

San Diego Integrated Regional Water Management

2022 IRWM Implementation Grant Proposal

Disadvantaged Community or Economically Distressed Area

Attachment 5 consists of the following items:

- ✓ **Cost Share Waiver.** Identification of projects requesting a cost share waiver and justification for how the project addresses DAC/EDA needs and meets the definition of a DAC/EDA project.
- ✓ **Documentation of San Diego DACs/EDAs.** Background on the presence and needs of DACs/EDAs in the San Diego IRWM region.
- ✓ **Project Benefits Provided to DACs/EDAs.** An analysis is provided demonstrating the percentage of project benefit areas that overlie or serve DACs/EDAs for each of the projects in this Proposal. Project benefit areas are overlaid with DACs/EDAs.

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Cost Share Waiver

The 2022 PSP (page 12) states that applicants may request the local cost share requirement be waived or reduced for projects that directly benefit one or more disadvantaged communities (DACs) and/or Economically Distressed Areas (EDAs). The cost share requirements and waiver requests for each project are detailed in **Table 5-1**.

Table 5-1: Cost Share Required and Waived for each Project

Project	Project Name	DAC/EDA Benefit	Percent Cost Share Required	Percent Cost Share Waiver Requested
1	The Acres Water Consolidation Project - Phase 1, Part 2	75% - 100%	0%	100%
2	The Federal Blvd. De-channelization and Trail Construction Project	75% - 100%	0%	100%
3	Ramona/Barona Recycled Water Pipeline Project	75% - 100%	0%	100%
4	North San Diego Water Reuse Coalition - Regional Recycled Water Program	< 25%	50%	0%
5	Integrated Multi-Benefit Solutions for Climate Resiliency in the San Diego Region	< 25%	50%	0%
6	Oceanside Mesa Garrison Force Main River Crossing	< 25%	50%	0%

Grant Administration is not an implementation project and therefore this attachment is not applicable to the project. However, by providing administration support, *Grant Administration* will allow the region to successfully administer and remain in compliance with these grant requirements to support DAC/EDA needs presented in this application.

Documentation of Presence and Needs of DACs/EDAs

The San Diego IRWM Region includes several areas that qualify as disadvantaged communities (DACs) and/or economically distressed areas (EDAs) in accordance with Appendices E and F of the 2022 IRWM Grant Program Guidelines. DACs are defined as communities whose median household income (MHI) is less than or equal to 80% of the statewide annual median household income (MHI). Using the most recently available data from American Community Survey (ACS), the 2016-2020 ACS data, DACs are those communities with an MHI of \$62,938 or less. Census tract and block group data from 2016-2020 were aggregated with Census designated places to identify DAC areas within the Region. This analysis is consistent with DWR's DAC Mapping tool. DACs are generally clustered around dense city centers and in the very rural areas along the outskirts of the Region.

There are approximately 3.3 million people living in the San Diego IRWM Region, approximately 880,000 (27%) of whom reside in DACs or severely disadvantaged communities (SDACs). Fifteen of the Region's eighteen incorporated cities are considered or contain DACs. As described in the 2019 IRWM Plan Update, the Region distinguishes between urban and rural DACs due to their differing needs, described in more detail below. Of the communities in the Region that have been identified as DACs, the majority are urban DACs. Urban communities are those that lie within water and wastewater agency service areas, while rural DACs do not. There are some DACs that have rural characteristics (e.g., rural residential densities, lack of curbs and gutters), but still receive municipal services. For the purposes of better understanding urban and rural needs, these communities are considered urban. Rural DACs are typically found along the eastern (inland) portion of the Region.

