



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

OWOW Steering Committee Members

Ronald W. Sullivan, Convener | SAWPA Commissioner
Jasmin A. Hall, SAWPA Commissioner
Shawn Nelson, Orange County Supervisor
Marion Ashley, Riverside County Supervisor
Curt Hagman, San Bernardino County Supervisor
Laura Roughton, Councilmember, City of Jurupa Valley

Jose Solorio, Councilmember, City of Santa Ana
James Hessler, Altman Plants
Garry W. Brown, Orange County Coastkeeper
Linda Ackerman, Regional Water Quality Control Board
Vacant, San Bernardino County City Representative

REGULAR MEETING OF THE OWOW STEERING COMMITTEE

Thursday, September 27, 2018 – 11:00 a.m.
at SAWPA, 11615 Sterling Avenue, Riverside, CA 92503

AGENDA

1. WELCOME AND INTRODUCTIONS

A. Vic Nguyen, Chief, Southern Region Office, California Department of Water Resources Division of Integrated Regional Water Management

2. PUBLIC COMMENTS

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. APPROVAL OF MEETING MINUTES: July 26, 2018

4. INFORMATIONAL ITEMS

A. Pacific Institute Update on Activities in the Santa Ana River Watershed (SC#2018.19)

Mike Antos

Recommendation: Receive and file.

B. OWOW Program Update (SC#2018.20)

Mike Antos

Recommendation: Receive and file.



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5. BUSINESS ITEMS

A. The OC Plan and the July 13, 2018 letter from the North/Central OC Watershed Management Area Agencies (SC#2018.18)

Mike Antos

Recommendation: Consider the following actions in response to the letter from North/Central OC Watershed Management Area:

1. Receive a presentation by representatives of the North/Central Orange County Watershed Management Area about The OC Plan (2018), an integrated regional water management plan;
2. Consider adoption of an amended *Prop 1 IRWM Implementation Grant Project Eligibility – OWOW Program Policy*; and,
3. Consider inclusion of The OC Plan to the appendix of the OWOW Plan Update 2018 alongside the other plans similarly adopted for inclusion.

6. ADJOURNMENT

PLEASE NOTE:

Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, September 19, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC



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<u>2018 – OWOW Steering Committee Meetings</u> Fourth Thursday of Every Other Month (NOTE: All meetings begin at 11:00 a.m. , unless otherwise noted, and are held at SAWPA.)	
January 25, 2018	March 22, 2018
May 24, 2018	July 26, 2018
September 27, 2018	November 15, 2018*
* Meeting date adjusted due to conflicting holiday.	

<u>2019 – OWOW Steering Committee Meetings</u> Fourth Thursday of Every Other Month (NOTE: All meetings begin at 11:00 a.m. , unless otherwise noted, and are held at SAWPA.)	
January 24, 2019	March 28, 2019
May 23, 2019	July 25, 2019
September 26, 2019	November 21, 2019*
* Meeting date adjusted due to conflicting holiday.	

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**OWOW STEERING COMMITTEE
REGULAR MEETING MINUTES
JULY 26, 2018**

Committee Members	
<u>Santa Ana Watershed Project Authority Representatives</u>	
Jasmin A. Hall, Inland Empire Utilities Agency	Present
Bruce Whitaker, Orange County 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	Present
<u>County City Representatives</u>	
San Bernardino County City Representative [Vacant]	Vacant
Laura Roughton, Councilmember, City of Jurupa Valley	Absent
Jose Solorio, Councilmember, City of Santa Ana	Present
<u>Business Committee Representative</u>	
James Hessler, Director of West Coast Operations, Altman Plants	Present
<u>Environmental Committee Representative</u>	
Garry W. Brown, Convener, President, Orange County Coastkeeper	Present
<u>Regional Water Quality Control Board Representative</u>	
Linda Ackerman, Vice Chair, Santa Ana Regional Water Quality Control Board	Present [11:17 a.m.]
Others Present	
<u>SAWPA COMMISSIONERS:</u>	None.
<u>SAWPA STAFF:</u>	Rich Haller, Karen Williams, Dean Unger, Mike Antos, Ian Achimore, Kelly Berry
<u>OTHERS PRESENT:</u>	Michael Markus, General Manager, Orange County Water

The OWOW Steering Committee meeting was called to order at 11:04 a.m. by Jasmin A. Hall, Convener, at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

1. WELCOME AND INTRODUCTIONS

Roll call was duly noted and recorded.

2. PUBLIC COMMENTS

Michael Markus, General Manager, Orange County Water District, spoke regarding the July 13, 2018 correspondence from OC Stakeholders to the OWOW Steering Committee, a copy of which was provided to



the Committee, staff and members of the public. Markus requested the matters contained in the letter placed on the September 27, 2018 OWOW Steering Committee agenda as an actionable item. Convener Hall directed staff to follow through accordingly.

3. APPROVAL OF MEETING MINUTES – May 24, 2018

MOVED, approve the May 24, 2018 meeting minutes.

Result:	Adopted (Passed)
Motion/Second:	Solorio/Hall
Ayes:	Hagman, Hall, Hessler, Solorio, Whitaker
Nays:	None
Abstentions:	Brown
Absent:	Ackerman, Ashley, Nelson, Roughton

4. INFORMATIONAL ITEMS

A. Final Report from Departing CivicSpark Water Fellows (SC#2018.14)

Mike Antos introduced Miki Helman and Ryan Hirano who provided a PowerPoint presentation about their past year of service in the CivicSpark Fellows Program supporting the Disadvantaged Community Involvement (DCI) Program and OWOW. Both were presented with certificates of appreciation for their work over this past year.

Committee Member Ackerman arrived at 11:17 a.m., during the discussion of Agenda Item No. 4.A.

This item was for informational purposes; no action was taken on Agenda Item No. 4.A.

B. OWOW Program Status (SC#2018.15)

Mike Antos provided a PowerPoint presentation with a status report on the OWOW Program.

Committee Member Solorio requested staff ensure that OWOW Steering Committee members are fully advised and updated relative to the August 14, 2018 Technical Advisory Committee (TAC) meeting, including any staff work or reports completed before or after that meeting. As he has shared in the past, Committee Member Solorio continues to have concerns we are spending a great deal of money but not engaging and talking with the correct people, noting the lack of interviews conducted with Orange County elected representatives who do represent disadvantaged communities; thus, programs developed may not be the most beneficial to disadvantaged communities. Solorio voiced concern regarding money spent on homeless programs, stating programs should not encourage homelessness within the Santa Ana River or Watershed. Solorio stated the timing of the TAC continuing with additional work before the final strengths and needs assessment seems to be out of order.

Antos noted the TAC would make recommendations to the OWOW Steering Committee, which would in turn make recommendations to the SAWPA Commission. The TAC is there to advise relative to which direction to proceed. Antos stated work within homelessness has been budgeted as a separate task within the strengths and needs assessment; avenues of spending continue to be researched and considered. Antos advised the strengths and needs assessment is expected to be completed in October of 2018.

This item was for informational purposes; no action was taken on Agenda Item No. 4.B.



