



## **Regional Advisory Committee (RAC) Meeting #67**

April 5, 2017

9:00 am – 11:30 pm

City of San Diego

MOC II Auditorium

9192 Topaz Way, San Diego CA 92123

### **NOTES**

#### **Attendance**

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##### **RAC Members**

Dana Frieauf, San Diego County Water Authority (chair)  
Arne Sandvik for Al Lau, Padre Damn Municipal Water District  
Betsy Keithley for Ann Van Leer, Escondido Creek Conservancy  
Bill Hunter, Santa Fe Irrigation District  
Brian Olney, Helix Water District  
Chris Helmer, City of Imperial Beach  
Greg Thomas, Rincon del Diablo Municipal Water District  
Janice DuVall, San Diego County Office of Education  
Jennifer Hazard for Olga Morales, RCAC  
John Flores, San Pasqual Band of Mission Indians  
Joseph Randall for Kimberly Thorner, Olivenhain Municipal Water District  
Justin Gamble, City of Oceanside  
Justin Haessly, Rancho California Water District  
Kimberly O'Connell, University of California – San Diego Clean Water Utility  
Lan Wiborg, City of San Diego  
Laurie Walsh, San Diego Regional Water Quality Control Board  
Mark Seits, Floodplain Management Association (and alternate Alex Yescas)  
Meredith Meyers, San Diego Coastkeeper  
Michael McSweeney, Building Industry Association  
Oscar Romo, Alter Terra  
Rob Hutsel for Phil Pryde, San Diego River Park Foundation  
Roberto Yano, City of Chula Vista  
Robin Rierdan, Lakeside River Park Conservancy  
Robyn Badger, San Diego Zoo Global  
Ron Mosher, Sweetwater Authority  
Sandra Jacobson, California Trout (and alternate Jack Marshall)  
Sarah Pierce, San Diego Association of Governments  
Toby Roy, San Diego County Water Authority

**RWMG Staff and Consultants**

Andrew Funk, City of San Diego  
Jen Sajor, RMC a Woodard & Curran Company  
Loisa Burton, San Diego County Water Authority  
Mark Stephens, City of San Diego  
Sally Johnson, RMC a Woodard & Curran Company  
Stephanie Gaines, County of San Diego  
Rosalyn Prickett, RMC a Woodard & Curran Company  
Mark Stephens, San Diego County Water Authority

**Interested Parties to the RAC**

Brian Hojnacki, City of San Diego  
Catherine Rom, City of San Diego  
Lisa Wu, City of San Diego  
Martha Davis, City of San Diego  
Ruth de la Rosa, County of San Diego  
Antonia Estevet, LWA  
Maria Margarita Borja, City of San Diego  
Lisa Skutecki, Brown and Caldwell  
Willie Gaters, San Diego Gas & Electric

**Welcome and Introductions**

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Ms. Dana Friehauf, San Diego County Water Authority (SDCWA), welcomed everyone to the meeting. Introductions were made around the room.

**San Diego RWQCB Update – Laurie Walsh, Regional Water Quality Control Board**

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Ms. Laurie Walsh, Regional Water Quality Control Board (RWQCB), presented on updates and implementation actions RWQCB is considering. Moving forward Ms. Walsh will present RWQCB updates at every RAC meeting. It is important for RWQCB to stay connected to the San Diego IRWM Program, especially regarding the Storm Water Resource Plan (SWRP). The State Water Resource Control Board (SWRCB) recently adopted the Climate Change Plan and RWQCB will take it to their Board on April 12th. The Climate Change Plan is intended to inform the public of SWRCB's intentions and provide guidance to their staff. Remote monitoring technologies will also be discussed at the April 12th meeting to demonstrate monitoring with drone technology.

