



Regional Advisory Committee (RAC) Meeting #106

August 7, 2024
9:00 am – 11:30 am

Virtual Meeting

NOTES

Attendance

RAC Members

Richard Whipple (Chair), County of San Diego
Anne Bamford, American Water Works Association
Brook Sarson, San Diego Sustainable Living Institute
Chris Trees and Mike Thornton, San Elijo JPA
David Walker, San Diego Audubon Society
Eylon Shamir, Hydrologic Research Center
Joey Randall, Olivenhain Municipal Water District
Karen Jassoy, Padre Dam/Metro JPA
Kelly Craig, San Diego Zoo Global
Kerri Denhalter, U.S. Bureau of Reclamation
Kimberly O'Connell, UCSD Clean Water Utility
Marissa Potter, Santa Fe Irrigation District
Oscar Romo, Alter Terra
Patrick McDonough, San Diego CoastKeeper
Rob Hutsel, San Diego River Park Foundation
Toby Roy, RCAC
Tory Walker, Building Industry Association
Tim Murphy, City of Carlsbad
Wbaldo Arellano, City of Imperial Beach

RWVG Staff and Consultants

Arthella Vallarta, Woodard & Curran
Aydel Zielke, County of San Diego
Bill Luksic, San Diego County Water Authority
Elizabeth Lovsted, San Diego County Water Authority
Ernesto Rios, City of San Diego Public Utilities Division
Gail Patton, San Diego County Water Authority
Loisa Burton, San Diego County Water Authority
Ruth de la Rosa, County of San Diego
Sally Johnson, Woodard & Curran
Samantha Chaidez, City of San Diego

Interested Parties to the RAC

Alexandra Eisinger, Environmental Incentives
Alicia Appel, Encina Wastewater Authority
Andrea Demich, City of San Diego Public Utilities Division
Bryce Ohmstede, Viejas Environment
Chelsea Haines, Associations of California Water Agencies
Genevieve Imboden, Woodard & Curran
Inken Mello, Woodard & Curran
Khadija Wade, City of San Diego
Kumiko Hayazaki, City of San Diego
Lindsay Leahy, City of Oceanside
Marisa Cesare, City of San Diego
Mark Stephens, Retired
Max McNally, Woodard & Curran
Megan Hickey, City of San Diego
Michelle Berens, Helix Water District
Reed Thornberry, City of San Diego
Richard Harmon, Woodard & Curran
Sam Tadros, City of San Diego Public Utilities Division
Seval Sen, Padre Dam Municipal Water District
Teresa Penunuri, Santa Fe Irrigation District
Wenda Alvarez, WSA Marketing

Welcome, Introductions, & Land Acknowledgement

Mr. Richard Whipple, County of San Diego (County), welcomed everyone to the virtual RAC meeting. Ms. Sally Johnson, Woodard & Curran, reviewed the virtual meeting process, including how to use the virtual controls and chat feature. Meeting participants were encouraged to enter their name and organization into the chat for roll call and to update their names on Zoom.

Mr. Whipple read the Tribal Land Acknowledgment to the group, which was written to be delivered in a virtual setting:

We acknowledge that this virtual meeting of the San Diego IRWM Program Regional Advisory Committee is taking place in the traditional lands of the Kumeyaay and Luiseño people. As we begin this meeting, we acknowledge and honor the original inhabitants of our region. A land acknowledgment is a critical step toward working with native communities to secure meaningful partnership and inclusion in the stewardship and protection of their cultural resources and homelands. We respect these ancestral grounds where we are collectively gathered and support the resilience and strength that Indigenous people have shown worldwide.

Water Use Efficiency Regulation Presentation

Ms. Chelsea Haines, Association of California Water Agencies, presented on upcoming regulations on water use efficiency on behalf of the California Water Efficiency Partnership. Ms. Haines provided a brief history of water use efficiency regulations in California and highlighted the recent pivot from drought-reactive policies to preemptive water resource planning. Two regulations introduced via the Make Conservation a California Way of Life legislation, Senate Bill 606 and Assembly Bill 1668, were formally adopted on July 3, 2024. The regulations primary goals are to establish urban water use objectives,

commercial, industrial, institutional (CII) performance measures, and compliance and enforcement standards.

The urban water use objectives create water budgets that each urban retail water supplier must meet. The budgets set standards across three water use categories: indoor residential, outdoor residential, and CII-designated irrigation meters (DIM). To comply with the regulations, the sum of the three categories, as well as water loss, must not exceed the overall water budget set for the urban retail supplier. Moreover, the water budgets gradually decrease over time to encourage continual water use efficiency gains. However, the program does allow for applicable adjustments such as variances, temporary provisions, and bonus incentives.

