



April 8, 2016

Mr. Craig Cross
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Sacramento, CA 94236
DWR_IRWM@water.ca.gov

Dear Mr. Cross,

The North Coast Resource Partnership (NCRP) appreciates the opportunity to provide input on the Draft 2016 Proposition 1 IRWM Guidelines, Draft Disadvantaged Community Involvement Program Request for Proposals and Draft Proposition 1 Planning Grant Proposal Solicitation Package. We applaud the California Department of Water Resources (DWR) for providing opportunities for input towards continuously improving a highly successful and effective IRWM program under Proposition 1.

Draft 2016 Proposition 1 IRWM Grant Program Guidelines

The Draft 2016 Proposition 1 IRWM Grant Program Guidelines (Guidelines) have been greatly improved and the NCRP appreciates DWR's efforts to streamline and structure the Guidelines in a logical manner that effectively incorporates the new program requirements and Plan Standards. The NCRP has been deeply committed to the participation of economically disadvantaged communities and under-represented communities in its planning efforts since its inception in 2005. The NCRP leadership is pleased that the Plan Standards require public processes that increase the participation of Tribes and economically disadvantaged communities (DAC¹) in regional decision-making and planning.

Section II. C. Minimum Local Cost Share Requirements

One of the most impactful changes to the IRWM Program Guidelines is the mandated increase of the required match funds from 25% to 50%. It is important to acknowledge the challenges local communities face in securing a 50% match for project implementation as required by Proposition 1. To ease these restrictions, the NCRP provides the following suggestions.

¹ For the purposes of our recommendations in this document and in keeping with Proposition 1, Economically Disadvantaged Communities (DAC) also includes Economically Distressed Areas (EDA) and Underrepresented Communities (URC).

Other State Funding

In Section II C, the Guidelines stipulate that “other State Funds, if part of the funding package for the proposal, must be included in the total proposal cost but cannot be used as local cost share”. The NCRP asks that the requirement for the 50% cost share be based on the calculation of the total proposal cost that does not include the other state funds.

Additionally, the NCRP suggests that any state funding program where the funds originate as federal funds be considered as eligible as a match for Proposition 1 grant programs as was allowed during the Proposition 84 2015 Implementation round of funding. The NCRP requests that DWR provide a listing of these state funding sources in the Proposition 1 Implementation Proposal Solicitation Package.

Invoicing Format for Cost Share

The current invoicing format for the IRWM grants provides the grantee with two options for documenting cost share, ‘concurrent draw down’ and ‘by task’. The ‘concurrent drawdown’ method requires that a project task is invoiced with reimbursement and cost share expenses as a fixed percentage for the life of the grant. As most of the NCRP project cost share comes from other grant funds and/or local match that cover very specific tasks of a project, a blanket percentage of expenses and cost share by task is difficult to apply to each invoice. The ‘by task’ method requires that any cost share associated with a task must be documented up front, prior to any reimbursement. This method can also prove to be challenging for NCRP projects as some forms of cost share cannot be spent up front. Additionally, the NCRP is very effective at leveraging outside funds, and it is not unusual for additional cost share funds to be awarded after the IRWM grant award – the invoicing format should be flexible enough to accommodate new sources of cost share over the life of a multi-year project.

The NCRP would like to request that DWR offer an alternative method of documenting the cost share in an invoice that allows for increased flexibility. One suggested alternative might require that a proportionate amount of cost share be invoiced at key milestones (at 50% and 100% completion) based on the amount of grant funds expended overall, not by task. For example, when a project has expended 50% of their overall grant funds, documentation could then be provided to show that the 50% overall cost share requirement had been met.

Section II. D. Program Preferences and Statewide Priorities

Under the Program Preference and Statewide Priorities section of the Guidelines an interpretation of the Program Preference to “Implement IRWM Plans with Greater Watershed Coverage” as giving priority “to projects in IRWM Plans that cover the greater portion of the watershed”. To date, DWR has been resolute in its recognition of the uniqueness of each IRWM region and this flexibility has provided the NCRP with the ability to prioritize and implement regional and statewide objectives in a manner that is reflective of North Coast communities. The North Coast is comprised of a number of rural and often isolated communities with failing infrastructure negatively impacting human health and natural resources. Though implementing large multi-benefit projects may meet integrated objectives for environmental, economic and community vitality, there are times when critical local projects need to be addressed in the region’s most disadvantaged communities. For example, repairing failing infrastructure in a small community may directly benefit the community but may also impact a large portion of the

watershed by removing indirect contributions of nonpoint source pollution. The benefit of a project needs to be considered beyond the population directly served. We request your continued respect for each region's diversity of approaches towards prioritization of implementation projects.

