



Regional Advisory Committee

Meeting #19 Notes

December 10, 2008, 9:00 a.m. – 11:30 a.m.

San Diego County Water Authority

4677 Overland Avenue, San Diego, CA 92123

Attendance – RAC Members

Kathleen Flannery, County of San Diego (chair)
Craig Adams, San Dieguito River Valley Conservancy
Doug Gibson, San Elijo Lagoon Conservancy
Kathy Weldon, City of Encinitas
Kathy Viatella, The Nature Conservancy
Keith Lewinger, Fallbrook Public Utilities District
Kirk Ammerman, City of Chula Vista
Linda Flournoy, Planning and Engineering for Sustainability
Mark Stadler for Ken Weinberg, San Diego County Water Authority
Mark Weston, Helix Water District
Marsi Steirer, City of San Diego
Neal Brown, Padre Dam Municipal Water District
Rick Alexander, Sweetwater Authority
Rob Hutsel, San Diego River Park Foundation
Shelby Tucker, San Diego Association of Governments
Shirley Innecken, Southern California Wetlands Recovery Project
Susan Varty, Olivenhain Municipal Water District

Attendance – RWMG Staff

Jon Van Rhyne, County of San Diego
Sheri McPherson, County of San Diego
Cathy Pieroni, City of San Diego

Attendance – Interested Parties to the RAC

Anna Aljabiry, Department of Water Resources
Cheryl Filan, City of Escondido
Hawkeye Sheene, unknown
Jane Davies, unknown
Joey Randall, Olivenhain Municipal Water District
Karen Falk, RMC Water and Environment
Kelly Craig, San Diego Zoological Society
Kimberly O'Connell, University of California San Diego
Lisa Wood, City of San Diego
Marilyn Thoms, County of Orange
Mary Niez, unknown
Lawrence O'Leary, OGC Resources

Lori Vereker, City of Escondido
Pam Nelson, unknown
Paul Haaland, Fuscoe Engineering
Richard Walker, City of Escondido
Roselyn Stewart, RMC Water and Environment
Roshan Sirimanne, Mactec Engineering
Stephanie Bracci, City of San Diego
Tina Pierce, Port of San Diego
Tom Richardson, RMC Water and Environment

Introductions

Ms. Kathleen Flannery welcomed everyone to the meeting. Brief introductions were made by all RAC members and others in attendance.

San Diego IRWM Updates

DWR Update

Ms. Anna Aljabiry provided a brief introduction and update from DWR.

Revised IRWM MOU

Mr. Mark Stadler reported that current Memorandum of Understanding (MOU) between the City of San Diego, County of San Diego, and San Diego County Water Authority (SDCWA) will be expiring next year. A draft of the revised MOU has been completed and will go to each of the boards to address program support through 2013. The recommendation to accept the \$25 million Prop 50 Grant from DWR will also be brought to SDCWA board at this time. The revised MOU addresses administration of the Prop 50 Grant contract; facilitation of the RAC and Workgroup; coordination with the Tri-County FACC; submittal of the Region Acceptance and Prop 84/1E Grant applications; and submittal of a Planning Grant application. Each agency will contribute up to \$300,000 for continued IRWM program management, excluding in-kind services. RMC's contract will also be extended during this board meeting.

Update on Proposition 50 Grant Contract

Mr. Mark Stadler reported that DWR has nearly finalized the Prop 50 Grant contract language, although it has not been approved and released yet. Project proponents will be required to demonstrate a 10% funding match prior to release of their grant funds. The Prop 50 Grant contract will go before the SDCWA Board in December. Subcontracts with the County and the City for project administration oversight are scheduled to go to the County Board in February, and the City in January (NR&C) and February (Council). The contracting structure was displayed graphically so that all project proponents understand their contracting agency.

Ms. Kathleen Flannery facilitated a question and answer session with the RAC on the Prop 50 Grant contract language.

RAC Member Comments and Responses:

- Please clarify the 10% funding match requirement and when the grant funds would be released? *Project proponents need to demonstrate that 10% of their total project cost has been spent prior to the release of any grant funds. DWR clarified that it will be looked at on*

an individual project basis. The 10% can be documented in installments, with some project funds released later than other projects.