The CII performance measures established a process for inducing greater water use efficiency amongst CII users. Operationally, the performance measures require the identification of buildings that meet the “disclosable buildings” threshold according to the California Energy Commission. Next, all CII properties are classified with ENERGY STAR. Additionally, the program will encourage the installation of DIMs or alternative in-lieu technologies. Finally, the top CII users will be identified, and a set of best management practices will be designed and implemented for these users.

In terms of compliance and enforcement, the State Water Board has deferred compliance with the objectives until 2027. Moreover, it has created an enforcement glidepath during which the severity of penalty for noncompliance will increase. In year one, the State Board may issue informational orders, however, by year four it would be able to impose civil liabilities (fines) for noncompliance.

Questions/Comments:

- How would disclosable buildings be determined, and would County administration buildings be assessed as disclosable?
 - There is a size threshold for a disclosable building. If you do not have to report to the Energy Commission, then you do not have to report as a disclosable building under the new regulations. It is not the burden of water suppliers to determine disclosable buildings that are not reported to the Energy Commission.
- What are the processes that public retail water suppliers must undertake to comply with regulations? Do they have to encourage customer behavioral changes to reduce the public use of water?
 - Urban retail water suppliers are the regulated entity and compliance hinges on the ability of customers to make behavioral changes to reduce consumption. Retailers will likely need to offer incentives, rebates, or changes to rate structure to encourage behavioral changes amongst its customer base to achieve reductions over time. This could be a formidable cost to retailers that could result in changes to rate structure. However, Proposition 218 will be an issue for costs, given that retailers can only charge for the cost of delivering water. Thus, the challenge remains that urban retailers will need to figure out innovative ways to reduce customer water use.
- Is there an irrigation/agriculture counterpart to this regulation?
 - SGMA can be seen as an analogous counterpart, albeit in a very different regulatory context and structure. Agriculture is undergoing a similar transformative process to redesign water use practices to enhance efficiency over time under different regulatory conditions.
- What is the split between water use categories in California?
 - The California Public Policy Institute reports that, on average, water use is split at 10% urban usage, 40% agriculture usage, and 50% environmental usage.
- How would small family farms (less than half an acre) in San Diego County that sell small amounts of produce but fail to reach the threshold of “Agriculture” be impacted by the regulations?

- There is an Adjustment process built into the regulation to provide variances for non-conforming water uses. In the scenario you presented, there is a variance to delineate agricultural water use from residential uses on a combined water meter.
- There are specified categories in the regulations that determine the regulated entities according to what type of property the water meter is listed as providing water to. The regulation is not one size-fits-all that allows customers to submit information for their specific water use to adjust budgets.
- Landowners can register as growers with the County and be classified as Agriculture to be excluded from the regulation.
- When will reporting requirements begin and which data management platform will be used, DWR WUE Data Portal or SWCRB Open Data Portal?
 - Reporting went into effect this year and I am unsure about the replacement of data portals, however, I anticipate that duplicative reporting to both DWR and SWCRB may be possible in the future.
- When will the final language in the regulation be available?
 - I do not anticipate any substantial changes from the current draft language.

Potable Reuse Panel

Mr. Sam Tadros, City of San Diego, presented on the Pure Water San Diego program. The program aims to provide nearly half of SD's water supply reliably and sustainably as well as to ensure high-quality drinking water. The City of San Diego currently imports 85% of its water from the Bay-Delta and the Colorado River. Mr. Tadros pointed out that as downstream users, San Diego's water supply is at risk of degraded water quality from the upstream wastewater dumping activities of almost 400 agencies and cities, at risk of seismic activity, and requires major energy costs. The cost of imported water has nearly tripled in the last 15 years. The City of San Diego sees the Pure Water program, conservation, desalination, groundwater development, and recycled water as a sustainable, multi-faceted alternative to current water practices. However, the Pure Water program faces public perception challenges due to stigma against "toilet-to-tap" water. Mr. Tadros outlined the Phase 1 Projects to support the Pure Water program including pump stations, pipelines, water recycling plant expansions, and reservoir expansions. He also highlighted Phase 2 actions that are currently in planning and being considered by the City of San Diego.

