Joint Integration Workshop & Regional Advisory Committee (RAC) Meeting #49
April 22, 2014
9:00 am – 11:00 am
San Diego County Water Authority Board Room
4677 Overland Avenue, San Diego, CA 92123

NOTES

Attendance

**RAC Members**
Albert Lau, Padre Dam (and Alternate Arne Sandvik)
Bill Hunter, Santa Fe Irrigation District
Bob Kennedy, Otay Water District/Metro Wastewater Joint Powers Authority
Brian Olney for Mark Umphres, Helix Water District
Crystal Najera, City of Encinitas
Dave Harvey, Rural Community Assistance Corporation (and Alternate Natalie Smith)
Eric Larson, San Diego County Farm Bureau
Jennifer Hazard, Alter Terra
Jennifer Sabine, Sweetwater Authority
Joe Kuhn, City of La Mesa
Joey Randall for Kimberly Thorner, Olivenhain Municipal Water District
Katie Levy, SANDAG
Kimberly O’Connell, University of California – San Diego Clean Water Utility (and Alternate Hawkeye Sheene)
Lawrence O’Leary for Patrick Crais, California Landscape Contractors Association
Leigh Johnson, University of California Cooperative Extension (and Alternate Loretta Bates)
Mo Lahsaie for Cari Dale, City of Oceanside
Nancy Stalnaker for Troy Bankston, County of San Diego
Rob Hutsel, San Diego River Park Foundation
Robyn Badger, San Diego Zoological Society (and Alternate Kelly Craig)
Sara Agahi for Dennis Bowling, Floodplain Management Association

**RWMG Staff**
Goldy Herbon, City of San Diego
Loisa Burton, San Diego County Water Authority
Mark Stadler, San Diego County Water Authority
Mark Stephens, City of San Diego
Peter Martin, City of San Diego
Interested Parties to the RAC
Bryn Evans, Dudek
Carlos Michelon, San Diego County Water Authority
Cary Sharp, San Diego Zoo Safari Park
Crystal Mohr, RMC Water and Environment
David Ahles, City of Carlsbad
Hank McCarrick, SECOSYS Water Technologies
Jeff Alexander, San Diego Gas & Electric
Jeff Marchand, Fallbrook Public Utility District
Jim Rasmus, Black and Veatch
Julie Hampel, University of California, San Diego
Kris McCarrick, SECOSYS Water Technologies
Kyle Darton, County of San Diego
Kyrsten Rosenthal, City of San Diego
Lori Swanson, San Diego County Water Authority
Mehdi Khalili, City of San Diego
Michael Garrod, Sweetwater Authority
Michele Shumate, San Diego County Water Authority
Rosalyn Prickett, RMC Water and Environment
Sally Johnson, RMC Water and Environment
Stephanie Shigematsu, San Diego Zoo Safari Park
Terrell Breaux, City of San Diego
Wilson Kennedy, City of San Diego

Welcome and Introductions
Ms. Goldy Herbon, San City of San Diego, welcomed everyone to the meeting. Introductions were made around the room.

Proposition 84-Round 3 Drought Relief Grant Opportunity
Ms. Herbon presented an overview of the Proposition 84 Round 3 Drought Relief grant opportunity. For the San Diego region, approximately $46 million remains under Proposition 84 Integrated Regional Water Management (IRWM) grants. Competition for Round 3 funding will be statewide, with $200 million available. This is unlike previous rounds, where funds were allocated by funding area.

The Draft Proposal Solicitation Package (PSP) was released in early April. This draft PSP provides information on the application process and eligibility requirements. Per the draft PSP, eligible project types:

- Provide immediate regional drought preparedness
- Increase local water supply reliability
- Implement conservation programs that are not locally cost effective
- Reduce water quality conflicts or ecosystem conflicts created by drought
- Have multiple benefits.
Other requirements included in the draft PSP are:

- 25% funding match – disadvantaged community (DAC) exception possible
- Reimbursement eligible beginning January 17, 2014
- Match funding eligible beginning January 1, 2010
- Sponsors must adopt 2013 San Diego Integrated Regional Water Management Plan
- Conservation projects may claim other primary benefits such as immediate regional drought preparedness
- Must meet California Labor Compliance requirements
- Groundwater Management Plan and Urban Water Management Plan requirements apply

Mr. Mark Stadler, San Diego County Water Authority, told the group that conservation projects must be non-locally cost effective. Normally, conservation projects are very cost effective. The California Department of Water Resources (DWR) has told the San Diego Region that to avoid conservation projects being considered under the non-locally cost effective standard, we can frame conservation projects as “drought-preparedness projects”.

