Project Workshop
June 14, 2010
6:00 p.m. – 8:00 p.m.

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June 15, 2010
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City of Encinitas, City Hall
Poinsettia Room
505 S. Vulcan Avenue
Encinitas, CA 92024

City of Chula Vista
Public Works Center
1800 Maxwell Road
Chula Vista, CA 91911

SUMMARY

Welcome & Introductions

Mark Stadler, San Diego County Water Authority, welcomed everyone to the workshop and introductions were made around the room.

What is IRWM Planning?

Mark Stadler provided an overview of integrated regional water management (IRWM) planning. He described how this regional approach is preferred by the California Department of Water Resources (DWR) and the State Water Resources Control Board. IRWM planning is important because it 1) fosters agency collaboration, 2) supports effective water management, 3) enables stakeholder participation, and 4) positions the region for funding.

The San Diego IRWM program involves *"...protecting, managing, and developing reliable and sustainable water resources..."* within the coastal hydrologic units in San Diego County. Active participants in the program include the Regional Water Management Group (San Diego County Water Authority, County of San Diego, and City of San Diego), the Regional Advisory Committee (a 32-member inter-disciplinary committee), and the Tri-County Funding Area Coordinating Committee (a partnership with the South Orange County and Upper Santa Margarita River IRWM regions). The local program is focused on 1) optimizing water supply reliability, 2) protecting and enhancing water quality, 3) providing stewardship of natural resources, and 4) coordinating and integrating water resource management.

The IRWM program provides grant funding opportunities through Proposition 50 (San Diego received $25 million), Proposition 84 (San Diego will receive $71 million), and Proposition 1E (which is competitive Statewide). The Proposition 84 funds are anticipated to be released in three rounds over the next few years.

Review & Feedback on Prop 50 Grant Cycle

Mark Stadler explained how the upcoming Proposition 84 grant cycle will compare to the previous Proposition 50 cycle. The key differences include an online project database for project submittal and the opportunity for watershed groups to review and provide comments on

submitted projects. Lessons learned from the Proposition 50 grant cycle include 1) limit your projected funding match (do not exaggerate the funding match; break project into phases if appropriate), 2) submit only ready-to-proceed projects, 3) local cost share must be spent before the grant reimbursement, and 4) IRWM grants cannot fund staff positions.

How to Submit Projects

Rosalyn Stewart, RMC Water & Environment, explained how local project sponsors can submit their projects for consideration in the upcoming Proposition 84 grant application. The online project database can be accessed through the website – www.sdirwmp.org. Once project sponsors create a user account, they can add, edit, and submit projects to the database. The submittal forms request information about project description, budget, and project feasibility, as well as how the project contributes to San Diego IRWM Plan objectives. Project sponsors can also view all other submitted projects and identify potential project partners. Finally, to facilitate partnerships, the database allows for the sharing of projects by multiple users.

Projects submitted by August 2, 2010 will be considered for Proposition 84 Round 1 funding. Projects may be submitted after the deadline for consideration in future rounds. As each new grant cycle arises, announcements will go out to update or submit projects for consideration.

Explanation of Project Scoring

Sheri McPherson, County of San Diego, explained the three-step project scoring process contained within the adopted San Diego IRWM Plan. Step 1 involves pass/fail screening criteria to determine if a project is eligible for consideration. Step 2 involves nine scoring criterion including 1) addresses multiple Plan objectives, 2) integrates multiple strategies, 3) spans multiple hydrologic units, 4) creates new water, 5) linked to other projects, 6) involves more than one entity, 7) identified in an existing plan, 8) directly benefits a disadvantaged community, and 9) addresses an environmental justice concern. Step 3 involves separating the projects into high-scoring Tier 1 and low-scoring Tier 2. A Project Selection Workgroup then evaluates the Tier 1 projects for inclusion within a grant application.

Hints on How to Review Your Project with Respect to Scoring Criteria

Sheri McPherson provided hints on how to review projects by identifying where the scoring criteria are imbedded in the online project database submittal forms. The following project database fields are therefore critical for earning enough points to be placed in Tier 1: fields 14, 22, 23, 24, and 27 on the Description form; fields 1-11 on the Objectives form; and fields 1-31 on the Strategies form. When identifying the water management strategies each project uses, project proponents should be realistic about which strategies are direct actions, not indirect benefits. Several examples were given and discussed by the group.

Proposition 84 Requirements

Cathy Pieroni, City of San Diego, reviewed several Proposition 84 eligibility and contracting requirements that may be important to project proponents. Eligibility requirements include submittal of projects by August 2, 2010; compliance with the Urban Water Management Plan Act and AB 1420 by urban water suppliers; and preparation of a Groundwater Management Plan for all groundwater recharge projects. Draft contract requirements include acknowledgement that the grant is a reimbursement for completed work (invoicing cycle is 2-6 months); a funding match of 25% for Proposition 84 and 50% for Proposition 1E; a 10% retention will be withheld until all reporting requirements are completed; CEQA compliance; and implementation of a Labor Compliance Program for all public works projects.

