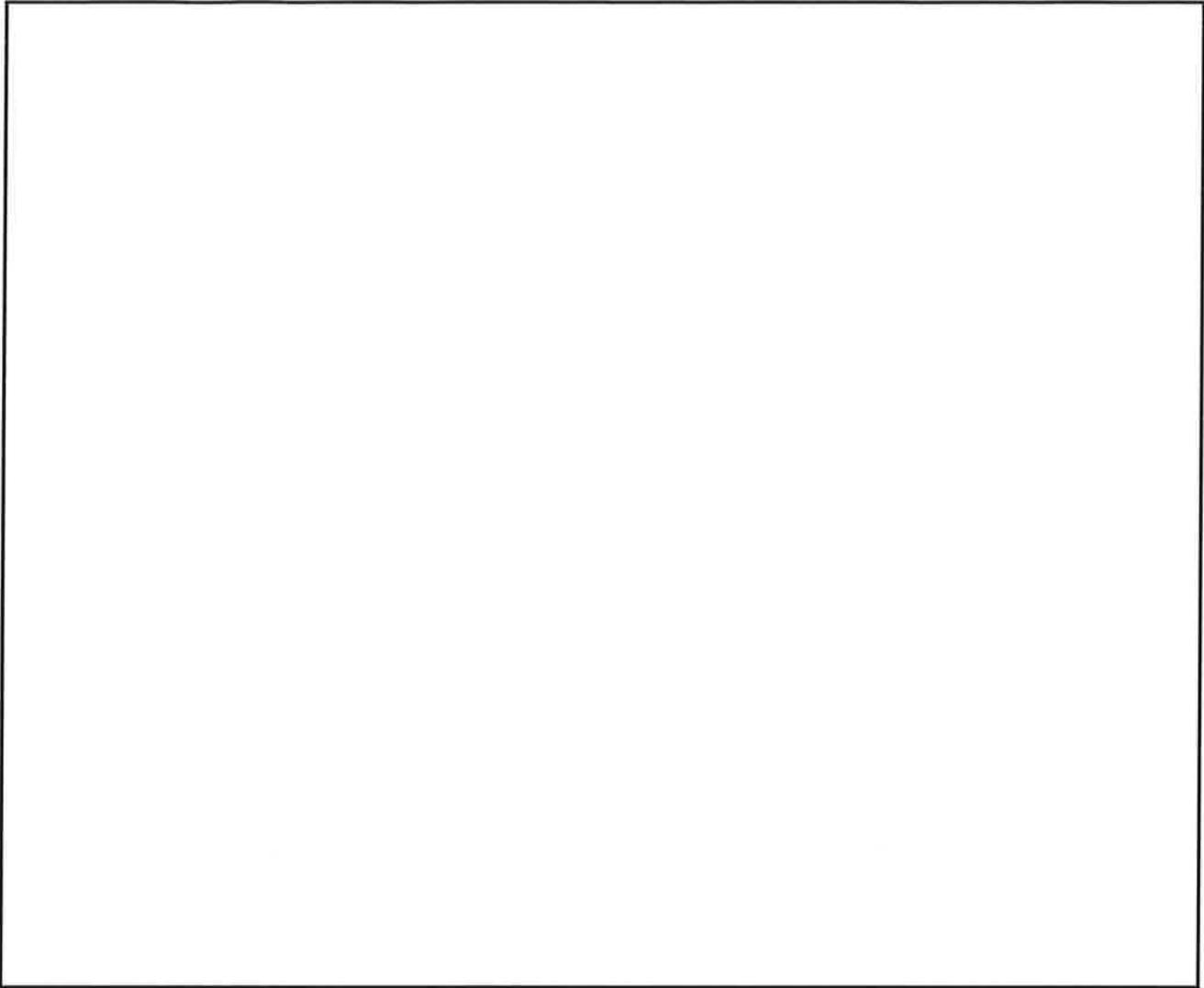
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Telephone number