- Can the 10% funding match be met in ways other than by actual spending? For example, can an agency document that the 10% amount has been committed to an escrow account? *DWR responded that the documentation needs to show actual spending.*
- There is concern that the bond language only specified the 10% funding match, but not the up-front timing requirement.
- What if the actual project costs are lower than estimated in the grant application? For example, what if a design-build estimate comes in lower than estimated? Can the 10% funding match be reduced in line with the actual total project cost? *No, the contract and reporting are all based on the estimated total project cost.*
- What set-aside will also occur during grant disbursement? *Yes, 10% of the grant amount will be retained by DWR until the project has met all requirements for project completion.*
- When are grant reimbursements terminated and what if projects are not completed by then? *The Prop 50 Grant contract will extend through December 2013. Past 2013, a contract amendment with DWR must be executed. As of now, there is no sunset date on the funds.*
- Can we revise the contract to allow release of individual project funds up until the contractual \$40 million match is spent and then release the rest? *No language can be added to the contract at this point.*
- *DWR also clarified that the Prop 84/1E contracts will likely have the same 10% funding match requirement.*

Region Acceptance Process

Mr. Mark Stadler reported that the Region Acceptance Process (RAP) allows DWR to review and approve of each region definition for the Prop 84/1E grant cycle. DWR approval is required in order to be eligible for any future grant funds, including the expedited grant round in 2009. The release of the draft guidelines and review period is slightly behind schedule; the schedule will be shifted back.

Proposition 84/1E Expedited Grants

Mr. Mark Stadler reported that Props 84/1E authorized \$1.3 billion for competitive IRWM grants. SBxx1 made a two-year appropriation of \$232 million for the first round of Props 84/1E expedited IRWM grants in 2009/10. A majority of Prop 84 funds have been allocated to regional IRWM projects and a majority of Prop 1E funds have been allocated to seismic retrofit projects. The expedited grant process must comply with bond language, SBxx1, UWMP requirements, GWMP requirements, AB1420, and Executive Order S-06-08. DWR's concepts for the expedited grants include \$10 million for the San Diego Funding Area and \$30 million per Prop 1E project. \$10 million has also been set aside for projects that address critical water supply and water quality needs in disadvantages communities (DACs). DWR has not released the draft guidelines or requirements for prioritizing projects for funding under the Prop 84/1E Grant program.

AB1420 Compliance

Ms. Rosalyn Stewart reported that AB1420 requires DWR to condition all future water management grants or loans to an urban water supplier on their compliance with Conservation Foundational Best Management Practices (BMPs). This applies to all IRWM grants executed after January 1, 2009, but did not apply to Prop 50 formerly. Foundational BMPs are defined by the California Urban Water Conservation Council and will include reporting requirements. DWR is considering whether AB1420 compliance may be addressed as a program in the expedited grant cycle.

Review of Watershed Panel Themes

Ms. Rosalyn Stewart reviewed the themes that resulted from the Watershed Panel in August, including key points on the existing condition of watershed planning and suggestions for how to move forward. Suggestion to establish a RAC Workgroup to discuss the role of watershed planning in IRWM and provide recommendations to the RAC.

Ms. Kathleen Flannery facilitated a discussion by the RAC on whether to establish a Workgroup to discuss the role of watershed planning in IRWM.

RAC Member Comments and Responses:

- General support expressed for establishment of a Workgroup.
- Suggestion that the Workgroup coordinate with the NPDES Municipal Stormwater Permit (both Watershed (WURMP) and Regional (RURMP)) representatives.
- Suggestion that the Workgroup address 1) How watershed planning efforts can help identify integrated multi-benefit projects; 2) Identify DAC needs within the region and conduct outreach to those DACs.
- Volunteers for the Workgroup included: Sue Varty, Kathy Weldon, Craig Adams, Rob Hutsel, Shirley Innecken, Karen Franz, Elizabeth O-Connell, Cathy Pieroni, and Sheri McPherson. John Van Rhyn will identify an appropriate WURMP/RURMP representative.

Conclusions/Actions

The RAC would like to move ahead with creating a Workgroup to discuss the watershed planning in the region. RMC will contact Workgroup volunteers to establish the first meeting agenda and objectives after the holidays.

