



Regional Advisory Committee

Meeting #29 Notes

October 6, 2010, 9:00 a.m. – 11:00 a.m.

San Diego County Water Authority

4677 Overland Avenue, San Diego, CA 92123

Attendance –

RAC Members

Kathleen Flannery, County of San Diego (chair)
Anne Bamford, Industrial Environmental Association
Craig Adams, San Dieguito River Valley Conservancy
Doug Gibson, San Elijo Lagoon Conservancy
Eric Larson, Farm Bureau San Diego County
Jennifer Kovecses, San Diego CoastKeeper
Toby Roy for Ken Weinberg, San Diego County Water Authority
Kirk Ammerman, City of Chula Vista
Linda Flournoy, Planning and Engineering for Sustainability
Rob Roy, La Jolla Band of Indians
Peggy Strand, Sweetwater Authority
Mark Umphres for Mark Weston, Helix Water District
Cathy Pieroni for Marsi Steirer, City of San Diego
Rob Hutsel, San Diego River Park Foundation
Bill Hunter, Santa Fe Irrigation District
Mike Thornton, San Elijo Joint Powers Authority
Rick Alexander, Sweetwater Authority
Beth Principe, Mission Resources Conservation District

Non-Voting Members

Laurie Walsh, San Diego Regional Water Quality Control Board
Jack Simes, United States Bureau of Reclamation

RWMG Staff

Cathy Pieroni, City of San Diego
Jeffery Pasek, City of San Diego
Jon Van Rhyn, County of San Diego
Mark Stadler, San Diego County Water Authority
Loisa Burton, San Diego County Water Authority
Liana Whyte, San Diego County Water Authority
Sheri McPherson, County of San Diego

Interested Parties to the RAC

Adam Hoch, San Elijo Joint Powers Authority
Bill Hidemer, unknown

Crystal Mohr, RMC Water and Environment
Dan Noble, Association of Compost Producers
Erica Ryan, City of San Marcos
Greg Bullock, unknown
Heather Parkison, RMC Water and Environment
Joey Randall, Olivenhain Municipal Water District
Kimberly O'Connell, University of California, San Diego
Lauma Jurkevics, California Department of Water Resources
Laura Carpenter, Brown & Caldwell
Leslie Reynolds, Groundworks San Diego-Chollas Creek
Myles Pomeroy, Groundworks San Diego-Chollas Creek
Malik Tamimi, unknown
Natalie De Freitas, City of San Diego
Robyn Badger, Zoological Society of San Diego
Rosalyne Stewart, RMC Water and Environment
Sharon Hudnall, The Jacobs Center
Sheri Miller, Rural Community Assistance Corporation
Sue Reynolds, City of San Diego
Wally Grabbe, Valley Center Municipal Water District

Introductions

Ms. Kathleen Flannery (chair), County of San Diego, welcomed everyone to the meeting and introduced several new members of the RAC: Jim Smyth, and his alternate Peggy Strand, of the Sweetwater Authority and Rob Roy of the La Jolla Band of Indians. Introductions were made around the room.

San Diego IRWM Updates

Proposition 50 Grant Administration

Ms. Loisa Burton, San Diego County Water Authority, announced that the first Proposition 50 grant contract amendment was executed by DWR on October 4, 2010. Additionally, the Proposition 50 grant web tool was launched on October 1, 2010, and the website is now being used to upload invoices and quarterly reports. The next deadline for reports and invoicing is October 15, 2010. Thus far, \$1.3 million of the Proposition 50 grant monies have been spent.

Proposition 84 Grant Opportunities

Ms. Rosalyn Stewart, RMC Water and Environment, explained DWR's proposed schedule for the Proposition 84 grant cycles. According to this schedule, DWR will release their draft recommendations for the Planning Grants in November 2010. DWR received 39 Planning Grant applications for Round 1, wherein approximately \$20 million will be available for distribution.

Ms. Stewart went on to explain the timeline for preparation of an Implementation Grant application. She explained that the Project Selection Workgroup had developed their recommendations and that later today, the RAC would vote to approve the recommendation. Afterward, the recommendation would be forwarded for approval by the SDCWA Board, who is

the grant applicant and contract administrator, as with Proposition 50. The proposal will then be compiled for the Implementation Grant application, which is due January 7, 2011.

