



**Regional Advisory Council
Meeting #15 Notes**

January 8, 2007, 1:00 p.m. – 3:00 p.m.
San Diego County Water Authority
4677 Overland Avenue, San Diego, CA 92123

Attendance – RAC Members

Craig Adams, San Dieguito River Valley Conservancy
Kirk Ammerman, City of Chula Vista
Michael Bardin, Sante Fe Irrigation District
Chris Basilevac, The Nature Conservancy
Dennis Bostad, Sweetwater Authority
Linda Flournoy, Planning and Engineering for Sustainability
Karen Franz, San Diego Coastkeeper
Rob Hutsel, San Diego River Park Foundation
Eric Larsen, Farm Bureau of San Diego County
Greg Kryzs, on behalf of Meena Westford, United States Bureau of Reclamation
Keith Lewinger, Fallbrook Public Utility District
Sheri McPherson, on behalf of Kathleen Flannery, County of San Diego
Richard Pyle, San Diego Regional Chamber of Commerce
Marsi Steirer, City of San Diego
Mike Thornton, San Elijo Joint Powers Authority
Shelby Tucker, San Diego Association of Governments
Ken Weinberg, San Diego County Water Authority
Mark Weston, Helix Water District
Susan Varty, Olivenhain Municipal Water District

Attendance – RWMG Staff

Jeff Pasek, City of San Diego
Mark Stadler, San Diego County Water Authority
Jon Van Rhyn, County of San Diego
Toby Roy, San Diego County Water Authority

Attendance – Interested Parties to the RAC

Rick Alexander, Sweetwater Authority
Brett Kawakami, RMC Water and Environment
Mark Umphres, Helix Water District
Alyson Watson, RMC Water and Environment

Attendance – Public

Robyn Badger, San Diego Zoological Society
Joey Randall, Olivenhain Municipal Water District
Norman Shopay, Department of Water Resources

Introductions

Mr. Ken Weinberg served as the acting Chairperson in Ms. Kathleen Flannery's absence. Mr. Weinberg welcomed everyone to the meeting. Introductions were made around the room. Ms. Sue Varty introduced Joey Randall of Olivenhain Municipal Water District.

Workgroup Recommendations – Prop 50 Proposal Modification

Ms. Alyson Watson reviewed the agenda and topics and introduced Mr. Kirk Ammerman. Mr. Ammerman discussed the recent activities of the Workgroup which convened on December 20, 2007. The purpose of the Workgroup meeting was to discuss two projects referred by the RAC for evaluation prior to potential inclusion in the Round 2 Proposition (Prop) 50 Implementation Grant Proposal (Proposal). He first reviewed the project Conservation in the Campo Valley. The project had been revised significantly from the one that had been originally submitted by the proponent and subsequently evaluated by the Workgroup. The revised project offers significant habitat value and potential benefits to groundwater and disadvantaged communities (DACs). The project would not directly benefit surface water, but would benefit groundwater. Mr. Ammerman reminded the RAC that Prop 50 requires that projects with groundwater benefits or impacts meet Groundwater Management Plan (GWMP) requirements. In the case of the Conservation in the Campo Valley project, the GWMP requirements would require a GWMP meeting the requirements of California Water Code (CWC) §19753.7 to be completed within 1 year of the grant application submittal date (January 28, 2008). Based on discussions with the project proponent, it was determined that neither the County of San Diego nor the Back County Land Trust would have the resources to complete a GWMP by this deadline. Because of this, the Workgroup recommended that the Conservation in the Campo Valley project be removed from the Proposal because it will be ineligible for funding without the development of a GWMP by the stated deadline.

Mr. Ammerman then discussed the proposed City of San Diego (City) Indirect Potable Reuse (IPR) project, which would become part of the City's existing recycled water project already included in the Proposal. City staff have been directed to add the IPR project to the Prop 50 application package. In order to accommodate the project without affecting other projects in the package, the City proposed to reduce the grant request for the City's other two projects in the package, such that the total grant request would remain the same. The City's match would increase from \$1.9 M to \$5.8 M and the City would commit to implement the original project as submitted plus the IPR project. The original benefits would remain intact and additional benefits will be offered.

RAC Member Comments and Responses:

Conservation in the Campo Valley Project

- The Workgroup recommended the Campo Valley project with a caveat that development of a GWMP be in place.
- We need to be very clear with applicants for what is required of them, so that there won't be any questions similar to this in the future.
- Why are the Conservation in the Campo Valley project proponents unable to develop a GWMP? *There is not enough time to complete the work within the time specified.*
- Is it a physical or administrative limitation? *The timeframe of one year is limiting. They would have to start now in order to have any hope of completing the GWMP in time. This would mean they would have to pay for the GWMP themselves, and would not be guaranteed any type of reimbursement. Even beginning immediately, it would be difficult to complete a GWMP in one year for that basin.*

