



...A United Voice for the Santa Ana River Watershed

**OWOW STEERING COMMITTEE
REGULAR MEETING MINUTES
JANUARY 28, 2016**

Committee Members	
<u>Santa Ana Watershed Project Authority Representatives</u>	
Ronald W. Sullivan, Convener, Eastern Municipal Water District	Absent
Thomas P. Evans, Western Municipal Water District	Present
<u>County Supervisor Representatives</u>	
Marion Ashley, Riverside County Board of Supervisors	Absent
Shawn Nelson, Orange County Board of Supervisors	Absent
Curt Hagman, San Bernardino County Board of Supervisors	Absent
<u>County Mayor Representatives</u>	
Ron Loveridge, Mayor, City of Riverside	Absent
Beth Krom, Mayor, City of Irvine	Present
Jon Harrison, Mayor Pro Tem, City of Redlands	Present
<u>Business Committee Representative</u>	
Ali Sahabi, President, Optimum Group, LLC	Absent
<u>Environmental Committee Representative</u>	
Garry Brown, President, Orange County Coastkeeper	Present
<u>Regional Water Quality Control Board Representative</u>	
Linda Ackerman, Vice Chair, Santa Ana Regional Water Quality Control Board	Absent
<u>STAFF PRESENT</u>	Celeste Cantú; Larry McKenney; Mark Norton; Ian Achimore; Dean Unger; Kelly Berry

The OWOW Steering Committee meeting was called to order at 11:04 a.m. by Thomas P. Evans, serving as Convener, at the Santa Ana Watershed Project Authority, 11615 Sterling Ave., Riverside, California; however, a quorum was not present. Accordingly, the record will reflect that no actions were taken by the Committee. The Committee did receive informational reports as outlined below.

1. WELCOME AND INTRODUCTIONS

2. PUBLIC COMMENTS

Convener Evans called for public comments. There were no public comments.



3. SEATING OF NEW MEMBERS

Due to lack of a quorum, Agenda Item Nos. 3.A. and 3.B. will be brought before the Committee for consideration at a future meeting.

4. CONSENT CALENDAR

Due to lack of a quorum, Agenda Item Nos. 4.A. and 4.B. will be brought before the Committee for consideration at a future meeting.

5. INFORMATIONAL ITEMS

Recommendation: Receive and file.

A. Update on Department of Water Resources' Draft Funding – Recommendations for the 2015 Proposition 84 Integrated Regional Water Management Grant Solicitation (SC#2016.1)

Mark Norton provided a PowerPoint presentation titled OWOW 2015 – Implementation Projects Status.

On June 18, 2015, the Committee authorized implementation of the Proposition 84 2015 Integrated Regional Water Management (IRWM) grant proposal to the DWR with the project portfolio outlined below; the Committee's decision was ratified by the SAWPA Commission on July 7, 2015. On August 6, 2015, SAWPA submitted a 2015 IRWM grant application to the DWR for a total cost of \$237.4 Million. The total costs include \$64.3 Million in grant funding and \$173 Million in local cost share. The projects that were included in the 2015 IRWM grant application include the following:

- Newhope-Placentia Trunk Sewer (NHP) Replacement Project 2-72 (submitted by Orange County Sanitation District). \$1 million in grant funding. Selected because it manages the capacity of the Santa Ana Regional Interceptor, a tool used by the upper and lower watershed to remove salty brine from the watershed. The project complements the investments in groundwater recharge and extraction implemented under SARCCUP and supports the OWOW 2.0 Plan's goal of protecting beneficial uses by achieving salt balance in the watershed. It also provides increased protection against seawater intrusion by directing 8 million gallons per day in reclaimable flows to the Groundwater Replenishment System (GWRS). GWRS is a water supply project and protection project, as the treated water from GWRS is not only reinjected for drinking water wells but also used to create a hydraulic barrier near the coast.
- Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) (submitted by San Bernardino Valley Municipal Water District). \$55 million in grant funding. Selected because it horizontally integrates the water supply agencies in the upper and lower portions of the Santa Ana River Watershed to better manage scarce water resources and create resiliency shared among those agencies. The SARCCUP concept includes an operational concept that necessarily includes regional collaboration, and each participant must share control of the project to realize the benefits. SARCCUP integrates many of the OWOW 2.0 Plan's objectives and goals including habitat enhancement, invasive weed control, recreation, open space, conjunctive use of groundwater and imported water supplies, and water use efficiency. It also supports OWOW 2.0 Plan's object of supporting economically effective solutions by providing revenue stability for retail water agencies that adopt conservation-based water rates.
- 2015 Integrated Watershed Protection Program (submitted by Riverside County Flood Control and Water Conservation District). \$5,054,302 in grant funding. Selected because it institutionalizes RCFCWCD's commitment to integrating flood control with habitat