Ms. Walsh also presented on status updates of various RWQCB action items. RWQCB is working on renewing the permit for the Claude "Bud" Lewis Carlsbad Desalination Plant. Project information and monthly reports are available on the project website. RWQCB is also updating the landfill permit for a 21-year extension. The Agriculture Order, adopted in late 2016, requires 6,000 agriculture operations, controlling approximately 70,000 acres of land, to apply for coverage under agriculture permits. Ms. Walsh noted the importance of regional participation by all sectors to protect water quality. RWQCB wrote a letter to the U.S. International Boundary and Water Commission (IBWC) requesting an investigation into the Tijuana sewage spill, which occurred from mid-December until March and spilled 143 million gallons of sewage into the Pacific Ocean. The IBWC agreed to investigate and citizens are

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encouraged to write to their legislators about the issue. Finally, Ms. Walsh announced the San Juan Water Quality Improvement Plan (WQIP) was submitted this week. RWQCB is tracking the WQIP annual reports as each plan has high priority water quality goals and actions.

The RWQCB is hiring an environmental scientist. Check the RWQCB website for listings or contact Ms. Walsh directly.

- Claude “Bud” Lewis Carlsbad Desalination Plant project website: [www.carlsbaddesal.com](http://www.carlsbaddesal.com)
- RWQCB website: [www.waterboards.ca.gov/sandiego/](http://www.waterboards.ca.gov/sandiego/)

Questions/Comments:

- Is it possible to look at the letter to IBWC?
  - We will forward it to you, and it is also on our website.

**Proposition 50 Program Completion Report – Loisa Burton, San Diego County Water Authority**

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Mr. Mark Stadler, SDCWA, introduced this agenda item and provided some history on Proposition 50 and the IRWM Program. The Proposition 50 Water Bond was approved by voters in 2002. Under the bond, the IRWM program received \$500 million, with \$340 million available in grants. Proposition 50 funds helped foster the IRWM program. In San Diego, a RWMG was formed and the San Diego IRWM Region was created. To gain a more regional perspective, the RAC was also formed. Under Proposition 50 the San Diego IRWM Region was awarded the maximum award of \$25 million for 19 projects. SDCWA then agreed to administer the grant and Loisa Burton was hired to fill the grant administrator role. Since 2005, seven grants have been awarded and the IRWM Program has learned a lot of lessons along the way.

Ms. Loisa Burton, SDCWA, presented the Program Completion Report for Proposition 50. Proposition 50 was the first state funding available for the IRWM program. Although 19 projects were originally included in the grant package, 18 projects were eventually funded with 12 Local Project Sponsors (LPS). In the end, the original grant contract period of five years was extended to seven years. The chosen projects addressed 11 IRWM Plan objectives, such as encouraging integrated solutions to water management and maximizing stakeholder/community involvement. SDCWA applied for the grant in 2007 and was awarded grant funding in 2008. The grant contract was executed in 2009 and all projects were completed by June 30, 2016. Forty-one percent of the grant budget (seven projects) was designated for local supply development, 35% (five projects) was allocated to water recycling, 14% of the budget (three projects) went to conservation, and 10% (three projects) focused on education and outreach. Ms. Burton also presented the primary benefit of each project. Project 14 withdrew from the grant and its \$25 million budget was reallocated among three other projects. The original project budget of \$400 million (grant plus local match and other funds) was revised to \$73 million. The actual cost of the projects was \$72 million, only a 3% variance from the revised budget. Ms. Burton presented a graphic of the original schedule against the actual schedule to highlight the two-year extension on the grant contract.

SDCWA’s grant administration responsibilities included grant financial management, reporting and deliverables tracking, and acting as liaison between grantee and LPS, among other responsibilities.

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Three percent of the total project costs, \$750,000, was allocated to grant administration. Actual costs spent on grant administration for Proposition 50 was also \$750,000. Due to the complexity and number of projects included in the Proposition 50 grant program, the Grant Administration Program (GAP) was established in 2010 and was considered a project under the program. GAP accomplishments included the development of a records management webtool and effectively defending against audit findings. In all, the GAP processed 148 project invoices, 52 amendments, 120 project deliverables, and submitted 401 progress reports.