Legislative and Policy Updates

Ms. Sheri McPherson, County of San Diego, explained that SB 346 pertains to the management of automotive brake pad particles on roadways, which is then transported in surface runoff. She also explained that the State Water Resources Control Board is working on developing a Trash Policy. Scoping and public comment will occur through November 3, 2010, so RAC members and interested parties are encouraged to take a look at the State's website. The State Water Resources Control Board is also planning to raise NPDES certification fees by 31%, so RAC members and interested parties are urged to follow the State's developments in regards to fees. Finally, the Regional Water Quality Control Board is planning to adopt a new MS4 permit for Riverside County, whose requirements may impact the local permit in the near future.

Ms. Cathy Pieroni, City of San Diego, explained that reservoir operators can face civil and criminal penalties for Quagga mussel infestations. AB 1929 recognizes that Quagga mussel infestations cannot be completely eradicated, but must be managed. SB 918 calls for uniform water recycling criteria – including groundwater recharge and indirect potable reuse to surface water – by December 2013. This bill provides for a better understanding and promotes an even approach to water reuse.

Ms. Pieroni then explained that two bills are no longer going forward. AB 1834 was a good attempt to hold landowners responsible for establishing rainwater capture systems, was not ready to go through and was vetoed. AB 2256 aimed to raise consumer awareness about what products were or were not flushable, but it did not move forward.

Implementation Grant Recommendation

Mr. Kirk Ammerman (chair of Project Selection Workgroup), City of Chula Vista, described the Project Selection Workgroup decision process and recommendation to the RAC. The project Selection Workgroup was made up of 9 representatives from the RAC (3 RWMG, 1 water retailer, 1 water quality, 2 watersheds and natural resources, and 2 at-large members). The Workgroup made a commitment to a democratic process, with the purpose of recommending a package of water management projects for the Proposition 84-Round 1 Implementation Grant proposal. Each and every project submitted to the online project database was seriously considered.

Mr. Ammerman stated that 70 initially projects were submitted, which were combined and revised into a total of 54 integrated projects after the Integration Workshop in early August. In total, \$34 million in grant funds were requested, but the San Diego Region only anticipates receiving \$7.9 million in Round 1.

The Project Selection Workgroup went through a two step process. First, each project was reviewed according to multiple project-level criteria, which included: contribution to the IRWM goals and objectives, scientific and technical merit, budget/cost effectiveness, readiness-to-proceed, and program preferences. The budget and readiness-to-proceed criteria considered the ability of a project to spend funds earlier rather than later. Second, the Workgroup applied multiple proposal-level criteria to the complete package of projects. These criteria included: linkages to other projects, total funding match, schedule, economic analysis, program

preferences, geographic parity, regional objectives, the degree of negative impact, and amount leveraged.

In the meetings, the Workgroup opted to review and identify Tier 2 projects for consideration. These were projects which did not meet initial screening, but were reviewed a second time with the entire project package in mind. After discussion and assessment of individual projects, specific questions were identified and asked of applicants. The Workgroup also considered both watershed group comments and responses from project proponents during review of the individual projects.

Finally, a short list of projects was nominated for the funding package and a list of “parked” projects – which were still being considered but did not rank as high as the nominated projects – was reviewed. The final package was then refined to ensure the package in its entirety met the proposal-level criteria described previously. In the end, 11 projects were recommended for funding by unanimous agreement, and the grant request totaled \$7.9 million.

Mr. Ammerman listed the 11 projects which comprise the recommended package, and highlighted their merits. A table of the projects was included in the handouts. The recommended package ensures that all watersheds are benefited by grant funding, and all but one IRWM objectives are addressed. The package did not directly address recreational activities; however, RAC members pointed out that the package would provide indirect benefits to recreational activities.

The Workgroup will follow up by conducting a debrief and listing suggestions to improve the project selection process, as well as by providing feedback to project proponents to help them compete more effectively for future grant funding. The goal is for this process to be one of bi-directional feedback.

Next steps include a vote by the RAC to approve of the recommended funding package, followed by a vote of the SDCWA Board. Should it gain approval from both bodies, the consultant will work with project sponsors to gather additional information and prepare the grant application.