5. BUSINESS ITEMS

A. Proposition 1 IRWM Grant Program – Project Rating & Ranking System (SC#2018.16)

Mike Antos provided a PowerPoint presentation on Proposition 1 IRWM Grant Program project Rating & Ranking System. There was a brief discussion about the benefit classes and indicators set forth in the PowerPoint regarding how projects that did not fall under the provided indicators would be weighted – could a project propose a different indicator? Antos replied the indicators must remain static since it is a non-qualitative tool. Project submissions must work within the indicators set forth, and others must agree with how the projects will work within them.

Committee Member Hessler initiated a discussion about a return on investment component of the rating and rankings. Antos replied it did not currently; Hessler voiced concern we may create additional supply but at a very high cost. Antos noted the system is not set up to solve that challenge but that it is within the authority of the OWOW Steering Committee to take this into consideration when considering projects; the Committee has within its authority the ability to rationalize overriding the rating and ranking indicators before making project recommendations to the SAWPA Commission.

Committee Member Hall asked if the grant timeline is set or will it change; Antos replied he doesn't believe it will change again but he cannot be certain. Solorio noted the timeline issue is critical because none of the future bonds have IRWM money; this could possibly be the last sizable chunk of money for the next decade. Antos noted we continue to make the case with DWR that we would like our local decision making to set the timeline of when we receive and spend this grant funding, not two rounds of funding. There are other stakeholders like us who are requesting two rounds. We are hopeful we will secure funding flexible to the needs of the region.

Solorio voiced his support; however, if there is a tweak necessary it should come back to the Committee.

MOVED,

1. Approve minor changes to the 2016 OWOW Steering Committee approved Eligibility Criteria and adopt as the Proposition 1 IRWM Implementation Grant Eligibility – OWOW Program Policy;
2. Approve and adopt the OWOW Program Proposition 1 IRWM Implementation grants Rating & Ranking system, inclusive of eligibility criteria, benefit classes and scoring procedures, for evaluating projects which submit to compete for the Proposition 1 IRWM Implementation grants expected to be released by DWR this Fall; and,
3. Approve and adopt the described system whereby large budget projects compete against one another and small budget projects compete against one another for separate allocations of grant funds.

Result:	Adopted (Unanimously)
Motion/Second:	Hagman/Hessler
Ayes:	Ackerman, Brown, Hagman, Hall, Hessler, Solorio, Whitaker
Nays:	None
Abstentions:	None
Absent:	Ashley, Nelson, Roughton

B. OWOW “Let’s Connect” (SC#2018.17)

Mike Antos provided a PowerPoint presentation. Committee Member Hall asked about feedback on the *Let’s Connect* initiative. Antos replied thus far feedback has been supportive.



This item was for informational purposes; no action was taken on Agenda Item No. 5.B.

6. ADJOURNMENT

The meeting came to a close at 12:25 p.m.

APPROVED: September 27, 2018

Ronald W. Sullivan, Convener

Attest:

Kelly Berry, CMC, Clerk of the Board

OWOW STEERING COMMITTEE MEMORANDUM NO. 2018.19

DATE: September 27, 2018

TO: OWOW Steering Committee

SUBJECT: Pacific Institute Update on Activities in the Santa Ana River Watershed

PREPARED BY: Mike Antos, Senior Watershed Manager

RECOMMENDATION

It is recommended that the OWOW Steering Committee welcome Heather Cooley, the Director of Research at the Pacific Institute and receive and file her presentation about ongoing work by Pacific Institute in the Santa Ana River Watershed.

DISCUSSION

The Pacific Institute is a California-based nonprofit that describes itself as:

...a global water think tank that combines science-based thought leadership with active outreach to influence local, national, and international efforts in developing sustainable water policies. Since 1987, we have worked with everyone from Fortune 500 companies to disenfranchised communities to create and advance sustainable water policies and deliver meaningful results...

Ms. Cooley conducts and oversees research on an array of water issues, such as sustainable water use and management, the connections between water and energy, and the impacts of climate change on water resources. She received a B.S. in Molecular Environmental Biology and a Master's degree in Energy and Resources from the University of California, Berkeley.

She will share about the ongoing work with businesses in the Santa Ana River Watershed on setting corporate water targets and installing sustainable landscapes on their properties. Both efforts have conferred with SAWPA, and the work to establish water targets has engaged with the goals developed by stakeholders and adopted by the OWOW Steering Committee for the OWOW Plan Update 2018.

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OWOW STEERING COMMITTEE MEMORANDUM NO. 2018.20

DATE: September 27, 2018
TO: OWOW Steering Committee
SUBJECT: OWOW Program Update
PREPARED BY: Mike Antos, Senior Watershed Manager

RECOMMENDATION

It is recommended that the OWOW Steering Committee that the OWOW Steering Committee receive and file this update about OWOW Program activities.

DISCUSSION

The OWOW Program contains three separate ongoing efforts, the OWOW Plan Update 2018, the Disadvantaged Communities Involvement Program, and the Proposition 1 IRWM Implementation Grants. Below is a brief update of these three activities.

OWOW Plan Update 2018

The OWOW Plan Update 2018 is behind the schedule set earlier in the effort. A public review draft was intended to be available in the month of August, but is not yet ready. The work has been delayed for multiple reasons, however, there is sufficient time in the overall schedule that the OWOW Plan Update 2018 will be complete and ready for adoption by the Steering Committee at the November meeting.

Currently the expectation is for a public review period to be opened mid-October and be available for three or four weeks. With the expectation from past experience that comments will be manageable in scale, SAWPA staff and its consultant remain confident that following the comment period edits can be complete such that the Steering Committee can consider the final document in November.

Disadvantaged Communities Involvement Program

The Disadvantaged Communities Involvement Program is continuing apace. Multiple threaded and linked activities are being pursued by members of the program team. The Strengths & Needs Assessment report is being assembled by the California State University team with contributions from all partners, with a shareable report expected before the end of the year. Additional community engagement is planned throughout the coming year, both in “listening” and “teaching” modes, to share what was learned during the first year and receive feedback from participants. Our third pair of CivicSpark Water Fellows came on-board in September, and the Community Water Intern program continues to receive applications from agencies and non-profits seeking interns, and from students interested in completing those projects. A “Trust the Tap” media and outreach campaign is being developed in Spanish, Vietnamese and English by a consultant to SAWPA, which will be freely distributed to interested water agencies who wish to include the information in their existing community engagements.

In the coming months SAWPA will retain one or several on-call consultants with translation skills, for both documents and live public meetings. This consultant will be available via application to any watershed agency or organization that has a community engagement about water that would benefit from translation.

The DCI Program technical advisory committee is meeting monthly to develop a decision-making process of how to allocate technical assistance to communities. There is a draft list of projects and programs that would bring benefits to members of disadvantaged and underrepresented communities, as well as economically distressed areas. This list, which continues to evolve, is drawn from the engagement efforts completed within the DCI Program, and from projects submitted to the OWOW Plan Update 2018 process. The TAC is committed to having a decision-making process established and early-action TA project recommendations for the OWOW Steering Committee to consider early in 2019.