The San Diego IRWM Region currently has DAC representation on the stakeholder committees organized by the IRWM Program. The Regional Advisory Committee (RAC) is composed of 34 voting representatives from various organizations and agencies in the Region with a water-nexus and is organized by focus area or caucus (e.g., water supply, water quality, stormwater, etc.). One focus area on the RAC is the DAC/EDA/EJ Caucus, which has

two seats, one each for urban and rural representatives. Other caucuses may also have members that represent entities that serve DACs, but were not specifically selected for DAC reasons. The RAC was closely involved in preparing the *2019 IRWM Plan Update*, with many members participating in workgroups and planning studies completed through that effort. With each round of IRWM grant funding, a DAC representative is also nominated to that round's Project Selection Workgroup to represent DAC needs in the project funding process. For the Proposition 1 Round 2 Implementation Grant, a DAC representative was an active participant at all four Project Selection Workgroup meetings.

To gain a better understanding of DAC water-related needs for the *2019 IRWM Plan Update*, the San Diego IRWM Program developed the *2019 Water Needs Assessment* in partnership with the other IRWM regions within the San Diego Funding Area (Upper Santa Margarita Watershed IRWM Region and South Orange County IRWM Region). Through this Assessment, the RWMG reached out to DACs through targeted outreach by two nongovernmental organizations (Climate Science Alliance and Rural Community Assistance Corporation) and a consultant. DAC outreach included hundreds of phone calls and emails, a series of Water Needs Assessment community meetings to gather input from DAC residents on the most important DAC issues in their areas, and distribution of a questionnaire. The *2019 Water Needs Assessment* (<http://sdirwmp.org/2019-irwm-plan-update#codeword2>) formed the basis of the DAC needs described below.

Additionally, the RWMG communicates regularly with many organizations that are involved with addressing water-related issues of DACs and EJ communities within the Region, including: San Diego Coastkeeper, Environmental Health Coalition, Rural Community Assistance Corporation, Jacobs Center for Neighborhood Innovation, Groundwork San Diego-Chollas Creek, WildCoast, Alter Terra, Surfrider and others. Over the last decade, DAC outreach has focused on identifying DAC issues, needs, and concerns, as well as ensuring DAC and EJ representation on the RAC. Based on previous feedback the San Diego IRWM program received from DAC residents, projects sponsors, and representatives, multiple workgroup meetings were held between the Proposition 1 Round 1 Implementation grant in 2019 and the current Proposition 1 Round 2 Implementation grant application process to better understand how to meaningfully engage DACs in IRWM and support them during project development and when seeking funding. These efforts leveraged strong existing relationships between DAC representatives and RAC members to conduct outreach and resulted in modifications to the Region's local scoring process to reduce barriers to accessing IRWM funding.

Water-Related Needs of DACs in San Diego

The San Diego IRWM Region distinguishes between urban DACs and rural DACs because the nature of water-related issues for these DAC populations is markedly different. Urban DACs are those DACs that are located within municipal service areas and therefore receive public water and wastewater services. Residents of urban DACs generally receive reliable deliveries of high-quality water. Urban DACs represent the majority of DACs in the Region by population using 2016-2020 ACS data. Rural DACs are those DACs that are generally located outside of the service areas of SDCWA member agencies and are therefore not typically served by a local water or wastewater agency. Residents of rural DACs rely primarily on local water supplies that vary widely in terms of reliability and quality. Rural DAC areas are generally located in the eastern portions of the Region and include communities such as Campo, Canyon City, and San Felipe.

Urban DACs

Because urban DACs are located within water agency service areas, their water resources needs are generally centered more on community development and surface water quality issues. Therefore, DWR's definition of "critical water supply or water quality needs of DACs" has often failed to encompass what urban DACs consider to be critical needs, making it challenging to qualify urban DAC water projects for cost share waivers and funding. While urban DACs in the Region receive safe drinking water from their local water agency, increases in water rates disproportionately impact DAC residents because a larger percentage of their income is spent on water compared to residents of higher-income communities.

