

Attachment 10

Disadvantaged Community Assistance





Attachment San Diego Integrated Regional Water Management
10 *Implementation Grant Proposal – Round 2*
Disadvantaged Community Assistance

Attachment 10 consists of the following items:

- ✓ **Documentation of Presence and Needs of DACs.** Local DACs are defined and mapped using U.S. Census 2010 data. Critical water supply and water quality needs identified by local DAC representatives are summarized.
- ✓ **Description of Proposed Projects and Targeted Benefits to DACs.** The targeted benefits to local DACs from the proposed projects are described.
- ✓ **Letters of Support.** Letters of support from local DAC representatives for the proposed projects are included in Appendix10-1.

This attachment documents the presence and needs of disadvantaged communities (DACs), and also documents information regarding the *Rural DAC Partnership Program – Phase II*, which addresses critical water supply and water quality needs in DACs, as well as how other projects in this proposal address non-critical water-related needs of DACs.

Funding Match Waiver

One program included in this grant proposal, the *Rural DAC Partnership Program*, addresses a critical water supply and water quality need of local DACs. This program has a 27% funding match and will therefore not be applying for a funding match waiver (see Table 4-1 in Attachment 4).

The *Rural DAC Partnership Program*, submitted by the Rural Community Assistance Corporation (RCAC), has provided approximately \$1.55 million in funding match (27%) through local cost share (in-kind services) and federal funding programs, including the U.S. Department of Health and Human Services, U.S. Department of Agriculture Rural Development, Indian Health Services, and the U.S. Environmental Protection Agency (Region 9).

Presence and Needs of DACs

A DAC is defined by DWR in the 2012 IRWM Guidelines as a community with an average median household income (MHI) that is less than 80 percent of the Statewide MHI. The American Community Survey (ACS) of the U.S. Census includes social and demographic data, including information regarding MHI estimates for the State of California and individual communities within the state. According to the 2012 Guidelines, ACS data show that 80% of the Statewide MHI is \$48,706, meaning that any community with an MHI of \$48,706 or less would qualify as a DAC. Within the San Diego IRWM Region (Region), several communities and rural areas have an average MHI less than 80 percent of the Statewide MHI. The 2007 IRWM Plan used various geographical designations to analyze DACs, including cities, County of San Diego community planning areas, and City of San Diego community planning areas. However, the use of larger planning areas can at times cause smaller portions of the planning area that are economically disadvantaged to be overlooked. The RWMG recently analyzed MHI values on a census tract-basis to identify smaller pockets of DACs for outreach purposes. Figure 10-1 illustrates the census tracts within the Region that are considered economically disadvantaged according to the 2010 ACS data and MHI criteria set forth by DWR. Figure 10-1 also demonstrates the location of DACs with respect to the seven projects included in this grant proposal.