Proposition 1 IRWM Implementation Grants

The Proposition 1 IRWM implementation grants will be announced by Department of Water Resources with a release of the draft Project Solicitation Package (PSP) in September (it has not been released as of 9/14 when this memo was written.) The draft PSP will help SAWPA staff further refine the “Call for Projects Seeking Grants” online tool, as well as the details of OWOW Steering Committee approved eligibility criteria (specifically the context surrounding the DWR-proposed CEQA eligibility requirements.)

The timeline shared by DWR remains unchanged for several months now, whereby the Draft PSP is expected in September, then a 45-day public comment period and public meetings, with the Final PSP expected in “late Fall”, followed by our application due to DWR “anticipated” in April 2019.

In October SAWPA will provide informational resources to the OWOW Stakeholders that describes the Eligibility Criteria and the Rating & Ranking System adopted by the Steering Committee in July. This information will be helpful for those considering submitting projects or programs for consideration and can understand how SAWPA under the OWOW Program will process their application.

Elsewhere in the agenda for this meeting is more discussion about the Prop 1 grants and how the Orange County letter distributed to the Steering Committee requests changes. The eligibility criteria and rating & ranking system approved in July 2018 and referenced above are both subject to change based on the decisions made within that other agenda item.

OWOW STEERING COMMITTEE MEMORANDUM NO. 2018.18

DATE: September 27, 2018

TO: OWOW Steering Committee

SUBJECT: The OC Plan and the July 13, 2018 letter from the North/Central OC Watershed Management Area Agencies

PREPARED BY: Mike Antos, Senior Watershed Manager

RECOMMENDATION

It is recommended that the OWOW Steering Committee consider the following actions in response to the letter from North/Central OC Watershed Management Area:

1. Receive and file a presentation by representatives of the North/Central Orange County Watershed Management Area about The OC Plan (2018), an integrated regional water management plan.
2. Consider adoption of an amended *Prop 1 IRWM Implementation Grant Project Eligibility – OWOW Program Policy*.
3. Consider inclusion of The OC Plan to the appendix of the OWOW Plan Update 2018 alongside the other plans similarly adopted for inclusion.

OC AGENCIES LETTER

The County of Orange, Orange County Water District, and Orange County Sanitation District together as the North/Central OC Watershed Management Area (OC agencies), has requested three changes to the OWOW Program in a letter to the OWOW Steering Committee dated July 13, 2018 but distributed July 26, 2018. The letter requests an allocation to The OC Plan area of 38% of grant funds that become available through the OWOW Program, that The OC Plan be incorporated as a separate chapter in the OWOW Plan, and the Orange County projects be selected for Proposition 1 IRWM funding through The OC Plan process.

BACKGROUND

The SAWPA Commission is the state-approved Regional Water Management Group for the Santa Ana Funding Area of the California Integrated Regional Water Management Program. The Commission is made up of one elected representative from each of the five SAWPA member agencies; Eastern Municipal Water District, Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District. The Funding Area encompasses the Santa Ana River Watershed, the Newport Bay Watershed, and other small natural and infrastructural drainages of Central and North Orange County. The state-approved Santa Ana Funding Area implementation of the California IRWM Program, governed by the Regional Water Management Group, is called the One Water One Watershed Program. The OWOW Program

is itself an outgrowth of regional watershed planning that began early in the history of SAWPA, which was created in recognition of the interdependence of those who rely on the flow of the Santa Ana River. The OWOW Program uses the name “Santa Ana River Watershed” to include other adjacent smaller watersheds which are administratively contained in the Funding Area. This boundary is nearly identical to the jurisdictional boundary of the Santa Ana Regional Water Quality Control Board.

In a delegated advisory role to the SAWPA Commission, the OWOW Steering Committee acts on behalf of the One Water One Watershed Program to govern stakeholder-driven planning and selection of programs and projects across the Santa Ana Funding Area.

The OWOW Program and the OWOW Plans acknowledge that watershed management occurs at multiple scales and is encouraged or required by multiple policy frameworks. By formally including sub-regional and single-purpose plans as appendices to the OWOW Plan Update 2018, the region recognizes and benefits from the efforts invested in those processes. But the OWOW Plan itself is meant to do more than staple these other plans together, that is, OWOW Plans consider the entire watershed as a system and seek integrated strategies to realize a regional vision.

The OWOW Program prioritizes planning at the watershed scale, primarily because OWOW is a descendant of early watershed planning in the Santa Ana River watershed, but also because of the view, held by water leaders in the watershed for the last fifty years, that the watershed is interconnected in ways that are best managed through collaboration.

Proposition 1 IRWM Implementation Grants

The remainder of funding allocated to the Santa Ana Funding Area by Proposition 1 for implementation projects within the IRWM Program may be released soon. A Project Solicitation Package (PSP) is scheduled to be released by DWR at the end of September 2018.

The OWOW Program is designed to perform both the letter and the spirit of the California IRWM Program, which was itself modeled after earlier watershed planning efforts here in the watershed. The OWOW Plans comply with the current IRWM Plan Standards, and the Plan is a tool for allocating grant resources when available through the program. The CA IRWM Program was created by the legislature and approved by the voters to encourage regional collaborative planning because at the time this was rare. The implementation grants were included to incentivize the regional planning efforts.

The CA IRWM Program is funded by the legislature through twelve Funding Areas. In each Funding Area there are one or more Regional Water Management Groups. Two regions, Santa Ana and North Coast, have one RWMG in each Funding Area. The other ten Funding Areas have multiple RWMGs. Of those ten Funding Areas, only two (San Diego and Lahontan) have an agreement between the multiple RWMGs on how to share the resources allocated to the Funding Area by the legislature. The other eight Funding Areas are competitive, in that the multiple RWMG each

propose how to use the resources allocated to the Funding Area, and DWR manages a competition and selects how to distribute the money among the proposals.

DWR remains uncomfortable with the Funding Area sharing agreements like that in San Diego. The Department enacts the legislature's command that IRWM grants be made competitively and worries the fund-sharing agreements may be perceived as anti-competitive. Consistent with prior law, Proposition 1 requires IRWM grants be by competitive process (Section 79740). But, as with Proposition 84, Proposition 1 provides that if DWR selects projects for grant funding, it should prioritize projects in plans that cover a greater portion of the watershed, and that "If a plan covers substantially all of the watershed, the plan's project priorities shall be given deference" (Section 79742).

DISCUSSION

The recommendations enact a set of changes to the OWOW Program, developed by engaged stakeholders, including Orange County-based participants generally and staff from at least one of the signatory OC agencies. The recommendations refine the existing OWOW program in ways that were generally or specifically supported by attendees at the Pillar Integration Meeting and the Pillar Chairs meeting described below. Despite careful engagement and extensive communication, at the time of this memo (19 September) it is not known by SAWPA staff if these changes encompass a compromise position supported by the OC agencies.