Urban DACs are also frequently characterized by aging and undersized infrastructure, constrained or realigned drainage ways, erosion, over-growth of invasive species, and illegal dumping. In the *2019 Water Needs*

Assessment, aging infrastructure was cited as one of the most pressing needs for funding, especially in regard to water supply and wastewater systems. Stakeholders identified drought and flooding as contributors to wastewater infrastructure failure and water quality issues. Water conservation measures have created declining flows in the wastewater system, especially for dry weather flow diversions. Urban DACs are also more prone to flooding from introduced impervious surfaces associated with development and fewer parks or other non-paved recreation lands. More assistance is needed for de-channelization, hydro-modification, and implementing Low Impact Development (LID) projects to reduce stormwater runoff and associated flooding. A few stakeholders in the *2019 Water Needs Assessment* expressed an interest in green infrastructure and community outreach that emphasizes holistic stormwater solutions to provide multiple capture and filtration benefits for DAC communities.

As with any urban or developed area, stormwater runoff pollutants contribute to poor surface water quality in urban DACs. For example, illegal dumping of large trash items increases loading of metals and bacteria which contribute to water quality issues. Additional stormwater concerns presented in the *2019 Water Needs Assessment* were about the public health and ecosystem implications of stormwater runoff in specific locations.

Effective water conservation, watershed, and stormwater management outreach and education could be improved in urban DACs. Priority projects for urban DACs should include education, creek restoration, passive recreation, hydro-modification, stormwater management/pollution prevention, public safety, and those that address sea level rise adaptation components.

Rural DACs

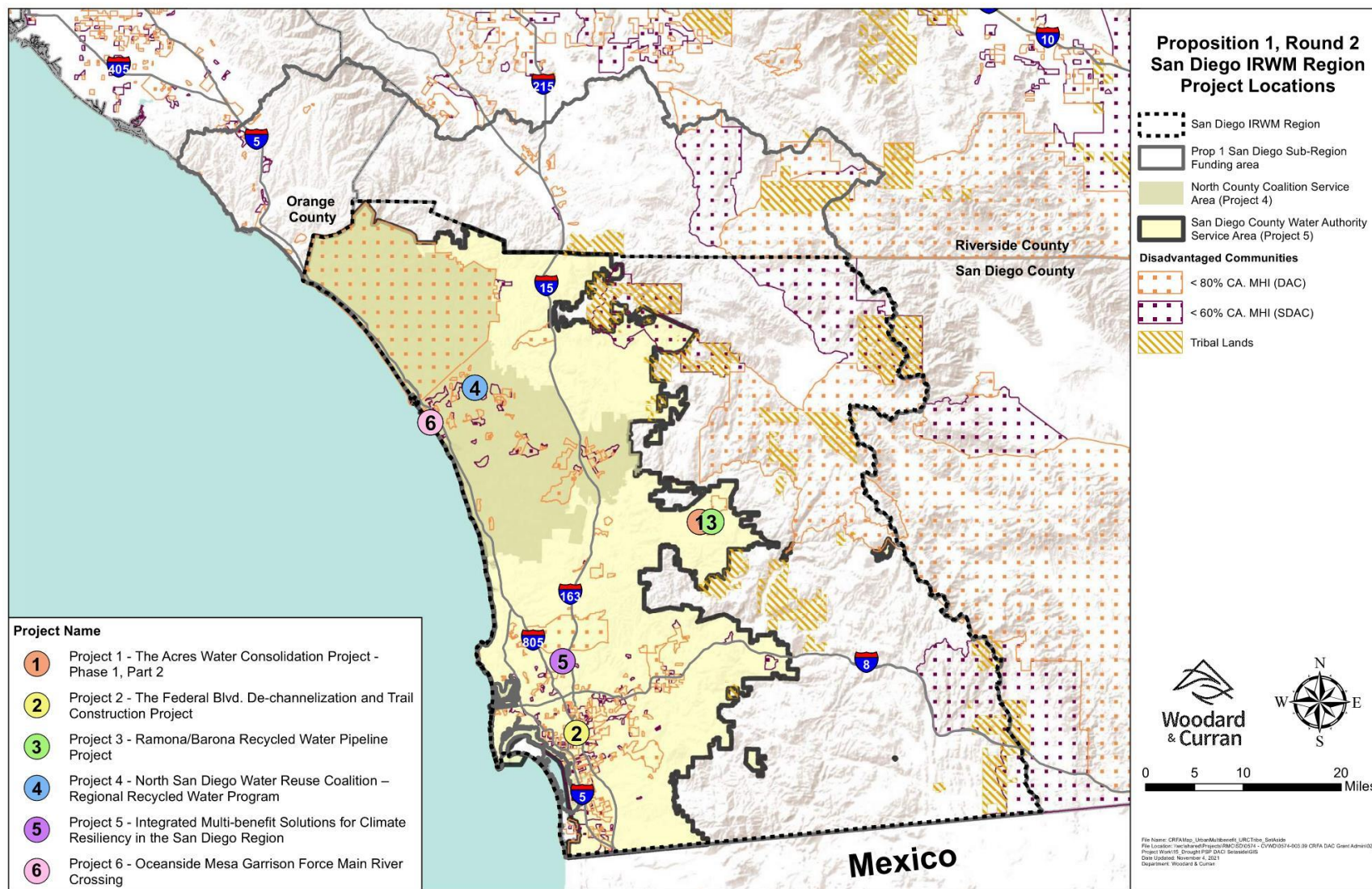
Due to infrastructure limitations, source water quality, and other issues, the primary water-related concern of rural DACs is lack of a safe, reliable source of drinking water. Rural DACs often lack access to adequate infrastructure and financing, as well as the resources to adequately maintain existing system facilities. As a result, drinking water systems in rural DACs may face significant challenges in complying with both longstanding and new drinking water rules. The *2019 Water Needs Assessment* described the issue of deteriorating systems in rural DACs in the Region. Water supply and water quality issues in rural DACs may be exacerbated by climate change, poor economies, and lack of community expertise. Inadequate water supply to support existing communities is a public health risk, especially considering that the rural portions of the Region are also those that are particularly susceptible to wildfires. The majority of drinking water maximum containment level (MCL) violations in the Region occur with small public water systems, and inadequate wastewater treatment can result in unplanned discharge events. A limited number of ratepayers creates funding challenges for resolving water quality issues or for hiring (and retaining) the technical expertise necessary to maintain quality improvement projects.