Finally, Ms. Burton highlighted challenges faced and lessons learned during the program. Implementation challenges revolved around delays caused by amendments, complex funding agreement requirements, environmental documentation requirements, benefits/target modifications, financial concerns, uncertain partner support, and financial management. Other major challenges included lost documents, reimbursement delays, missing deliverables, audit findings, and substantial project details. As a result of these challenges, the San Diego IRWM Program has pushed for procedural changes and has learned to adapt to the IRWM system. The San Diego IRWM Program has advocated for process changes related to reimbursements, developed multiple document tracking systems, and now hold monthly coordination meetings with DWR to ensure consistent communication. To reduce the number of significant project amendments, there is closer coordination and review with LPS and streamlined agreement information. The GAP has also improved internal procedures and increased efficiency to reduce processing delays.

On behalf of the RWMG and the IRWM GAP team, Ms. Burton closed her presentation by congratulating and thanking the Proposition 50 LPS for a job well done.

Questions/Comments:

- We appreciate your [LPS] help and patience during this process.
- Congrats to the team! I have a question about Objective 2 (maximizing stakeholder/community involvement). Did all projects have this component or did just a few specific projects have it?
  - All projects within the IRWM Program are multi-benefit. The benefits presented during this presentation were just the primary benefits. When we wrote the 2013 IRWM Plan Update, we highlighted the public outreach component and strengthened it as a requirement.
- The ultimate beneficiary is the Region. It's a better place because of the work done by the IRWM Program.
- I am thankful for the RWMG. There have been a lot of changes over time. Olivenhain Municipal Water District was the original LPS for the Carlsbad desal project. Thank you to SDCWA for stepping in to help move the project forward, while avoiding creation of other issues. It is important to have all these partnerships and to be able to cover for each other. That is what makes IRWM unique.
- If the winner is the Region, how is this being tracked? Is there a way that the effectiveness of the program is being conveyed to the public?
  - There is a Report Card that evaluates the program across various criteria. The last time we did it was in 2011, so maybe it is time to do it again soon.
  - It can also be reported in the WQIP reports to RWQCB.

## **San Diego Basin Study and Climate Change Study – Andrew Funk, City of San Diego**

Mr. Andrew Funk, City of San Diego, presented a status update on the San Diego Basin Study. The project was initially funded under Proposition 50 – Project 12. To-date, Task 2.1 and Task 2.2 have been completed. The project is currently working on Task 2.3, Existing Structural Response and Operations Guidelines Analysis. A draft has been completed and comments from the Technical Advisory Committee have been received. The project LPS is requesting written comments from Public Stakeholders at the end of this week through April 30, 2017. The anticipated completion date of Task 2.3 is May 2017. Work on Task 2.4 and Task 2.5 is expected to begin Winter 2017.

Mr. Funk presented the baseline impacts from the study in terms of water supply and demand, delivery, recreation, hydropower, and flood. The GoldSim model was used to develop these baseline impacts. Impacts included an increase in water deliveries to meet demands, an increased reliance on imported water, and an increase in the occurrence of water shortages due to larger future demands and climate change. These baseline impacts were shared during the Public Meeting held on March 29th. The Public Meeting was also used to gather stakeholder input on adaptation strategies needed to address the baseline impacts. Five portfolios were developed with stakeholder input: 1) holistic point of view, 2) regional self-reliance, 3) drought, 4) healthy headwaters, and 5) maximize reuse. The Climate Change Vulnerabilities chapter in the San Diego IRWM Plan is the nexus between the Basin Study and the San Diego IRWM Program.

There will be a June Basin Study meeting to discuss the portfolios one week after the June RAC meeting. A communication about the meeting will be sent out soon.