**Proposition 84-Round 3 Project Selection Process**

Ms. Crystal Mohr, RMC Water and Environment, reviewed the Project Selection Process for the group. The process for Round 3 includes:

- Project scoring approved by Regional Advisory Committee (RAC) - April 22nd
- Projects submitted to online database by April 30th – database is currently open
- Projects numerically scored and ranked by third party
- Project scoring discussed and vetted with Regional Advisory Committee at May 15th Scoring Workshop.
- Projects evaluated by Project Selection Workgroup – Interviews will be held May 28th, so any potential project sponsors should be available that day in the event they are invited to an interview
- Suite of projects and funding amounts approved by RAC by June 4th
- Application should be submitted to the California Department of Water Resources in July 2014

**Project Database**

Ms. Mohr reviewed the project database and how to submit projects for consideration. She explained that the online Project Database is now open, but will close on April 30. Project must be submitted through the online project database, called OPTI. Users can access OPTI from the San Diego IRWM website (www.sdirmwmp.org). Users must register as a “community member” to submit a project. Ms. Mohr recommended users avoid Internet Explorer, as it can cause problems with the database. To submit a project, sign in to the online project database and click “New+” to submit a new project. Ms. Mohr reviewed some common problems and questions with the database:

- Works best with Mozilla or Chrome browsers
- Required fields indicated by red asterisk

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Recommend pre-filling out submittal information in Word file and copy-pasting into database (Word file with all database questions available online at Project Database)

- Save often
- Avoid using the “back” button on your browser
- Hit “Submit” when done.

If you have any questions, refer to the OPTI handout (provided at meeting) or contact Ms. Mohr (cmohr@rmcwater.com).

**Questions/Comments**

- Will there be guidance for RAC members who want to comment/advocate for their projects at the May 15th meeting?
  - This is the first scoring workshop the San Diego IRWM program will have held. The purpose is transparency in the selection process. The Workshop will have breakout groups by caucus to discuss project priorities because they have a better understanding of projects. The workshop is a final opportunity to weigh in on projects and give feedback to the Project Selection Workgroup.

- Will the final selection of projects be made by the Project Selection Workgroup?
  - Yes. Information from the May 15th workshop will go to the workgroup to consider. The May 15th workshop is an opportunity for the public to weigh in on projects prior to final selection.
  - Scores will be released in advance of the May 15th workshop. As a reminder, the Project Selection Workgroup gets a list of all projects. Each workgroup member can nominate a second tier project to be elevated to first tier, as long as they are not involved with the project they are nominating. If there is agreement from two-thirds of the workgroup, the project will be elevated to Tier 1. The workgroup throws out scores after getting a Tier 1 list.
  - As a reminder, projects must meet Objective A, B and at least one other objective to be considered for IRWM funding.

- What is the timing of projects?
  - Timing will be discussed later in the meeting. PSP says projects started by April 1, 2015 will score the highest. This date has been incorporated into the scoring criteria as a requirement to help the San Diego Region’s application be as competitive as possible.

- Reminder: Project must also be an IRWM project. Your project will earn a higher score if it:
  - Contributes to multiple IRWM goals and objectives
  - Benefits multiple watersheds
  - Creates new applied water/offsets potable demands
  - Is linked to other water management projects
  - Fosters partnerships among entities
  - Builds upon other local and regional planning efforts

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Benefits DACs

- Projects that create new water will get many points because creation of new water is both drought relief and a regional priority.
- Reminder: to be eligible project must meet Objective A (integration), Objective B (outreach), and another objective.
- Because Round 3 funding is for drought relief, will the requirement to meet Objective A and Objective B weed out good projects, if these objectives are not evaluated by the state?
  - We are obligated to honor our IRWM plan. There is probably at least one kind of integration you can do and a small outreach piece. You can be creative but it needs to get through the regional process to be considered by the state process.