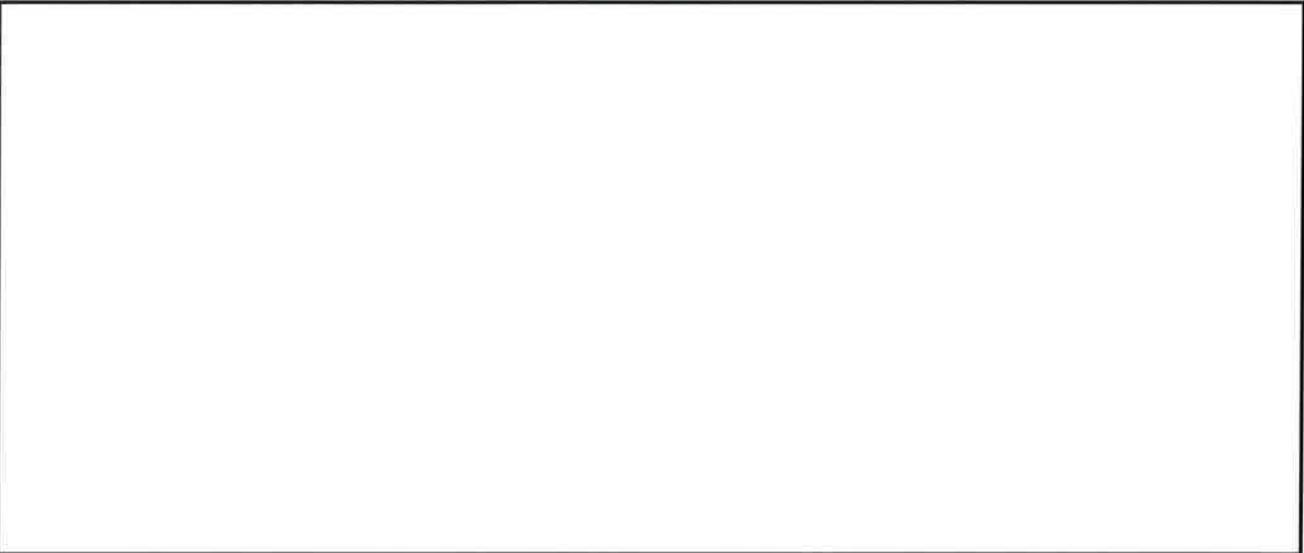
Email

1. PROJECT DESCRIPTION

(The Project Description may vary widely in length depending on the size and scope of the project that would be funded and the size of the grant being requested. A useful structure to assist the readers and decision makers is to break the project down into component goals, each with its own heading and complete description. If applicable, comments about project staff experience and how the overall project will be measured and sustained)



2. ORGANIZATION DESCRIPTION



3. CONSISTENCY WITH SBF GOALS

Place a check-mark next to each of the SBF Goals that are consistent with your request

- Provide multiple recreational opportunities that utilize and enhance access to existing resources within the boundaries of the Feather River Plan. (SBF 2014)
- Encourage secure and managed access for all segments of the populations, with connections to the surrounding community and future development. (SBF 2014)
- Ensures the continued success of habitat restoration and improve the ecological health of the river and floodplain in concert with river restoration goals. (SBF 2014)
- Ensures proposed projects complement the Department of Water Resources (DWR) Recreation Management Plan (RMP). (RFSP/2010)
- Maximizes SBF funding capacity by demonstrating leverage – the project has multiple sources of funding, of which SBF funding is only a part. (RFSP/2010)
- Generates other benefits and revenue(s) to the local community.

SBF 2014 = Refined goals approved October 1, 2014

RFSP = Regional Fund Strategic Plan approved April 27, 2010

4. PROJECT SELECTION CRITERIA

A. ABILITY TO ATTRACT MATCHING FUNDS

Please quantify the amount of matching funds, or value, of the non-SBF funding as compared to the total project cost. The matching funds amount should be expressed as a dollar and percentage value. Please note that the matching value may include donated time, materials, or other in-kind donations, that are used to complete the project. Please provide documentation to support the matching estimates.

