



Joint Scoring Workshop & Regional Advisory Committee (RAC) Meeting #50

May 15, 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

Ken Weinberg, San Diego County Water Authority (chair)
Arne Sandvik for Albert Lau, Padre Dam
Anne Bamford, Industrial Environmental Association
Bob Kennedy, Otay Water District/Metro Wastewater Joint Powers Authority
Brian Olney for Mark Umphres, Helix Water District
Jennifer Sabine, Sweetwater Authority (and Alternate Ron Mosher)
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)
Leigh Johnson, University of California Cooperative Extension (and Alternate Loretta Bates)
Rob Hutsel, San Diego River Park Foundation
Robyn Badger, San Diego Zoological Society (and Alternate Kelly Craig)

RWVG Staff

Loisa Burton, San Diego County Water Authority
Mark Stadler, San Diego County Water Authority
Goldy Herbon, City of San Diego
Mark Stephens, City of San Diego
Peter Martin, City of San Diego
Kyle Darton, County of San Diego

Interested Parties to the RAC

Carlos Michelin, San Diego County Water Authority
Crystal Mohr, RMC Water and Environment
David Ahles, City of Carlsbad
David Flores, Casa Familiar
Dawn Flores, RMC Water and Environment
Jack Bebee, Fallbrook Public Utilities Department
Jane Davies, Sweetwater Authority

Jim Rasmus, Black and Veatch
Julie Hampel, University of California, San Diego
Kyrsten Burr-Rosenthal, City of San Diego
Maureen Stapleton, San Diego County Water Authority
Mehdi Khalili, City of San Diego
Michele Shumate, San Diego County Water Authority
Ray Raberson, City of Carlsbad
Roy Coox, Vista Irrigation District
Sally Johnson, RMC Water and Environment
Terrell Breaux, City of San Diego

Welcome and Introductions

Mr. Ken Weinberg, San Diego County Water Authority, welcomed everyone to the meeting. Introductions were made around the room.

Hans Doe Trust Grants

Ms. Maureen Stapleton, San Diego County Water Authority, and Mr. Roy Coox, Vista Irrigation District, presented information on the Hans and Margaret Doe Trust Grants to the Integrated Regional Water Management (IRWM) group. These grants fund water education and water issue education projects and programs, which seem to fit well with the IRWM program's emphasis on stakeholder outreach and integrated approaches to water management. Grants are issued every year, with submittals assessed beginning around July 1, and interviews held in September or October. Final grants are awarded around October of each year, with approximately \$30,000 to \$50,000 awarded annually. The grants have funded a wide variety of things, the only requirement being that it is related to water education and water knowledge in the region. Ms. Stapleton informed the group that there is no formal application, but project sponsors submit:

- What the project is
- Who is served by the project
- How the grant funds will be used
- Any other funding that will help cover the project costs

A brochure on the Hans and Margaret Doe Trust Grant was provided to attendees, and interested potential project sponsors were encouraged to contact the grant administrator, Ms. Shirley Woodson (swoodson@hechtsolberg.com, or 619-239-3444).

Proposition 84-Round 3 Project Scoring Process

Mr. Weinberg reminded the group that the current round of Proposition 84 grant funding is specifically geared towards projects that respond to the drought. While the impacts from the drought are not as severe in the San Diego Region as compared to other places in the state, the Region needs to remember there is concern for both the current drought and future drought conditions if the drought continues into 2015. Drought response is still critical for the Region, which is apparent as currently there are several fires burning in the Region due to dry, warm conditions.

Ms. Goldy Herbon, City of San Diego, presented an overview of the project selection process. She reviewed the timeline for project selection, and reminded the group that project sponsors may be invited to interview, which would occur May 28, and that the RAC will be asked to approve the final suite of projects on June 4. She reminded the group that the numeric scores are not the only thing considered by the workgroup. Ms. Herbon explained that all of the projects have been scored by a third-party, and vetted for accuracy and consistency. In the past, projects have been grouped into Tier 1 and Tier 2 projects, but given the small number of projects submitted this round, the Regional Water Management Group (RWMG) recommends eliminating tiering in this round.

Mr. Mark Stadler, San Diego County Water Authority stated that he attended the draft Project Solicitation Package (PSP) workshop held by California Department of Water Resources (DWR) on May 12. The message from DWR was that this round of funding is going to occur on a very fast timeline. The Final PSP is expected to be released in early June, and applicants will have 30 days to submit their applications. DWR is aiming for applications to be submitted before July 4. DWR would have a 60 day review period, final awards would be released in the beginning of September, and contracts executed by the end of the year. As proposed by DWR, there would not be a draft award list or public comment period on the application scores. Mr. Stadler reminded the group that in the previous round of funding, this public comment period and draft award step was crucial to the San Diego Region's success in getting 100% funded, as it was for other regions in the state. Mr. Stadler also reminded the group that today, May 15, was the deadline to submit comments to DWR regarding the draft PSP. He told the group that while at the meeting, he made comments to DWR, including:

- The Water Authority is pleased that the application has been streamlined, and is especially appreciative that DWR has removed the economic analysis
- The Water Authority stresses that applicants need 60 days to complete a good application
- Asked for a public review of draft awards
- Recommend Drought Relief funding be allocated by Funding Area, as in previous rounds, rather than statewide, as in the draft PSP

Mr. Stadler explained that part of the reasoning behind the request for Funding Area allocation is because the governor has called on everyone in the state to reduce demands by 20%, and because there is uncertainty regarding the water/drought conditions in the near-term future if the drought persists.