Groundwater contamination has been identified as a critical rural DAC issue in the Region. Groundwater contamination may result from leaking septic tanks, illegal dumping, or wildfires. The Region anticipates that the projected increase in wildfire frequency and intensity resulting from climate change will disproportionately affect rural DACs, which are more likely to be located near fire-prone areas and less likely to have the ability to defend against fires. Drinking water supplies in some rural DACs have been contaminated with ash from recent fires. Additionally, some of these areas lack sufficient water supplies or water pressure for fire protection. Specific issues with nitrate and uranium in groundwater were identified by some stakeholders in the *2019 Water Needs Assessment*, which has led communities to be reliant on bottled water for their supply. With population growth and economic development, land availability is reduced for safely sited septic systems, which either limits growth or requires wastewater management infrastructure to be installed. Rural areas need improved land use planning to address this issue (based on the *2019 Water Needs Assessment*).

Project Consistency with Water-Related Needs of DACs/EDAs

Each of the projects included in this Proposal address one or more of the DAC/EDA concerns listed above and, by virtue of being implemented in DACs/EDAs, both recognize and support DACs/EDAs. This Proposal specifically addresses water conservation, groundwater quality, stormwater runoff, flooding, and water supply reliability concerns for DACs/EDAs. The overview DAC/EDA map for the IRWM region, including each of the implementation projects included in the Proposal is seen in **Figure 5-1** below, using the 2016-2020 ACS data. Additional information on how each project addresses the water-related needs of local DACs/EDAs is provided below.

Figure 5-1: San Diego IRWM Region DACs/EDAs



Project 1: The Acres Water Consolidation Project - Phase 1, Part 2

The Acres Water Consolidation Project - Phase 1, Part 2 project will extend the Ramona MWD water lines to The Acres community (a DAC), allowing up to 11 DAC residences that are currently on wells to connect to municipal water supplies that are highly reliable, meet drinking water standards, and are provided through the regional diversified water supply, as shown in **Figure 5-2**. This project will help to address a known drinking water quality issue in a rural DAC. Further, rural DACs are documented as having less reliable water than those communities receiving water through a public water agency, as described in the San Diego IRWM Plan and summarized above.

