

RESOLUTION NO. 427

RESOLUTION OF THE COMMISSION OF THE SANTA ANA WATERSHED PROJECT AUTHORITY DIRECTING THE GENERAL MANAGER TO ESTABLISH A POLICY ON THE DISBURSEMENT OF FUNDS COLLECTED FROM MITIGATION BANK CREDIT SALES

WHEREAS, on March 7, 2000, the electorate of the State of California voted to approve Proposition 13, the Costa-Machado Water Act of 2000 (Act) containing the Southern California Integrated Watershed Program (SCIWP) (California Water Code Sections 79104.20 through 79104.34), providing \$235 million for local assistance grants; and

WHEREAS, the State Legislature has appropriated funds to the State Water Resources Control Board (SWRCB) to be allocated to the Santa Ana Watershed Project Authority (SAWPA) for projects to rehabilitate and improve the Santa Ana River Watershed; and

WHEREAS, on September 20, 2001, the SWRCB authorized the Executive Director or designee to negotiate, execute and amend contracts with SAWPA to provide funding for one project from the SCIWP, titled Arundo Removal Program; and

WHEREAS, on April 23, 2003, SAWPA purchased 100 acres of Mitigation Bank Credit pursuant to an agreement with the Riverside County Park and Open Space District to and as part of the Arundo Removal Program; and

WHEREAS, it is the intent of the SWRCB and SAWPA that the proceeds from the sale by SAWPA of such Mitigation Bank Credits are to be used for the removal of Arundo and other non-native invasive plants in the Santa Ana River Watershed; and

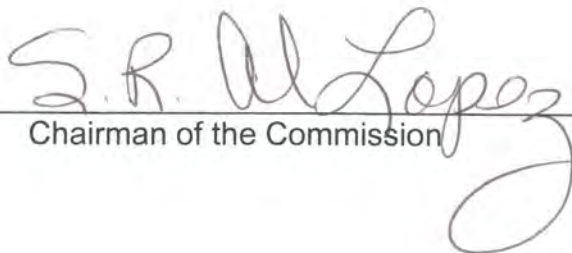
WHEREAS, by this resolution SAWPA intends to adopt a policy consistent with the foregoing intent.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the SANTA ANA WATERSHED PROJECT AUTHORITY as follows:

That the SAWPA Commission hereby establishes a Habitat Restoration Fund Policy attached hereto as Exhibit "A" to ensure that proceeds of sales of Arundo Mitigation Bank credits are used in a manner consistent with those envisioned by the Southern California Integrated Watershed Program and the Integrated Watershed Plan as outlined above and in the attachment.

APPROVED AND ADOPTED THIS 18th day of May, 2004.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: 
Chairman of the Commission

Attachment: Exhibit A

Policy Name	Habitat Restoration Fund
Policy Number	04-03
Date/Authorized	5-18-04



EXHIBIT A

Policy Name: Habitat Restoration Fund Administration

History: Effective May 18, 2004

Application: Disposition of Funds Generated from the Sale of Arundo Mitigation Bank Credits

PURPOSE:

This policy is intended to clarify, explain and provide guidance on the management of funds generated by the sale of Arundo Mitigation Bank credits as part of the Southern California Integrated Watershed Program, Arundo Removal Program.

BACKGROUND:

As part of the SCIWP, SAWPA purchased 100 acres of Arundo Mitigation Bank credits from the Riverside Park and Open Space District (District). The terms of this Agreement are summarized in Amendment No. 1 of the Grant Funding Contract between SAWPA and the District. SAWPA purchased the 100 habitat units for \$4 million and the District will sell those units as broker on behalf of SAWPA for the current price of \$45,398 per habitat unit, less a 2% administrative fee deducted from the total price. As part of the Arundo removal agreement with the SWRCB, the proceeds of the sale of Arundo Mitigation Bank units are to be used for the removal of additional Arundo and other heavy water using invasive plants within the watershed and to prevent Arundo reinfestation in areas where Arundo has already been removed, as well as related habitat and wetland efforts, so long as funds are available.

POLICY:

Upon receipt of funds from the District generated from the sale of SAWPA-owned Mitigation Bank Credits, SAWPA shall deposit such funds into a segregated account for the purpose of funding the removal of Arundo and other heavy water using invasive plants within the watershed and to prevent Arundo reinfestation in areas where Arundo has already been removed, as well as related habitat and wetland efforts, so long as funds are available. This segregated, account will be included in the SAWPA budget. The account will accrue interest.

The funds in that account will not be disbursed until after July 1, 2005 or a date following the close-out of the SCIWP Arundo Program. SAWPA administrative costs related to this account and the plant removal program will be deducted from the account.

Any project related expenditures from the account shall be approved by the SAWPA Commission to ensure consistency with the purpose of the Habitat Restoration Fund and the Integrated Watershed Plan.