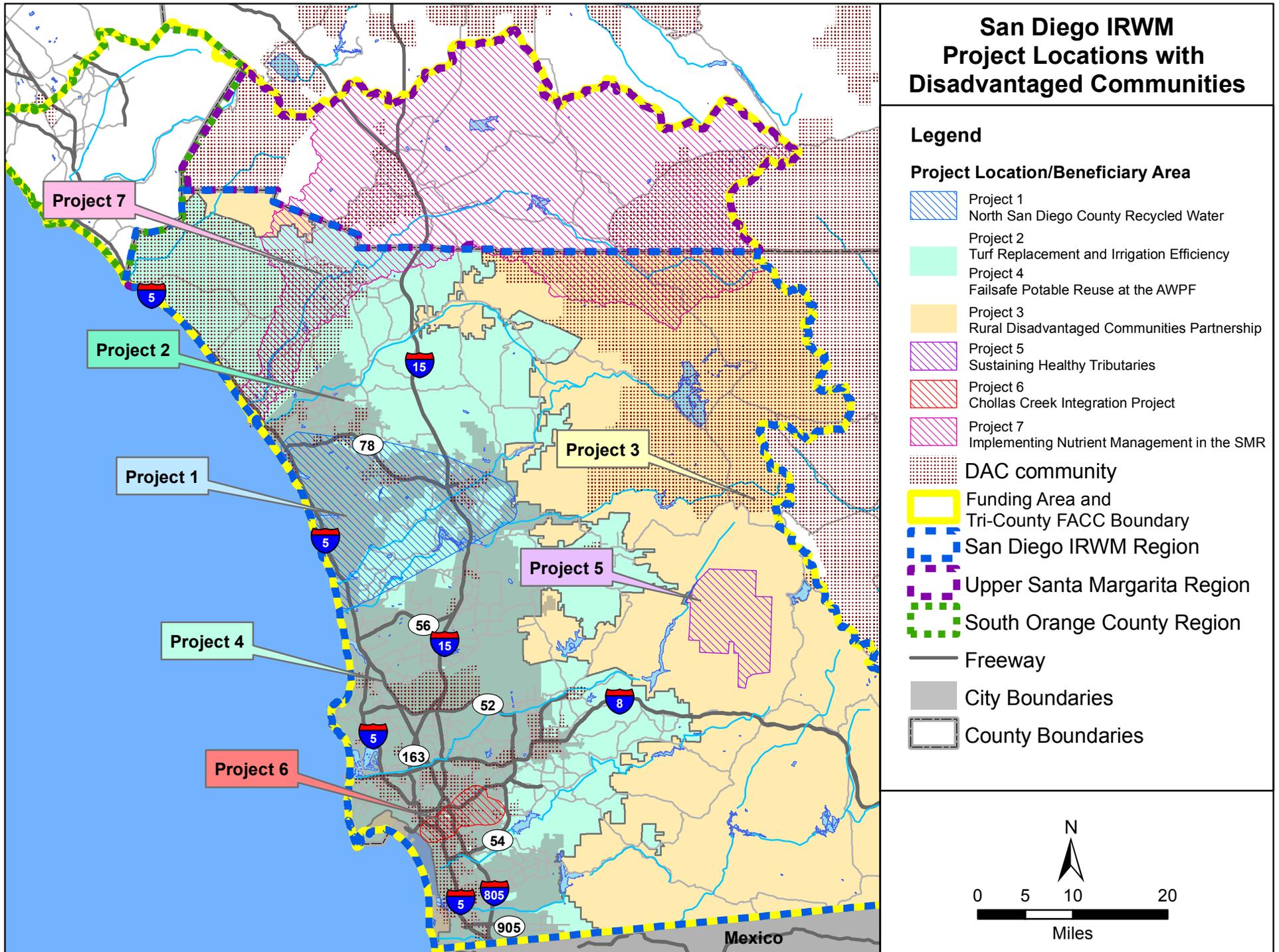
Consistent with the recommendations of the *San Diego IRWM Public Outreach and Disadvantaged & Environmental Justice Community Involvement Plan*, actions are underway to identify specific locations of DACs throughout the Region. In addition to identifying communities meeting the State's MHI definition of

disadvantaged, efforts are being undertaken to identify areas that are recognized as economically disadvantaged by the Region's planning agencies, but do not meet the State's MHI definition. DAC advocates have indicated that additional efforts to identify DACs in the Region are necessary, because U.S. Census data is often unable to capture the true economic conditions of various communities in San Diego County, particularly those communities with a high number of undocumented residents, tribal communities, or other residents that may not participate in providing information to the U.S. Census.

The RWMG has worked directly with numerous organizations that are involved with addressing water-related issues of DACs within the Region, including: San Diego Coastkeeper, Environmental Health Coalition, RCAC, Jacobs Center for Neighborhood Innovation, Groundwork San Diego-Chollas Creek, WildCoast, and others. Outreach to the aforementioned organizations has focused on identifying and characterizing DAC issues and needs within the Region. Directed outreach to DACs is currently being conducted as part of the IRWM Plan Update, and efforts taken to date have helped further define DAC issues within the Region. Identified DAC issues include but are not limited to the following:

- Effective management of small water systems permitted by the County Department of Environmental Health is challenging. Operations and maintenance are difficult, and small water systems need funding for improvements.
- Groundwater contamination in the San Dieguito and San Diego basins.
- Water conservation education to DACs in both urban areas (Pueblo/Otay watersheds) and rural (eastern San Diego County) areas. Outreach techniques are different for different communities. Specifically, urban DACs need to hear messaging from their peers rather than from the agencies.
- Implementation of the Chollas Creek TMDL for metals and bacteria is a priority.
- Flooding at creek constrictions presents impacts to DACs living in those areas.
- Support for implementation of low impact development techniques to reduce stormwater runoff and subsequent flooding.
- Leaking septic systems in eastern/rural San Diego County present water quality issues.
- How to pay for conversion of septic systems to advanced water treatment.
- Lack of water-based recreational access for DAC/EJ communities.
- Impacts of San Diego Bay water quality contamination on individuals that rely on subsistence fishing.
- Plastic/trash reduction in local creeks and watersheds.

Figure 10-1: Program Overview with Disadvantaged Communities



Projects that Meet a Critical Water Supply or Water Quality Need of DACs

The following program included in this proposal would meet the DAC Program Preference of meeting a critical water supply and water quality need of a DAC. Information regarding how the program will meet identified DAC needs is provided below.

