



Santa Ana Watershed Project Authority

One Water One Watershed

OWOW IS AWARDED "TOP 25" INNOVATIONS IN AMERICAN GOVERNMENT BY HARVARD'S KENNEDY SCHOOL



October 7, 2013

Director Mark Cowin
California Department of Water Resources
P.O. Box 942836, Room 1115-1
Sacramento, CA 94236-0001

Philip L. Anthony
Commission
Chair

Re: SAWPA: Round 2 Proposition 84 Implementation Grant draft funding recommendations

Celeste Cantú
General
Manager

Dear Director Cowin,

I am writing this letter to augment my prior correspondence on this subject of October 4, 2013. SAWPA believes that errors in scoring led the department to propose, in the subject draft funding recommendations, to provide SAWPA's OWOW with 50% funding rather than 100% funding. Based on the errors previously described, and which our staff may elaborate upon further, this funding recommendation should be changed to 100% before the draft recommendation moves forward.

Orange
County
Water
District

This letter, however, focuses on the larger question of why the scoring in question was being done.

Western
Municipal
Water District

In Proposition 50 (2002), integrated regional water management plan grants were to be allocated through competitive grants; Water Code Section 79560. Many stakeholders in the IRWMP arena argued that this approach deprived the State of the great benefits of the IRWMP approach, which were to save the State from the difficult work of competitively evaluating regional projects from all over the State, while at the same time promoting regional programs of integrated water resources management, including the balancing of competing interests. Proposition 84, in carrying the IRWMP program forward, made this change in the law.

Eastern
Municipal
Water
District

Proposition 84 pre-allocates IRWMP funds to particular regions and sub-regions; Public Resources Code Section 75207. Furthermore, once DWR has implemented a program of evaluating and approving regions, which it has done through the Region Acceptance Process, DWR then is required to "defer to approved local project selection, and review projects only for consistency with the purposes of Section 75026"; Public Resources Code Section 75028(a).

San
Bernardino
Valley
Municipal
Water
District

DWR's Round 2 Proposition 84 Implementation Grant PSP recognized that regional programs already had been reviewed and approved, and on that basis announced that only one eligible applicant would be considered from each funding region. Nevertheless, the PSP describes scoring criteria for which there is no clear use, and now DWR has "scored" SAWPA's grant application and determined arbitrarily upon a 50% allocation.

Inland
Empire
Utilities
Agency

Proposition 84's change in policy regarding IRWMP grants is reinforced by the fact that the term "competitive grants" does appear in the measure in several places, most notably with regard to Department of Parks and Recreation grants for local and regional parks (Public Resources Code Section 75065(b)). Had the Legislature intended all IRWMP grants to be competitive, it would have said so. But in connection with IRWMP funding, the term is used only in conjunction with the qualifying language quoted above, which clearly contradicts DWR's approach in this funding round.

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11615 Sterling Avenue, Riverside, CA 92503 • 951.354.4220
www.sawpa.org • Fax 951.785.7076 • onewateronewatershed@sawpa.org



It is possible that, because DWR mistakenly identified an Irvine Ranch Water District project that is part of the South Orange County application as being within the Santa Ana Sub-Region, DWR therefore believed competitive processes needed to apply in this case. The Irvine Ranch project produces benefits almost entirely in south Orange County, and the County's IRWMP program administrators determined that the project must be included in the South Orange County application rather than the Santa Ana Sub-Region. Absent that error, there was no reason or justification to review the SAWPA application as a "competitive grant."

Policy reasons strongly support SAWPA's view. Proposition 84 reflected the understanding that the real gains to be made through the IRWMP approach to water resources would be in terms of improved regional planning and collaboration. This goal is more important to the State than maximizing the benefits from individual grant-funded projects. The IRWMP approach is intended to empower regions to be innovative and integrated. The integration that is necessary requires a give and take between competing benefits that can best be accomplished in the region, with active stakeholder participation, and not in a Sacramento office. This reality led the Legislature to specifically limit DWR's review of IRWMP implementation projects, once the regional program is approved.