Mr. Stadler explained to the group that projects were scored by Dawn Flores, RMC Water and Environment, and that while Ms. Flores works for the same consulting firm that helps with the San Diego IRWM Program, Ms. Flores has no connection with either the San Diego IRWM Program or any of the projects in the Region. Ms. Flores is also very familiar with IRWM programs in general, as she has extensive experience working with other IRWM regions in California.

Ms. Flores reviewed the scoring process with the group. She explained that scores were based on the criteria approved by the RAC on April 22, and that projects must meet all of the pass/fail requirements before being scored. Scores were awarded and weighted according the scoring criteria. Ms. Flores reviewed in greater detail how each of the scoring criteria were evaluated.

Questions/Comments

- At the last discussion, it was mentioned that the Region has difficulty in getting DAC points from DWR. Suggest that projects only score DAC points if they are viable for DAC points from the state.
- There are many DACs and DAC projects in San Diego, but the issue is how such projects are defined by DWR. In the past, the Region has had a difficult time getting DWR to recognize our projects as true DAC projects.
 - DWR defines DAC projects in two ways: projects that address critical water supply or water quality issues experienced by DACs (this translates to provision of clean drinking water), and partial credit given proportionally for larger projects (such as region-wide projects) that will serve both DACs and non-DACs.

Project Scores

Ms. Crystal Mohr, RMC Water and Environment presented the scores received by the submitted projects. Twelve projects were submitted for Round 3 by 11 project sponsors, with a total grant request of \$30.3 million. Projects were distributed across the region. Ms. Mohr reminded the group that at the last RAC meeting, the RAC decided the Project Selection Workgroup should select 6-8 projects for a total of \$16.5 to \$20 million grant request. Scores ranged from 2.1 to 3.9, out of a total of 4 points, and tables showing project scores were organized by score and the order the projects were received.

Questions/Comments:

- The City of San Diego's Potable Water Use Reduction and Drought Relief project did not list a formal partner when submitting their project. The project includes a pressure regulator rebate program for residential and commercial customers. Because 30% of indoor water use is hot water, SDG&E had expressed interest in the project, but a formal letter of support was not completed by the April 30 deadline for submittal. The City now has a letter of support from SDG&E and would like to amend their application. This partnership will also increase the project's score.
- The Water Authority's Regional Drought Response Program would provide water quality benefits through its landscaping improvements. By improving water quality and reducing runoff, the project will reduce pollutants entering the ocean, and reduce beach closures. Did the project receive credit for this benefit and the associated beneficial use?
 - In general, projects need to show a direct nexus between the project and the claimed beneficial use(s). If you can show the connection, then yes the project can receive credit for this.
 - This is an issue with projects that address non-point source pollution – because it is non-point source, it is difficult to show the direct nexus between the project and the benefits related to such pollution.
 - Regional projects have a regional benefit, and therefore benefit all watersheds in the region. Do the projects need to target specific watersheds, or know in which specific watersheds the benefits will accrue to receive credit for the beneficial uses?

- The projects were scored using the perspective that DWR will take when evaluating projects, which is that a nexus between the project and the benefit is required.
- It is detrimental to programmatic projects to lump them into consideration against capital projects. Regulatory programs have legitimate benefits but are penalized just because they cannot tick off a box in the project database/application. Can this comment be passed along to DWR?
 - The Project Selection Workgroup will consider all projects, and considers more aspects than just the scores. The scores are not the end of the selection process. Additionally, regional projects have tended to score very well with the project selection workgroup due to their large-scale benefits.
- Now that the scores have been completed, can project sponsors add additional information? For example, the project did not include disadvantaged community (DAC) benefits because they did not think it would pass DWR's standards. Can that information be added now?
 - Yes, all project sponsors will have until COB on Monday, May 19th to submit additional information about their projects. Crystal Mohr will send an email to project sponsors this afternoon with how to submit additional information.
- There is an error in scoring for the Sweetwater Authority's project. There are 3 beneficial uses for the Sweetwater Valley groundwater basin, not 1. This was something left out of the database, which should be corrected.
- Can we explain the ground rules of the Project Selection Workgroup to the group?
 - Ground rules include that project proponents should not speak to Project Selection Workgroup members, and if they do, Workgroup members must disclose this information to the Workgroup. Comments and additional information for the Workgroup should be filtered through the consultant group to prevent lobbying and provide as objective information as possible.
- Will the project interviews be one last chance to provide additional information?
 - Yes. For projects selected for interviews, the same questions will be asked of each project sponsor, along with any project-specific questions necessary to provide additional information as needed by the project selection workgroup. Applicants can also provide additional information during the interview.
 - The Workgroup chooses who will be interviewed, and not all 12 projects may be invited to interview, so it is important that any additional information project sponsors think would be useful to the Workgroup be provided to Crystal Mohr (cmohr@rmcwater.com) by the end of the day on Monday, May 19.
- The City of Escondido's project applies water in DACs, and will provide jobs and other opportunities to DACs. Why did the project only receive partial credit? What was the difference between receiving 2 points and receiving 4 points?