### **Questions/Comments:**

- I don't understand the second baseline impact about increased reliance on imported water. I thought projects in the region were focused on local supply and moving away from imported water.
  - These were baseline impacts. This did not include all planned projects, including PureWater.
  - The UWMP has “verifiable,” “planned,” and “conceptual” projects. Some planned projects are still not 100% committed. For example, some projects haven't completed the CEQA process yet, so these are not certain projects.
  - The baseline analysis only considered 2015 current as-built projects.
- Will there be a change at the federal level regarding an infrastructure push?
  - The Basin Study helps to show the need for more state and federal help. It is a strategic move to position ourselves for funding.
- Will all the work done be integrated into the IRWM Plan?
  - Yes, all the work done on this project will be incorporated into the next IRWM Plan update.

- Will this help with funding requests?
  - There is some political sensitivity around this. We are framing this study as a water resiliency and cost efficiency effort. Due to rhetoric in the federal government, we plan to downplay the climate change component when applying for federal grants.
  - We want to brand ourselves and this study as a technical voice. Additionally, we want to show that we have some bipartisan efforts. For example, the intertie project encompasses an area that spans both congressional party districts.

### **San Diego Region Storm Water Resource Plan – Ruth de la Rosa, County of San Diego**

Ms. Ruth de la Rosa, County of San Diego, presented an update on the San Diego Region SWRP. Ms. de la Rosa provided a brief overview of the SWRP. The SWRP Guidelines were adopted on December 15, 2015, and the SWRP was developed to address these guidelines, however the plan itself is not a compliance document. The SWRP is meant to identify and prioritize multi-benefit projects that can best meet priorities on a watershed-level basis. The SWRP meets state guidelines and helps LPS develop more competitive projects. Ms. de la Rosa highlighted a few components of the SWRP such as tools for regional and watershed collaboration, project checklist and worksheets, and a parcel assessment tool and maps. There is also a project prioritization/scoring process available through the IRWM OPTI Project Database. Currently, there are 43 prioritized projects in the SWRP. The prioritization list can still be modified, and projects can still be revised at any time. Ms. de la Rosa also provided a list of websites for those seeking more information.

**Motion:** Accept SWRP into the IRWM Plan today, with the caveat that O&M requirements for NGO's be revisited in the future.

**Votes:** 24 Yes. Passed.

- San Diego Regional Storm Water Resource Plan: <http://www.sdirwmp.org/irwm-planning>
- SDIRWM OPTI Project Database: <http://irwm.rmcwater.com/sd/login.php>
- SWRCB's Storm Water Grant Program: [http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/swgp/prop1](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/swgp/prop1)

#### **Questions/Comments:**

- Are all 43 projects in OPTI?
  - Yes.
- I am concerned about the O&M costs because it can be difficult to get these funds. This requirement may eliminate projects. It's hard to acquire these funds when the projects are conceptual.
  - This requirement was part of the State Guidelines. The City of San Diego actually met with San Diego Coastkeeper and this issue came up. It was suggested that Matt O'Malley take the lead on creating an NGO advocacy group for O&M funding. We recognize that there is a gap in resources for NGOs and small projects.
- Could legislation change this issue? Nuancing the language could help resolve the challenge without changing the state mandate. I think there needs to be a lengthier discussion about this. It is problematic that there is this lack of discussion, but I understand that action needs to be taken.

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- I agree that there needs to be a change to enable grassroots groups to get money. Our hands are tied at this point. The SWRP is on a tight timeline and needs to be adopted soon. There are three projects that were awarded funding under the stormwater grants, but cannot begin until the SWRP has been adopted. There is a sense of urgency.
- If we can revisit this issue later, then I am fine with this. When we've applied for grants before, we've sent comment letters requesting things to be changed or addressed.
  - Yes, we can revisit this topic for Round 2 funding, which will happen in Spring 2018. We can invite state representatives to urge them to incorporate more flexibility.
- If you don't check this box, is it a fatal flaw of a project?
  - Yes.
- Project eligibility requires a project to be in a watershed plan. Is this part of the State Guidelines?
  - No, it is not a requirement, but you will get more points if you can check this box.
- I suggest that NGOs get involved in the WQIP update and to get on the RWQCB Supplemental Environmental Project (SEP) list.
- Reporting is cyclical – can we add projects into OPTI that are not in the SWRP yet?
  - Yes, I don't see why not. It would also depend on the solicitation requirements, but I think that should be fine.