The OWOW program for the Santa Ana Sub-Region achieves these policy goals. The OWOW program progressed through the Region Acceptance Process, is recognized as the regional program for the Santa Ana Funding area, and was the only invitee to submit an application in the Santa Ana Sub-Region. OWOW is governed by the SAWPA Commission, a panel of elected directors from the five largest water agencies in the sub-region. The Commission acts on recommendations from a Steering Committee comprising county supervisors, city mayors, water district directors, business and environmental representatives, and a Regional Water Quality Control Board member, one of whom is a Tribal member. The Steering Committee reviewed and approved OWOW's call for projects, evaluation criteria, review process, and the project portfolio design. The Steering Committee conducted numerous public meetings to receive stakeholder and grant applicant input, as did the SAWPA Commission. The OWOW process included a highly competitive, two-step ranking process. The process included rigorous review of every project on its record, and for projects invited to proceed, an even more rigorous second step. Three objective experts—Joe Grindstaff, Pete Silva, and Gerald Thibeault (biographies attached) -- spent a full week interviewing grant applicants and thoroughly reviewing and ranking projects. The cumulative professional experience and expertise in this expert panel is overwhelming. The OWOW process produced a recommendation for a \$16,667,000 grant out of requests for \$57,350,000 in project costs. I am confident that no region's review was more rigorous, objective, or competitive.

This very OWOW process has been recognized as a model by the Public Policy Institute of California (PPIC) in its book, Managing California's Water: From Conflict to Reconciliation, by the Stockholm World Water Week, by the International Riversymposium, Australia, and by the Harvard Kennedy School of Government as one of the top 25 innovations in American government. SAWPA developed and implemented this process—which was not always popular with all stakeholders—because we believed it was our responsibility to the State and to our own region. We believe this is the kind of process Proposition 84 was intended to foster. It is inappropriate and counterproductive for DWR now to re-evaluate our application by individual project to determine arbitrarily whether we should get the money that the statute allocates to this sub-region.

Additionally, I have attached a chart showing the review comments received from DWR Staff and our responses. They are grouped in three categories. Each of these projects is valued and necessary. Each of the project proponents is responsible with a proven record of successfully implementing these kinds of projects.

Looking at the combined Round 1 funding and recommended Round 2 funding for the Santa Ana funding area, we are at the lowest percentage of funding received compared to any other funding area by almost 100%. This is inequitable and should be remedied by allocating funding to the Santa Ana funding area, rather than increasing the Round 2 funding allocation to other funding areas that far exceed the anticipated maximum allocation schedule for Round 2 defined in the Proposition 84 Round 2 PSP.

SAWPA is a demonstrated leader in IRWM planning and helped initiate IRWM planning and implementation statewide. We have worked closely with DWR staff over the past year to present the very best plan and develop innovative 21st Century integrated water resources solutions addressing challenges facing our region. As a matter of sound policy, and to comply with the Public Resources Code, and as a matter of fairness, **we therefore ask that DWR rescore the proposal and amend the recommended funding list to provide SAWPA's proposal the full 100% funding available to the Santa Ana funding area under Proposition 84, Chapter 2 IRWMP Implementation Round 2 Grant Program.**

Sincerely,



Celeste Cantú
General Manager

CC:dm

cc: Gary Bardini

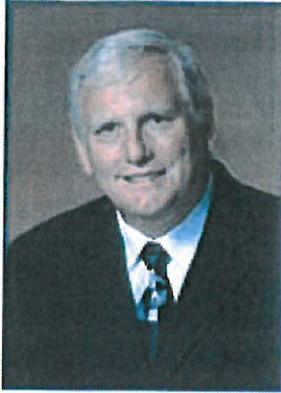
Attachments:

1. Biographies
2. Chart of Review Comments/Responses



OWOW 2.0 Round 2 Project Review Committee

About Joe Grindstaff



Currently, Joe serves as the Executive Officer of the Delta Stewardship Council.