The OC agencies' requests were delivered in response to the OWOW Program's invitation to have The OC Plan (2018) included in the OWOW Plan Update 2018 by an action of the OWOW Steering Committee. A similar invitation was made to two Stormwater Resources Management Plans, Chino Basin and Orange County, which were included in the OWOW Plan Update 2018 by the OWOW Steering Committee on July 7, 2016 and March 23, 2017, respectively. Subsequently, the Friends of Harbors, Beaches and Parks requested the Newport Bay Idea Book (2015) be similarly included, which occurred on May 24, 2018. The California Coastal Conservancy is scheduled to seek inclusion of the Santa Ana River Parkway and Open Space Plan (2018) at the November 2018 OWOW Steering Committee Meeting. In all cases except the Newport Bay Idea Book, the project lists included in each of these plans were directly uploaded into the OWOW Plan Update 2018 to reflect the collaborative effort of the OWOW Program. The OC Plan included projects have also been directly loaded to the OWOW Program projects database.

All these included plans are specialized either in content or geographic scope, are related to the Santa Ana River watershed, and involve aspects of integrated water management. There are two reasons supporting the inclusion of these plans in the OWOW Plan Update 2018. First, Stormwater Resources Management Plans are required by statute to be included in state-approved IRWM Plans. Second, inclusion acknowledges that specific plans like these are important companion tools in the region as the OWOW Program pursues the shared goals for the watershed. These Plans, including The OC Plan, and regardless of their formal inclusion, did impact and were referenced by Pillar workgroups as the OWOW Plan Update 2018 was written. There are many other plans in the region

that were impactful on the development of the OWOW Plan Update 2018 that were not formally included by action of the Steering Committee but will be acknowledged and listed in the OWOW Plan Update 2018.

The OC Plan (2018)

A presentation (attachment 1) will be made by representatives of Orange County Public Works about the development of The OC Plan and the requests made by the letter.

The OC Plan describes itself this way:

The OC Plan combines and updates two existing plans that were prepared by the County of Orange. The North Orange County Watershed Management Area Integrated Regional Water Management Plan was completed in 2011 and the Integrated Regional Water Management Plan: Central Orange County Management Area was completed in 2012[...]

The goals established in The OC Plan are to improve water supply, protect water quality, enhance the environment and habitat, provide flood risk management, improve the quality of life, and address climate change. The OC Plan will accomplish these objectives through an established ranking of projects to help further state and regional goals.

The OC Plan is an “integrated regional water management plan” in the sense that it is designed to be compliant with the Department of Water Resources 2016 IRWM Plan Standards, and in the more generic sense as it convened collaborative planning on behalf of regional and multi-benefit work. It is a plan for a sub-region of the Santa Ana River Watershed, in the same way as the Upper Santa Ana River Watershed IRWM Plan (2015).

Stakeholder engagement about the letter

Since the letter was delivered to the OWOW Steering Committee formally during the July 26, 2018 meeting, stakeholders have met on two occasions to discuss the requests made, and SAWPA staff has received comments from a few other stakeholders via email and in-person. The first stakeholder meeting was the Pillar Integration Workshop on August 23, 2018. The agenda for that meeting included a discussion of the letter, facilitated by SAWPA staff, which included a review of the approved OWOW Steering Committee *eligibility criteria* and *rating & ranking* system. The second stakeholder meeting convened the Pillar Chairs on September 4, 2018.

The discussion at both stakeholder meetings quickly stepped past the specific requests made by the letter to consider the underlying issues that drove the letter being written. Throughout the life of the IRWM Program being implemented in the region, stakeholders from Orange County have played a strong role in shaping the program. The Steering Committee itself was an innovation adopted through recommendations from Orange County stakeholders. In more recent years, the adoption of formal language to ensure the program supports projects which provide broad benefit

without causing undue harm to another was prompted by concerns of Orange County stakeholders. The philosophy in this watershed that upstream impacts downstream is well established, and the watershed-wide efforts and investments in salt management are emblematic of this ethic.

At the root of the issue, as was discussed at both meetings, is a concern that the OWOW Program, in seeking to support projects that benefit the whole or at least a large portion of the watershed, has unintentionally made lower watershed projects less competitive for IRWM grant dollars. The policies of selecting projects for implementation grants made it challenging to describe how projects which benefit a small coastal drainage, or the lower watershed more generally, provide benefits in the upper watershed. It was shared during the conversation that the system of prioritizing the large-area projects has in-effect driven the program's investments towards the upper watershed. This concern, once raised, was considered thoughtfully by the stakeholder group, with voices from all parts of the watershed agreeing it was something that should be addressed.

The role of OWOW Plan Update 2018, and the OWOW Program

The OWOW Program supports integrated planning at the scale of the Santa Ana River watershed. This is partially driven by requirements of the California IRWM Program, but also by the history in this watershed of understanding the interdependence of those who rely on the river for water supply, groundwater recharge, recreation, critical habitat, etc. The OWOW Plan Update 2018 exists as an integrated watershed plan, complying with the 2016 IRWM Plan Standards but also encouraging planning and decision-making at the scale of the watershed. Consensus for the need for this type of planning in the watershed pre-dates the OWOW Program.

Since the beginning of the State's IRWM program, the OWOW Program has recognized that IRWM implementation grants were offered to incentivize the development and implementation of integrated regional plans, not just to assist with implementing meritorious projects. This reality is starkly clear from the ratio of grant funds that have been made available to this region to the needs identified by OWOW Plan project lists. In the three Prop 84 calls-for-projects, stakeholder agencies in the region submitted to the OWOW Program about \$1.95 billion dollars in grant requests for the available ~\$100 million in grant funds allocated to the Funding Area. The OWOW Program funded projects from Prop 84 received ~\$100 million, leveraging ~\$650 million in local expenditures. It is also clearly illustrated by the division of grant funds in the Proposition 84, Proposition 1, and Proposition 68, and the upcoming Proposition 3. IRWM grant funds have always been a discrete fraction of the total funds made available for water projects through voter-approved water bonds, because IRWM grants are meant to incentivize the integrated regional planning to increase the effectiveness and efficiency of all public investments in water.

Santa Ana River watershed stakeholders of past efforts, and in these recent discussions, have affirmed that the watershed-scale work of the OWOW Program is important, and that the watershed-scale planning and partnership should not be diminished. Expanding on that sentiment, SAWPA staff believe moving towards an OWOW Plan that is simply a collection of subregional plans is an act of dis-integration. Other Regional Water Management Groups take this approach and are

critiqued for being a “collaboration by staple.” Subregional plans, like The OC Plan or the Newport Bay Idea Book, play important and sometimes required roles, but, the OWOW Plan itself must remain a tool that considers the whole watershed. The watershed is more than the sum of the component parts, and the opportunities and challenges that resolve at the scale of the watershed must be addressed at that same scale. The challenges and opportunities that impact the North/Central OC Water Management Area may be best managed at that scale, but, that is not the role of the OWOW Plan Update 2018. These two plans, reflecting different scales, are important companions, and each should not contain or be contained by the other.

Because the stakeholders clearly recommended that the OWOW Program not be dis-integrated, it is SAWPA staff’s recommendation that The OC Plan be included in the OWOW Plan Update 2018 by action of the Steering Committee in-line with how the other plans were adopted, rather than a separate chapter as requested in the OC letter.