enhancement, groundwater recharge, and planning for system-based hydrologic connectivity in order to achieve vertical integration with the water supply agencies in the watershed. SARCCUP did not include a flood control component. Grant funding for RCFCWCD's integrated program is to strengthen that programmatic nexus between flood control and water supply.

These projects are not only technologically feasible, but are integrated and provide regional benefit. In the review process, the Project Review Committee (composed of independent water-related experts) first vetted the claims made by the project proponents on their application, in terms of data accuracy and project eligibility. Second, the PRC focused on the projects in the context of the goals and objectives of the OWOW 2.0 Plan.

On January 13, 2016 the DWR released their final funding announcement for this solicitation; SAWPA's submittal was 100% funded. SAWPA will now begin to enter into an agreement with the DWR and sub-agreements with each of the project proponents. Construction is scheduled to begin in April, 2016 for NHP Replacement Project 2-72 Project, April, 2018 for Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) and December, 2016 for the 2015 Integrated Watershed Protection Program.

Committee members congratulated staff. These regional projects will serve as a model by which future projects can be shaped.

B. Update on OWOW Project Implementation for Drought Response Funded by the 2014 Proposition 84 Integrated Regional Water Management Grant (SC#2016.2)

Ian Achimore provided a PowerPoint presentation with an update on the Emergency Drought Grant Program, providing information on actions that occurred since the most recent update presented to the Committee on May 28, 2015.

- Conservation-Based Water Rates. Ten retail water agencies have been approved for participation in the Program by allowing each of them to be reimbursed up to \$215,030 in costs related to vetting and adopting conservation-based water rates (budget-based water rates). Two water agencies have been placed on a waiting list; if funding is available due to cancellations, SAWPA will be able to proceed in including agencies on the waiting list in the Program.
- Technical Support to Retail Water Agencies. Between May 2015 and October 2015, technical support regarding conservation-based water rates was provided to ten retail water agencies involved in the Program.
- Rate Model RFQ. A Request for Qualifications was issued soliciting competitive proposals to identify a firm that can facilitate models that analyze retail water agencies' water demand, rates and revenues. Four firms responded to the RFQ, and Dr. Kenneth Baerenklau of U.C. Riverside analyzed the information submitted by the firms and provided a review of his findings. These findings are being used as technical support to retail water agencies that are using rate models to analyze conservation-based water rates.
- Watershed Aerial Mapping. SAWPA entered into an agreement with Geophex Ltd. to calculate the irrigated areas on hilly areas and to generate one foot contours. The purpose of the work is to supplement the three inch color and infrared digital imagery that Geophex Ltd. had already acquired for SAWPA earlier in the year with additional data interpretation to account for increased irrigated areas in hilly areas of the watershed. SAWPA also entered into an agreement with Statistical Research, Inc., to utilize the aerial imagery delivered from Geophex Ltd. to characterize irrigated areas for each parcel in the service areas of retail agencies that



are participating in the conservation-based water rates component of the Program. The data is being provided to the agencies on an ongoing basis as the data is processed by Statistical Research, Inc.