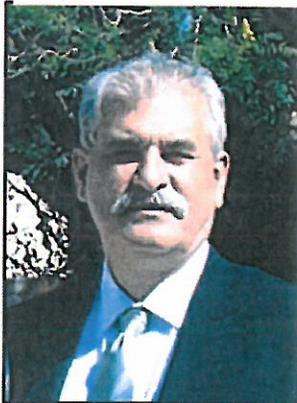
He was appointed Deputy Secretary for Water Policy by Resources Secretary Mike Chrisman on November 28, 2006, with broad oversight responsibility for all activities related to water, including the CALFED Bay-Delta Program.

He was appointed Director of the CALFED Bay-Delta Program on June 12, 2006 by Gov. Arnold Schwarzenegger, after serving as acting director for the prior year.

Prior to joining CALFED, he served as Chief Deputy Director of the Department of Water Resources and General Manager of the Santa Ana Watershed Project Authority.

Earlier in his career, he served in leadership roles at other water districts and municipalities.

About Pete Silva



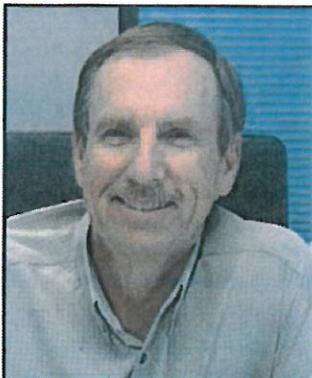
Pete currently is the President of Silva and Silva International, a water engineering consulting firm, based in San Diego. He is a civil engineer with 32 years of experience in water and wastewater.

He was formerly the US EPA's Assistant Administrator for Office of Water appointed by the Obama Administration.

He has served as a policy advisor to the Metropolitan Water District of Southern California, as well as previously served six years on the California Water Resources Control Board, as Vice Chair.

His prior experience also includes 10 years with the city of San Diego, four years in charge of the International Boundary and Water Commission in the San Diego office, and five years with the California Regional Water Quality Board in San Diego.

About Gerard (Jerry) Thibeault



Gerry Thibeault is the former Executive Officer of the California Regional Water Quality Control Board, Santa Ana Region. Gerry has both, an undergraduate and a graduate degree in Civil Engineering and has been a registered professional engineer in California since 1976.

He has been a Regional Water Quality Control Board staff member for more than 35 years joining the regional board staff in 1975.

In 1988, the Santa Ana Regional Board appointed Gerry to be their Executive Officer, and he has since served in that capacity until his retirement in June 2010.

Round 2 P84 Draft Funding Recommendations - Analysis

| Project Category | Analysis | Lead Agency | Project Name | DWR Comment | SAWPA Response |
|------------------|----------|-------------|---|---|---|
| D | | IEUA | Wineville Regional Recycled Water Pipeline and Groundwater Recharge System Upgrades | <p>WORK PLAN - Project D construction tasks contain no description of work performed.</p> <p>SCHEDULE - Project D schedules project design and solicitation after construction start and end dates.</p> | A description of construction activities was included in Goals & Objectives of the Work Plan because the project included three main project components each with separate design and solicitation activities. The combined Schedule includes some design periods that followed construction and end dates. |
| F | | OCWD | Prado Basin Sediment Management Demonstration Project | <p>MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES - Project F where goals don't match goals stated in the project description, performance indicators are not stated in a quantifiable and verifiable manner, and necessary baseline information is not proposed.</p> | This project will help restore natural sedimentation patterns, create flood storage capacity, particularly as climate change forecasts flashier floods, and assists ecosystem restoration and reducing impacts on endangered species. Regarding the DWR comments, the three goals of the Project shown in the Work plan are addressed in Performance Measurement section under one goal (b). The other performance goal of vireo monitoring was a secondary goal to the project. The performance indicator was indicated for the vireo monitoring as visual counts. Baseline information is difficult for this type of project. |
| G | | IEUA | San Sevaine Ground Water Recharge Basin | <p>WORK PLAN - Among the least detailed, project G possess no description of work for any task.</p> | A description of work was included in the Goals and Objectives of the Work Plan. |
| J | | IEUA | Regional Residential Landscape Retrofit Program | <p>WORK PLAN - Project J tasks do not list any deliverables and lack adequate detail.</p> <p>SCHEDULE - Project J there is no schedule for assessment and evaluation.</p> | The list of deliverables was included in the Goals and Objectives of the Work Plan. The schedule for assessment and evaluation was included in the Schedule and described as "Monitoring and Reporting". |