Ensuring distribution of benefits from IRWM implementation grants

The OWOW Program has always sought to pursue an equitable distribution of benefits from projects, rather than focusing on the spatial distribution of the dollars used to build projects that provide those benefits. This idea requires participants to agree and understand how upper watershed improvements produce benefits that cascade down the watershed. This is an idea well understood in the watershed by most, as it is an idea that pre-dates the OWOW Program and was instrumental in the founding of SAWPA. However real this idea is, though, the current watershed partnership is being challenged by this understanding of interdependence. To address this current conflict, two changes are proposed for the *Prop 1 IRWM Implementation Grant Project Eligibility – OWOW Program Policy* previously approved by the OWOW Steering Committee.

These two proposed changes arose through the discussions at the Pillar Integration meeting, and at the Pillar Chair meeting. The first change expresses that, because the communities of the watershed are interconnected and interdependent, resilience improved anywhere in the watershed improves resilience everywhere in the watershed. This is a refinement of how “benefit” is thought about, where, rather than a physical flow of water as the tool of sharing benefits, the OWOW Program acknowledges that improvements anywhere support the whole watershed. This mirrors the long-held understanding that the management of water quality in the upper watershed benefits water supply operations in the lower watershed. The change would remove a challenge to Orange County projects seeking IRWM grants by not requiring them to identify direct benefits of their projects upstream.

Stakeholders reviewing this change to a resilience mindset suggest it may also prove valuable for considering projects that benefit members of disadvantaged communities, remote communities, or Tribal communities. In this way, this first change has been acknowledged by stakeholders as providing multiple threads of improvement to the OWOW Program. This proposed change can be seen in the attached markup of the Project Eligibility Criteria, where language about large area benefit is replaced with language about shared resilience.

The second change was proposed by several of the Pillar Chairs and is reflected in the Project Eligibility Criteria document. If adopted, the OWOW Steering Committee commits that the Program will “strive to ensure” that at least 25% of the available grant funding in any IRWM implementation grant opportunity supports eligible projects in each of the three county areas of the watershed. This policy change speaks to the request made in the OC agencies’ letter for a specific allocation. It articulates a strong policy principle for the OWOW Steering Committee in developing a portfolio of projects for a particular funding opportunity, while at the same time retaining the program’s competitive nature. State law requires that IRWM grant decisions be competitive, so if OWOW’s selection process is not, DWR would have to have use its own competitive process.

This second change formalizes something that has always been informally pursued, that is, a fair distribution of project benefits and grant resources throughout the watershed. This change is responsive to requests from the OC agencies, but also is a process improvement which makes transparent something that previously was informally managed.

Both proposed changes are seen in the redline and final version of the *Prop 1 IRWM Implementation Grant Project Eligibility – OWOW Program Policy* (attachments 2 and 3). Given the discussion at both stakeholder meetings, these two changes encompass a proposed response to the letter received by the OWOW Steering Committee. As has been true throughout the more than ten years of the OWOW Program, changes and refinements are important tools for overcoming conflict and maintaining the shared purpose of a healthier, more prosperous and sustainable Santa Ana River watershed.

The third request of the letter, to allow the project selection criteria established in The OC Plan be the tool for picking projects for grant applications, is in light of the other proposed changes, not appropriate. As the Orange County stakeholders gather to consider what projects and programs are submitted to the OWOW Program call for projects-seeking-grants, The OC Plan may prove a valuable collaborative tool. However, because the recommendation is for the OWOW Plan Update 2018 and the OWOW Program to remain unified across the Santa Ana Funding Area, a single competitive process is warranted, using the *Eligibility Criteria* and *Rating & Ranking* system created by the OWOW stakeholders, and approved by the OWOW Steering Committee.

ATTACHMENTS

1. OC Presentation to the OWOW Steering Committee 09-27-18.pdf
2. Prop 1 IRWM Implementation Grant Project Eligibility – OWOW Program Policy (redline)
3. Prop 1 IRWM Implementation Grant Project Eligibility – OWOW Program Policy (final)