Ms. Lindsay Leahy, City of Oceanside, presented on the Pure Water Oceanside program. Ms. Leahy stated the City of Oceanside's goal to achieve 50% of supply from local sources and overviewed the existing water supply infrastructure that will be instrumental in its Pure Water program. The project's goals were to diversify supply, reduce reliance on imported water, improve groundwater resources and prevent seawater intrusion, and create a local and sustainable water source for Oceanside. Ms. Leahy provided a construction overview for the Advanced Water Purification Facility and explained the technical specifications of the treatment process. She outlined some challenges for the project, including an aggressive construction schedule in order to earn a larger regulatory bonus calculation, working with new technologies, managing residential well drilling, and addressing river crossings. Finally, she highlighted the conservation impacts of the Pure Water program in accounting for 20% of the City's water supply, protecting against drought, and providing a sustainable water source.

Ms. Seval Sen, of Padre Dam Municipal Water District, presented on the East County Advanced Water Purification (AWP) project. In 2019, Padre Dam Municipal Water District, the City of El Cajon, Helix Water District, and the County of San Diego formed a joint powers authority to execute the project. The program's objectives include creating a local and sustainable drinking water supply, eliminating wastewater discharge, reducing reliance on imported water, and providing 30% of East County's drinking water supply. Ms. Sen overviewed current wastewater disposal practices and demonstrated how the AWP project would change these practices and redirect flows to AWP facilities. Package 1 involves the construction of a 16

million gallons per day (mgd) Water Recycling Facility and an 11.5 mgd Advanced Water Purification Facility, while Package 2 involves a 10-mile product water pipeline to Lake Jennings. Package 3 is a retrofit and expansion of existing pipelines and pump stations. Package 4 will rehabilitate an 8-mile force main to connect with City of San Diego facilities. The four packages totaled \$950 million and received \$6 million from Proposition 84 for Package 1 planning and design. Ms. Sen outlined next steps including progress reporting during construction, performance reporting for three years after becoming operational, and annual monitoring of projected benefits of 12,880 acre-feet per year (AFY) of potable water and improved diversion of 13 mgd of wastewater effluent.

Questions/Comments:

- How will these projects interact with the regulations outlined in the previous presentation?
 - Regulatory water use efficiency bonuses exist to incentivize water retailers to meet urban water use objectives as early as possible.
 - Some projects have recognized it would be unlikely to achieve the highest bonus level (15%) but operated under the assumption that a 10% bonus would be attainable.
 - For the City of San Diego, extensive dialogue was held between the state and local authorities to advance the implementation of projects that will achieve sustainable urban water use.
- How much grant funding was available for these three projects?
 - 25% of Oceanside's funding was provided by the U.S. Bureau of Reclamation as well as IRWM and Water Infrastructure Finance and Innovation Act (WIFIA) low-interest loans.
 - The East County AWP program received Title XVI grants of \$20 million, \$30 million from the Water Infrastructure Improvements for the Nation Act, and additional funding from IRWM as well as State Revolving Fund (SRF) low-interest loans.
 - The City of San Diego received external funding for 90% of Phase 1 programming including \$700 million from WIFIA low-interest loans, \$15 million from Senate Bill 129, \$30 million from Proposition 68, \$1.4 million from IRWM, and \$660 million from the SRF.

San Elijo Joint Powers Authority Project Completion Report

Mr. Mike Thornton, San Elijo Joint Powers Authority, presented on the Integrated Water Resources Solutions for the Carlsbad Watershed project. The project objectives included connecting recycled water supplies with recycled water demand within North San Diego County, creating win-win situations for all regional organizations, and forging partnerships and collaborations with local communities. Mr. Thornton highlighted regional benefits, and the supporting agencies involved in the project. The project's scope involved the construction of 4.5 miles of recycled water pipelines in the City of Encinitas and the City of Solana Beach. This component aimed to convert 100 AFY of irrigation from potable water to recycled water. Mr. Thornton reported that the project received a \$2.5 million grant from SDIRWM. One of the project's components sought to redesign Highway 101's streetscape with recycled water irrigation and native vegetation. Additionally, another of the project's components involved community outreach to bring 600 students from elementary, middle, and high schools to the San Elijo Lagoon watershed to participate in water education curriculum. Mr. Thornton concluded by highlighting the benefits of collaboration achievable via IRWM.

Questions/Comments:

None.

State and IRWM Updates

Ms. Aydel Zielke, County of San Diego, presented on statewide and IRWM updates. At the state level, Proposition 4 is the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 that would allot \$100 million to IRWM and will result in updated guidance from DWR for the IRWM Program. Ms. Zielke provided an overview of the SDIRWM Strategic Roadmap, which identifies Focus Areas and goals to guide the next phase of the program. The three Focus Areas are Funding, Underrepresented Communities Support, and Collaboration, Information Sharing, and Advocacy. The Regional Water Management Group (RWMG) developed 13 proposed actions that address one or more of the Focus Areas.