- Couldn't one options be to include development of a groundwater management plan as a task in the project Workplan? *Yes, but they would have to start it now in order to complete it in time.*
- We recently completed the San Pasqual GWMP, which is not as complicated, and that took 18 months to complete and cost \$250K for consultants.
- How will funds be reallocated if projects drop out or are removed? Also, if less than \$25M is received, than what is the policy? What happens to the funds that would have gone to this project? *Up to \$750K will go to project administration. Beyond that, the money will be redistributed among the projects within the program to which the project belonged, as outlined by the Workgroup at the December meeting. If less than \$25 M is received, the group will need to determine how to allocate the awarded funds – no approach will be developed to address that situation in advance, as there are too many variables to address.*

IPR Project

- I don't understand what the IPR project is. *The proposed project is the second phase of a water reuse study, which would involve constructing an advanced recycled water treatment facility. The water from the proposed project will be put into the recycled water distribution system for now. The next step is an indirect potable reuse project, where advanced treated recycled water is conveyed to San Vicente Reservoir.*
- Is this a study? *No, it involves construction of a demonstration plant to obtain California Department of Public Health (CDPH) approval for the full-scale project.*
- Will Olivenhain Municipal Water District have another chance to submit another project? Didn't we have deadline for submittal of projects? *Yes, the deadline was in June.*
- If the City can put in another project, why can't the rest of us? I am trying to understand what the process is – will we do this for other agencies? Or is it just because the City is involved? *The project that is proposed is considered the modification of the existing recycled water program, not a new additional funding request. So, it was referred to the RAC and then to the Workgroup. Modifications to other projects have been referred to the Workgroup as well.*
- I will support the addition of the City project as a refinement of the original projects rather than addition of a new project.
- I would assume that anyone who has project that has made it that far should be allowed to request modifications.
- My thought process was that the addition of the City project was a modification, consistent with original application.

Conclusions/Actions

The RAC voted to add the City demonstration-scale IPR project to the IRWM Plan and Prop 50 application package and to remove the Conservation in the Campo Valley project from the Prop 50 application package. Eighteen RAC members were in attendance, satisfying the quorum requirement of 13. There was one vote in opposition.

Other Updates

Ms. Watson discussed recent conversations with the State regarding the San Diego Region's projects being included in the Prop 50 Implementation Grant Application. Mr. Mark Stadler and Ms. Watson had a phone discussion with representatives from the Department of Water Resources (DWR) and State Water Resources Control Board (SWRCB). The State performed a courtesy review of the Region's projects from an eligibility perspective. Internal review of project eligibility had already been performed, and had been based on examination of the California Water Code (CWC) Prop 50 requirements as well as a review of other applications funded in Prop 50 Round 1. The State representatives indicated that some projects that were included in previously accepted proposals may not be funded. The State performed a preliminary review of the San Diego projects and identified potential issues with some projects. The RWMG would like to seek direction from the RAC on how to proceed. The following types of projects were found to have potential issues with eligibility:

- Land acquisition. The State indicated that they will not fund land acquisition projects without a "strong" restoration component. It is unclear what is meant by "strong."
- Feasibility Studies. The CWC does not explicitly preclude feasibility studies, and past funded applications have included feasibility studies. The SWRCB has said that feasibility studies may not be funded, however DWR has said they may be funded.
- Monitoring. Monitoring on its own will not be considered eligible; it must include pollution prevention.
- Watershed coordinator positions. The State will not fund overhead, which is what they consider watershed coordinator positions to be.
- Surface water storage – The State will not fund projects that include surface water storage. Further, proposal that "involve" surface water storage may be thrown out as ineligible. It is unclear what is meant by "involve."

Ms. Watson stated that for most of the above project types, the implications of a project not being eligible are that the State will either not fund a project, or will require project modifications. However, if a proposal includes surface water storage projects, the entire proposal could be deemed ineligible. Therefore, if the Region believes that any of its projects involve surface storage, they should consider removing those projects. The project team developed recommended modifications for the following projects whose eligibility was questioned by the State.

- San Vicente Reservoir Source Water Protection through Watershed Property Acquisition. A restoration component could be added to this project.
- El Capitan Reservoir Watershed Acquisition Program. The land acquired can be deeded to an organization with restoration as part of its mission (i.e. the San Diego River Park Foundation). If possible, a restoration component should also be added.
- San Diego Regional Water Quality Assessment and Outreach Project. A trash cleanup component could be added.

We were unable to identify modifications to the watershed coordinator projects to improve eligibility, but will work with proponents to determine whether appropriate modifications can be made.

Mr. Weinberg made the observation that we have spent a lot of time developing the proposal, and are concerned about the State's preliminary assessment. He said that he would like to ask Norm Shopay of DWR (present) for further input. Norm Shopay first replied that the review of the projects had been based on a short abstract of each project that was provided on an excel spreadsheet with summary information. This information was compared to the eligibility requirements. The ineligibility of surface storage projects was specifically called out in the CWC. How a project is assessed for eligibility may depend on how the project is described. The Prop 50 staff has provided similar review for other Regions.

Mr. Stadler indicated to Mr. Shopay that the Region greatly appreciated the time that was taken to review the projects and provide feedback.