Workgroup Discussion:

- Kirk Ammerman was thanked for doing an outstanding job chairing the Project Selection Workgroup.
- The process was one of screening, but not linear screening based on early impressions. Rather, projects moved around quite a bit (with use of the “parking lot” concept) and the outcome was in question up until the end. All projects were open for consideration.

RAC Discussion:

- RAC members were reminded that if a RAC member is a proponent for a project, he or she was expected to limit his or her comments to the facts, without advocating for a project. However, project proponents are welcome to vote in favor of a package containing their project.

**** Motion to approve the recommended funding package identified by the Project Selection Workgroup was seconded and carried. RAC discussion and public comments followed prior to formal vote.**

- The Navy supports inclusion of the Chollas Creek project within the funding package.
- How were watershed-specific projects considered within the funding package?
 - Watershed projects were considered based on the need identified in the watershed and the degree of benefit provided by the project.
 - The Regional Water Quality Monitoring project (CoastKeeper as lead) provides water quality monitoring across the Region's watersheds.
 - The Rural DACs Partnership project (RCAC as lead) offers technical support to small/disadvantaged communities in the eastern watersheds, including tribal groups.
- In the North San Diego Cooperative Demineralization Project (SEJPA as lead), the stormwater diversion of high coliform runoff to the SEJPA treatment plant would make cleaner water for recreation. Would that count as a recreational benefit?
 - Yes, but this diversion is an indirect benefit, not a direct benefit (i.e., provision of trail segment or fishing pier).
 - Almost all projects in funding package benefit recreation indirectly, but none did directly. Many projects had multiple objectives, but the Workgroup spent a lot of time sorting out the direct vs. indirect benefits of each project.

Public Comments:

- Project proponents would like feedback about why their projects did not make the cut in the recommended funding package.
 - The consultant will provide feedback from the Workgroup to project proponents.

**** Upon noting a quorum, motion to vote to approve the recommended funding package by the Project Selection Workgroup was seconded. After agreeing to raise hands rather than knock for accurate accounting of such an important vote, the motion to vote was carried.**

**** Approval of the Recommended Funding Package was unanimous – 15 in favor with 1 abstention (non-voting member).**

Additional Policy Considerations

Ms. Kathy Flannery introduced two additional policy considerations raised by the Workgroup.

If A Project Drops Out

Ms. Kathy Flannery explained that since a project could potentially drop out during application preparation, the RAC should decide on how this situation should be handled in advance. Two options were proposed: the grant funding for that project may be redistributed among the other projects in the approved package (since those projects all had their grant funding reduced), or new projects may be considered. Should the RAC agree upon the former option, the RAC must clarify if the reallocation is up to Workgroup discretion (up to \$500,000.00) or if the Workgroup would return with a recommendation for the RAC (over \$500,000.00).

RAC Discussion:

- What would the Workgroup have recommended in the funding package absent one project?
 - A Workgroup member explained that they reduced the grant request amounts from existing projects in order to meet the target (from \$11 million to \$7.9 million).
 - There may have been a few other projects considered, but these were the best projects for the funding package.
 - Many projects will also be good candidates for Round 2 funding.
 - The Workgroup looked at all Proposition 84 program criteria and local geographic balance to get to the funding package list that was recommended.
 - Every project submitted had merit. Tier 1 projects' requested grant funds totaled \$34 million. Using the funding target, the Workgroup narrowed down the projects to what was do-able and ended up with \$8.5 million, which was the further whittled down to \$7.9 million.
- In the Proposition 50 grant cycle when this occurred, the San Diego region reallocated funds within the same functional area.
- It seems as if there is no bright line between these and other submitted projects; Suggestion that had we had the funds, the Workgroup would have gone deeper.
 - Workgroup member acknowledged that they had to pull elements out of projects in order to reduce scope and budget to what was available.
 - Every project (except one) that was selected had to reduce the requested amount.
- There will be subsequent rounds of Proposition 84 funding to \$71 million. Some projects could develop stronger in a later round.
- Are decisions we make about this scenario's approach binding for subsequent rounds?
 - No. The Workgroup will be making suggestions for improving the selection process in the next round.
- The RAC clearly trusts the Workgroup's recommendation – look at the unanimous approval of the recommended funding package. The Workgroup has an intimate knowledge of the projects, so we should support allowing Workgroup discretion up to \$500,000.00.

