

Meeting Summary

Drought Resilience Interagency & Partners (DRIP) Collaborative

Reducing Ecosystem Impacts of Drought Workgroup Meeting II
California Natural Resources Agency, 715 P St, Sacramento, Room 06-212
June 17, 2025 | 2:30PM to 4:00PM

The meeting recording is available at: <https://www.youtube.com/watch?v=V1eY0FKrFxA>.
Meeting materials, including the presentation, are available at: <http://www.water.ca.gov/drip>

Meeting Objective: Advance recommendation ideas proposed at the May 16th, 2025, DRIP Collaborative meeting related to in-stream flow requirements and granting & contracting streamlining. Discuss other recommendation ideas raised during the meeting to decide how to address/incorporate them.

Workgroup members in attendance:

- Redgie Collins, CalTrout (workgroup lead)
- Anna Schiller, Environmental Defense Fund
- Sierra Ryan, Santa Cruz County
- Laura Ramos, California Water Institute at Fresno State
- Matessa Martin, Buena Vista Rancheria of Me-Wuk Indians
- Alvar Escriva-Bou, University of California, Davis

Absent

- Brent Hasteley, Plumas Lake Self Storage

In-Stream Flow Requirements: Prioritization & Incentives

In brief, this discussion emphasized the need for:

- Improved transparency around how enforcement priorities are set by the State Water Resources Control Board (SWRCB);
- Clear communication and advance notice to diverters about current drought conditions and likelihood of potential curtailments;
- Use of existing funding mechanisms (e.g., CDFW and Wildlife Conservation Board grants) to support on farm efficiency projects and modern farm equipment and conveyance systems in exchange for in stream flow dedications;
- Pre-established drought response frameworks, principles, and guidelines that landowners can opt into before a drought is declared.

Workgroup members explored a recommendation to prioritize environmental flow protections for high ecological function streams, particularly **small coastal tributaries that are especially vulnerable to drought-related degradation**. Rather than proposing a statewide mandate, the recommendation targets a subset of streams where modest interventions could yield significant ecological benefits. The proposal includes piloting this approach in a selected watershed to test implementation and build momentum. This approach would pair **clearly defined ecological flow benchmarks** with **early curtailment warnings** and offer **voluntary landowner cooperative agreements** – modeled on examples from the Shasta and Scott Rivers – to incentivize conservation. These agreements would allow **landowners to reduce diversions** during critical periods to help meet flow targets and, in return, **receive relief from curtailments**. Members

emphasized the importance of providing clear benchmarks and advance notice to avoid the current pattern of sudden regulatory action.

A key theme was the **need for improved enforcement transparency and practices**. While the SWRCB has the authority to implement and enforce in-stream flow requirements, participants noted a lack of clarity around how enforcement priorities are determined. This recommendation **would not impose new regulatory requirements** but instead develop voluntary, proactive tools landowners can use to protect themselves from future curtailments during declared drought emergencies.

CalTrout offered to share analysis conducted with partners, including The Nature Conservancy and the Trout Unlimited, **to help identify suitable pilot watersheds** with high biodiversity and significant drought vulnerability. These pilot watersheds may be in coastal streams where small diversions during drought have outsized impacts; however, it was acknowledged that **enforcement of flow standards in very small tributaries is difficult**, but that minor water savings in these stream segments can have major impacts on fish survival. The scope and reach of this recommendation must be further discussed. The group also discussed who might serve as intermediaries to coordinate with landowners. In past efforts, **organizations have partnered with local farm bureaus and irrigation districts**, which may be appropriate entities for future engagement.

Participants also discussed how to structure financial incentives to support participation. **Existing grant programs** from the Wildlife Conservation Board, SWRCB, and CDFW **could be better utilized** to fund drought preparedness projects. The recommendation could help raise awareness of these underused funding sources and clarify how to access them. Suggestions included: raising awareness about how to apply, clarifying points of contact, and potentially modifying grant criteria to support landowners both proactively and retroactively (e.g., “grandfathering in” prior conservation efforts). In addition to funding through rolling grant programs, examples of other incentive models were raised to potentially learn from and adapt:

- **Groundwater Sustainability Agencies (GSAs) fallowing programs** that use pumping fees to compensate landowners who fallow their land;
- **Regionally pooled funding** where diverters who continue diverting during drought contribute to payments to those who voluntarily reduce use;
- **Preemptive programs**, in which landowners voluntarily enroll ahead of a drought by implementing proactive measures outlined by the SWRCB. In return, they receive financial compensation and may be exempted from curtailment orders. This approach offers a more predictable, equitable framework for managing water use and protecting ecosystems during drought, shifting action from crisis response to proactive preparedness.

