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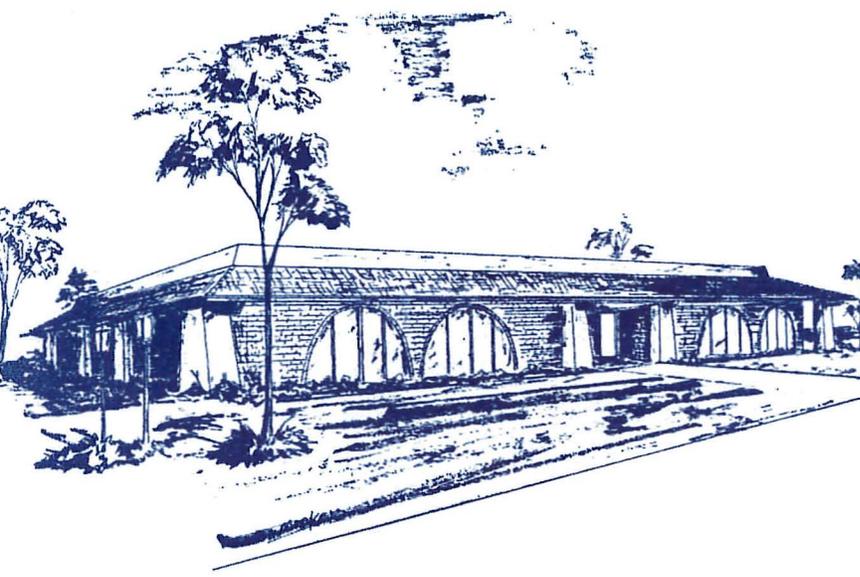
City of California City



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March 31, 2016

Attn: Craig Cross
California Department of Water Resources
Division of Integrated Regional Water Management
P.O. Box 942836
Sacramento, CA 94236-0001

Subject: Fremont Basin IRWM Region Stakeholder Group Comments on the Draft IRWM Planning Grant Proposal Solicitation Package (PSP) and DAC Involvement Request for Proposals (RFP)

Dear Mr. Cross,

The Fremont Basin IRWM Stakeholder Group sincerely thanks the Department of Water Resources (DWR) for the opportunity to comment on the Draft IRWM Planning Grant PSP and the Draft Disadvantaged Community (DAC) Involvement Request for Proposals. As a newly formed group we look forward to the opportunity to engage in integrated solutions for regional water management issues.

Our comments on both the Draft IRWM Planning Grant PSP and the DAC Involvement RFP follow.

Planning Grant PSP

Prioritize Regions that have not yet adopted IRWM Plans. As the PSP is currently written, one pool of funding (\$5 million statewide) is available for two types of applicants: (1) Regions that need to create and adopt a new IRWM Plan and (2) Regions that need to update an existing IRWM Plan. Funds that are awarded under the Planning Grant PSP would come out of the allocation to the Funding Area for that particular Region. If both types of applicants are given equal preference, there may not be sufficient funding available to support IRWM Plan development in Regions currently lacking a plan, which is necessary for Regions to participate in the IRWM Program. The Fremont Basin Region requests that preference for funding under the Planning Grant PSP be given to Regions that have not yet adopted an IRWM Plan.

Allow Regions who are in the process of developing IRWM Plans to be eligible for Implementation Funds in the First Round (i.e., could be before IRWM Plan is complete). Eligibility for Implementation Grant funding has previously required a compliant IRWM Plan. However in this funding cycle, there is potential for newly formed Regions, who have not been awarded any implementation funding under the IRWM Program, to miss the opportunity to apply for a significant portion of implantation funding if this

requirement remains in effect. The Fremont Basin Region requests that Regions developing new IRWM Plans be eligible to receive implementation funding prior to completion of a compliant Plan so long as they are able to demonstrate significant measurable progress towards completion of a compliant IRWM Plan, which will include projects for which implementation funding is sought.