Project Scoring

Ms. Mohr presented the draft numerical scoring criteria that will be used to score projects submitted to the online database. These scoring criteria are based on Table 9-1 of the 2013 San Diego IRWM Plan. The table has been modified to reflect the draft PSP, using the flexibility that was built into the table in the 2013 IRWM Plan. Red line items indicate recommended changes from the RWMG. The top section of the table is required for projects to be eligible for consideration. The April 1, 2015 start date is for the release of bid packages. The RWMG recommended dropping beneficial uses and watershed services to 0% because projects with those benefits may not meet the drought relief criteria. The RWMG is asking for discussion and final approval of the scoring criteria from the RAC.

Questions/Comments:

- Why did the RWMG give 10% weighting for “spans multiple watersheds”? What are watershed services?
  - The RWMG attempted to balance all of the existing criteria with the current drought solicitation opportunity – 10% seemed reasonable for the “spans multiple watersheds” criterion.
  - Watershed services are services that the watershed basin provides.
- Suggest reducing the 10% from “spans multiple watersheds” and moving it to “implements the Plan”.
  - Agree that “spans multiple watersheds” should be reduced, but suggest splitting it between “implements the Plan” and “creates new water supply”, 5% and 5% to each.
- What does “involves more than one entity” mean?
  - “Involves more than one entity” means partnerships. To score these points, the work plan must have at least two agencies implementing tasks.
- Agree with moving 10% from the “multiple watersheds” criteria, but what was the proposed split?
- Two options were discussed: (1) move to “implementation of Plan”, and (2) split between “implementation of Plan” and “creation of new water”. Remember, the money is statewide and for drought relief. We want to make ourselves competitive. Suggest 10% from multiple watersheds moved to offset potable demand (creation of new water), to increase competitiveness and maximize the money for San Diego.
Do we know how the state will score projects? We want the best projects for what we are doing now.
  - The PSP has a scoring table, though the criteria are mostly related to our pass/fail criteria.
    - Immediate drought
    - Water supply
    - Conservation not cost effective
    - Reduce conflicts from drought
  - DWR looks at completeness of materials, mostly if things are in place and justified. The intent is to defer to the local process for which projects to choose and then DWR evaluates if projects are justified. DWR also looks at the benefits claimed. For Round 3, each project will be scored individually instead of the package of projects as a whole, which is different from the last round. It is important that project proponents get the requested materials to the RWMG on time.

Beneficial uses should get 5% because this criterion addresses both drought relief and conflict reduction, which makes for a stronger application.

Didn’t we have a metric on the completeness of the application before?
  - This metric is considered in the Project Selection Workgroup consideration criteria, presented in the next table (see below).

Does the State see our selection criteria as part of our application package?
  - No.

Can you please clarify what is required in the project database? Two criteria are listed with 0% weighting but are still questions in the database. Have they been eliminated from the application? Should project sponsors enter information for these questions?
  - Due to the quick timing on this round, we opened the database before the scoring criteria had been finalized, so we left all potentially applicable criteria in the database. Anything in the database that has a scoring criteria weighting of 0% can be ignored, but more information entered into the database means that more information will be available for the workgroup to consider. These 0% criteria may not affect the number score, but more complete information is often useful for the workgroup.

In which situations will projects with high scores not be included in the application package?
  - The mention of a high scoring project not being selected in the past was an example only. Once a project has been scored and is being considered by the workgroup, the workgroup generally stops looking at scores. For example, there may be a high-scoring project but it asks for too much money. If the workgroup talks to the project sponsor and the project sponsor cannot implement the project in phases or reduce costs in some way, then that project may not get selected.

Suggest reducing “involves more than one entity” to 10%, and moving to “addresses beneficial uses”.
How many DAC projects have been included in San Diego IRWM grant applications?