Questions/Comments:

- Participants likely need more time to review the proposed action items, especially those that did not attend the 2024 SDIRWM Summit.
- What is the process for sharing information and refining proposed actions outside of the RAC meetings?
 - Proposed actions were designed to enhance communication channels within SDIRWM and strengthen the value of the program.

Ms. Zielke presented an overview of the existing SDIRWM structure and stated that RWMG is considering potential changes to the structure and would like feedback.

Questions/Comments:

- What is the difference between “existing seats” and the structure regarding the RWMG and IRWM? What are the pros and cons of restructuring?
 - The day-to-day management responsibilities fall to the RWMG while the RAC is an advisory body with allocated seats and voting powers, which are further divided into caucuses that determine participation in specific work groups. There is a changing perspective of the State in regard to IRWM programs and it is possible that a less formal structure would encourage more participation in the SDIRWM program.
- The current structure has been effective at providing a voice to all regional players in determining how funding resources should be allocated. We should determine what role members want SDIRWM to play before advocating for a restructuring to better align with member values and goals.
- I’ve observed inequitable distribution of funding resources and hope to see more funding allocated to North County projects. However, it is prudent to wait and see how much funding for IRWM will be allocated by the State before pursuing restructuring.
- We should wait for updates on future funding, specifically the outcome of the election for Proposition 4. However, the existing structure has been very successful and I’m unsure if restructuring is a wise decision.
- Is being on the RWMG paid work or voluntary?
 - The County of San Diego has RWMG members that participate in a volunteer capacity. Agencies financially contribute to the RWMG by allowing their employees to volunteer.

Grant Administration

Ms. Loisa Burton, SDCWA, presented updates on grant administration. Total grant funding awarded to the San Diego IRWM Program is \$132.8 million for 84 regional projects. To date, \$105 million has been billed to and reimbursed by DWR, while \$27.6 million in grant funding remains to be allocated. Proposition 84, Round 4 is almost complete and only three projects remain. Ms. Burton highlighted Project 11: San Diego

River Healthy Headwaters Restoration, which enhances habitat and water quality in the El Capitan Reservoir by restoring natural habitat and removing invasive species, and Project 13: Hodges Watershed Improvement Project, aims to reduce sediment and nutrient runoff.

There are currently seven active projects in Proposition 1, Round 1 and six projects are more than 50% complete. Ms. Burton highlighted Project 3: North City Pure Water Facility Influent Pump Station, which is part of the City of San Diego’s Pure Water program. Three active projects remain in the Urban and Multi-Benefit Drought Relief program. There are six active projects under Proposition 1, Round 2. Ms. Burton highlighted Project 4: The North San Diego Water Reuse Coalition – Regional Recycled Water Program, which extends recycled water pipelines throughout Olivenhain Municipal Water District’s service area as part of a broader regional cooperative recycled water program.

Questions/Comments

None.

State and Federal Funding Opportunities

Ms. Johnson presented a list of upcoming state and federal funding opportunities. They have been included in the table below.

Project Types	Timing	Website
Cal OES: State and Local Cybersecurity Grant Program	Due: September 27, 2024	https://www.caloes.ca.gov/grant-announcement/2024-25-state-and-local-cybersecurity-grant-local-and-tribal-sl-cfo/
USBR: WaterSMART: Water and Energy Efficiency Grants	Second round due October 30, 2024	https://www.grants.gov/search-results-detail/350982
USBR: Small-Scale Water Efficiency Grants	Third round due: January 14, 2025	https://www.grants.gov/search-results-detail/350845
USBR: Cooperative Watershed Management Program – Phase 1	Second round due September 3, 2024	https://www.grants.gov/web/grants/view-opportunity.html?opId=349783
USBR: WaterSMART: Title XVI WIIN Act Water Reclamation and Reuse Projects for Fiscal Years 2023 and 2024	Second round due September 30, 2024	https://www.grants.gov/search-results-detail/350381
DWR: Pilot Program	Anticipated in 2024	TBD
SWRCB: Prop 1 Technical Assistance Funding Program	Open: rolling	https://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/tech_asst_funding.html
DWR: Water Desalination Grant Program	Open: rolling	https://water.ca.gov/News/Public-Notices/2020/Sept-2020/Water-Desal-Grant-CAP

Questions/Comments

None.

Public Comments

None.

Summary and Next Steps

The next RAC meeting will be held on November 6, with the option to be held in person and virtually.

2024 Meeting Schedule

- February 7
- May 1
- August 7
- November 6

Regular meetings to be held quarterly in 2024.