UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

NOV 25 2014

OFFICE OF WATER

Mr. Tom Ford
Executive Director
Santa Monica Bay Restoration Commission
320 W. Fourth St., Suite 200
Los Angeles, CA 90013

Dear Mr. Ford:

The purpose of this letter is to provide the results of the Environmental Protection Agency's (EPA) 2014 Program Evaluation (PE) and to thank you and the Santa Monica Bay National Estuary Program (SMBNEP) staff, as well as your partners, for contributing to the 2014 PE process. We recognize that you put considerable effort into both the PE package and the responses to our follow-up questions. In addition, we would like to thank you for arranging the on-site visit for the PE Team, and for actively participating in meetings and field trips to various sites in the SMBNEP study area.

The primary purpose of the PE is to help the EPA determine whether the 28 Programs in the National Estuary Program (NEP) are making adequate progress in implementing their Comprehensive Conservation and Management Plan (CCMP). The evaluation process has added considerably to the EPA Headquarters and Regional staff's knowledge of each individual NEP and promotes sharing of innovative projects and approaches across all 28 NEPs. In addition, the EPA uses the evaluation process to assess how the NEPs support Clean Water Act (CWA) core programs, and to evaluate the extent and effectiveness of the NEPs' contributions to achievement of two relevant EPA *2011- 2016 Strategic Plan* goals--Goal 2: Clean and Safe Water, Objective 2.2, Protect Water Quality; and Goal 4: Healthy Communities and Ecosystems, Objective 4.3, Restore and Protect Critical Ecosystems.

Based on the Program Evaluation Team findings, we believe you have continued to make significant progress in implementing the SMBNEP's CCMP. You have passed the 2014 Program Evaluation and are eligible for continued funding under §320 of the CWA.

2014 Program Evaluation Findings

The following summary highlights the Team's key findings by identifying the SMBNEP's strengths and recommending areas for improvement. This summary is intended both to recognize the Program's successes and to recommend efforts to further strengthen your Program. The Program's response to these recommendations will be evaluated in the next PE cycle.

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Strengths

Program Planning and Implementation

By working closely with its numerous and diverse stakeholders the SMBNEP continues to be a recognized leader in protecting and restoring the water quality and ecological integrity of the Santa Monica Bay and adjacent waterways. The SMBNEP has leveraged significant amounts of funding to accomplish major programs and projects contained in the CCMP. The total amount of funds secured and leveraged for CCMP implementation during the reporting period exceeded $30 million. Major program and project accomplishments include numerous storm water LID and habitat protection and restoration projects which are described below. Additional examples include:

- Continued expansion of the innovative Clean Bay Restaurant Certification Program that promotes restaurants implementing the program's stormwater pollution prevention best management practices (BMPs).

- Initiated an assessment of potential climate change impacts on coastal infrastructure and habitats with local partners including a study of potential impacts of sea level rise and precipitation changes on specific restoration scenarios of the Ballona Wetlands with support from the EPA's Climate Ready Estuary Program.

Protection and Restoration of Habitat and Living Resources

Due to collaborative efforts of SMBNEP and its partners, more than 27,700 acres of Santa Monica Bay were designated as state marine protected areas, and more than 1,000 acres of lands in the Bay watershed were restored or protected through land acquisition. This is a significant accomplishment in a highly urbanized watershed with extremely high land costs and heavy human use demands. In addition, with their partners, the SMBNEP achieved full restoration of Malibu Lagoon, a critical wetland habitat along the Bay coast, and restored more than seven acres of kelp forest through a unique partnership with NOAA, and the local environmental and commercial fishing community.

Research and Monitoring

SMBNEP continues to conduct research and monitoring projects that will improve the water quality and ecological integrity of the Bay. Many of these projects are innovative and may have application potential for other NEPs. Projects include the baseline monitoring and assessment of the Ballona Wetlands Ecological Reserve (Reserve) which collected an unprecedented amount and diversity of data critical to inform restoration planning of the Reserve; the Level 3 monitoring in the Reserve and other coastal wetlands in Southern California with support of a grant from the EPA Wetland Development Program; study of historical ecology and water budget to guide riparian and wetland restoration; an analysis of historical regional wetlands to inform the development of a Total Maximum Daily Load (TMDL) for the Ballona Wetlands; an aerial survey of marine vessels to track changes in coastal resource use after the establishment of the Marine Protected Area; and sea urchin gonad index development to demonstrate the results of kelp restoration on local fisheries; a green abalone reintroduction

study; and a California halibut population study. Most of the SMBNEP's research projects are collaborative efforts with stakeholders such as the State Coastal Conservancy, State Parks, Sea Grant programs, Southern California Coastal Water Research Project, California Department of Fish and Wildlife, local fishing communities, and other important partners.

Outreach and Public Involvement

The SMBNEP continued to carry out its strategic outreach plan and made significant progress in expanding its outreach through new branding and the use of electronic media, the publication of a multidisciplinary journal, Urban Coast, and the annual coastal estuary research symposium. The SMBNEP also increased its exposure through building of professional relationships with the local media community. The SMBNEP continues to provide opportunities for public participation to advance implementation of its CCMP. This includes several publicly noticed meetings a year which offer opportunities for public comment, as well as an annual Watershed Advisory Council meeting that provides further opportunities for public input on the annual workplans submitted to the EPA for CWA Section 320 funding. The long-running Boater Education Program continued its success through outreach to the boater community throughout Southern California with a mix of innovative and traditional outreach strategies and expanded its efforts to take on the role of coordinating the state-wide program. The award-winning rain harvesting program in Culver City is another good example of SMBNEP projects that engage the local community and to achieve behavioral change.