### **Draft Grant Program Policies – Mark Stadler, San Diego County Water Authority**

Mr. Mark Stadler, SDCWA, presented on two draft program policies and opened up discussion for each policy.

#### ***Draft Policy for Reallocation of Grant Funding***

Mr. Stadler summarized the Draft Reallocation Policy. There was a need for a policy to provide consistency, transparency, and set expectations for accountability. The policy would set guidance for reallocating grant funding. The policy defines a threshold for considering project funding reallocation based on a percent reduction in benefits when project changes occur. Major triggers for reallocation consideration are project termination/withdrawal and significant changes to project scope or benefit. Once consideration for funding reallocation is initiated, there is a five-step funding reallocation process:

1. GAP identifies any project changes and discusses these changes with the RWMG.
2. RWMG determines if reallocation is necessary based on project change.
3. If RWMG decides to reallocate, the RAC reconvenes the Project Selection Workgroup (PSW) to reallocate funding.
4. RWMG considers and approves proposed reallocation.
5. RWMG processes Agreement amendment.

Mr. Stadler specifically requested feedback regarding the threshold percentage in the policy.

Questions/Comments:

- What if the project crosses the threshold, but you still want to keep it? Who makes that decision?
  - The threshold is for considering reallocation. It's not mandatory that the funding be reallocated. The decision will be made by the RWMG, but it would also go to the RAC for their blessing.
- I would consider a range 25-30% reduction in benefits, as the threshold, since it's just a consideration. It shall trigger an evaluation for moving on to next step.
  - Good idea.
- How much effort will be needed for reallocation? If it's just a 30-minute conversation, maybe pick a smaller threshold like 10%. How many times does this occur per round?
  - Minor changes are frequent. Substantial changes require an amendment. On average, we get one change per grant round that would trigger the reallocation process. We just want to formalize the process.
- I like the threshold range idea because it gives flexibility. I applaud the group for going through this process of formalizing. The PSW already selects alternate projects for each project type. I like that it's codified.
  - Yes, it's good to have a backup list.
- Was there anything in the audit process that came up regarding benefits or deliverables?
  - No, but DWR looks at deliverables and projects have a monitoring plan as one of their deliverables that they report on in the post-performance reporting.
- I like this process. A smaller threshold will incentivize LPS to be more rigorous in their calculations. I recommend the 10-25% range.
- I'd like to caution on going too low. It doesn't take a lot for smaller projects to hit the 10% threshold. And maybe they have other good benefits, but now they are thrown into this category. I like the 25% threshold.
- I second the 25% threshold. Some projects aren't so clear-cut. I suggest the RWMG go through all the objectives and criteria when considering reallocation. Particularly with the "squishy" quantifications.
  - Thank you for the suggestion. I have a bias towards saving existing projects. I agree that we need to keep the squishy benefits in mind, not just the hard ones.
- For clarification – can LPS do anything they want if it's under the 25% threshold? Do you have to hold LPS accountable for original scope?
  - If anything in the grant agreement changes, an amendment is required. DWR has a 10% grant cost threshold for major amendments. A change in the cost affects the scope, and ultimately the benefits.
  - GAP expects LPS to let them know. They can do this through the progress report or via an email or call.
- If you trigger the process, do you have to go through all four steps?
  - I know it's not clear in the policy yet. Our goal is to have an off ramp at every step.
- I would focus on the primary benefits. The secondary benefits are less important.