- The Region struggles with the DWR seeing our DAC projects as meeting their standard for DAC projects. 99% of the region’s population is served by water suppliers, which all provide safe drinking water to residents. The rural DAC projects have been challenging due to DWR’s reviews of the projects, but we have funded two projects through the Rural Community Assistance Corporation (RCAC).
- For the Round 2 application, the San Diego Region thought we had 3 DAC projects, but DWR said none of them qualified as DAC projects. Two of these projects did not address drinking water, and the RCAC project did not count as a DAC project because the individual projects that would be funded through RCAC had not yet been selected.
- We would like DAC points if there are drought relief projects that are also safe drinking water projects.

How are DACs defined?

- DACs are defined by DWR by median household income (MHI), by census blocks. A DAC is officially defined as a community with a MHI that is 80% less than the statewide average MHI. There are DAC maps in the online project database for the San Diego Region. Given past experience with DWR’s interpretation of DACs, we will take a new approach for Round 3, and likely will do a population ratio to get some DAC points.

Mr. Rob Hutsel, San Diego River Park Foundation, made a motion to reduce the weighting for “Spans multiple watersheds” from 10% to 0%, reduce the weighting for “Involves more than one entity” from 15% to 10%, increase weighting for “Addresses multiple beneficial uses” form 0% to 5%, increase “Creates new applied water or offsets potable demand” from 30% to 35%, and increase “Implements IRWM Plan recommendation…” from 15% to 20%. Mr. Joey Randall, Olivenhain Municipal Water District, seconded the motion.

YES: 21
NO: 0

The motion passed.

**Workgroup Considerations**

Ms. Rosalyn Prickett, RMC presented the Project Selection Workgroup considerations, adapted from Table 9-2 of the 2013 San Diego IRWM Plan. Red line indicates changes made in response to the draft PSP, as recommended by the RWMG for discussion with the RAC. Note that in the past, the grant cycles have been 5 years, but the RWMG has heard that the Round 3 drought relief cycle will be only 3 years. This is not in the draft PSP, but to be safe, the RWMG recommends extra consideration for projects that can be completed within 3 years. Responsiveness is very important for this round – the speed of the grant cycle means project sponsors must be responsive so they do not jeopardize the application’s success.

For conservation projects, DWR has said if it is cost-effective, the region should already be doing it. The RWMG will work with project proponents to make sure we do not have to do the cost effectiveness analysis required for conservation projects.

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Questions/Comments

- Proposal level criteria includes an April 1, 2015 implementation start date, but this is also a pass/fail criteria used during project scoring – are you concerned we won’t get projects that can be implemented that early?
  - The April 1, 2015 start date is included just to be safe. The intent is that all projects in the proposal can begin by April 1st.
- Are there any concerns over our total funding ask?
  - Remember that we have $46 million left for the San Diego Region, what we get in Round 3 will be taken from that amount.
- In the past, DWR has sometimes over-funded regions.
  - At the end of the final round of funding, the total awarded to each Funding Area will not exceed the overall funding for the area that was allocated in Prop. 84.
- Last time (for Round 2), we had a minimum grant request per project, can we have guidance on minimum request this time?
  - San Diego County Water Authority recommends a $500,000 minimum. IRWM grants are complicated to administer and are not cost-effective for small grant amounts. Suggestions on minimum project ask are welcome, but there is no minimum right now.
- Suggest a minimum ask of $500,000 per project, with a range of $16.5 - $20 million ask for the entire proposal, to allow flexibility for the project workgroup.
- Would like to be able to get funding for cutting edge projects. Suggest a minimum ask of $150,000 - $250,000 for cutting edge projects, and provide flexibility for discussing DAC projects.
  - Have asked for flexibility on the DAC definition, but so far have not gotten it from DWR. The effort of administering the IRWM grant is just not worth it for $150,000 - $200,000 grants.
  - Want consideration of technology to be incorporated, but it could be integrated into other projects.
    - Good opportunity for integration/partnerships.
- Consider a way to address smaller projects for next round. It is possible for a solution to this but there is no time this round. The RWMG encourages partnerships to bring smaller projects together to meet the suggested minimum ask. The RWMG is pushing the California Department of Water Resources to include cutting edge into grants.