Streamline Granting & Contracting for Habitat Restoration Projects

In brief, this discussion emphasized the need for:

- **Integrating permitting and granting processes** to streamline project delivery;
- Expanding the use of tools developed through **the Cutting the Green Tape initiative**, such as permit bundling and CEQA exemptions, for restoration projects;
- **Simplifying grant guidelines** and **adopting rolling solicitations** to reduce applicant burden;
- Improving **indirect cost recovery** for grantees;

- **Reevaluating long-term operations and maintenance (O&M) requirements** tied to state grants.

The workgroup discussed a recommendation to streamline granting and contracting processes for habitat restoration projects, with the goal of reducing administrative burdens, lowering costs, and improving implementation timelines. The recommendation draws heavily from lessons learned through the California Department of Fish and Wildlife's (CDFW) Cutting the Green Tape initiative, which integrates permitting and granting reforms to accelerate ecological restoration. Workgroup members emphasized that permitting streamlining should be explicitly linked to granting improvements, ensuring that both aspects of project delivery are supported in tandem. Additional elements tied to this idea include improving indirect cost recovery and allocating Proposition 4 funding for planning, monitoring, and long-term operations and maintenance (O&M).

Matt Wells, Watershed Restoration Branch Chief at CDFW, joined to provide an overview of Cutting the Green Tape and share insights on how its permitting efficiencies could inform improvements to grant execution and contracting. Key takeaways included:

- **Permitting Bundles:** Restoration projects previously required multiple, separate permits (e.g., for fully protected species, streambed alterations), often processed by different CDFW staff. Cutting the Green Tape enabled the bundling of these permits into a single Restoration Management Permit, significantly reducing timelines and costs.
- **CEQA Exemptions:** The Statutory Exemption for Restoration Projects (SERP) allows CDFW to issue CEQA exemptions for qualifying projects. To date, over 65 exemptions have been issued, saving grantees years of processing time and millions of dollars.
- **Grant-Permit Integration:** Cutting the Green Tape promotes integration by having the same team manage both grant execution and permitting, creating a single point of contact for applicants and better aligning internal processes.
- **Rolling Solicitations & Simplified Guidelines:** CDFW replaced once-a-year solicitations with rolling application windows, enabling more responsive funding decisions. They also simplified grant guidelines, focusing on essential application requirements and deferring non-critical information to post-award deliverables.
- **Flexible, Non-Scored Reviews:** Rather than using complex scoring rubrics, regional staff assess projects based on alignment with funding goals and provide early guidance to applicants, fostering more collaborative and successful submissions.
- **Contracting Challenges & Opportunities:** While contracting is constrained by individual agency rules and processes, top-down prioritization of restoration-related contracts and early coordination with contract offices can help avoid late-stage delays.
- **Cross-Agency Coordination:** Cutting the Green Tape aligns with similar permitting tools from the SWRCB and Army Corps of Engineers. CDFW has conducted joint workshops and actively collaborates across regulatory and funding agencies to improve consistency and efficiency.
- **Cultural Shift & Change Management:** Internal resistance has been an ongoing challenge, particularly among staff used to traditional permitting and grant approaches. Promoting a Cutting the Green Tape mindset across all CDFW regions remains a priority, with support from leadership and advocacy from external partners helping drive the shift.

Following the presentation, workgroup members highlighted additional grant-related challenges that may warrant separate recommendations. These included:

- **Indirect Cost Recovery:** Members noted that low caps on indirect costs (e.g., 15%) make it difficult for organizations to recover core operational expenses, limiting their capacity to effectively implement awarded grants.
- **Ongoing Maintenance Requirements:** Decades-long O&M obligations attached to state grants were flagged as unrealistic. Members suggested identifying more reasonable expectations for post-grant maintenance.

Other Recommendation Ideas: How to Incorporate

The workgroup ran out of time to fully discuss the remaining recommendation ideas identified in the May meeting. These will be revisited in a future session. Proposed ideas included:

- Developing a watershed-scale ecosystem management planning framework;
- Elevating Tribal partnerships and integration of Traditional Ecological Knowledge (TEK);
- Supporting workforce transition by connecting restoration projects to local job opportunities;
- Incorporating soil health, headwaters protection, and groundwater–surface water interactions as components of drought-resilient restoration strategies.

It was briefly noted that elements of the Cutting the Green Tape approach have been socialized with Tribal partners including the Yurok, Karuk, and Round Valley Tribes. It was noted that Tribal partnerships and TEK could also be elevated through the DRIP Collaborative’s cross-cutting theme mechanism (Equity), such as through regular integration into workgroup discussions.