**** Motion to rely on Workgroup discretion for reallocation of funds among the existing project list up to a \$500,000.00 maximum, should a project drop out. Over \$500,000.00, the Workgroup must make a recommendation to RAC. Further RAC discussion followed prior to formal vote.**

- Request for an explanation of timing of potential project drop?
 - If a project proponent drops out during application preparation, it will mean an emergency RAC meeting is scheduled or a vote is taken via email.
- Request for clarification – If a project drops out that is under \$500,000.00, the Workgroup makes the decision of how to reappropriate the funds within the current

funding package; if it is more than \$500,000.00, the Workgroup will make a recommendation to the RAC for approval?

- Yes, that is correct.
- Request for clarification – Is this policy decision just for the Round 1 funding cycle?
 - Yes, that is correct.
 - The next round of funding will be tethered to the IRWM Plan Update planned for 2011 and 2012.

**** Motion to take a vote was seconded and carried.**

**** Approval of the Reallocation Policy was unanimous – 15 in favor with 1 abstention (non-voting member).**

For Possible Additional Funds (Beyond \$7.9 Million)

Ms. Kathy Flannery and Ms. Rosalyn Stewart explained that DWR could have extra money to distribute if all the IRWM Regions within the State are not able to submit an application. Ms. Stewart explained that it would be best if the San Diego Region were to preemptively explain in the grant application to be submitted in January that San Diego has a plan to use any extra funds available. Ms. Flannery asked the RAC to consider what process would be used to determine what should be done with any extra funding available from DWR.

RAC Discussion:

- Suggestion to reopen project submittal via online database to allow additional projects for consideration. Some project sponsors did not submit projects due to the limited \$7.9 million advertised as available.
 - Opposition voiced regarding opening of another Call for Projects.
- Would preemptive action be necessary to receive additional funds from DWR?
 - Unclear. DWR's proposal solicitation package is unclear how to address the potential additional funds within the grant application.
- Suggestion to include unspecific statement in grant application about San Diego Region's need for additional grant funds for many good projects.
 - We should keep it vague, so we can reassess if and when an offer of additional funds is made.
 - Yes, just be clear that we have a number of projects that can use funds.
 - We want a general statement that if there is money available, we are interested and ready. We should not include a recommended list of for additional funding.
- We could also indicate that we reduced each projects' grant request submitted in the proposal and those projects should be made whole.

**** Motion to include a general statement that the San Diego Region would be ready to identify additional projects and/or make the recommended funding package whole, should additional funding be made available. Further RAC discussion and public comment followed prior to formal vote.**

- We must be clear that the projects' scope and budgets were reduced, but that San Diego is very confident that the projects will be successful. We should convey the message that the projects are stellar. Sometimes when funding is reduced, the job cannot get done, so we do not want DWR to think this will happen in San Diego.
- Reminder that \$71 million is assured for the San Diego Region through Proposition 84, but it is not wise to leave money on the table. The State has had cash flow problems in recent years and that may be an ongoing concern.
- A lot of this depends on the amount of additional money DWR has available to distribute. Remember that the money will go to our Funding Area and then be divided per our MOU.

Public Comments:

- Project proponents would like to see new projects funded if more money becomes available during Round 1.

**** New Motion to include the following statement in the Implementation Grant Application: Should additional funding be made available from DWR through Prop 84-Round 1, the San Diego IRWM region is confident that we can identify and provide detailed information on new projects not included herein or expanded scope of existing proposed projects for that funding.**

**** Approval of the proposed statement was unanimous – 15 in favor with 1 abstention (non-voting member).**

Administrative Question

Question was posed to the RAC as to whether the RAC would allow administration fees up to 5%, with 3% going to the SDCWA for overall grant administration and coordination and 2% going to the project sponsor.

**** Motion to limit administration fees to 5%, with 3% going to the SDCWA for overall grant administration and 2% going to the project sponsor. Motion carried.**

Next RAC Meeting

The next RAC meeting will be held on Wednesday December 1, 2010 from 9:00am to 11:30am at SDCWA's Board Room.

Public Comments

No additional comments.