- Our project has lots of local project partners, which changes over time. I would like a drop-off point in Step 1 identified. If benefits stay the same, but the project moves location, is that OK?
  - Yes, that would be considered a minor amendment, but you would still need to tell DWR.
- Does the project need to stay in the same watershed?
  - It would depend on the project. You would still need an amendment with DWR. It just depends if it's formal or informal.
- As long as there is a logical review process, I am not concerned with a smaller threshold.

### ***Draft Policy for Grant Administration Funding***

Mr. Stadler presented the draft policy for GAP funding. The purpose of this policy is to provide guidelines for funding GAP. Historically, GAP receives 3% of the total project grant award. This grant allocation can be insufficient to accomplish GAP tasks – many of which are fixed costs regardless of grant award size. Furthermore, project changes and program extensions increase GAP costs. This new policy would require a minimum 3% funding along with additional funding as needed. Funding requirements would be based on size and complexity of the grant proposal package, any program extensions, and the post-program compliance period. A standard rate would be applied for the proposed contract extension period. The GAP funding process includes three steps:

1. GAP provides baseline funding need for the grant application.
2. GAP provides LPS with additional costs and billing method.
3. GAP and LPS process LPS Agreement amendment.

### ***Questions/Comments:***

- The 3% is included in the grant request. Where would the additional money come from?
  - Money that would be used beyond the program (i.e. extensions) and that was not budgeted would come from LPS. Per DWR policy, we can't use grant dollars for GAP costs. It must be local funds.
- The proposal says GAP project budget is limited to 3%.
  - The 3% is a baseline number, but can be more. For example, the DAC grant has 5% for GAP.
- Three percent is admirable. I agree with looking at the complexity of the project to calculate the percent taken out for GAP. I would like to see a greater chunk taken for grant administration.
  - We did our due diligence. Other regions are in the 4-8% range.
- This might kill smaller projects. Having a report done, whether it's done now or two months from now, is still a report. Some delays are out of LPS control. I'd like to see the costing for the 3%. More knowledge about how that budget is broken down will help us understand.
  - If a project wants to extend beyond the contract, but there isn't any money left for grant administration, how do we pay for it without billing the LPS?
- If the activities are still within scope, why should the LPS pay extra? Where was that time spent in the interim? It's still the same report, are we helping other projects? Should LPS be penalized if more time is spent on another project in the meantime?
  - GAP is considered a project. It is hard to track our hours by project - we can't do it that way. Currently, GAP budgets for length of contract.

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- The plan is to take today’s input to the G3. We will return to RAC with more clarification.
- We can go into grants with a higher percent allocation to GAP plus a contingency. If there is unused money at the end of the program, you can just give that money back to LPS.
- Uncertainty kills projects. This policy wasn’t considered when we applied for the current grants. This may even hinder us from considering amendments because we could be penalized. We were exactly on budget for Proposition 50, so where’s the data to support this policy?
  - So, you would prefer that this policy only apply to new projects, and not apply retroactively.
- Can you list out costs related to GAP? The language in the policy is hazy – “unforeseeable costs.”
  - Yes, we can list out all known amounts and costs.
- GAP is a project, so it makes sense that we must pay to extend it. But can’t we use grant dollars from another project to cover the extension?
  - No, an LPS grant can’t go to GAP because it isn’t being use directly for a DAC.
- Is there any place for GAP to bring in local dollars? Would SDCWA provide support for this?
  - SDCWA already pays a lot for IRWM, but we will take this into consideration.
- We will revisit this policy.

### **IRWM Program Update**

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Due to time constraints, this agenda item was not presented. It will be revisited during the next RAC meeting.

### **IRWM Grant Administration**

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Due to time constraints, this agenda item was not presented. It will be revisited during the next RAC meeting.

### **Public Comments**

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- The Jazz on Tap fundraiser is happening on April 22nd. It is being hosted by the Water for People San Diego Committee.

### **Summary and Next Steps**

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#### Next RAC Meeting:

- June 7, 2017 – 9-11:30am

#### 2017 Meeting Schedule:

- August 2
- October 4
- December 6