Support of CWA Core Programs

Improve Water Quality – TMDL Implementation and Storm Water Pollution Control

The SMBNEP continues to work closely with its stakeholders to develop and implement TMDLs to achieve water quality standards in the watersheds draining to Santa Monica Bay. The CCMP includes the targeting of State Proposition funds to stormwater best management practices, especially green infrastructure/LID projects. Since 2009, SMBNEP was awarded more than $17 million in grant funding, and leveraged millions more, for projects that help meet the trash, pathogen, and metals TMDL reduction targets in local waterbodies. In all, the SMBNEP implemented 14 green infrastructure and LID projects to help local municipalities reduce the amount of pollutants entering stormwater systems from runoff while also increasing green space in the highly urbanized study area. One of the best examples of these projects is the Westside Park Rainwater Irrigation Project in the Ballona Creek watershed which has a vegetated water detention basin built in a vacant lot that captures, treats, and infiltrates all dry weather runoff up to 2.6 million gallons per day and helps the municipality comply with TMDLs for bacteria and nutrients.

The SMBNEP has proven to be an influential coordinator for the municipalities that are responsible for reducing urban runoff to Santa Monica Bay. The SMBNEP helped the County of Los Angeles develop a stormwater fee to finance the development, operation, and maintenance of stormwater quality improvement projects and facilities and will continue its efforts to support passage of the measure. An adequate, long-term funding source would ensure that the County and the 88 municipalities in the SMBNEP study area would have the ability to comply with the

requirements of their NPDES permit for municipal stormwater discharges issued by the State Los Angeles Regional Water Quality Control Board.

Progress Made in the Areas Highlighted in the 2009 Implementation Review

Program Implementation and Reporting – Financial Management

The SMBNEP has made significant progress in achieving financial stability since the last review and is on track to meet its fundraising goals; it has been more proactive in applying for state and federal grant funding. As a result, the Bay Foundation received unprecedented amounts of state and federal grant funding, and updated its strategic financial plan in 2011 to focus on building a stable cash reserve. The strategy was adopted by the SMBNEP to achieve the goal through annual formula-based contributions by SMBNEP members and fundraising from private donors. The SMBNEP has also improved the management of the annual CWA §320 grants and its other fiscal resources since the 2009 review.

Challenges

Financial Management

Although the SMBNEP has been highly successful in raising and leveraging funding for CCMP implementation, significant amounts of funding are needed to achieve all the goals and objectives of the CCMP. Securing and leveraging additional resources will require concerted efforts by, and contribution from, all stakeholders including federal, state, and local governments. The EPA recognizes the challenge of securing more federal funding, but recommends that the SMBNEP continue to explore new funding mechanisms and opportunities.

Outreach and Public Involvement

During the review period, public inquiry from several stakeholders raised concerns regarding the Bay Foundation's eligibility to receive grant funding under §320 of the CWA, the SMBNEP's organizational structure, the public participation process, and the SMBNEP's role in the Ballona Wetlands Restoration Project. Stakeholders have voiced their concerns through phone conversations, public meetings and correspondence, as well as California Public Records Act requests and Freedom of Information Act (FOIA) requests with State and Federal agencies. This type of engagement has been challenging for all involved. For example, we understand that discussion on these issues at public meetings have led to concerns about personal safety of SMBNEP staff and Governing Board members, so law enforcement began to provide security at SMBNEP public meetings. Unfortunately, issues such as wetlands restoration can sometimes be controversial and related conflicts that arise are often difficult to resolve since they can involve a range of potentially opposing interests such as public access versus habitat protection.

The EPA has provided responsive documents to stakeholders under these FOIA requests including documentation pertaining to the Bay Foundation's eligibility to apply for and receive funding under §320 of the CWA. We have reviewed these concerns and associated responses and confirm previous findings related to the structure and funding of SMNEP. Additionally, we find that SMBNEP's role in the Ballona Wetlands Restoration Project is appropriate.

Furthermore, with many partners having various roles to complete complicated restoration or enhancement projects, the specific responsibilities of each partner is often not clearly understood. We recommend that SMBNEP continue clarifying its roles and responsibilities on key environmental projects and urge all partners to publicly clarify their respective roles as well.

We commend the Bay Foundation and Santa Monica Bay Restoration Commission staff on meeting the goals and objectives of the CCMP, and their efforts to engage all stakeholders respectfully and appropriately as stakeholder involvement is at the heart of NEPs planning and implementation. EPA recommends that the SMBNEP continue to use the Watershed Advisory Council meetings as the vehicle for public participation in CCMP and annual workplan implementation oversight. EPA also strongly encourages the SMBNEP to continue communicating on a regular basis with all its stakeholders as well as to encourage public involvement in the implementation of the CCMP.

Thank you again for participating in the PE process. We welcome any additional thoughts you may have either about the evaluation process itself or about the EPA's involvement in the implementation of the SMBNEP's CCMP. If you have any questions or comments, please contact me at (202) 566-1244.

Sincerely,

Bernice Smith

Bernice Smith, Ph.D., Chief
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