Section V. F. Eligible Costs and Payment

The NCRP strongly supported the enactment of SB208 and Water Code 10551 authorizing 50% advance payment to IRWM projects that are sponsored by non-profit organizations and/or proponents of projects that benefit economically disadvantaged communities. Currently the Guidelines stipulate that the advanced funds will be made available for qualified projects within 150 days of grant execution and that the funds "will be expended within six months of receipt". Project implementation often involves long periods of preparation at the beginning of the project, finalizing Plans, Designs, permits and CEQA documentation. Given the realities of project implementation, the NCRP requests that DWR provide some flexibility about the timing of when these advanced payments must be expended especially for those project sponsors that are making adequate progress and submitting sufficient documentation of how the funds are being expended. Another approach to consider, if the law allows, is to permit the project sponsor to determine when to accept the advance of funds which might help to ensure financial stability during the costly construction portions of the project.

Draft Disadvantaged Community Involvement Program Request for Proposals

The NCRP has been deeply committed to openness, transparency, and participation of economically disadvantaged communities in its planning efforts since its inception in 2005. The partnership continues to refine and adapt its approach in order to reach the greatest number of stakeholders, knowing this is the best way to address the breadth of water management, biodiversity, infrastructure, and socio-economic issues facing the predominately economically challenged North Coast Region. The NCRP is pleased that Proposition 1 includes up-front allocations of funds for outreach, technical assistance and capacity building to economically disadvantaged communities. The NCRP recommends that the performance period for these funds be three years to ensure that a comprehensive region-wide needs assessment can be conducted and effective technical assistance can be provided to address the needs of economically disadvantaged communities prior to the final round of Proposition 1 Implementation funding.

Draft Proposition 1 Planning Grant Proposal Solicitation Package

According to the Draft Proposition 1 Planning Grant PSP \$5 M is made available for a statewide competitive grant solicitation to support developing IRWM regions that do not have an adopted IRWM Plan or for existing IRWM Plans that need to be updated. The draft Proposition 1 Guidelines include new requirements mandated by SB 985 requiring the incorporation of Stormwater Resource Plans into the regional IRWM Plan and AB 1249 requiring the need to address specific contaminant pollution in the IRWM Plans. Additionally, the Guidelines outline a number of Plan Standard upgrades and additions. Given the limited amount of funding and the number of required changes to the Plan Standards, the NCRP recommends that the DWR Selection Panel reduce proposed funding amounts, if necessary to allow as many planning grants as possible to be funded.

Proposed Proposition 1 IRWM Program Funding Schedule

The NCRP strongly recommends that the Proposition 1 IRWM funding is made available to the region and state at a pace designed to maintain regional collaboration and capitalize on the progress made to date. Following is a suggested schedule of Proposition 1 IRWM funding.

- 2016 – Proposition 1 Planning Grant
- 2016 – 19 (three year program) DAC Involvement Program
- 2018 – Proposition 1 Implementation Project solicitation grant round one
- 2019 – Proposition 1 Implementation Project solicitation grant final round

Conclusion

The IRWM program has been exceedingly positive for the North Coast Region. As a result of this effort, the NCRP has achieved significant on-the-ground benefits for its communities, watersheds and the local economy. In a region challenged by large numbers of economically disadvantaged communities, the NCRP and associated North Coast IRWM Plan provide a collaborative framework for addressing the region's most pressing issues while implementing vital projects and accomplishing common goals. The funding support and technical assistance provided by DWR have encouraged this regional partnership and made these investments in our communities a reality.

We thank you for the opportunity to provide this input. If you have any questions or would like more information, please feel free to contact me or Katherine Gledhill at 707.795.1235 or via email at kgledhill@westcoastwatershed.com.

Sincerely,

A handwritten signature in blue ink that reads "Judy Morris". The signature is written in a cursive, flowing style.

Trinity County Supervisor Judy Morris, Policy Review Panel Chairman
North Coast Resource Partnership
jymorris@trinitycounty.org