

Summary of Restoration Fund Spending: FY17

Prepared for February 2018 Committee and Board Meetings
by Estuary Program staff

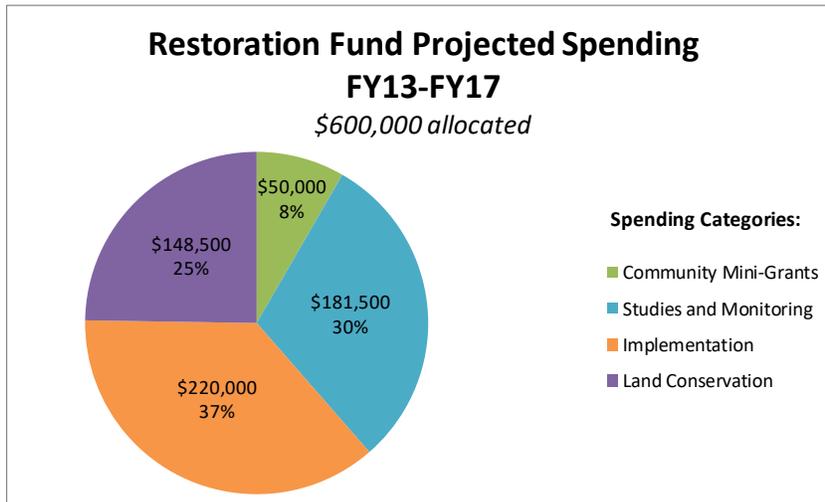


Original Spending Plan Overview: FY13-FY17

The Restoration Fund is a board designated pseudo-endowment. The funds consist of interest generated from a court decreed settlement from PG&E and were directed to the Estuary Program in 1997. The Estuary Program met the consent decree spending requirements and spent all of the principal settlement. The remaining interest is being spent following the same spending requirements and has no definitive spend-by date, although the Water Board (the enforcement agency that participated in the consent decree) has suggested that the funds should be spent in the next 10-20 years.

In May 2012, the Implementation and Executive Committees approved a five year spending plan for \$600,000 of the Restoration Fund, with the remaining amount left for interest accrual.

The spending plan specified the following breakdown of spending by program area:

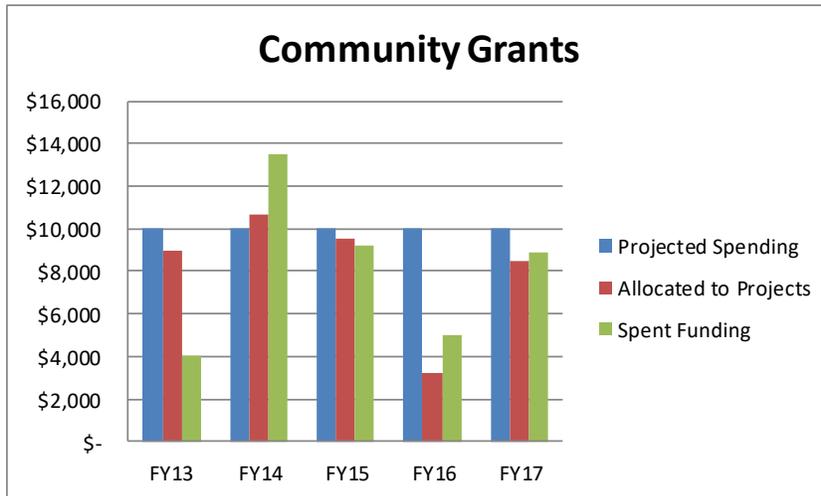


Each year, the Estuary Program workplan included Restoration Fund monies in the budget. Money was allocated by project. Below is a summary of spending in each of these categories over the last five years (FY13-FY17), with notes about spending patterns below.

Community Grants

Community grants are projects of \$5,000 or less that are completed by partner organizations. Grants are awarded through a review process with the technical working groups, Implementation Committee,

Executive Committee, and Bay Foundation Board. Grants must address at least one action plan from the Comprehensive Conservation and Management Plan. You can see details about the grant program here: <http://www.mbnep.org/community-grants/>

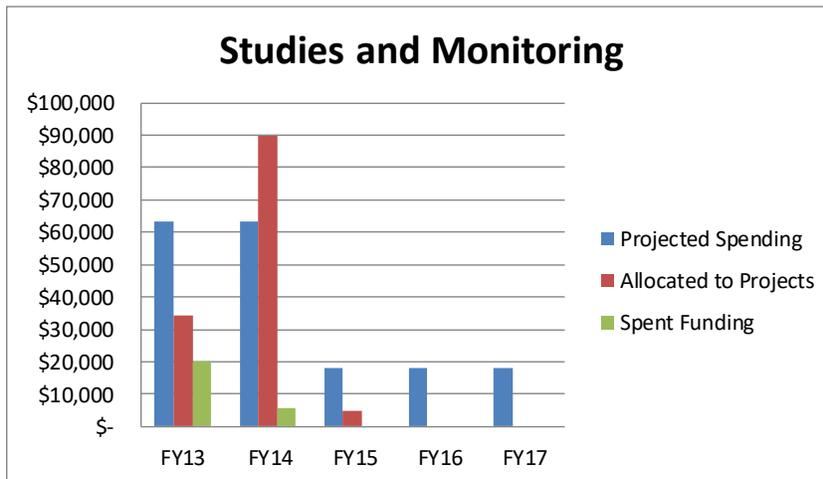


The original spending plan projected \$10,000 per year for community grants. Allocation to projects was close to that amount through FY15, but only one community grant was awarded in FY16. FY14 spending is higher than allocated because one project from the previous year was completed in FY14. In FY17, two projects were funded and one project that carried over from FY16 was completed.