Wrap Up & Thank You

Cathy Pieroni thanked everyone for participating in the Project Workshop and reminded the group that contact information is available on the website – www.sdirwmp.org.

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Questions & Answers

- Will all three rounds of Prop 84 funding add up to $71 million share?
    - Yes.
- When does the funding match start?
    - According to DWR's draft Guidelines, the funding match may begin once the region has been notified of our grant award. Grant reimbursement begins after contract execution.
    - However, we have requested that this date be moved back to early 2009 so that current project spending can count toward the funding match.
- How do you deal with conflicts of interest when selecting projects?

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    - Members of agencies that may have conflicts of interest relating to a project cannot vote on, discourage, or advocate these projects.
- How are watershed groups defined?
    - These groups consist of stakeholders who have voiced support for and volunteered to participate in the IRWM process.
    - Known watershed groups are listed in the Project Guide Appendix A – others will be added as they are identified.
- What about planning projects that don't lead to construction?
    - Usually approved projects involve some type of on-the-ground activity, although it is not necessary. Drainage or recycled water master plans may apply.
    - *Clarification – DWR has informed us that there is no stipulation for an on-the-ground component in Prop 84. Rather emphasis is put on how the project benefits the IRWM Region in general and how it contributes to the overall IRWM Plan.*
- Do you need to complete CEQA documentation first?
    - CEQA is required either before or as part of the grant application work plan.
- Can you resubmit the same project for funding under Prop 84 that was funded in Prop 50?
    - Yes, as long as the project meets the San Diego IRWM Plan objectives and has shown signs of progress.
- What is the deadline for Prop 1E projects?
    - The Prop 1E cycle is anticipated after Prop 84 in Spring 2011. There is no deadline for submittal to the Project Database.

- Can mitigation be included as part of a project?
  - Yes, Prop 84 does allow grant funding to be used for mitigation.
- What does 'affected hydrologic unit' mean?
  - What watershed is benefited by the project – 'affected' does not imply a negative impact.
- How many Prop 50 projects got thrown out in pass/fail phase of screening process?
  - Very few. One example involved a quarry project that was proposed by someone who does not own the quarry.
- What is an example of stakeholder involvement in an IRWM project?
  - San Diego CoastKeeper received funding for a water monitoring program that involved outreach and training to local residents.
- Can you use staff labor and volunteers for the funding match?
  - Yes, both can be used with a reasonable billing rate. Also, staff labor must be an existing position. You can't create a new position that is funded by the grant.
- What proportion of project cost can be administrative?
  - 2% of total project costs can be grant administration.

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- What constitutes a local funding match? Can the match be provided by anyone?
  - The local match must come from non-State sources (i.e., local or federal funds) used by the project partners.
- Can a Prop 84 project include water quality monitoring or flood area planning?
  - Yes, but the project must include an on-the-ground component as well.

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- Why would I use the sharing function, versus giving someone my password/login?
  - Sharing enables you to pick which projects you want to open for editing by others, rather than sharing all of your projects.
- When does Prop 1E start?

- o The Prop 1E cycle is anticipated after Prop 84 in Spring 2011. There is no deadline for submittal to the Project Database.
- Please define 'water management strategies'?
  - o Water management strategies were defined by DWR in the California Water Plan 2005, which our IRWM Plan used as a basis.
- What happens when you have $200 million requested funds but only $10 million to award?
  - o Tier 1 projects will be further evaluated by a Project Selection Workgroup to determine which are the most beneficial to the region. If not enough funds are available for all of the projects selected, the Workgroup will negotiate scope and budget with the project proponents. The goal is to develop a suite of projects that represent the regional needs.
- If you do groundwater recharge or stormwater capture, is that 'creating new water'?
  - o Yes.
- How are disadvantaged communities defined? Are the Community Development Block Grant blight zones considered disadvantaged communities?
  - o DWRs' current definition is 80% of the Statewide Median Household Income based on U.S. Census data. Need to work with DWR to come up with an agreement on blight zone methodology.
- Is there a list of local/regional plans that may include projects?
  - o IRWM Plan appendix includes a list of watershed management plans. Other plans may include water and sewer master plans, flood control plans, etc.
- Is indirect potable reuse a potable water treatment and distribution strategy?
  - o Yes.
- Are there any criteria for vetting project sponsors, such as ability to show cash flow?
  - o You need to spend 25% of the total project cost before you receive grant reimbursement, so that tends to resolve that issue. The group is familiar with most local agencies and organizations.
- Can you use staff labor and volunteers for the funding match?
  - o Yes, both can be used with a reasonable billing rate.
- What is the labor compliance program?
  - o It is minimum wage and other things, applicable only to public works projects.
- When do you get 10% retention back?
  - o Once DWR has affirm that the work has been completed and all reporting requirements have been met. Retention cannot be returned at milestones.