

201 Vallecitos de Oro • San Marcos, California • 92069-1453 Telephone (760) 744-0460

VIA EMAIL: keith.wallace@water.ca.gov

October 9, 2013

Mr. Keith Wallace, Project Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
PO Box 942836
Sacramento, CA 94236

Re: Draft Funding Recommendations for the Proposition 84 Round 2 Implementation Grant Program

Dear Mr. Wallace,

The Vallecitos Water District (Vallecitos), located in North San Diego County, provides water and wastewater service to over 96,000 customers in the Cities of San Marcos, Escondido, Vista, Carlsbad and unincorporated portions of the County of San Diego. Vallecitos also owns and operates the Meadowlark Water Reclamation Facility which is a Title 22 facility where approximately 70% of wastewater flows are reclaimed for reuse. Vallecitos has actively been involved in water reclamation since the early 80's and currently serves as a wholesale agency to the Olivenhain Municipal Water District and the City of Carlsbad.

Vallecitos, along with several other representatives from a broad range of water and wastewater agencies and NGO/DAC organizations, actively participate in the San Diego Integrated Regional Water Management Program. This diverse group collaboratively worked together in the completion of San Diego's Integrated Regional Water Management Plan as well as to prioritize projects that are important to the region and State as water resources. A great deal of time and financial resources was expended in the evaluation of projects for inclusion in the application, as well as in comprehending DWR objectives and ensuring compliance with the requirements of the DWR solicitation. Considering this, it is disappointing that the proposed award for the San Diego region would be reduced from \$10.5 million to \$5.25 million. A partial award would reduce the funding area allocation to only \$7.5 million, almost half of the stated allocation for Round 2. Yet other funding areas were granted substantially more than their stated amounts, seemingly contrary to DWR's PSP and the goals of Proposition 84.

Vallecitos requests that the DWR revisit and rescore the San Diego region application, and restore the award amount to \$10.5 million when considering the following:

1. San Diego's Proposition 84 Round 2 Grant Proposal was responsive to DWR's solicitation and contained detailed and careful analysis of the benefits that would result from the funding. Through a detailed selection process and regionally coordinated meetings, the projects were reduced from an initial 36 to what was presented. The grant proposal was unanimously supported by San Diego's 34-member Regional Advisory Committee (RAC).

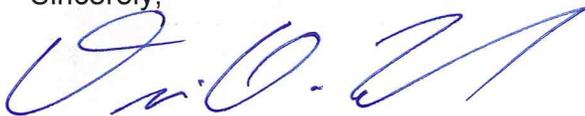
2. Aspects of certain projects (specifically the North San Diego County Regional Recycled Water Project) were clearly misunderstood which dramatically impacted the scoring for the overall application. Critical incorrect assumptions were made during the review, such as existing Title 22 facilities treated as secondary treatment facilities, which were clearly described in the application. San Diego's grant proposal was over 600 pages long, including adequate details and supporting documentation validating the significant benefits these projects have for the region and State. A reduction in San Diego's grant funding will mean that high priority projects will either be shelved or terminated all together.

While it is acknowledged and understood DWR staff must review a sizable amount of information in this process, please reconsider your approach before publishing draft findings and award amounts. The time expended by all parties, including DWR, illustrates the importance that appropriate review and resources be applied during this process. The DWR review process which took from late March 2013 through September 2013 is substantial, yet the various applicants were given only 10 days to respond, with no prior knowledge that there were substantial changes in the stated allocations.

Clearly there needs to be some consideration by DWR in its' review process to allow adequate time for applicants to respond to any DWR staff questions or clarifications. Many of the questions/comments raised by the DWR were answered in the original application and contacting the applicant would have easily answered or addressed any concerns of DWR staff. In this case, a lack of understanding of these important water resource projects has resulted in an inappropriate score and a substantial allocation reduction to the San Diego funding area.

Vallecitos respectfully requests that the DWR revisit and rescore the San Diego region application and restore the 100% funding.

Sincerely,



Dennis O. Lamb
General Manager

cc: Assemblywoman Marie Waldron, via fax, 916-319-2175
Assemblyman Rocky Chavez, via fax, 916-319-2176
Assemblyman Brian Maienschein, via fax, 916-319-2177
Assemblywoman Toni Atkins, via fax, 916-319-2178
Assemblywoman Shirley Weber, via fax, 916-319-2179
Assemblyman Brian Jones, via fax, 916-319-2171
Assemblywoman Lorena Gonzalez, via fax, 916-319-2180
Senator Mark Wyland, via fax, 916-446-7382
Senator Marty Block, via fax, 916-327-2188
Senator Joel Anderson, via fax, 916-651-4936
Senator Ben Hueso, via fax, 916-651-4940