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|------|--|--|--|-----------------|
| Key: | Information in Proposal Available but missed during review | Information in Proposal DWR applied a brick & mortar rubric to innovative IWRM proposals | SAWPA's competitive process is sufficient DWR must deter | No DWR Comments |
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| Project Category | Analysis | Lead Agency | Project Name | DWR Comment | SAWPA Response |
|------------------|----------|-------------------|--|---|---|
| C | | US Forest Service | Forest First - Increase Stormwater Capture and Decrease Sediment Loading through Forest Ecological Restoration | <p>WORK PLAN - Project C does not include submission of quarterly reports; tasks 4 and 5 are not tasks but appear to be sections from NEPA documentation and do not provide defined deliverables.</p> <p>SCHEDULE - Project C schedules project design and solicitation after construction start and end dates.</p> <p>MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES - Project C where goals are not consistent with those in the project description, variability in fire events may make event comparisons impractical as a measurement tool/method, on-site sediment tracking is impractical, and several performance indicators are unrelated to the goal.</p> | <p>This project would provide multiple benefits that reduce flashy flooding that requires more dam capacity, increases stormwater capture and recharge to downstream groundwater basins, reduced sediment loading impeding recharge, improve water quality, all while accomplishing fuels reduction thus reducing catastrophic fires and forest ecological restoration. Regarding the DWR comments, quarterly reports were not mentioned, but are anticipated with the other regular reports mentioned. NEPA documentation does define deliverables as number of trees removed. The Schedule included a data entry error with Project Design and Bid Solicitation Process ending on 3/31/2016. Construction ends 12/31/2018. Monitoring, Assessment and Performance is documented, but based on the type of project; does not adapt well to typical performance indicators. Fire events are variable.</p> |
| M | | WMWD | Customer Handbook to Using Water Efficiently in the Landscape | <p>TECHNICAL JUSTIFICATION - Project M does not include a narrative that clearly identifies and describes the claimed physical benefits and only includes copies of reference material.</p> | <p>The project is particularly important since close to 80% of our water supply is used on landscaping. Water use efficiency and landscaping appropriately is our number one priority for our watershed and implements the Riverside County Landscape Ordinance that was later used as a model for the rest of the State. A narrative was included that identifies and described the physical benefits in the Cost and Benefit Analysis section.</p> |

