



DATE ISSUED: October 17, 2007

REPORT NO: 07-164

ATTENTION: Natural Resources and ~~Public Works~~ ~~Public Utilities~~ Committee,
Agenda of October 24, 2007

REPORT TO THE CITY COUNCIL

SUBJECT: San Diego Integrated Regional Water Management Plan

REQUESTED ACTION:

Approve the resolution adopting the San Diego Integrated Regional Water Management Plan.

STAFF RECOMMENDATION:

Staff recommends approval of the resolution adopting the San Diego Integrated Regional Water Management Plan.

SUMMARY:

The City of San Diego (City), the County of San Diego (County), and the San Diego County Water Authority (Water Authority), with active stakeholder participation, have produced the first-ever San Diego Integrated Regional Water Management Plan (IRWM) Plan.

A fourteen page *Highlights* document summarizes the IRWM Plan. The *Highlights* document – which includes a CD with the full IRWM Plan - is attached for your reference (Attachment 1).

IRWM planning involves the coordination and integration of water management planning activities occurring within a region to improve and maintain the reliability of the region's water supply. IRWM planning recognizes that water supplies, water quality, and natural resources within a region are connected and, as such, focuses on projects that produce multiple benefits in those areas. IRWM planning typically involves both governmental and non-governmental stakeholders, including water supply agencies, wastewater agencies, storm water permit holders, river conservancies, environmental and watershed advocacy groups, and the public. Consensus-building and stakeholder support are key elements in successful IRWM planning.

Proposition 50 was approved by California voters in 2002. Chapter 8 of Proposition 50 authorized the state to spend \$500 million on IRWM planning and implementation grants. The Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB), which are jointly administering the Proposition 50, Chapter 8 grant program, thus far have awarded \$307 million in implementation grants to sixteen regions and \$128.5 million for groundwater monitoring grants, IRWM planning grants, and administrative costs. In March DWR and the SWRCB approved a second round of funding that makes available the remaining \$64.5 million for project implementation grants, with a cap of \$25 million per region that applies to both funding rounds. A minimum of \$43.5 million in funding will go to regions in Southern California, which is defined as the counties of San Diego, Imperial, Riverside, Orange, Los Angeles, San Bernardino, Santa Barbara, and Ventura.

In 2006, the voters approved Proposition 84, which included \$1 billion for IRWM efforts, of which \$91 million is allocated to the San Diego sub-region. San Diego is also eligible for \$100 million of unallocated statewide Prop 84 IRWM funding.

Also in 2006, California voters approved Proposition 1E, which provides \$300 million for flood management and storm water projects identified in an IRWM Plan.

In response to passage of Proposition 50, in June 2005 the Council authorized the City Manager to enter into a Memorandum of Understanding (MOU) with the San Diego County Water Authority (Water Authority) and the County of San Diego (County) to form a Regional Water Management Group (RWMG) to lead the IRWM effort in the San Diego Region. The RWMG is a required element under Propositions 50 and 84. The Water Department represents the City on the RWMG. The Water Authority is the lead agency for the purpose of filing IRWM grant applications and contracting with consultants to assist with IRWM planning. However, the City, the County, and the Water Authority are equal partners in all aspects of IRWM planning and share all costs equally.

For the purpose of IRWM planning, the San Diego Region is defined as the eleven westward-draining hydrologic units – also known as “watersheds” - within San Diego County (see *Highlights*, page 1).

In 2005 the RWMG submitted an application for round one IRWM implementation grant funding under Proposition 50 Chapter 8. The San Diego Region’s application was not selected for funding in the first round, primarily because the Region’s IRWM Plan was not yet complete. In June 2007 the memorandum of understanding was amended to direct the RWMG to complete the IRWM Plan incorporating both Proposition 50 and Proposition 84 criteria, apply for second round Proposition 50 IRWM grant funding, and pursue Proposition 84 IRWM grant funding.