Rural DAC Partnership Program

Background – Critical Water Supply and Water Quality Needs

Drinking water systems that serve DACs often lack both access to much needed infrastructure, financing, and the resources to adequately maintain existing system facilities. This is especially true in rural areas of the Region that are not provided municipal water supply or wastewater infrastructure because they are located outside of the jurisdictional boundaries of the Region's water and wastewater agencies. As a result, these systems face significant challenges in complying with longstanding and new drinking water rules.¹ Three major problems that impede the sustainability of a small community water system include:

- 1) contamination of drinking water source water from wastewater intrusion, agricultural influences, and/or contaminant spills from industrial activities;
- 2) seasonal weather changes resulting in floods or droughts may require design options to bypass treatment during rain and storm events and identification of alternative water supplies (including water reuse sources) to increase capacity during droughts; and
- 3) deteriorating collection and distribution systems compromise source water quality and increase the cost of water treatment.

Rural communities within the San Diego IRWM region unincorporated areas that are not served by water or wastewater agencies have water supply and water quality issues that may be exacerbated by climate change, poor economies, and lack of community expertise. Inadequate water supply to support existing communities is a public health risk, especially considering that the rural (backcountry) portions of the Region are also those that are particularly susceptible to wildfires. The majority of drinking water maximum containment level (MCL) violations in the Region occur with small public water systems, and inadequate wastewater treatment can result in unplanned discharge events.

The infrastructure needs of rural DACs are so extensive that currently, there is not enough available funding to meet the needs of rural DACs throughout the Region. The California Department of Public Health (CDPH) has 41 small (less than 10,000 population) systems located in San Diego County on its 2013 State Revolving Fund (SRF) Priority Project List (PPL)², with many listed more than once. The Rancho Estates MWC project, identified as a sample project by the Rural DAC Stakeholder Committee, is listed in the CDPH PPL with a funding target of \$500,000. The State Water Resources Control Board (SWRCB) has a similarly lengthy list of communities requesting funding from the Clean Water SRF for wastewater improvements.

Rural DACs in the San Diego IRWM Region are faced with critical water supply issues in that some areas have inadequate water supplies to support existing connections. Rural DACs also face water quality issues associated with costs as it is costly to provide supplemental treatment processes to improve the water quality of contaminated drinking water source waters, and it is also difficult for small DAC systems to afford improvements because they have fewer ratepayers to share the costs. Further, rural DACs may lack the technical expertise and financial stability to access and comprehend funding programs that could be implemented to address cost-related issues. The *Rural DACs Partnership Program – Phase II* will continue to support the Region's small community water systems in rural areas by providing the grant funding and technical expertise necessary to implement infrastructure improvements.

Project Information

In the *Rural DAC Partnership Program*, RCAC will manage the Proposition 84 – Round 2 grant funds to address inadequate water supply and water quality in rural DACs, including tribal communities, with

¹U.S. EPA 2007. *Small Drinking Water Systems: State of the Industry and Drinking Water Technologies to Meet the Safe Drinking Water Act Requirements*. EPA/600/R-07/110.

² Sean Sterchi, CDPH. 2013. *State Revolving Fund Priority Project List*. Email dated March 5, 2013.

populations less than 10,000 residents. The targeted benefit of this program is to provide a reliable source of quality water supply to rural DACs in the Region. DACs will be identified based on 2010 U.S. Census 2010 income data, and additional information regarding the presence of DACs, as described in preceding sections of this attachment.

RCAC will lead a representative group of stakeholders and agencies, including a representative of the San Diego IRWM Regional Advisory Committee (RAC), to solicit and select rural DACs for funding of critical infrastructure improvement projects. Criteria for project selection will be based on the following factors:

Primary Criteria

- 1) DAC per 2010 U.S. Census data and other applicable data
- 2) Construction project
- 3) Addresses public health issue
- 4) Critical water project (quantity/quality/reliability)
- 5) Adequate technical, managerial, and financial capacity
- 6) Shovel ready or ability to complete within project timeframe.

Secondary Criteria

- 1) Project ability to leverage other funding
- 2) Capital cost per connection
- 3) Multiple benefits
- 4) Green technology
- 5) Addresses environmental justice concerns.

Opportunities to merge related projects will be evaluated. Projects will be selected from both tribal and non-tribal rural DACs. Preference will be given to DAC projects that are ready to be constructed. In every case, RCAC will look at other available funding resources to leverage Proposition 84 grant funding.

