Santa Ana Watershed Project Authority

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One Water One Watershed
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October 1, 2015

Mr. Zaffar Eusuff
Program Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

Re: Proposition 1 IRWM Implementation Grant Program Comments

Dear Mr. Eusuff,

We appreciate the opportunity to provide our input on the upcoming Proposition 1 IRWM Planning and Implementation Grant Program administered by the CA Department of Water Resources. We are hopeful that you find these comments helpful from the Santa Ana Watershed Project Authority, SAWPA, the regional water management group for the Santa Ana IRWM region and funding area.

Integrated Water Management is, in our opinion, the most important strategy as we confront 21st Century water challenges. This IRWM program must facilitate the implementation of this strategy if California is to thrive. Every opportunity needs to be taken to make the program accessible to the water resource managers while protecting the standards of IRWM. We believe with the Proposition 1 IRWM grant program we have a new opportunity to assist regional water management groups across the State to realize the vision of IRWM. Shown below are our suggestions on various sections of the program about which~~that~~ DWR has requested feedback from ~~the~~ SAWPA, a member of the DWR Stakeholder Engagement and Advisory Committee that DWR formed to solicit feedback.

1) **Waive Scoring for One IRWM, One Funding Area, One Watershed**. In Proposition 1, Section 79742, a special call out was defined pertaining to the selection of projects for funding. It states that in selecting among proposed projects in a watershed, the scope of the adopted integrated regional water management plan may be considered by the administering state agency, with priority going to projects in plans that cover a greater portion of the watershed. If a plan covers substantially all of the watershed, the plan's project priorities shall be given deference if the project and plan otherwise meet the requirements of this division and the Integrated Regional Water Management Planning Act (Part 2.2 (commencing with Section 10530) of Division 6).

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~~It is our view that t~~This section was specifically inserted to encourage large scale projects in a watershed and ensure priority be given to those projects. It further states that if the plan's scope ~~project priorities~~ reflects a watershed view, its project priorities ~~should~~ shall be given deference. ~~We see~~ T~~t~~his section, found in the law, must supersede the Statewide competitive selection process which is not found in the law. ~~By d~~Deferring project selection to local regional water management groups that have watershed scale plans and projects such as reflected in SAWPA's One Water One Watershed IRWM plan for the Santa Ana River Watershed means that ~~,~~ SAWPA's proposals ~~, as the sole IRWM region for the Santa Ana funding area, thus~~ should not be competitively scored statewide. Similar to Proposition 84 (Public Resources Code Section ~~under PRC~~ 75028), ~~SAWPA interprets~~ this section ~~to~~ means that DWR shall defer to approved local project selection, and review projects only for consistency IRWM Act.

2) **SB 985, AB 1249, SB 208.** Under SB 985, a requirement now exists that a stormwater resource plan must be incorporated into the IRWM plan to receive grants for stormwater and dry weather runoff capture projects. Concern may arise by stormwater management agencies that if the existing IRWM does not include all the requirements for a stormwater resource plan, they may not be eligible to pursue funding for stormwater management projects under Proposition 1 Chapter 7. As an example, for an urbanized region like the Santa Ana River Watershed, this will require at a minimum three major flood control agencies in three counties collaborating on one watershed-based plan, and then incorporating that plan into the One Water, One Watershed Plan. SAWPA suggests that DWR and SWRCB provide sufficient time to the stormwater management agencies and the Regional Water Management Groups (RWMGs) to work together to fully integrate the stormwater resources plans into the IRWM. To address this requirement, SAWPA suggests that DWR follow a similar format used in previous Prop 84 IRWM implementation grant rounds of requiring completion of a table indicating the applicant's status on progress on working on the stormwater resource plan and whether the plan "will meet" the specific SWRCB defined guidelines for the stormwater resource plan. In this fashion, stormwater and dry weather water capture projects that have been fully vetted by the local IRWM governance based on a previously adopted IRWM plan will not be held up from implementation and grant funding award. We recommend a one and a half year time frame be provided to RWMGs to fully incorporate the stormwater resource plan(s) into the IRWM as necessary to meet the new SB 985 and SWRCB requirements.

Similarly, AB 1249 requires that that IRWM plans ~~include~~ address~~ing~~ specific contaminants, characteristics of that contamination and how they are being addressed through projects, including addressing ~~and~~ DACs. These requirements may or may not be included in sufficient detail in the adopted IRWM plan. Again a status table as ~~previously~~ described above could be included as a required

deliverable in the upcoming grant implementation PSP. We do not believe that DWR should base funding decisions or their application scoring on whether these requirements were fully included in a pre-existing and adopted IRWM plan. It is likely that most IRWM plans that met the DWR guidelines addressed these contaminants to some degree but not as fully as defined by the new AB 1249 legislation. We encourage a similar timeframe as in the previous stormwater resource plan discussion--~~inclusion requirements of~~ one and a half years--~~time frame~~ for full inclusion of the AB 1249 requirements into the IRWM plan.

In review of SB 208, SAWPA does not see any need for modification of the IRWM plan and believe that the requirements to meet SB 208 can be included in the DWR's next PSP.