The OC Plan and Integrated Regional Water Management in Orange County

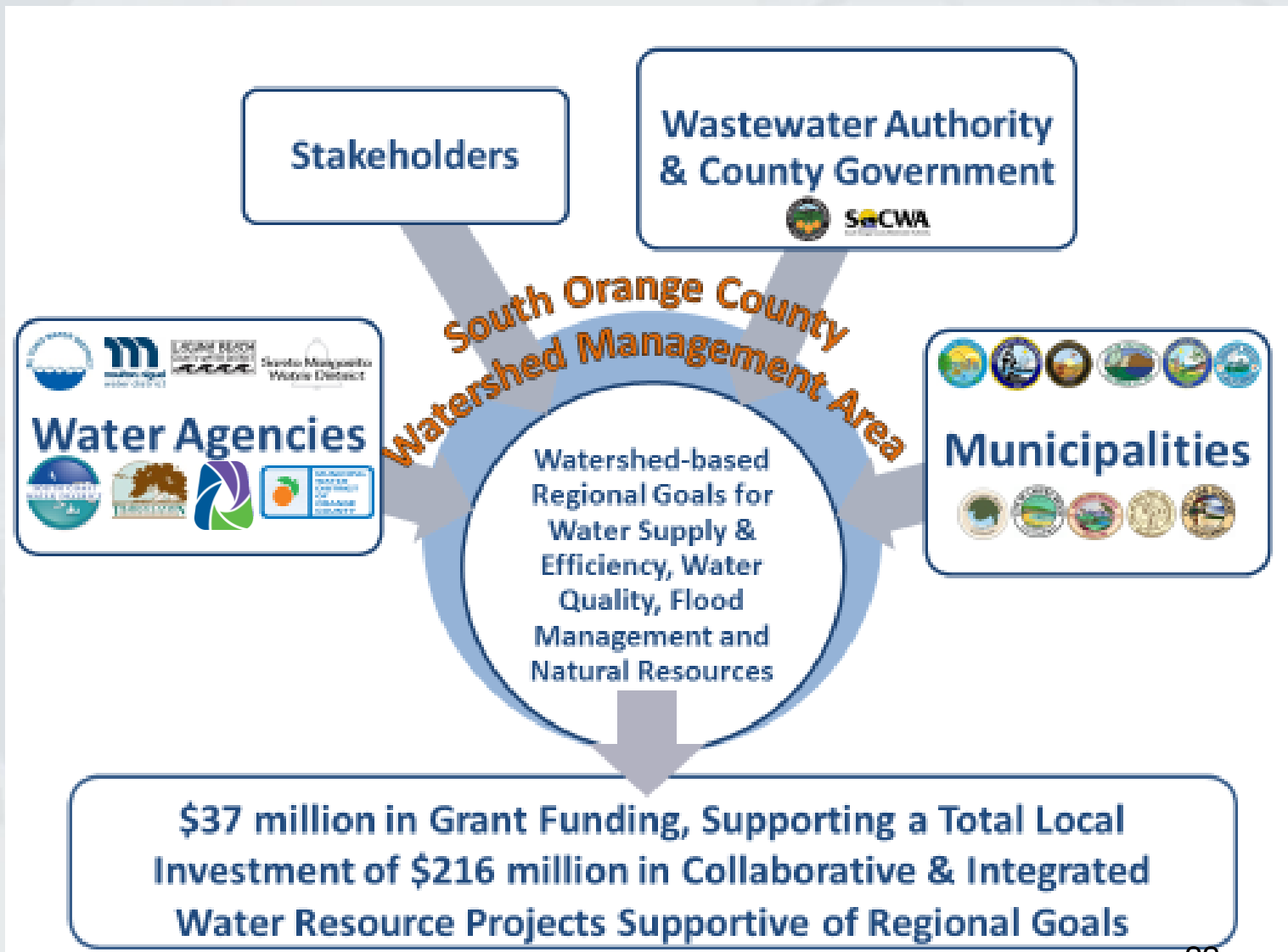


OC Environmental Resources

- Coordinate countywide NPDES compliance
 - Santa Ana and San Diego Regional Water Boards
 - 34 municipalities; 2 stormwater permits
- IRWM Programs in 2 Funding Areas
 - North/Central WMAs (Santa Ana Funding Area)
 - South WMA (San Diego Funding Area)
- Collaborate with other agencies
 - 18 water districts
 - 3 major sanitation districts
- Internal County Collaboration
 - OC Flood Control District
 - OC Parks



South OC IRWM Group Collaboration

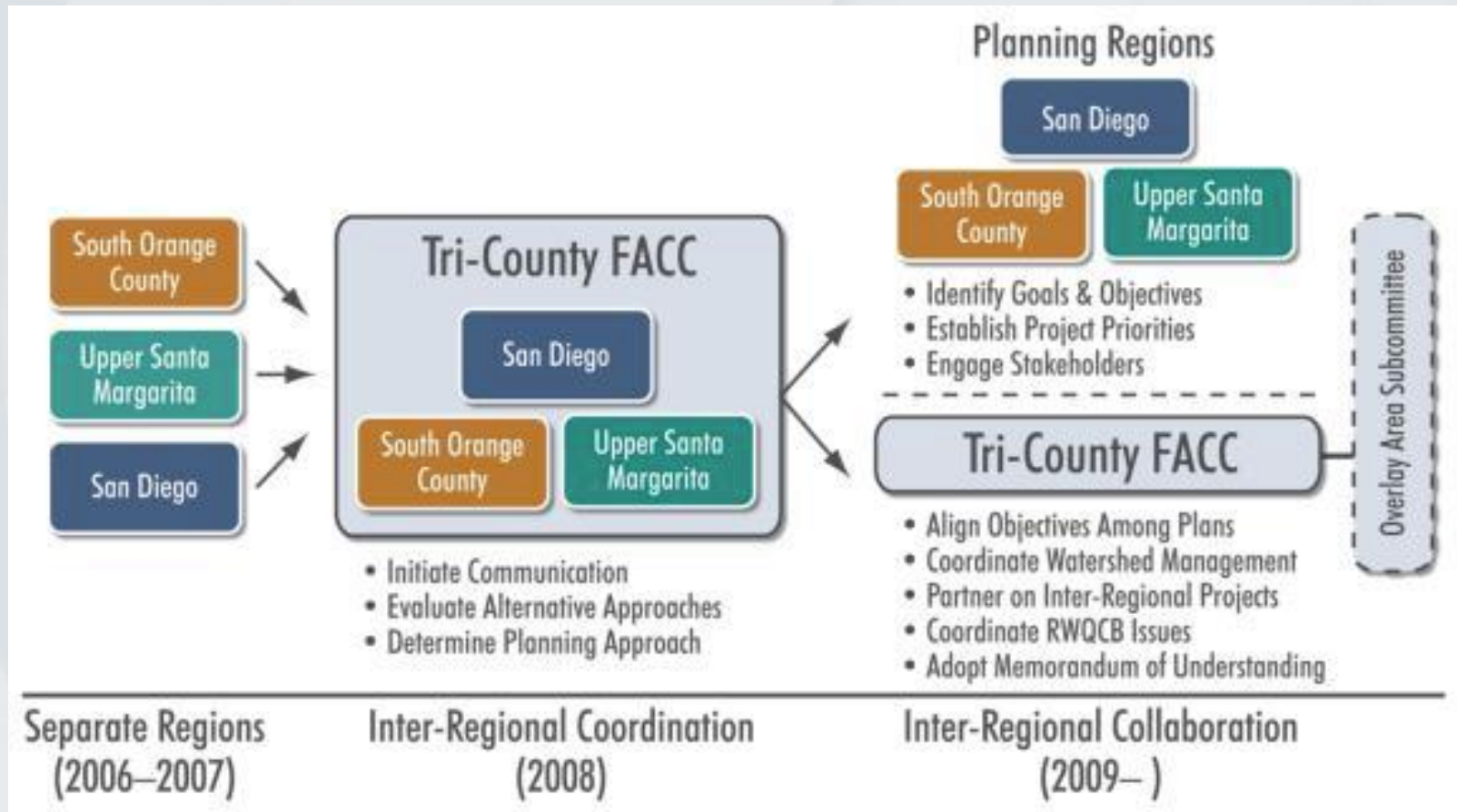


South OC IRWM Project Funding

IRWM Grant Program	Total Award	Local Amount	Total Local Investment
Proposition 50	\$25,000,000	\$44,981,994	\$69,981,994
Proposition 84 - Planning	\$457,416	\$447,244	\$904,660
Proposition 84 - Round 1	\$2,316,780	\$2,833,560	\$5,150,340
Proposition 84 - Round 2	\$1,708,647	\$106,206,903	\$107,915,550
Proposition 84 - Drought	\$1,500,000	\$5,725,000	\$7,225,000
2015 Proposition 84	\$4,949,368	\$19,584,138	\$24,533,506
GRAND TOTALS	\$35,932,211	\$179,778,839	\$215,711,050



San Diego Tri-FACC Coordination



San Diego Tri-FACCC Project Coordination



Riverside (Upper Santa Margarita), San Diego, and South Orange County IRWM Groups coordinate on projects, wherever possible, based upon:

- Hydrologic overlay areas
- Project benefit commonality for the region (i.e regional approach)
- Associated with the Disadvantaged Community Involvement (DACI) grant