RCAC will provide DACs with outreach, program information, assistance with project scope and readiness, project documentation for funding, assistance with engineering and contractor selection, project oversight, and disbursement of individual DAC project payments. To extend Proposition 84 dollars, RCAC will provide supplementary capacity development, training, and technical assistance to support project sustainability utilizing existing RCAC programs.

RCAC is a certified Community Development Financial Institution and will be responsible for disbursements for selected DAC projects. The reporting process for the DAC projects will, at a minimum, include quarterly reporting and invoices, and work will be verified by RCAC before payments are made. RCAC will provide written quarterly reports to the San Diego County Water Authority and will be available to report directly to the RWMG if requested.

Projects Providing Indirect Benefits to DACs

The following projects also benefit DACs within their respective project areas; however, these projects do not meet DWR's criteria for addressing critical water quality or water supply needs. The manner in which each of these projects will benefit DACs is described detail below.

- *North San Diego County Regional Recycled Water Project – Phase II*
- *Turf Replacement and Agricultural Irrigation Efficiency Program*
- *Failsafe Potable Reuse at the Advanced Water Purification Facility*
- *Chollas Creek Integration Project – Phase II*
- *Implementing Nutrient Management in the Santa Margarita River Watershed – Phase II*

North San Diego County Regional Recycled Water Project – Phase II

The *North San Diego County Regional Recycled Water Project – Phase II* will implement and construct connections identified in Phase I to maximize the use of recycled water across the ten partner agencies in the North County region. There are DACs located within the project area (North County region), which will

realize benefits accrued by the project. Specifically, by maximizing recycled water use in the North County region, the project partners will reduce costs associated with water treatment and distribution, reduce the need to construct additional facilities such as outfalls and redundant recycled water infrastructure, and improve drought and climate change resilience. The “without project” costs (costs that would occur without this project), particularly those associated with additional infrastructure needs, would have been borne by the partner agencies and their applicable water users. As water users within the North County region include DACs, this project will provide cost savings benefits to DACs by potentially reducing future water rate increases that would occur without the project. In addition, energy savings realized through reduction of water treatment and water imports will also provide environmental and economic benefits to the North County region, including its DACs. Further, because some of the connections will convert golf courses to recycled water irrigation, water use conflicts between different socio-economic groups in the North County region may be reduced.

Turf Replacement and Agricultural Irrigation Efficiency Program

The *Turf Replacement and Agricultural Irrigation Efficiency Program* provides incentives to replace turf with water-efficient landscaping and incentives to replace inefficient irrigation equipment on agricultural lands throughout the Water Authority’s Service Area, which includes DACs. Benefits incurred by the Region will also be incurred by DACs within the Region. Benefits of importance to DACs may include:

- *Decreased potable water demand* – reducing potable water demand will improve the Region’s water security. This can help reduce future water rate increases. DACs are more susceptible to negative impacts associated with increased water rates.
- *Increased resilience to drought and climate change* – water conservation provides a buffer against droughts and climate change.
- *Reduced water costs* - If people in DACs choose to participate in the program, they will reduce their water bills by converting to water-efficient landscaping or irrigation.
- *Potential reduced food costs*– Water is a significant cost for farmers, so decreasing their water demand and related costs may reduce local produce costs to consumers. This could serve two benefits: decreasing cost of living and increasing access to healthy food choices in the Region, including DACs.

Failsafe Potable Reuse at the Advanced Water Purification Facility

As with the *Turf Replacement and Agricultural Irrigation Efficiency Program*, the *Failsafe Potable Reuse at the Advanced Water Purification Facility* project will result in Region-wide benefits, and will therefore also benefit DACs. Because this project will be designing and testing failsafe treatment trains for failsafe potable reuse, many of these benefits will be realized as potential future benefits of failsafe potable reuse implementation. Benefits to DACs include increased future water security, improved water quality, and potential reduced water costs if failsafe potable reuse projects are implemented in lieu of other more expensive water supply projects.

Chollas Creek Integration Project – Phase II

The *Chollas Creek Integration Project – Phase II* will implement restoration and monitoring activities along Chollas Creek as identified in Phase I. The project will collect data on creek health, both before and after restoration, engage stakeholders from the Encanto area (an urban DAC), remove sources of pollution to Chollas Creek, stabilize banks, and restore open space. Through the aforementioned activities, this project will address community concerns related to flooding, water quality, and habitat restoration.

As mentioned in the upfront sections of this attachment, flooding, water quality, and water-related recreation access were all identified as issues of concerns in DACs. Therefore, while this project will not address “critical” water supply or water quality concerns as defined by DWR, the project will directly address specific DAC-related issues identified by San Diego IRWM stakeholders.