3) **IRWM Planning Grant Program**. In review of the options to use the defined $5 million in available funds to support IRWM planning, SAWPA recommends that in fairness ~~that~~ a priority be given to any RWMG ~~who~~ that does not have an accepted IRWM ~~Standards~~ standards ~~Compliant~~ compliant plan and has not received IRWM planning grant funds in the past. We recommend that this funding be limited to $250,000 per applicant. It is our understanding that there are five remaining RWMGs in the State who may be eligible. We do not recommend expanding the number of RWMGs or reopening the Region Acceptance Process. If existing RWMGs are still not able to implement and adopt an IRWM ~~Standard~~ standard ~~Compliant~~ compliant plan within one and a half years after the planning grant period, regardless of whether they receive planning grants, SAWPA recommends that such RWMGs should be dissolved or merged with other RWMGs by DWR.

For any remaining funds or unused funds, SAWPA recommends that the planning grant funds be distributed evenly among all Funding Areas defined in Prop 1 to use the funds for IRWM plan updates particularly in light of new IRWM plan requirements to incorporate SB 985 and AB 1249. Within each Funding Area, the planning grants should remain competitive but SAWPA is supportive of efforts among RWMGs to work together by agreement or merging to maximize the use of these planning funds per Funding Area.

4) **Innovative Practice/Technology.** With the special consideration under Prop 1, Chapter 4, General Provisions to employ new or innovative technology or practices, including decision support tools, a new opportunity exists for DWR to allow such projects and programs to be given equal consideration ~~as~~ with other integrated multi-benefit projects and programs proposed for grant funding - something that SAWPA has advocated for in past PSP comment letters to DWR. To support such projects, SAWPA recommends defining innovative technologies or practices as projects or programs that provide the foundation for larger scale integrated and system-wide solutions to problems faced in a watershed. We do not see this as funding support for pure research ~~and development~~ or merely

laboratory table top demonstrations, but rather pilot projects that serve as the basis for future implementation of watershed scale, integrated projects and programs that meet the needs defined in the IRWM plan. Examples of innovative pilot projects include two SAWPA projects included under Prop 84 IRWM implementation Round 2 grant program, 1) Prado Basin Sediment Management Demonstration Project and 2) Forest First - Increase Stormwater Capture and Decrease Sediment Loading through Forest Ecological Restoration. Both of these reflected pilot scale innovative projects that create the foundation and criteria for future regional projects that create greater benefit through system-wide or watershed-wide scale implementation. ~~As innovative pilot projects, SAWPA encourages such projects and programs and recommends that i~~If scoring criteria ~~is~~ are used by DWR to select projects for funding, perhaps additional merit points could~~can~~ be provided for projects that reflect innovation, expanded collaboration and integration, or support for pilot scale projects. We recommend that DWR also include text to encourage this in the PSP, since for a ~~. Similar to previous comments, for our~~ region with one IRWM for the Funding area and at the Watershed scale, ~~we recommend that~~ DWR should defer to ~~our~~ local IRWM governance to support projects that are innovative, system-wide, integrated and collaborative in the project selection process without DWR project scoring.

5) **DAC and Economically Distressed Areas Support.** In review of new requirements for Economically Distressed Areas, we ~~wish to emphasize~~recommend that the municipality population size remain at < 20,000. We understand that there are some other State interests in lowering this threshold down to < 10,000 in population. Based on some preliminary investigations, such changes would thwart funding support and addressing needs to DACs and EDAs in the Santa Ana River watershed.

   In regards to DAC involvement assistance, SAWPA is supportive of the preliminary DWR interpretations of example DAC involvement activities. For example DAC involvement outcomes, we would suggest expanding the interpretation of projects that are ready to implement to projects "and programs~~"~~." Significant support and benefits can be provided to DACs through water use efficiency as well as energy efficiency programs that are tied to water. These are not typical "shovel ready" projects but rather reflective of cost efficient and leveraged programs that can directly benefit the DACs' and EDAs' household income while helping to meet the goals of the IRWM plan. Examples of such projects and programs to support DACs are described under the DWR Water-Energy Grant program.

6) **Funding Rounds**. For the DAC assistance funding distribution, SAWPA ~~staff~~ recommends that DWR issue DAC assistance grant funding by Funding Area ~~rather~~. As reflected in past comments, some Funding Areas have simply too many RWMGs and can better implement IRWM and DAC assistance through regional

approaches. To extend the DAC support for these Funding Areas, the merging of struggling RWMGs by governance or by agreement should be encouraged.

In considering how the DAC assistance funding solicitations should be released to the Funding Areas, SAWPA would encourage that these solicitations be folded into IRWM implementation funding rounds with just two overall IRWM grant funding rounds rather than the four funding rounds as suggested by DWR. Limiting the number of funding solicitations will save money spent by the RWMGs in grant application preparation as well as money spent by DWR and other state staff in review and selection of grant applications. This can be accomplished primarily by releasing larger amounts of grant funding per Funding Area with fewer funding rounds. Recognizing that DAC Assistance and Involvement should precede DAC Implementation, we would encourage just two statewide rounds of IRWM implementation funding with the first round including $183.65 million for Implementation and $51 million for DAC Involvement. The second round similarly could include $183.5 million for Implementation and $51 million for DAC Implementation projects and programs. We would encourage that a one and half year gap between the two funding solicitations occur to provide adequate time for DAC planning and involvement that could lead to DAC project and program implementation. By reducing the number of funding rounds, overall overhead and administration costs will be reduced for both the RWMGs and DWR.

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We hope that you find these comments and suggestions helpful. If you have any questions regarding these comments, please let us know.

Sincerely,

Celeste Cantú
General Manager