In late-2006 a Regional Advisory Committee (RAC) was formed to assist in developing the IRWM Plan. The RAC, consisting of 25 members, brings together for the first time governmental and non-governmental stakeholders who are involved in the various aspects of water management throughout the San Diego Region. RAC members include representatives from the water management areas of water supply, water quality, natural resources, and watersheds, as well as from business, academia, and other interested parties. The RAC members are listed on page 7 of *Highlights*. The RAC has met thirteen times and will continue to meet approximately monthly.

It is critical to understand the distinction between the IRWM Plan and any specific IRWM grant program. The IRWM Plan is an overarching document that lays out broad regional goals and objectives, and establishes short-term and long-term priorities for water management. The IRWM Plan positions the Region to pursue specific IRWM project funding, such as Proposition 50, Chapter 8 implementation grants.

The second round of Proposition 50, Chapter 8 grant funding is a two step process. Step 1 focuses on the IRWM Plan and Step 2 focuses on implementation projects that will be funded. DWR and the SWRCB accepted five grant applications from Southern California and twelve from Northern California for Step 1 review and will invite a handful of those applicants to submit a Step 2 application. The state plans to announce the draft Step 2 callback list late November and, following public comment, the final list in December. The state anticipates that the Step 2 application deadline will be January 14, 2008.

Staff of the three RWMG agencies has finalized the Region's 2007 IRWM Plan and has continued preparing the RWMG's application for a grant under the Step 2 of the second round of Proposition 50, Chapter 8 funding.

IRWM Plan

Preparation of the 2007 IRWM Plan was a year-long process that included coordination and input from the three RWMG agencies, RAC members, and the public. The plan content is based on the Proposition 50, Chapter 8, guidelines to ensure funding eligibility. It also anticipates Proposition 84 guidelines. Plans, programs, and projects of local stakeholder's serve as a foundation for the document. For example, the water supply diversification objective in the plan includes measurable targets that reflect the resource mix in the City's 2005 Urban Water Management Plan.

The public review draft of the San Diego IRWM Plan was released in June for a 30-day review. Thirty-one individuals submitted comments on the draft. The draft Plan was presented to the NR&C Committee on July 18 and to the Water Authority Board on July 26. Comments were also taken during several RAC meetings in July and August. The Plan was revised based on the comments from the NR&C Committee, the Water Authority Board, the RAC, and the public. At its September 19 meeting the RAC approved forwarding the Plan to the RWMG governing bodies, with the recommendation that it be approved.

The full 2007 San Diego IRWM Plan is 1,078 pages in two volumes. A fourteen page *Highlights* document summarizes the Plan and also contains a CD with the entire Plan. Copies of *Highlights* (with CD) have been widely distributed. The full Plan is available at the San Diego IRWM website (www.sdirwmp.org), and printed copies of the full Plan are available.

The 2007 IRWM Plan is an excellent first step in IRWM planning within the San Diego Region. The IRWM Plan establishes the goals, targets, and regional priorities to optimize water supply reliability and protect and enhance water quality while providing stewardship of our natural resources. The plan's guiding principles and priorities also provide direction on implementation of IRWM planning within the Region. Having an IRWM Plan in place will position the San Diego Region to compete for future funding opportunities. The IRWM Plan will continue to evolve and be updated based on Proposition 84 IRWM grant program requirements and as IRWM planning within the Region evolves and matures.

Proposition 50, Chapter 8 Grant Application

The announced schedule for the Step 2 of round two of the Proposition 50, Chapter 8 grant application process leaves relatively little time to complete the application and extends over the holidays. With this compressed timetable in mind, the San Diego RWMG has moved forward in preparing the Step 2 application.

While the first step in the application process focused on the region's IRWM Plan, the Step 2 application focuses on the projects that the region is proposing for funding. The San Diego Region organized a workgroup to review the projects that were included in the IRWM Plan and developed a package of projects. The nine-member workgroup includes representatives of the City, the Water Authority, and the County as the RWMG members. The other six members represent stakeholder agencies and organizations from the areas of retail water supply, water quality, natural resources, and watershed protection.

