



# Enforcement News

## San Diego County Settles Allegations of Misuse of State Grant Funds

*Nearly \$2.9 Million in Bond Funds Used by County for Roadwork*

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**SACRAMENTO** – The State Water Resources Control Board (State Water Board) has reached a settlement agreement with San Diego County requiring restoration work following allegations the county began demolition of a porous pavement project in the San Diego County Operations Center originally funded through Proposition 13 and 40 bond funds.

The roadwork was funded by two state grants totaling \$2.9 million in Prop 13 and Prop 40 funding issued to the county by the state in 2003 and 2006. As part of the settlement, the county will be required to construct three replacement projects that will provide more than five times the infiltration benefits, and 20 times the water quality benefits of the original project. The projects are: Edgemoor Skilled Nursing Facility, Santee; Lindo Lake County Park, Lakeside; and Cactus County Park, Lakeside. In addition, the county will also pay a \$25,000 penalty and reimburse the State Water Board for staff oversight costs.

“The State Water Board provides billions of dollars in funding to help those we regulate meet their permit requirements and improve the environment,” said Darrin Polhemus, director of the State Water Board’s Division of Financial Assistance. “The recipients of our funds generally understand their obligation to be good stewards of the people of California’s money. Unfortunately in this instance, San Diego County did not fulfil this obligation and its contractual commitments for this project. Through the diligent efforts of the San Diego Regional Water Quality Control Board inspectors and this settlement, we are making sure the people of California are getting more than what they originally paid for.”

The allegations indicating misuse of funds were uncovered after San Diego Regional Water Board staff conducted a routine inspection in May 2013 and learned that 118,000 square-feet of porous pavement funded by state grants had been, or was, in the process of being demolished. According to the terms of the grants, the project was supposed to be maintained for at least 20 years. During the investigation, staff determined San Diego County failed to communicate to the State Water Board that it would be unable to maintain the project. Failing to maintain a project funded by state bond funds can result in the grant recipient reimbursing the State Water Board for all funds granted, plus interest and penalties.

For more information, see the [draft settlement agreement](#).

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