Planning Region Recommendations

Ms. Rosalyn Stewart reviewed the Prop 84 funding allocated to the San Diego Funding Area (\$91 million). As stated above, the RAP is a pre-screening by DWR required to be eligible for future IRWM grant funding. The San Diego RWMG, Upper Santa Margarita, and South Orange County regional partners have convened the Tri-County Funding Area Coordinating Committee (Tri-County FACC) in order to determine the region's approach. Alternative 2A: Status Quo Plus Adjacency Planning has been selected as the preferred alternative. This would include three IRWMs submitted to DWR: San Diego IRWM, Upper Santa Margarita IRWM, and South Orange County IRWM. All three IRWMs would include overlay areas that address regional conditions, issues, and programs in the other planning areas. Cross-boundary projects and programs would be identified for inclusion within the grant applications. The Tri-County FACC has also come to agreement on the allocation of Prop 84 funding among the three IRWMs,

which includes \$71 million for San Diego. An MOU is under development to formalize this agreement.

Keith Lewinger from Fallbrook PUD (the RAC representative on the Tri-County FACC) offered support for the recommendation. He noted that the \$71 million allocation was very beneficial for the San Diego region.

Marilyn Thoms from Orange County (member of the Tri-County FACC) also offered support for the recommendation. Orange County received \$25 million in Prop 50 Round 1 and had to work through a lot of similar issues that the San Diego area is currently facing. Marilyn expressed enthusiasm for the Tri-County FACC and the agreement all three regional partners have been able to establish.

Ms. Kathleen Flannery facilitated a discussion by the RAC on whether to support the Tri-County FACC's recommendation of Alternative 2A.

RAC Member Comments and Responses:

- There is concern that planning regions selected by political boundaries will not be acceptable. Planning regions should not divide a watershed. *The three IRWM RWMGs in the Funding Area have determined that Alternative 2A is the most appropriate choice for planning. The existing NPDES stormwater programs (which are issued by County jurisdiction) set precedence for addressing water resources in this manner.*

Conclusions/Actions

The RAC directed the RWMG staff to further coordinate with DWR on the proposed planning region boundaries and report back at the next RAC meeting.

Basin Plan Triennial Review

Ms. Sheri McPherson provided a brief overview of the triennial review process for the San Diego RWQCB's Basin Plan. The triennial review is the process by which the RWQCB identifies and prioritizes Basin Plan issues in need of review and action. The comment solicitation component of the triennial review started on October 31, 2008 and will continue until January 9, 2009. The draft Resolution document will be available for public review in April 2009. New issues from this triennial review comment period will be added to those identified during the 2004 review and prioritized using in a consistent ranking process.

Ms. Kathleen Flannery facilitated a discussion by the RAC on: 1) What should be the role of the RAC and IRWM program in commenting on other water resources programs; and 2) Should the RAC and IRWM program participate in this review process?

RAC Member Comments and Responses:

- General support expressed for participating in other water resources programs/efforts that impact IRWM agencies. However, concern expressed about the comment timeline.
- Suggestion that the RAC consider weighing in recycled water policy, as potential impacts to water agencies are increasing with development of new facilities. Comments on recycled water could address: 1) Basin Plan objectives for nitrogen and phosphorus; and 2) recycled water discharges to streams.
- Suggestion that the RAC consider commenting on development of a TDS management plan, including issues related to recycled water.

- Suggestion that the RAC host stakeholder outreach workshops on relevant issues for future comment letters.
- Volunteers to prepare a comment letter included: Mark Weston, Rick Alexander, Cathy Pieroni, and Sheri McPherson.

Conclusions/Actions

The RAC would like to move ahead with preparing a comment letter for the Basin Plan triennial review. Sheri McPherson will contact volunteers to contribute to the draft comment letter.

Next RAC Meeting

The next RAC meeting will be held on February 11, 2009 from 9:00 am to 11:30 am at the SDCWA Board room. The 2009 RAC meeting schedule includes the second Wednesday of every other month: February 11, April 8, June 10, August 12, October 14, and December 9.

Public Comments

- Lisa Wood asked if the public will have an opportunity to comment on how projects are selected for the Prop 84/1E grant applications. She noted that several of the residents of El Monte Valley were strongly opposed one of the Prop 50 projects in their area. *Yes, when the project selection process is discussed and confirmed at a future RAC meeting, members of the public will be invited to comment.*
- Lawrence O'Leary commended the group for their organized approach to regional planning and acquiring funding for projects that support the region. He urged the RAC to continue forward with its open and transparent decision-making process and requested the graphic on Slide 36 be e-mailed to him. *RMC will email that slide to him.*