Mr. Stadler said the Water Authority will adopt an amended Plan that includes the City IPR project on January 24th, because the project was not included at the time of the original IRWM Plan adoption. That will allow one day for printing of the adoption letter for submittal with the application.

Mr. Stadler provided an update on the Roundtable of IRWM Regions. He said that a recent topic of discussion by the Roundtable of Regions was the contract negotiations that many Regions are now working through with the State. On February 7th, there will be a Roundtable of Regions Summit at the Metropolitan Water District. He said that the schedule will include discussions on a number of topics, including disadvantaged community (DAC) Outreach and contracting issues, followed by breakout sessions.

RAC Member Comments and Responses:

- I hope we don't jump to conclusions on the San Diego Region Four Reservoir Intertie Project Feasibility Study and the South San Diego County Water Supply Strategy project based on review of a spreadsheet. I think it is premature – we need to flesh it out. These projects do not involve surface storage and are pilot studies. The titles can be changed, if necessary. *The final review will be based on all information submitted for the projects as part of the application.*
- The Four Reservoir Intertie Project is about conveyance and operational modifications, not about adding surface water storage. We understand what the legislative intent of the prohibition on adding surface storage was. Can we get a definitive answer regarding the meaning of “surface storage”? *Mr. Shopay replied that it may be helpful to state in the application that the project “is not a surface water storage project for the following reasons...”. Ms. Watson then stated that Attachment 3 (Workplan) of the application will include a section called “Eligibility” for each project, where the basis for project eligibility will be provided.*
- I agree that feedback is helpful, but there is no basis for taking projects off of the list. The purpose of the watershed coordinator positions is to implement projects. To call these projects overhead is like saying that staff or consultants are overhead. The projects are for implementation. If we have to refine the project descriptions, then fine. But they are not overhead, as they have been characterized.
- These developments are troubling. First of all, I would like thank the State for its review. If community-based organizations do not have their projects implemented, it will have a negative impact on future planning. However, if we can sort this out, then it will bode well. It is shocking for me to hear that land acquisition projects are not eligible. To add restoration to a land acquisition project is not simple, as it is a very sensitive issue. So, if

there is another way to modify the land acquisition projects, that should be considered. I noticed that the Green San Dieguito project was removed. We have another project that will increase the involvement of disadvantaged communities (DACs). It would be unfortunate if the land acquisition and watershed coordinator projects were removed. I think we can work together.

- In speaking with Ms. Watson, we confirmed that we can add a trash cleanup component to the San Diego Regional Water Quality Assessment and Outreach Project without any problem – it’s already happening anyway, and we always looking to improve the project. But in listening to the discussion, it’s also an issue of articulation. The title of the project can be changed to San Diego Region Pollution Prevention. Also, if there is a need for our project to absorb coordinator positions – we can do that. These are very critical roles.
- We would like to thank the State for looking at our projects and providing feedback. We encourage SWRCB and DWR staff when looking at projects to look at ways to fund an underfunded region. Every one of the projects in our Proposal is important to the Region as a whole. As a representative of the Workgroup, I was told that we were to find the best projects for this Region. My input on this issue would be to stick with the projects that we have and strengthen them.
- We also need to hear from project proponents about these issues.
- Can we submit clarifications/refinements to the State on these projects? *Absolutely, we haven’t submitted the application yet.*
- We should be aware of the difference between Prop 50 and Prop 84. Prop 84 has a much more environmentally based outlook than Prop 50, so it’s not so surprising that some projects may be considered ineligible. If some do fall out, then they will be prime candidates for Prop 84. We should, as a RAC group, participate in shaping future legislation such as Prop 84. *There have been discussions about sending in a letter to request that the Prop 84 budget contains sufficient funding.*
- As the final work is underway on the grant application, we should come to an understanding of timing. Today is January 8th, we should come to agreement as to deadlines. *The grant application and attachment need to be printed on January 24th, so any modifications to application must be received before that date. We are planning to follow up project proponents on comments provided for their projects.*
- I thought the IPR project was only a modification and not considered a new project, why does it need to be added to the IRWM Plan? *It is not included in the IRWM Plan.*
- One last note on the question of re-adoption. Unless there is an objection, can the record show the that prior vote approving the addition of the City of San Diego’s IPR project also was intended to recommend the inclusion of the IPR project in the IRWM Plan? The consensus was that the minutes will reflect this.

Conclusions/Actions

The RAC agreed to continue to move forward with the original package of projects. Projects will be modified, where appropriate, to better address the State’s eligibility requirements.

Future Agenda Items

Mr. Stadler reminded the group that there will not be another RAC meeting until April 9, 2008. After that meeting, the schedule will become the 2nd Wednesday of every other month. Ms. Watson asked if there were any ideas for future meeting agendas.

RAC Member Comments and Responses:

- For a future meeting agenda, the RWMG should look at potential topics, prioritize them and come back with timely items for discussion by the RAC. Institutional Structure is one possible topic.
- We should review the watersheds in the County and develop a larger understanding of how to interface with watershed level efforts and look towards the next stage of funding.

Public Comments

No public comments were received.