Implementing Nutrient Management in the Santa Margarita River Watershed – Phase II

Phase II of *Implementing Nutrient Management in the Santa Margarita River Watershed* will draft science-based water quality standards for the Santa Margarita River Watershed. This will allow appropriate water quality thresholds to be set for these waterways based on impacts to beneficial uses. It is possible that

information learned through this project will support a broader range of discharges to the Santa Margarita River that may be naturally sustained and remain protective to beneficial uses.

Many areas within the Santa Margarita River Watershed qualify as DACs per the 2010 ACS data (refer to Figure 10-1), particularly the lower and the upper regions of the watershed. These areas will benefit from this project in the following ways:

- 1) *Protection of beneficial uses*– All recommendations provided by this project are guided by the beneficial uses of the water. Current water quality objectives (WQOs) may not protect beneficial uses if data gaps are too great. Protecting beneficial uses will benefit DACs who rely on such beneficial uses, including municipal water use, agricultural water use, recreation, etc.
- 2) *Potential removal from 303(d) listings*– Many streams in the Santa Margarita River Watershed are listed as impaired on the 303(d) list. Some of these streams may be listed based on requirements that are artificially restrictive and do not take into consideration natural pollution loading in the watershed. If the science shows that these requirements are unnecessarily restrictive, these streams may be removed from the 303(d) listings, saving treatment costs and fines to dischargers, and providing potential development opportunities for DACs looking to grow and expand their economies.
- 3) *Potential water treatment cost savings and associated benefits* – As stated in the work plan (see Attachment 3), there are data gaps related to water quality in the Santa Margarita River Watershed. Current WQOs may be artificially restrictive, and there is potential that this project will collect data supporting a broader range of discharges. This could allow recycled water to be discharged into the streams with less treatment, saving costs in treatment and energy that will ultimately be borne by ratepayers, including DACs.
- 4) *Increased knowledge of the system* – Increased knowledge of contaminant levels that will protect beneficial uses and be naturally sustained will help guide community development decisions, and prevent potentially costly decisions. This is of particular concern in DACs, which often lack the funds or support to correct mistakes or accommodate changes in water quality standards.
- 5) *Increased stakeholder participation* – This project has multiple opportunities for stakeholder involvement, allowing DACs to voice concerns and participate in the process. This helps to empower DACs and invest them in the water issues of their areas.

Letters of Support

Letters of support that were submitted by agencies and organizations representing DACs in the San Diego region are included in Appendix 10-1. The letters included in Appendix 10-1 include the following:

- City of San Diego Development Services, Planning Division – Letter of Support for the Chollas Creek Integration Project – Phase II

Appendix 10-1: Letters of Support

Included in this appendix is a letter of support from the City of San Diego for *Chollas Creek Integration Project – Phase II*. This letter states that the project supports all three planning documents for the area, that this project will address needs of a DAC, and notes the successful efforts of the project partners. It also states the City's strong support for their inclusion in this proposal.



THE CITY OF SAN DIEGO

Letter of Support
Chollas Creek Integration Project Phase II

FEB 25 2013

Mr. Mark Stadler
IRWM Program Manager
San Diego County Water Authority
4677 Overland Avenue
San Diego, Ca 92123

Dear Mr. Stadler,

On behalf of the City of San Diego Development Services Department Planning Division, I write in support of the Jacobs Center/Groundwork San Diego-Chollas Creek application to the Integrated Regional Water Management Program. This Phase II project expands upon Phase I data collection, analysis, and technical studies, and will bring desperately-needed improvements to the South Branch of Chollas Creek.

Chollas Creek is a 303(d) listed waterway, and flows through the most ethnically diverse, lowest income, highest unemployment, and most park deficient communities in the San Diego region. Regional water quality, multiple species conservation, and environmental justice goals make this watershed amongst the cities highest priorities for restoration and physical improvements. The Chollas Creek Integration Project Phase II will restore the critical Northwest Village creek segment; remove a minimum of four acres of nonnative vegetation; and work with City Stormwater to complete water pollution source tracking and urban water outreach education in at-risk communities along Chollas Creek.

The project expands on the recommendations of the Chollas Creek Enhancement Program and the South Branch Implementation Plan adopted in 2002, and conforms to the goals and policies of the San Diego General Plan, the Southeastern Community Plan, and, most recently, the community-driven Euclid+ Market Land Use and Mobility Plan.

Over the past ten years, the Jacobs Center and Groundwork San Diego-Chollas Creek have successfully restored and maintained creek segments that now contribute to water quality improvements, flood control, public health and safety, and active recreation. The City Planning Division strongly supports their grant application to further this excellent work.

Sincerely,

Lara Gates
Supervising Plan Update Project Manager



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