North and Central Orange County

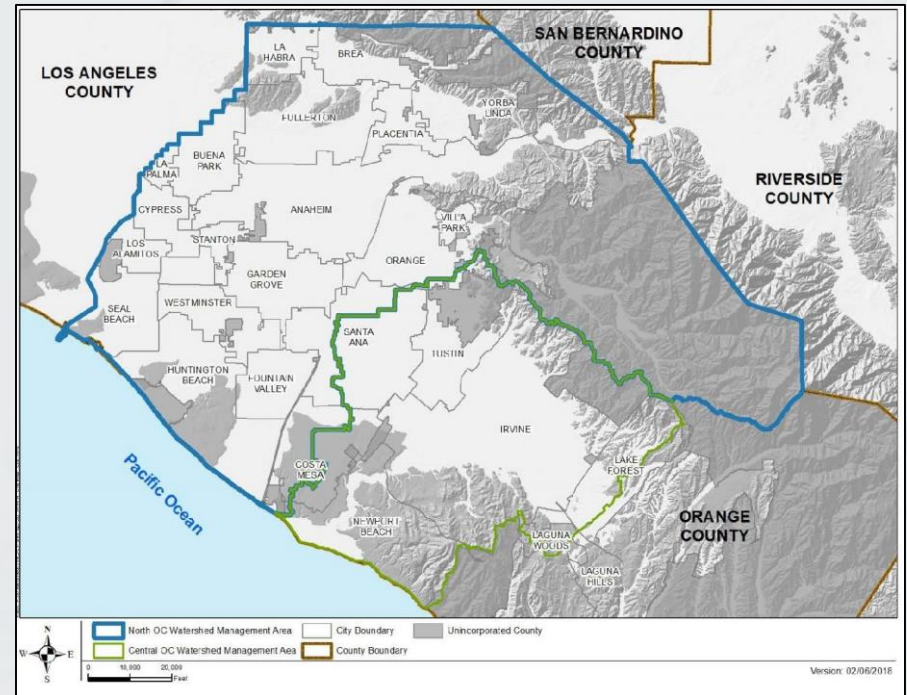
→ Population of 3,010,232

→ 537 square miles

→ 26 cities

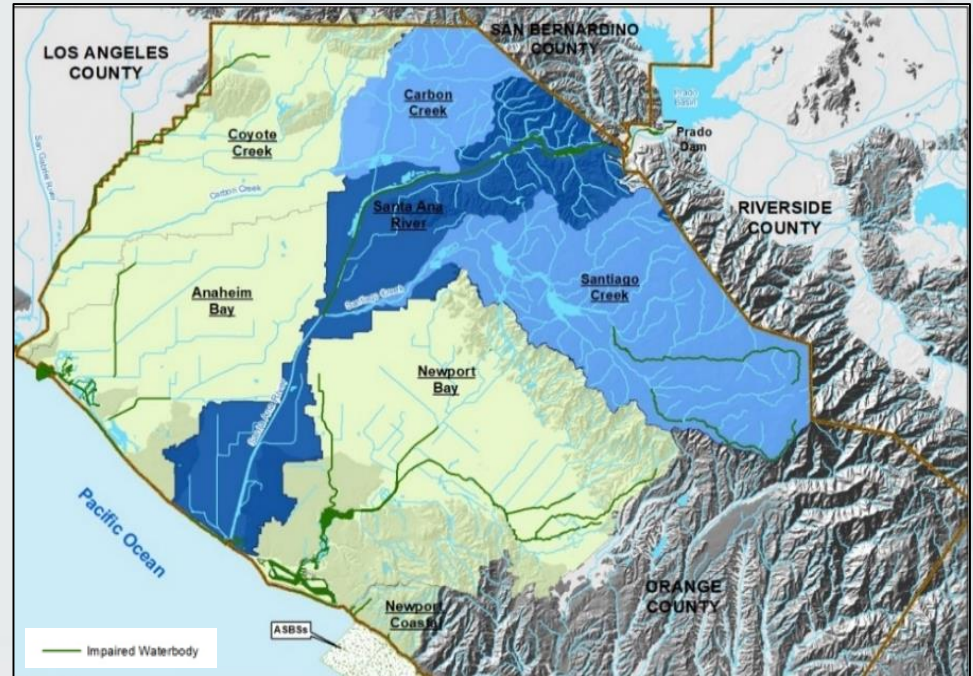
→ Water Districts:

- Anaheim Public Utilities Water Services
- City of Santa Ana Water Resources Division
- City of Fullerton Water Services
- East Orange County Water District
- El Toro Water District
- Golden State Water Company
- Irvine Ranch Water District
- Orange County Water District
- Mesa Water District
- Serrano Water District
- Yorba Linda Water District