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| Project Category | Analysis | Lead Agency | Project Name | DWR Comment | SAWPA Response |
|------------------|----------|--------------|---|--|---|
| R | | Soboba Tribe | Soboba Band of Luiseño Indians Wastewater Project | <p>WORK PLAN - Project R tasks lack sufficient Detail; contain no deliverables and no construction task for the proposed waste water treatment facility.</p> <p>TECHNICAL JUSTIFICATION - Project R is a study and therefore no physical benefits are claimed.</p> | In discussions with DWR staff, project submittals supporting Native American Tribes within an IRWM region were eligible and would be considered similar to DAC in evaluation and grading. The project documentation feasibility study for a proposed wastewater treatment plant supporting the Soboba Band of Luiseno Indians, a federally recognized tribe, was evaluated as if were a construction project, it is not. DWR evaluators included comments that the project included insufficient detail, no deliverables, no construction tasks and insufficient benefit and cost analysis which significantly affected our overall score. The submittal of a funding request for a feasibility study would not have the detailed information on par with other projects and should not have been evaluated as such. We believe that if this project was evaluated as a feasibility study rather than a construction project, it would have raised the overall grade of the SAWPA proposal significantly. |
| B | | EMWD | Quail Valley Subarea 9 Phase 1 Sewer System Project | MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES - Project B where the source of the "zero discharge" is not identified and sewer hookups are not part of the project. | The project included comments that reflect inaccuracies and a lack of understanding of sewer hookups. Under the performance measure section, the DWR evaluators indicate that the source of "zero discharge" was not identified and sewer hookups are not a part of the project. The project proposal explained that hooking up a sewer system would result in zero sewage in the streets under high rainfall events and that the project proponent is underway with obtaining funding to cover the portion of the sewer laterals on private property similar to another DAC project that was successfully constructed in their area. This DAC project is also very important to prevent raw sewage from entering Canyon Lake, a downstream drinking water reservoir. |

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| Project Category | Analysis | Lead Agency | Project Name | DWR Comment | SAWPA Response |
|------------------|----------|-------------------|--|---|--|
| E | | SBVWCD | Plunge Creek Water Recharge and Habitat Improvement | MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES - Project E appears to be missing some needed information within the provided table. | In the thirty cell table, two cells were corrupted in the transmission to DWR. |
| I | | SBVMWD | Enhanced Stormwater Capture and Recharge along the Santa Ana River | WORK PLAN - Project I task descriptions lack sufficient detail, do not list potential permits, and do not list any deliverables. | Supplemental documentation showing technical tasks will be provided. Permits were not included and deliverables were shown but lacked detail. |
| S | | City of Riverside | Recycled Water Project Phase I (Arlington-Central Avenue Pipeline) | TECHNICAL JUSTIFICATION - Project S does not include an annual benefit summary for with-and without-project. | The annual benefit summary for with and without project was inadvertently included under Cost and Benefit Analysis and should have been in the Technical Justification. |
| L | | City of Upland | 14th Street Groundwater Recharge and Storm Water Quality Treatment Integration Facility | WORK PLAN - Among the least detailed, project L possess no description of work for any task. TECHNICAL JUSTIFICATION - Project L has limited information and only includes references to other attachments of submittal. | Description of detailed work tasks were not included in Work Plan but some detail was included in the Budget section. But, limited information for technical justification was provided. |
| A | | EMWD | Perris Desalination Program - Brackish Water Wells 94, 95 and 96 | No Comments. | N/A |
| H | | City of Corona | Corona/Home Gardens Well Rehabilitation and Multi-Jurisdictional Water Transmission Line Project | No Comments. | N/A |
| K | | LESJWA | Canyon Lake Hybrid Treatment Process | No Comments. | N/A |
| N | | City of Fontana | Vulcan Pit Flood Control and Aquifer Recharge Project | No Comments. | N/A |
| O | | City of Ontario | Francis Street Storm Drain and Ely Basin Flood Control and Aquifer Recharge Project | No Comments. | N/A |
| P | | MWDOC | Commercial/Industrial/Institutional Performance-Based Water Use Efficiency Program | No Comments. | N/A |
| Q | | City of Irvine | Peters Canyon Channel Water Capture and Reuse Pipeline | No Comments. | N/A |

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|------|--|--|--|-----------------|
| Key: | Information in Proposal Available but missed during review | Information in Proposal DWR applied a brick & mortar rubric to innovative IWRM proposals | SAWPA's competitive process is sufficient DWR must defer | No DWR Comments |
| | | | | |

| Project Category | Analysis | Lead Agency | Project Name | DWR Comment | SAWPA Response |
|------------------|----------|-----------------|---|--------------|----------------|
| T | | City of Yucaipa | Wilson III Basins Project and Wilson Basins/Spreading Grounds | No Comments. | N/A |

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