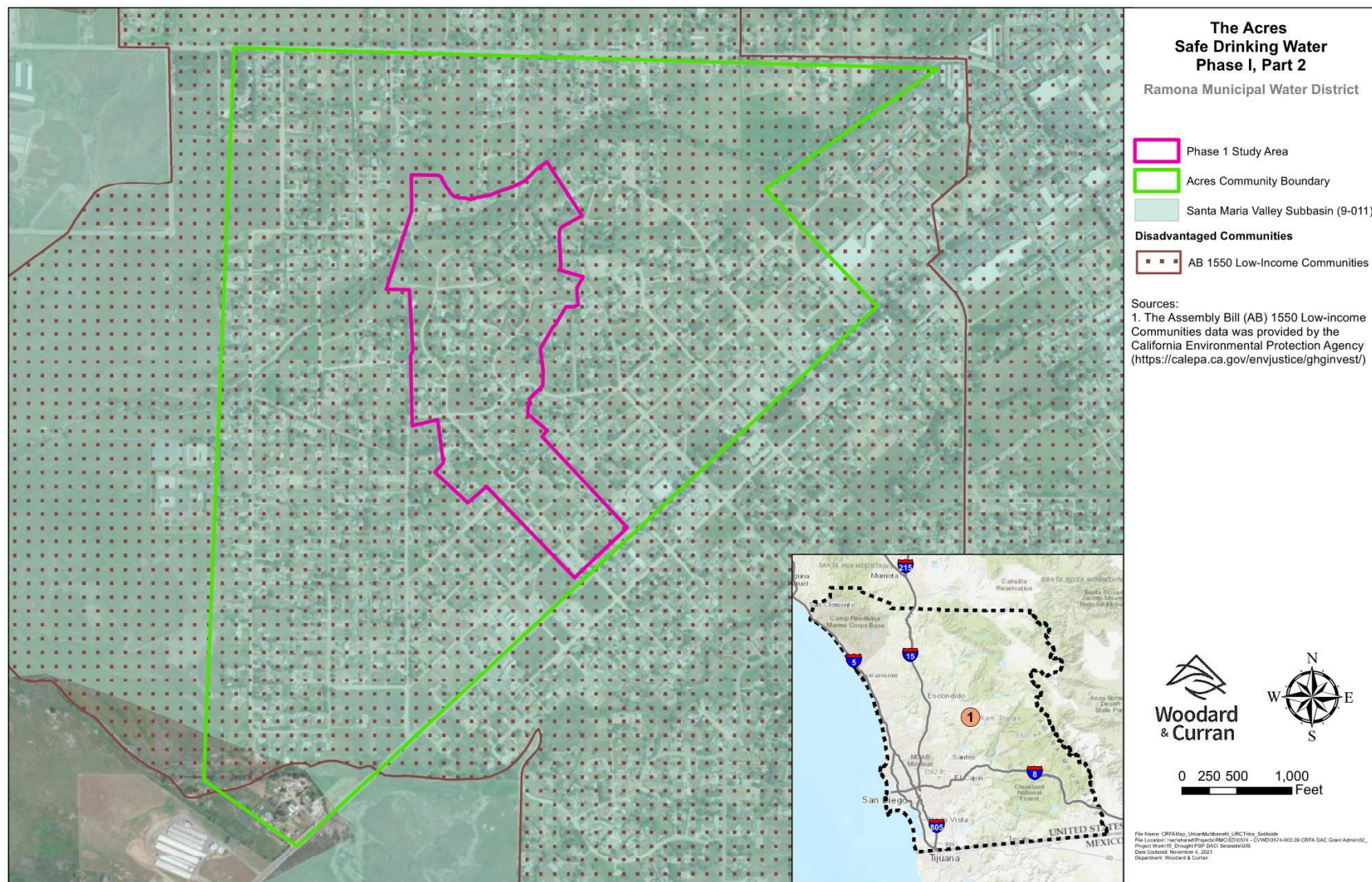
Percentage of Project Benefits Provided to a DAC/EDA