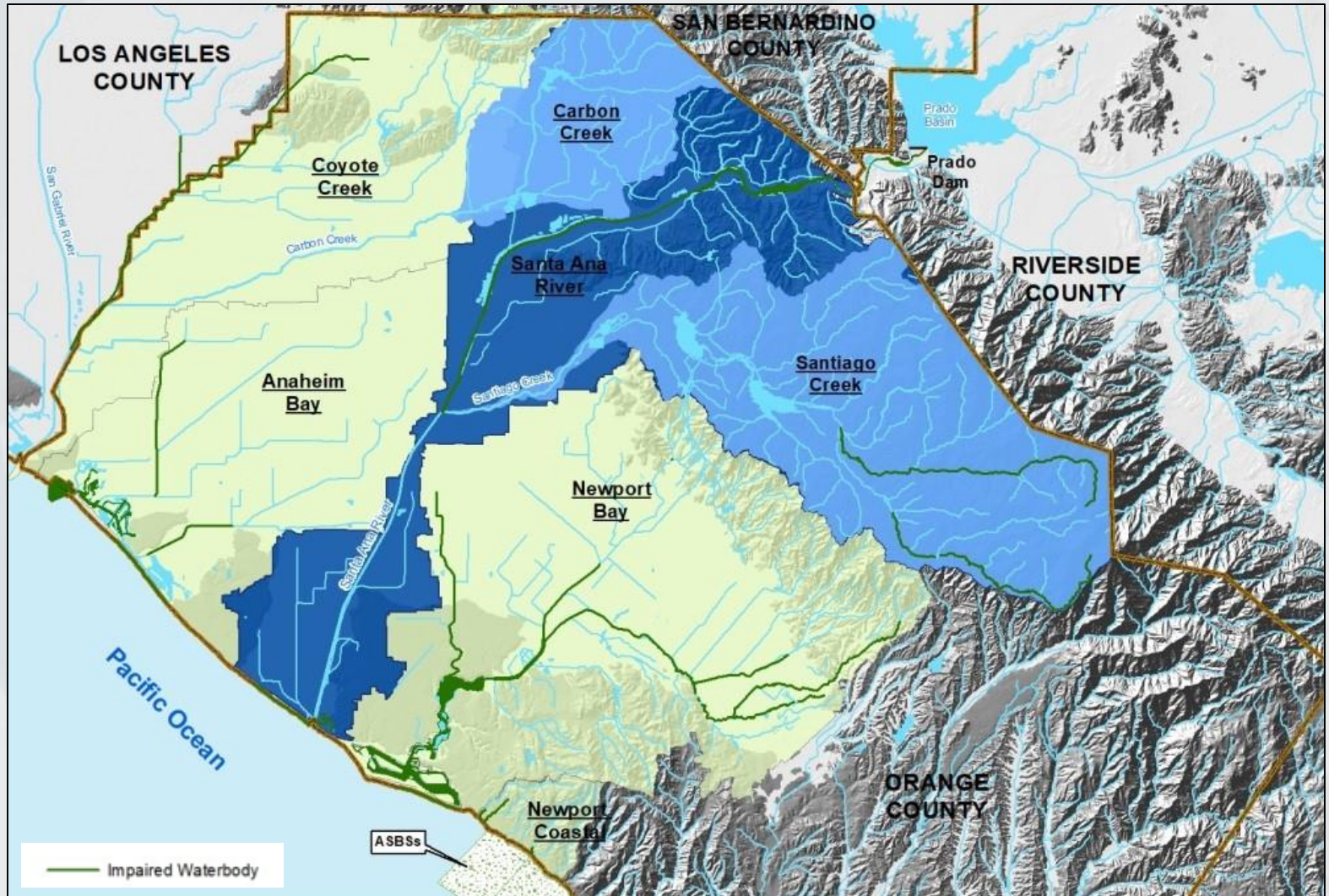


North and Central Orange County

- ➔ Less than 20% hydrological connection to SAR watershed
- ➔ Prado Dam physically separates upper and lower watershed
- ➔ Unique priorities:
 - Beach water quality
 - Seawater intrusion control
 - Marine protected areas
 - Ecological health of Upper Newport Bay



North and Central Orange County



North and Central Orange County

- Improvements to the health of watersheds within OC improve value to the Santa Ana Funding Area; however:
- Many lower watershed projects will not benefit the upper watershed
 - Beach water quality and the health of Newport Bay are of greater value and importance in OC than in the upper watershed
 - Engagement of OC stakeholders in OWOW declined because they felt their projects would not be competitive under the OWOW scoring system



The OC Plan

Development

- 8 Stakeholder meetings
 - 11 cities
 - 14 agencies
 - 3 NGOs
- 19 Ad hoc meetings

Adoption

- Newport Bay Executive Committee recommended approval of the Plan by the RWMG – March 21
- Adopted
 - OCWD – April 18
 - OCSD – June 27
 - County of Orange – September 11



Rating and Ranking Differences

The OC Plan*

(score 5 max)

- 4.6 Provide Adequate and Reliable Water Supplies
- 4.6 Protect and Enhance Water Quality
- 3.4 Restore Ecosystems and Improve Native Habitat
- 3.3 Integrate Flood Management
- 3.1 Improve the Quality of Life in Orange County
- 3.3 Address Climate Change

OWOW Plan**

(score 10 max)

- 9.2 Water Supply Reliability
- 8.9 Groundwater Recharge
- 8.5 Reclaim Water
- 8.4 Multipurpose Flood/Storm
- 7.7 Ecosystem Protect/Restore
- 7.7 Benefits to Disadv. Comm.
- 7.6 Benefits to Large Area
- 7.4 Drinking Water Treat/Distr
- 7.4 Public Education
- 7.1 Non-Point Source Reduction
- 6.9 Fisheries Protect/Restore
- 6.3 Remove Non-Native Species



* Weighting for The OC Plan goal categories

** Weighting for the OWOW Plan benefit classes

Rating and Ranking Differences

- The OC Plan scoring system provides greater weight for projects that benefit water quality
 - Highest priority; tied with water supply
- The OWOW scoring system metrics do not reflect the full benefits of projects unique to Orange County
 - TMDLs and 303(d) listings; Beach Water Quality; Sensitive Coastal Habitats/Marine Protected Areas



Requests Made to OWOW Steering Committee

→ July 13 Letter

- Allocation of 38% of total available grant funds
- Incorporate The OC Plan as a separate chapter within the OWOW Plan
- Allow for Orange County projects to be ranked and prioritized for IRWM funding through The OC Plan process



Requests Made to OWOW Steering Committee

These requests:

- ✓ Allow for OC priorities to be addressed within current Funding Area construct
- ✓ Balances OC stakeholders engagement with IRWM across Funding Regions
- ✓ Allow for OC projects to compete through stakeholder-vetted OC process that is reflective of OC Plan Goals and Objectives
- ✓ Are consistent with approach in other Funding Areas
- ✓ Are consistent with IRWM requirements

→ The OC Plan is compatible with OWOW and ready for incorporation



Allocation Derivation

- Based on Prop. 84 statewide allocation to Funding Regions; used by San Diego Funding Area (OC receives 12.9%)
 - Weighted by land area (27%) and population (73%)

County	Land	Population*	Weighted Total (Allocation)
San Bernardino	34%	28%	29.4%
Riverside	45%	27%	32.3%
Orange	21%	45%	38.3%

* Based on 2010 Census Data

- Allocations can be recalculated with future propositions



Questions?

Amanda Carr

Deputy Director, OC Environmental Resources

Amanda.Carr@ocpw.ocgov.com

(714) 955-0600



Prop 1 IRWM Implementation Grant Project Eligibility - OWOW Program Policy

As approved by OWOW Steering Committee, ~~July 26~~September 27, 2018

IRWM is a collaborative effort to manage all aspects of water resources in a region. IRWM crosses jurisdictional, watershed and political boundaries; involves multiple agencies, stakeholders, individuals and groups; and attempts to address the issues and differing perspectives of all entities involved through mutually beneficial solutions. The OWOW Program will use Proposition 1 IRWM Implementation grants to fund eligible projects widely across the watershed, striving to ensure that each of the three county areas receives at least one-quarter of the available grant funding. Projects must enhance our interdependent resilience, and benefit the entire watershed and are cannot be achieved at the expense or detriment of another.

Applicants are required to describe how the project:

- Is consistent with and supports the implementation of the OWOW Plan Update 2018.
- Complies with eligibility requirements contained within a specific Proposal Solicitation Package.
- Is consistent with implementation of the California Water Action Plan.
- Meets all statutory requirements including grant recipient eligibility and project eligibility, including compliance with:
 - Groundwater Management Plans
 - Urban Water Management Planning Act
 - Agriculture Water Management Plan
 - Surface Water Diversion Reporting
 - AB 1420 compliance
 - SBX 7-7
 - CWC Section 529.5
 - CWC Section 10920
 - CWC Section 10562(b)(7) (for stormwater projects).
- Is an integrated project that enhances the resilience of a portion of the watershed, thereby enhancing the resilience of the entire watershed.
- Is a project that benefits the entire watershed or a significant sub-watershed in the region, will be completed with active participation of multiple agencies and/or NGOs or other stakeholders, produces a net benefit to the watershed and has no unreasonable negative impacts on others.
- Is a sustainable project that is resilient to changing conditions in the watershed.
- Provides multiple benefits and includes two or more of the following elements:
 - Water supply reliability, water conservation, and water use efficiency
 - Stormwater capture, storage, clean-up, treatment, and management
 - Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands
 - Non-point source pollution reduction, management, and monitoring
 - Groundwater recharge and management projects
 - Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users
 - Water banking in the Watershed, exchange, reclamation, and improvement of water quality
 - Multipurpose flood and storm water management programs
 - Watershed protection and management
 - Drinking water treatment and distribution
 - Ecosystem and fisheries restoration and protection.

Commented [MAA1]: Moved up from bottom.

Prop 1 IRWM Implementation Grant Project Eligibility - OWOW Program Policy

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