Mr. Hutsel made a motion to add a $500,000 per project minimum ask, change the total proposal ask from $16.5 million to a range of $16.5 million up to $20 million, and to add the proposal should include 6 to 8 projects. Ms. Katie Levy, SANDAG, seconded the motion.

YES: 20

NO: 0

The motion passed.

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Project Selection Workgroup

Ms. Mohr presented the nominations for the Project Selection Workgroup. There were no questions or comments regarding the proposed workgroup members. Mr. Eric Larson, San Diego County Farm Bureau, made a motion to convene the workgroup as presented. Ms. Robyn Badger, San Diego Zoological Society, seconded the motion.

Yes: 20
No: 0
The motion passed.

What is Integration?

Mr. Stadler updated the group on the status of the Proposition 50 invoices. All Prop. 50 invoices through last September have been processed and the Water Authority just received the check. Project sponsors can expect to be reimbursed soon.

Mr. Stadler reviewed IRWM projects and the meaning of Integration. IRWM projects meet one or more IRWM goal:

- Optimize water supply reliability
- Protect and enhance water quality
- Provide stewardship of our natural resources
- Coordinate and integrate water resource management

Integration is the “I” in IRWM, and increases both the level of benefits to the Region and the likelihood the project will receive IRWM grant funding. Because of the importance of integration, during development of the 2013 IRWM Plan, it was made a requirement for projects to be considered for funding. As defined in the 2013 IRWM Plan, there are 5 types of integration:

- Partnership – partnerships must be between different organizations and have more than one organization listed on the work plan;
- Resource Management – incorporate different resource management strategies in the same project;
- Beneficial Uses – projects support multiple beneficial uses;
- Geography – watershed-scale or regional scale projects;
- Hydrology – project addresses different functions within watershed’s hydrologic cycle.

Questions/Comments

- Not enough tribal projects score well. There are five Tribes in one of the watersheds.
  - The Region has worked hard to get tribal participation in the IRWM program. There used to be a RAC representative for the tribes, but they have been pulled by their tribes. The RWMG has held multiple meetings with tribes about grants and the IRWM Plan, but there are a lot of hurdles to their participation. Tribes are sovereign nations, and as such are subject to NEPA, not CEQA. However, CEQA is required to receive DWR funding. There is also concern over forming contracts with non-sovereign entities, such as the state or the Water Authority. The Region is hoping to get funding to tribes through intermediary organizations, such as RCAC.

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• The San Diego River Park Foundation has worked with Lisa Haws at the Kumeyaay Diegueno Land Conservancy to get funding to tribes.
• Suggest we set aside some funding to help pay for the Tribes’ time to increase participation. A lot of potential Tribal projects can score well.
• RCAC is working to bring funding to tribes. It is meeting with Indian Health Services (IHS) to discuss the drought. Using this method is a backdoor way to get money to tribal project, but at least it’s getting through the door.
• Is a project that includes partnership between departments with multiple beneficial uses considered integrated?
  o Yes, it is beneficial use integration and resource management integration, but it would not get partnership points because it would not include partnerships between different organizations.
  o Project Selection Workgroup looks at the strength of the integration.
• For stormwater projects, suggest focusing on water supply not water quality.
  o Because of the points for immediate drought relief projects, storm water capture projects would score well.

Next RAC meeting
Mr. Stadler presented the schedule for RAC meetings set for 2014:

Next RAC Meeting:
• Joint RAC Meeting and Scoring Workshop: May 15th, 2014 – 9:00 am-11:00 am
• June 4th, 2014 – 9-11:30am

2014 Meeting Schedule:
• August 6, 2014
• October 1, 2014
• December 3, 2014

Integration Breakout Groups
Mr. Stadler opened the meeting to Breakout Groups based on location. Breakout group members were encouraged to discuss potential projects and identify potential opportunities for integration. The meeting was adjourned following these breakout sessions.