CONFIRMED FUNDS: \$ _____ % _____

ESTIMATED FUNDS: \$ _____ % _____

CONFIRMED IN-KIND VALUE: \$ _____ % _____

ESTIMATED IN-KIND VALUE: \$ _____ % _____

Comments (optional)

4. PROJECT SELECTION CRITERIA

B. NEXUS TO THE FEATHER RIVER

A project's nexus to the Feather River will be evaluated using the following criterion.

(Nexus = connection, link; refer to the SBF Vision Statement for additional clarification)

1. Physical proximity to the river,
2. Link to river recreation, or
3. Other river nexus, such as riparian restoration.

Please explain how the proposed project has a nexus with the Feather River. You may include maps, other graphic detail, or additional information that demonstrates the project's nexus with the Feather River.

4. PROJECT SELECTION CRITERIA

C. ENHANCE QUALITY OF LIFE FOR LOCAL RESIDENTS & ATTRACT VISITORS

Please describe how the proposed project will enhance the quality of life for local residents and how the project will help to attract visitors to the region. SBF approved projects are intended to be recreational & related projects that help stimulate economic development in the Oroville region. Considerations might include:

1. Availability of the project to local residents.
2. Increase in levels of service to local residents.
3. Project uniqueness.
4. Appeal to visitors (local, regional, and others).

5. OPTIONAL ADDITIONAL INFORMATION

You may provide pertinent studies, data, or other information that might help the SBF Steering Committee evaluate the value of the proposed project as identified by the evaluation criteria described above and in the SBF Regional Fund Strategic Plan. While additional supplemental information might help with the project evaluation, providing additional information does not guarantee that a proposed project would receive more favorable consideration than if the additional material were not provided.

NOTE: COMPLETE ITEMS (6-8)

ONLY IF THEY ARE APPLICABLE TO YOUR REQUEST

6. PROJECT READINESS:

Status of Project Planning:	Anticipated Date	Prepared by
Planning Studies	_____	_____
Preliminary Design	_____	_____
Cost Analysis	_____	_____
Final Design	_____	_____
Construction Bids Submitted	_____	_____
Construction Period	_____	_____
First year of Stabilized Operations	_____	_____

7. CEQA CLEARANCE

CEQA Clearance(s) Required & Date Obtained or Anticipated: (CEQA = California Environmental Quality Act)	
Notice of Exemption	_____
Negative Declaration	_____
Environmental Impact Report	_____
Unknown	_____

8. FUNDING FOR OPERATIONS AND MAINTENANCE

Identify the source(s) of funding for the operations and maintenance of the project and indicate whether or not the funding has been secured:

PRIMARY FUNDING SOURCE(S)	HAS FUNDING BEEN SECURED?
<input type="checkbox"/> Public Agency: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Private Entity: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Other (Provide details)	



APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

Authorized Signature

Date

Name and Title (Please type or print)

SEND COMPLETED APPLICATION AND 3 COPIES
(DATE TO BE ANNOUNCED)

To:
City of Oroville
Supplemental Benefits Fund
SBF Program Specialist
1735 Montgomery Street
Oroville, Ca 95965

**FAXED OR ELECTRONICALLY TRANSMITTED COPIES
WILL NOT BE ACCEPTED**

**SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE
STAFF REPORT**

TO: SBF CHAIRPERSON & COMMITTEE MEMBERS

FROM: DON RUST, INTERIM SBF FUND ADMINISTRATOR
BOB MARCINIAK, SBF PROGRAM SPECIALIST

RE: 2015 NOTICE OF FUNDS AVAILABLE (NOFA)

DATE: MAY 27, 2015

SUMMARY

THE SBF CURRENTLY HAS \$131,670.10 IN FUNDS THAT ARE NOT COMMITTED. AT THE APRIL 1, 2015, REGULAR MEETING OF THE SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE STAFF WAS DIRECTED TO BRING BACK INFORMATION REGARDING UNALLOCATED FUNDS.

DISCUSSION

The Regional Fund Strategic Plan (RFSP) approved, April 27, 2010, provides the Steering Committee with a framework for making decisions regarding the allocation and appropriation of SBF revenues.