Awarded Grants FY13-FY17:

- Green Infrastructure Network: Baywood Fine Sand Community
- A Healthy Sea Begins with Me
- California Conservation Corps Stormwater Management Treatment Plan & Educational Signage
- Dust Mitigation for Boat Owners
- Firesafe Demonstration Garden
- Achievement House Hydroponics Reclamation
- Communication Devices for Central Coast State Parks Association
- Rainwater Harvest Demonstration at Centennial Parkway
- Upgrading a Video Microscope System
- Sealife Stewards
- *Of Marshes and Morros* film by Simo Nylander
- Snowy Plover Signage for State Parks

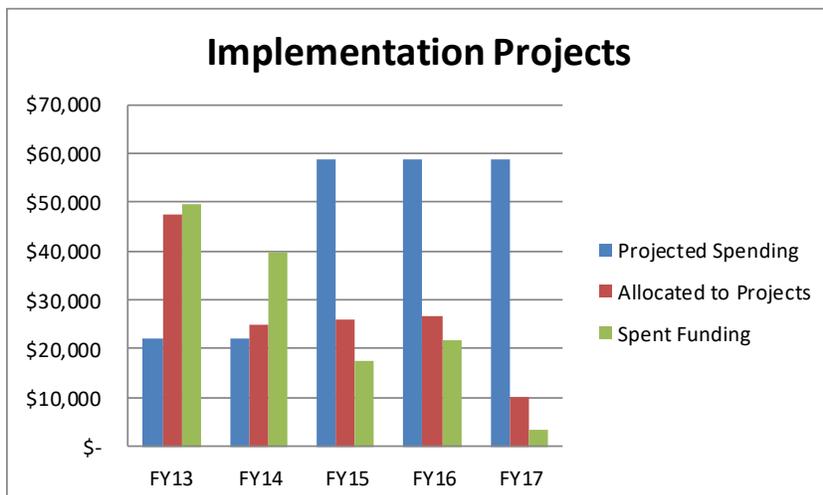
Studies and Monitoring



The five year spending plan projected more money on studies and monitoring in the first two years and less in subsequent years. Although this pattern was followed, actual spending was much lower than projected in the spending plan. This was primarily due to the following reasons:

- A grant to study freshwater flow levels in local creeks that was anticipated in FY14 was not awarded, so the money allocated from the Restoration Fund for that project was not spent.
- Eelgrass monitoring and restoration planning was altered when restoration outcomes were not as anticipated. The Estuary Program and our partners took additional time to re-assess and focus on specific questions about survivorship. Some of our partners, including Cal Poly and NOAA, made funds available for these efforts, so Restoration Fund money was not spent.

Implementation Projects

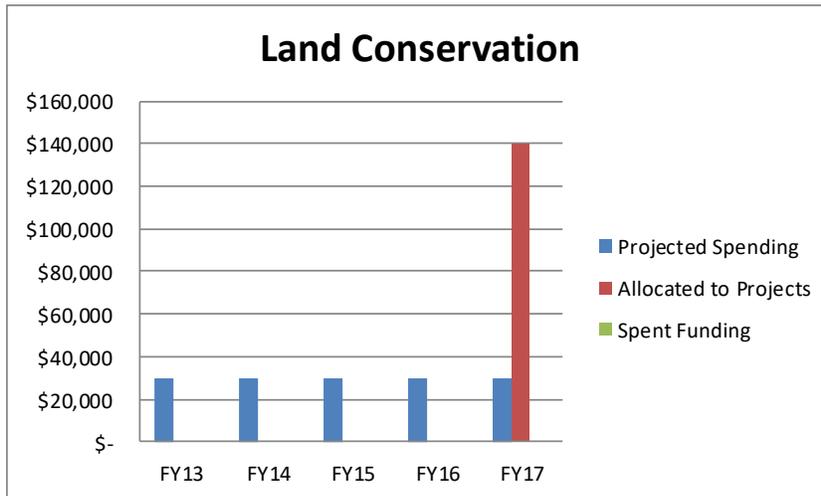


Implementation project spending was projected to increase over the course of the spending plan period, but the opposite pattern emerged. This change was primarily due to the needs of the road erosion prevention project, which was the largest implementation project using Restoration Fund monies. In

addition, the design phase for the Chorro Creek Ecological Reserve floodplain restoration project was delayed by one year and the implementation phase has not yet begun.

Completed projects included road erosion prevention, oil spill preparedness supplies for the Morro Bay Harbor, restoration project maintenance, and a partnership for the Watershed Stewards Project.

Land Conservation



Although a total of \$148,500 was allocated over five years for land conservation projects, none has been spent. During the creation of the five year spending plan, the Committees discussed the opportunistic nature of land conservation projects and the difficulty in predicting spending.

The Implementation Committee, Executive Committee, and Bay Foundation Board have approved spending \$140,000 from the Land Conservation portion of the FY12-FY17 spending plan for a Los Osos Valley conservation easement. However, the easement closing was delayed due to the timing of a state grant funding source. The Land Conservancy anticipates closing the easement in early 2018 and has full engagement with the landowner and the state funding agency.

Conclusion

Overall spending has thus far been lower than projected in the spending plan. The main reasons for reduced spending have been projects delays, shifting priorities, and additional outside funds. During FY13-FY17, the Estuary Program continued our traditional approach of prioritizing procurement of outside funds over spending Restoration Fund monies. This is due to the finite nature of the Restoration Fund. However, this has also resulted in less spending than projected.

Restoration Fund Spending (Actual and Pending*) FY13-FY17

\$445,258 allocated