The workgroup developed the Step 2 package of projects in August and September using criteria based on the Proposition 50, Chapter 8 guidelines and approved by the RAC. It reviewed 51 projects in detail before settling on a package of 21 projects with funding requests totaling \$25 million. The projects are located throughout the region, from the Tijuana hydrologic unit in the south to the Santa Margarita hydrologic unit in the north. All of the projects are designed to provide multiple benefits. Six of the projects offer features designed to benefit the entire region. A list of the projects is in Attachment 2. Fourteen different project proponents are represented in the package.

The package includes five projects sponsored by City of San Diego that will receive a total of \$5.7 million in grants if the Region's application is fully funded. Additionally, eleven projects sponsored by other entities will directly or indirectly benefit the City, due to the project being located in the City or because the project provides a water management benefit to the City's water supply, wastewater, or storm water systems.

Other project proponents represented in the package are the San Diego River Park Foundation, San Diego Coastkeeper, the San Dieguito River Valley Conservancy, the Zoological Society of San Diego, the County, the City of Encinitas, the Mission Resource Conservation District, and the Back Country Land Trust. Water agencies with projects in the package are the Water Authority, Olivenhain Municipal Water District, Sweetwater Authority, Padre Dam Municipal Water District, Helix Water District, and Fallbrook Public Utility District.

At its September 19 meeting, the RAC approved the proposed package of projects, with one dissenting vote, and recommended that the Water Authority Board authorize the submittal of the region's round two, Step 2, Proposition 50, Chapter 8 grant application.

FISCAL CONSIDERATIONS:

The City, the County, and the Water Authority have equally shared the costs of IRWM Planning. To date the City's equal share has been \$300,000 [\$100,000 in FY05 and \$200,000 in FY07], paid from Water Fund 41500, Organization 5023 or 861, Job Order 55023.

Through the Proposition 50, Chapter 8 grant program, the state has made available \$64.5 million for round two project implementation grants, with an award cap of \$25 million per region. The San Diego Region's application is for the maximum amount. The grant program guidelines require that a region's application for an implementation grant provide a minimum funding match of 10 percent of the total cost of the proposed package of projects. The proponent of each project provides the matching amount for that project; as such, the City will provide matching funds only for City projects included in the application package. Combined, the projects included in the San Diego Region's Step 2 application provide a total match of 73 percent of the total project costs.

PREVIOUS COUNCIL/COMMITTEE ACTION:

On June 13, 2005, the City Council adopted Resolution R-300517 authorizing the City Manager to execute the initial MOU and authorizing the expenditure of \$100,000 to cover the City's equal share of the funding to implement the initial MOU. On June 26, 2007, City Council adopted Resolution R-302766 authorizing the Mayor to execute the Amendment No.1 to the MOU, and

authorizing the expenditure of \$200,000 to cover the City's equal share of the funding to implement the Amendment. The public review draft of the 2007 IRWM Plan was presented to NR&C as an informational item on July 18, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Water Department, as a partner with the County and the Water Authority, has been actively involved in comprehensive public outreach efforts for the IRWM Plan, including three regional workshops, two project funding workshops, and thirty-two presentations to interest groups. IRWM Planning was the focus of the Project Clean Water Summit held in June 2006 and attended by over 250 stakeholders. The Regional Advisory Committee (RAC) consisting of twenty-five experts in water supply, wastewater, storm water, natural resources, and environmental stewardship was formed to assist in developing the IRWM Plan. The RAC has met thirteen times and will continue to meet approximately monthly. Outreach to disadvantaged communities and environmental justice interest groups have received special consideration in the IRWM Plan. A website (www.sdirwmp.org) disseminates information about the IRWM Plan.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Stakeholders in IRWM Planning are any governmental or non-governmental entities that have a role in or are affected by the management of water in the San Diego Region. Key among these are the agencies and entities represented on the RAC.

J. M. Barrett
Water Department Director

R. F. Haas
Deputy Chief of Public Works

Attachments: **1. Highlights, 2007 San Diego Integrated Regional Water Management Plan**
2. Proposed Projects Package for the Proposition 50 Round 2 IRWM Implementation Grant