The RFSP was written with the assumption that the FERC License for Project No. 2100 would be approved and an annual funding stream would occur. The approval has not occurred; however funds from the Department of Water Resources (DWR) have been made in the amount of \$100,000 annually since 2012 against the initial first allocation that is due once the FERC License is approved.

The RFSP was updated on May 27, 2015 with recommendations from the RFSP ad Hoc Committee. A Grant Applicant Information (GAI) packet was also approved which contains excerpts from the Regional Fund Strategic Plan and an application process. The GAI is intended to streamline the application process as most of the information in the RFSP was written for the SBF Steering Committee use. At the previous SBF Steering Committee it was determined that a NOFA would only be released if the revisions to the RFSP were approved.

Currently there is \$131,670.10 in funds that are not committed which excludes \$50,000.00 that was committed for the Consolidated Feather River Master Plan (CFRMP) additional funds may be required for the CFRMP.

Staff recommends that the SBF Steering Committee issue a NOFA not to exceed \$60,000.00 in either the Large Project Category or the Marketing/Community Benefit Fund, with a 50% match of funds granted in either cash or in-kind services.

This would leave \$71,670.10 unencumbered, allowing for any future contingencies or administrative requests for the balance of 2015.

FISCAL IMPACT

Reduces unallocated SBF funds by funds made available

RECOMMENDATION

- (1) Approve the staff recommended NOFA (or)
- (2) provide changes to the NOFA (or)
- (3) provide direction to staff

ATTACHMENTS

SBF Fund Reconciliation

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SBF Fund Reconciliation

	DWR	Released
2006	Contract Amount	\$1,935,000.00
2011	2011 DWR Release	\$100,000.00
2012	2012 DWR Release	\$100,000.00
2013	2013 DWR Release	\$100,000.00
2014	2014 DWR Release	\$100,000.00
2015	2015 DWR Release	\$100,000.00
	Total Contract/to date:	\$2,435,000.00



Fund Commitments

	Cash Flow	Funded	Residual	Committed	Not Committed	Pending	Line Total
2006 Initial Fund Availability	1,935,000.00						
2008 NOFA/FRRPD Soccer/All Purpose Fields		-1,012,221.74	\$0.00	\$0.00	\$0.00	\$0.00	-1,012,221.74
2008 NOFA/Table Mountain Golf Course		-30,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-30,000.00
2011 NOFA/City of Oroville: Police GEM electrical vehicles		-35,098.49	\$0.00	\$0.00	\$0.00	\$0.00	-35,098.49
2012 NOFA/Forebay Aquatic Center		-\$46,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-46,000.00
2012 NOFA/FRRPD 4th Soccer/All Purpose Field Rescinded		\$0.00	\$0.00	\$0.00	-\$167,818.37	\$0.00	-167,818.37
2008 NOFA/ Small Projects		-33,471.68	\$0.00	\$0.00	\$0.00	\$0.00	-33,471.68
2012 NOFA/FRRPD/Disc Golf		-\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-1,000.00
2012 NOFA/FRRPD/Marketing Gymnastics		-\$4,170.00	\$0.00	\$0.00	\$0.00	\$0.00	-4,170.00
2012 NOFA/FRRPD/Website Development		-\$6,500.00	\$0.00	\$0.00	\$0.00	\$0.00	-6,500.00
2012 NOFA/Rotary Club of Oroville		-\$3,624.00	\$0.00	\$0.00	\$0.00	\$0.00	-3,624.00
2009/2010 Economic Development/Chamber		-76,427.85	\$0.00	\$0.00	\$0.00	\$0.00	-76,427.85
2011 NOFA/ Oroville Area Chamber of Commerce		-35,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-35,000.00
2011 NOFA/Economic Development/Chamber		-58,868.85	\$0.00	\$0.00	\$0.00	\$0.00	-58,868.85
2012 NOFA/Chamber/UCEF Event Coordinator		-\$28,500.00	\$0.00	\$0.00	\$0.00	\$0.00	-28,500.00
2007 Administrative Expenses (charged in 2008)		0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00
2008 Administrative Expenses		-22,009.95	\$0.00	\$0.00	\$0.00	\$0.00	-22,009.95
2009 Administrative Expenses		-44,079.66	\$0.00	\$0.00	\$0.00	\$0.00	-44,079.66
2009/2010 Admin/Regional Fund Strategic Plan		-173,050.00	\$0.00	\$0.00	\$0.00	\$0.00	-173,050.00
2010 Administrative Expenses		-52,927.87	\$0.00	\$0.00	\$0.00	\$0.00	-52,927.87
2011/2012 DWR Advance Allocation	200,000.00						
2011 Administrative allocation for future consultants		-1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	-1,500.00
2011 Administrative Expenses		-21,765.20	\$0.00	\$0.00	\$0.00	\$0.00	-21,765.20
2012 Administrative Expenses allocation		-30,851.87	\$0.00	\$0.00	\$0.00	\$0.00	-30,851.87
2012 Consultant Expense/City of Oroville WW/ES		-\$69,971.56	\$0.00	\$0.00	\$0.00	\$0.00	-69,971.56
2013 DWR Advance Allocation	100,000.00						
2013 Administrative Allocation 07/01/2013-06/30/2014		-30,188.42	\$0.00	\$0.00	\$0.00	\$0.00	-30,188.42
2013 Administrative Expenses (01/01 to 06/30/2013)		-22,191.67	\$0.00	\$0.00	\$0.00	\$0.00	-22,191.67
2014 DWR Allocation	100,000.00						
2014 Administrative Expenses/Future Riverfront Consultant		0.00	\$0.00	-\$50,000.00	\$50,000.00	\$0.00	-\$50,000.00
2014 Event Coordinator		-30,000.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$30,000.00
2014 Consultant/Design Oroville Aquatic Center		-10,390.00	\$0.00	-\$9,610.00	\$0.00	\$0.00	-\$20,000.00
2014 Consultant/Design/Environmental Brad Freeman Trail		-20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00
2014 WW Consultant Expense City of Oroville Rescinded		-19,145.89	\$0.00	\$0.00	-\$122,654.11	\$0.00	-\$141,800.00