The project's benefit area by both population and geography is provided in **Table 5-2**. The Acres community was determined to be a DAC by the State Water Resources Control Board (SWRCB) during preparation of the project's Feasibility Study, which was completed through a technical assistance workplan funded by the SWRCB Safe and Affordable Funding for Equity and Resilience (SAFER) Program. The SAFER Program is only available to DACs. In addition, The Acres community is a low-income DAC, as defined by AB 1550. As the DAC/EDA benefit for this project was determined by the SWRCB to be greater than 75%, a 100% cost share waiver is requested.

Table 5-2: DAC/EDA % by Geography and Population for The Acres Water Consolidation Project - Phase 1, Part 2

Total Project Area (sq miles)	Area Mapped as DAC/EDA (sq miles)	% Area that is DAC/EDA	Total Population	Population Residing in DAC/EDA	% Population that is DAC/EDA
0.15	0.15	100%	51	51	100%

Figure 5-2: The Acres Water Consolidation Project - Phase 1, Part 2 DAC/EDA Map



Project 2: The Federal Blvd. De-channelization and Trail Construction Project

The Federal Blvd. De-channelization and Trail Construction project will provide natural recreation areas, improved water quality, and flood protection for the DACs adjacent to the project, as shown in **Figure 5-3**. Surface water quality and flooding are common issues for urban DACs in the San Diego IRWM region, as summarized above from the 2019 San Diego IRWM Plan.

Percentage of Project Benefits Provided to a DAC/EDA

According to DWR's DAC mapping tool, this project is located in a DAC with an MHI of \$47,337, well below the DAC threshold of 80% of statewide MHI. The project's benefit area by both population and geography is provided in **Table 5-3**. As the DAC/EDA benefit for this project is greater than 75%, a 100% cost share waiver is requested.

Table 5-3: DAC/EDA % by Geography and Population for The Federal Blvd. De-channelization and Trail Construction Project

Total Project Area (sq miles)	Area Mapped as DAC/EDA (sq miles)	% Area that is DAC/EDA	Total Population	Population Residing in DAC/EDA	% Population that is DAC/EDA
0.01	0.01	100%	1,336	1,336	100%

Figure 5-3: The Federal Blvd. De-channelization and Trail Construction Project DAC/EDA Map



Project 3: Ramona/Barona Recycled Water Pipeline Project

The Ramona/Barona Recycled Water Pipeline project will provide recycled water supplies to reduce current and future demand on potable water supplies and provide recycled water to meet irrigation and other non-potable uses on the Barona Reservation (a Tribe area), as shown in **Figure 5-4**. Rural DACs have documented challenges with meeting water supply reliability, as noted above and in the San Diego IRWM Plan. By offsetting demands for potable water through the increased use of recycled water, this project will help to protect water supplies for the Tribe, and reduce impacts to groundwater quality from over pumping.

Percentage of Project Benefits Provided to a DAC/EDA

This project is delivering recycled water to a federally-recognized Tribe, whose tribal lands map as a DAC, under AB 1550 and CalEPA's SB 535 Disadvantaged Communities map. The project's benefit area by both population and geography is provided in **Table 5-4**. As the Tribal benefit for this project is greater than 75%, a 100% cost share waiver is requested.

Table 5-4: Tribe % by Geography and Population for Ramona/Barona Recycled Water Pipeline Project

Total Project Benefit Area (sq miles)	Area Mapped as Tribe Area (sq miles)	% Area that is Tribe Area	Total Population	Population Residing in Tribe Area	% Population that is in Tribe Area
16.53	16.53	100%	727	727	100%

Figure 5-4: Ramona/Barona Recycled Water Pipeline Project Tribe Area Map