- **Technology Based Information Systems.** A Request for Proposals was issued for consultants to develop and implement a web-based water consumption, analytic and customer engagement tool to be used by retail water agencies in the watershed. SAWPA entered into an agreement with OmniEarth; four retail water agencies have executed agreements in order to participate in the program and seven are in discussion.
- **Turf Removal.** The Program continues to fund the replacement of turf grass with drought tolerant landscaping across the Santa Ana River and Upper Santa Margarita watersheds through rebates to public agencies and Homeowner Associations. The definition of public agencies was expanded to include churches. As of November, 2015, 1,821,745 square feet of turf has been removed, which is 37% of the Program’s goal of 4,950,000 square feet.

C. Update on Proposition 1 California 2014 Water Bond and IRWM Grant Funding (SC#2016.4)

Mark Norton provided a PowerPoint presentation titled Proposition 1 IRWM Grant Program. Proposition 1 Water Quality, Supply and Infrastructure Improvement Act of 2014 was passed by the voters of California in November 2014, providing funding (\$7.545 billion) for water recycling, stormwater capture, water conservation, integrated regional water management, groundwater sustainability and cleanup, watershed protection and ecosystem restoration, flood management, drinking water and clean water programs, and new water storage projects. A key benefit to the SARW is \$510 million for IRWM projects; \$63 million of which is directed to the SAR Region Funding area to be administered by SAWPA. There is a 50% local funding match required for IRWM projects. Anticipated Order of Solicitations:

Fiscal Year	IRWM Program	Funding
2015-16	Planning	\$5M
2015-16	DAC Involvement*	\$51M
2016-17	DAC Projects	\$51M
2017-18	Implementation	\$183.65M
2019-20	Implementation	\$183.65M

* No local match required for DAC involvement.

There were no changes to the IRWM Plan Standards under Proposition 1; however, recent legislation will need to be addressed: SB 985 – Stormwater Resources Plans; AB 1249 – Nitrate, arsenic, perchlorate, or hexavalent chromium contamination.

Eligible DAC Involvement includes: technical, financial or managerial assistance; needs assessments; project development; engagement in IRWM efforts; governance structure; community outreach; education; facilitation; enhancement of DAC aspects in IRWM plans.

The application deadline for the first round is anticipated to be in summer of 2016. Funding for future IRWM implementation projects will likely occur under two future DWR funding rounds anticipated in FY 16-17.



D. Update on Proposed 2016 Water Bond (SC#2016.5)

Mark Norton provided an oral presentation regarding a new CA Water Bond be considered for the 2016 election ballot – The Water Supply Reliability and Drought Protection Act of 2016.

The bill’s authors are seeking additional funding for programs not funded or underfunded in 2014’s water bond. The 2016 bond’s stated intent is to fund cost effective methods of water development and conservation to meet California’s present and future water needs in a changing climate, including capture of urban drainage and stormwater runoff, groundwater and brackish water desalting, water recycling, groundwater recharge and storage, water conservation, and watershed management, restoration, enhancement and protection. The bond does not provide funding for surface water storage or to Delta water conveyance facilities, other than grants to fix reservoirs used for flood control. There is no mention of IRWMs with the exception of the funding category for “Capture and Use of Urban Runoff and Stormwater,” which requires that projects under this category must be consistent with the local IRWM plan. For watersheds support, funding is only defined for the Santa Ana River Watershed as directed to the Santa Ana River Conservancy Program. Funding amounts for this and other categories has not yet been defined. With the water challenges for the future as identified in the OWOW plan, additional funding is necessary and important to support resilient water infrastructure and achieve the OWOW vision of a sustainable Santa Ana River watershed that is drought proofed, salt balanced, and supports economic and environmental vitality in the year 2030. The proposed “The Water Supply Reliability and Drought Protection Act of 2016” appears to not recognize the importance of multi-beneficial and integrated regional management approach and projects. SAWPA staff will continue to monitor the bond development and seek to encourage additional funding support for IRWM to realize the intent and vision of OWOW for the Santa Ana River Watershed.

6. OLD BUSINESS

None.

7. NEW BUSINESS

None.

8. ADJOURNMENT

There were no further informational reports presented, and the meeting came to a close at 12:11 p.m.

APPROVED: March 24, 2016

Thomas P. Evans, Convener

Attest:

Kelly Berry, CMC, Clerk of the Board