Fund Commitments	Cash Flow	Funded	Residual	Committed	Not Committed	Pending	Line Total
2014 FRRPD Irrigation Well at Nelson Complex		0.00	\$0.00	-\$30,000.00		\$0.00	-\$30,000.00
2015 Event Coordinator		0.00	\$0.00	-\$30,000.00		\$0.00	-\$30,000.00
2014-2016 Administrative Budget		-35,108.55	\$0.00	-\$55,123.45	\$0.00	\$0.00	-\$90,320.00
2014 Reserve Police Officer Funding for Parks/Trails		0.00	\$0.00	-\$48,403.20	\$0.00	\$0.00	-\$48,403.20
2014 Administrative Expense/Workshop Facilitator		-5,130.00	\$0.00	\$0.00	-\$870.00	\$0.00	-6,000.00
2015 DWR Allocation	100,000.00						
Administrative Expense Adjustment from previous budget		0.00	\$0.00	\$0.00	-\$11,327.62	\$0.00	-\$11,327.62
2015 Forebay Aquatic Center		-10,342.22	\$0.00	-\$43,657.78	\$54,000.00	\$0.00	-\$54,000.00
2015 FRRPD Brad Freeman Trail/Environmental		0.00	\$0.00	-\$20,000.00	\$20,000.00	\$0.00	-\$20,000.00
2015 Oroville Veterans Memorial Park/Flag Pole Monument		0.00	\$0.00	-\$37,000.00	\$37,000.00	\$0.00	-\$37,000.00
2015 Funding of Lake Oroville Maps and Museum Brochures		0.00	\$0.00	-\$10,000.00	\$10,000.00	\$0.00	\$10,000.00

Sub totals: \$2,435,000.00 -1,969,535.47 \$0.00 -\$333,794.43 -\$131,670.10 \$0.00 -2,435,000.00

RECAP:

Funded \$1,969,535.47
Residual \$0.00
Committed \$333,794.43
Not Committed/Available \$131,670.10
Pending \$0.00

Total/Contract/to date: \$2,435,000.00

FUNDS ON DEPOSIT:

\$ @ DWR \$0.00
\$ @ City of Oroville \$465,464.53
\$465,464.53

Committed \$323,794.43
Not Committed \$141,670.10
\$465,464.53

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**SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE
STAFF REPORT**

TO: SBF CHAIRPERSON & COMMITTEE MEMBERS

**FROM: DON RUST, INTERIM SBF FUND ADMINISTRATOR
BOB MARCINIAK, SBF PROGRAM SPECIALIST**

RE: MUNICIPAL LAW ENFORCEMENT SERVICES

DATE: MAY 27, 2015

SUMMARY

The SBF Steering Committee will receive information from Bill LaGrone, City of Oroville, Director of Public Safety, regarding the Municipal Law Enforcement Services (MLES). Chief LaGrone is requesting to transfer \$48,403.20 in administrative funds previously allocated by the SBF Steering Committee for hiring a Reserve Police Officer for parks and trails patrol to be the MLES program.

DISCUSSION

The attachment is a copy of the Staff Report Chief LaGrone provided to the Oroville City Council on May 19, 2015. Chief LaGrone previously presented the concept to the SBF Safety ad Hoc Committee on April 9, 2015 and the committee endorsed the concept.

Safety in our parks, trails and public spaces is an important component of the tourism aspect of both the SBF and the Oroville Community.

FISCAL IMPACT

None, funds have been previously allocated.

RECOMMENDATIONS

1. Approve the request to utilize the previously allocated funds for a Reserve Police Officer to the MLES program (or)
2. Deny the request and cancel the previous allocation (or)
3. Provide direction to staff, if necessary.

ATTACHMENTS

City Council Staff Report, dated May 19, 2015 regarding the MLES Program.

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**CITY OF OROVILLE
STAFF REPORT**

TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS
FROM: BILL LA GRONE, DIRECTOR OF PUBLIC SAFETY
RE: MUNICIPAL LAW ENFORCEMENT SERVICES
DATE: MAY 19, 2015

SUMMARY

The Council may consider the implementation of the Municipal Law Enforcement Services concept for lower level criminal and code violation issues.

DISCUSSION

The Police Department has previously presented a plan to increase staffing for both the Police Department and the Code Enforcement Department. The plan was presented at the City of Oroville budget meeting on May 11, 2015.

Municipal Law Enforcement Services will provide coverage 16 hours per day, 7 days a week. The MLE Officers will be responsible for handling all misdemeanor crime, cold felony crime, vehicle thefts, vehicle recovery, parking enforcement, park and trail patrol, transient issues, information to citizens and all Code Enforcement issues. These Officers will allow the Police Department to better utilize the Police Officers for more serious matters such as arrest, violent crime, traffic enforcement, school resource activities and criminal investigations.

The Police Department is currently staffed with 2 Community Service Officers; the Code Enforcement Department is currently staffed with 2 Code Enforcement Officers. It is the intent of this program to combine the Community Service Officers and the Code Enforcement Officers into one unit to form the Municipal Law Enforcement Services. Once this combining has occurred the Police Department is requesting permission to hire 8 new Community Service Officers, along with the necessary equipment for these Officers.

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First Year Annexation:

Position	Qty	Personnel Cost	Vehicle	Equipment	Overhead
Community Service Officer	8	\$448,000	\$110,000	\$24,000	\$96,000
Records Clerk	1	\$52,000	\$0.00	\$1,000	\$12,000

TOTAL APPROXIMATE COST
\$743,000

Revenue Source	Amount of Revenue
Taxes	\$600,000
Municipal Police Chiefs (2014)	\$ 78,500
Municipal Police Chiefs (2015)	\$100,000
Supplemental Benefit Fund	\$ 48,500

TOTAL AVAILABLE REVENUE
\$827,000

FISCAL IMPACT

RECOMMENDATIONS

1. Authorize the implementation of the Municipal Law Enforcement Services concept for lower level criminal and code violation issues.
2. Authorize the hiring of eight (8) Community Service Officers and the purchasing of necessary equipment as outlined in this staff report.

ATTACHMENTS

None