 **Allow Regions who are in the process of developing IRWM Plans to be eligible for DAC Involvement Funds in the First Round (i.e., could be before IRWM Plan is complete).** DWR is seeking a single proposal per funding area for DAC involvement. If a compliant IRWM Plan is required for participation then Regions developing IRWM Plans would be excluded from receiving funding for DAC involvement activities appropriate for their Region, especially if a given Region contains a high percentage of DAC areas. The Fremont Basin Region requests that DWR allow Regions in the process of developing an IRWM Plan to participate at the regional level for DAC Involvement Funding.

Allow Regions to include permit application preparation costs as a reimbursable expense under the Planning Grant program. Reimbursable costs are defined in Appendix B of the Draft IRWM Grant Program Guidelines as “costs that may be repaid by state grant funds. Reimbursable costs may include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation including administrative costs and incidental costs.” Under these guidelines, it appears that permit application preparation costs are not explicitly listed as either eligible or ineligible for reimbursement. To promote participation in the IRWM Program and to assist Regions that have limited resources, the Fremont Basin Region requests that permit application preparation costs be allowed as a reimbursable expense.

Shift the timeline of the IRWM Planning Grant deadline to be at least 3 months after the Final PSP is released. DWR has not yet set a due date for IRWM Planning Grant applications. Some Regions will be attempting to make headway on Planning Grant applications by beginning preparations prior to the release of the Final PSP. Shifting the Planning Grant deadline to allow at least 3 months after the Final PSP is released will allow sufficient time to adjust the scope of work and/or budget information in the application, if needed. The Fremont Basin Region requests that the deadline for Planning Grants be shifted to at least three months after the Final Guidelines are released.

DAC Involvement Funding

Make efforts to apportion DAC and EDA funding where it is most needed across the state. There are two portions of the IRWM Proposition 1 legislation (Chapter 7) that specifically mention funding for DACs and economically distressed areas (EDAs):

- PRC §79742(d) states that, “not less than 10 percent of the funds authorized by this chapter shall be allocated to projects that directly benefit disadvantaged communities”.
- PRC §79745 states that, “the Department of Water Resources shall expend, either directly or for noncompetitive grants, no less than 10 percent of the funds from the regional allocations specified in Section 79744 for the purposes of ensuring involvement of disadvantaged communities, economically distressed areas, or underrepresented communities within regions.”

The aforementioned portions of Proposition 1 do not indicate that the funding for DACs and EDAs shall be split evenly among the Funding Areas across the State. However, through the DAC RFP and the Proposition 1 Guidelines, it seems that DWR intends to require that each Funding Area allocate 20% of its total funding to these communities. The Fremont Basin Region requests that DWR reconsider this requirement, and instead prioritize funding to areas where there is the greatest need, rather than evenly

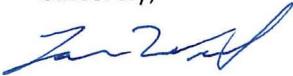
splitting funds across the State. In Proposition 84, the DAC funding requirement was applied across the State, and DWR was able to meet their overall statewide goal.

Further, the Fremont Basin Region requests that the 10 percent requirement mentioned in PRC §79742(d) be distributed through IRWM Implementation Grant funding rounds, rather than through separate DAC-only solicitations.

Specifically include language to confirm that eligible projects can receive advanced funding for DAC areas. The Draft DAC Involvement RFP does not indicate whether or not funds will be eligible for advanced payment, which is outlined in Appendix G of the IRWM Program Guidelines. Given that the DAC Involvement funding will be used solely on DAC projects, the Fremont Basin Region requests that DWR include language to confirm that eligible projects can receive advanced funding.

We appreciate the open process used by DWR to receive comments on the Draft IRWM Planning Grant PSP and DAC Involvement RFP, and we are looking forward to continuing to work with DWR on successful completion of our IRWM Plan, followed by implementation of our IRWM Program. _____

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Weil", is positioned above the typed name.

Tom Weil
City Manager