- DWR interprets DAC benefits as provision of clean drinking water. Projects in municipal areas that will benefit a large area that includes DACs were the only projects eligible to receive 4 points.

Caucus Break-Out Groups

Mr. Stadler explained that the Project Selection Workgroup wants to hear feedback from the RAC and stakeholders about project priorities and general priorities for the Region for this round of grant funding. To do this, the group was split into break-out groups by caucus: Water Supply; Water Quality; Natural Resources and Watersheds; DAC/Environmental Justice (EJ); and Other. Each caucus was asked to consider the project's ability to address issues relevant to the caucus, and their competitiveness for Round 3 funding. The goal of the break-out groups was to find consensus on the most important project(s) to receive funding and any other priorities that should be considered by the project selection workgroup. Caucuses were asked to look at projects through the prism of their caucus's focus. The group was given 40 minutes to discuss projects in their break-out groups before reporting back.

Caucus Reporting

The caucuses reconvened as a whole and caucus facilitators reported on their discussions. Key messages for each caucus were:

Water Quality: The caucus discussed the fact that the projects seems to focus on water supply (which is reasonable for the drought funding), but that they discussed water quality benefits that could be provided by projects, including reduced wastewater discharge, reduced potable use, reduced runoff, and direct environmental/water quality benefits. Water quality is a good benefit to consider, but the caucus felt that water supply was the most important thing for the Project Selection Workgroup to consider. The caucus felt that the Project Selection Workgroup should consider getting the most out of the grant dollars (biggest benefit per cost). The caucus was unable to come to consensus on a single priority project, but felt that the top projects include: Hodges Oxygenation project, the City of Escondido project, the Fallbrook PUD project, and the Sweetwater Desalination project.

Other: The Other caucus struggled with finding their perspective considering that members come from many different backgrounds. Ultimately, the caucus felt that the Rural Community Assistance Corporation (RCAC) project did not fit the requirements of the grant solicitation. The caucus also had concerns about the quantification of water savings for the Water Authority's project and thought because of this the project should not be considered for this round of funding. The Other caucus was also unable to come to consensus on a single priority project, but felt the top four projects include: Sweetwater Authority Desalination project, the Carlsbad recycled water project, the Padre Dam project, and the UCSD project.

DAC/EJ: The DAC/EJ caucus did not come to consensus on a priority project. Instead, the caucus felt that it did not make sense to consider DAC/EJs in this round of funding, because the only project that has strong DAC benefits is the RCAC project, which the caucus felt should not be considered because it does not meet requirements of the drought solicitation. The caucus recommended that the Project Selection Workgroup not consider DACs when selecting projects, but if they do, that projects should show a direct nexus with DACs and that DACs should be located within the project area.

Water Supply: The Water Supply caucus felt that the RCAC project should be removed from consideration because it was ambiguous as to whether it truly qualified as a drought relief project. The caucus felt that the Workgroup should consider the per-unit cost of the amount of water that is produced or served as compared to the grant request/total project cost, and that a strong return-on-investment would be more competitive.

Natural Resources: The natural resources caucus did not feel that they know enough about the projects to judge them on individual merits. Instead, the caucus made general recommendations, the first being that projects should be considered for cost-effectiveness (largest benefit/grant request). There was conflict within the group on what should be a priority of the Workgroup one faction felt that the Workgroup should select a suite of projects that focuses entirely on what is described in the PSP (drought relief measures), while the other faction felt it was important for the Workgroup to balance IRWM principles (multi-benefit projects) with drought relief measures. The caucus feels that the application should include a blend of approaches to be most competitive (recycled water, conservation, desalination, etc.).

Questions/Comments

- For the Water Authority project, there are quantifiable benefits, including the amount of water that would be saved upon implementing the project. This information can be provided to the Project Selection Workgroup.
- How will this input from the caucuses be used?
 - The meeting notes for this meeting will include a summary of the discussion as presented to the group, and posted online. A summary of the discussion will also be provided directly to the Project Selection Workgroup.
- How does the requirement for non-cost effective conservation projects relate to the recommendations heard today that the Workgroup consider cost effectiveness?
 - The non-cost-effectiveness requirement only applies to conservation projects. The Region will not include “conservation” projects in its application. Instead, projects with conservation benefits are considered “drought preparedness” projects that help the region prepare for drought and increase supply through conserving water.

Summary and Next Steps

Mr. Stadler reviewed the next steps in the grant application process, including convening the Project Selection Workgroup, project interviews on May 28, and presentation to the RAC on June 4 of the Workgroup’s recommendations for projects to include in the proposal. The RAC recommendation will be presented to the Water Authority’s Board for approval on June 26.

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

Next RAC Meeting:

- June 4, 2014 – 9-11:30am

2014 Meeting Schedule:

- August 6, 2014
- October 1, 2014
- December 3, 2014