



January 19, 2012

Department of Water Resources
Division of Integrated Regional Water Management
PO Box 942836
Sacramento, CA 94236-0001
Attention: Rolf Frankenbach, Project Manager, Integrated Regional Water Management Planning Grants

Re: Round 1, Proposition 84 and 1E IRWM Program Guidelines and Proposal Solicitation Packages and IRWM Process Improvement Public Comment

Dear Mr. Frankenbach,

The North Coast IRWMP (NCIRWMP) Policy Review Panel (PRP) appreciates the Department of Water Resource's (DWR) ongoing efforts to improve the Integrated Regional Water Management (IRWM) grant program. We would like to provide the following comments.

Plan Standards – Timing and Review

The NCIRWMP PRP is supportive of the integration of the Plan Standards outlined in the Proposition 84 Guidelines and Project Solicitation Proposal (PSP) and appreciates DWR's encouragement to incorporate these new elements in a way that will ensure an "effective and implementable plan" for each IRWM region. Within our Proposition 84 IRWM planning grant, the NCIRWMP outlined an approach, schedule and work plan to address these new standards. Given the unforeseeable and unavoidable State budgetary delays associated with this grant contract, progress on the next phase of the North Coast IRWM Plan has similarly slowed.

The NCIRWMP PRP acknowledges DWR's need to ensure that IRWM region's are making progress on the incorporation of the Plan Standards into our respective IRWM Plans, and supports the Round 2 "trajectory" approach outlined at DWR's Process Improvement Workshops in December. The proposed evaluation of a simplified standards compliance matrix, planning grant status report and cursory review of our IRWM Plan content seems a reasonable approach, given the difficult task of evaluating plans in advance of their completion. The NCIRWMP PRP appreciates DWR's recognition of the significant funding need that exists for projects within IRWM regions and for assembling a fair and streamlined review process that would allow access to the second round of Proposition 84 implementation funding in advance of finalizing the next iteration of the North Coast IRWM Plan.

The NCIRWMP is currently working with disadvantaged communities throughout the region to identify and provide technical assistance to develop projects that will serve these communities and help put them in a position to submit and compete in the NCIRWMP's evaluation process. In an effort to bring forward not just those projects that are developed and "ready to go", but rather to give these planning grants an opportunity to do their work, identifying and developing projects in need of funding in our region's most over-burdened communities, the NCIRWMP's PRP would like to request that Step 1 of the Round 2 evaluation consider the Plan only and conduct a review of priority IRWM projects during Step 2 of the evaluation process.

Economic Analysis – Criterion and Evaluation

This fall, the NCIRWMP leadership requested their second formal evaluation of the NCIRWMP program by interviewing Policy Review Panel, Technical Peer Review Committee members and project proponents regarding the IRWM process to date. Although the information requested in Attachments 7, 8, 9 and 10: Economic Analysis – Water Supply, Water Quality and Other Expected Costs and Benefits and Flood Damage Reduction Costs and Benefits proved challenging, the interviewees admitted that this information substantially improved and enhanced the quality of the region's projects and overall proposal. Additionally, having this information available put these projects in a better position for match funding opportunities. The North Coast feels that this is a positive feature of the IRWM program that should be retained.

The NCIRWMP PRP would like to express support for DWR's Economic Analysis Concept A, as presented at the Process Improvement Workshop. Ecosystems services and benefits to economically disadvantaged communities are often difficult to quantify. The proposed amendments to DWR's review criteria to allow for qualitative data and narrative, in addition to the current quantitative analysis, would provide a better mechanism to capture these important benefits. The NCIRWMP supports utilizing an approach to project evaluation that considers both quantitative and qualitative benefits, as appropriate, in order to promote projects which demonstrate multiple benefits.

Additionally, the NCIRWMP would like to support DWR's Economic Analysis Concept C. Utilizing a consolidated approach to scoring the major benefit types of water supply, water quality, and flood damage reduction is a comprehensive method that will encourage regions to promote priority projects that are in alignment with their IRWM goals. This change will support each region's process, recognize unique features of each region and take into account its priority needs without penalizing those that haven't promoted projects that cover all of the major benefit types in order to score well.

Finally, the North Coast feels that it would be helpful if DWR provided general guidance for the expected ratio of cost and benefit that the overall proposal should attempt to meet. This information would provide helpful direction to the NCIRWMP Technical Peer Review Committee and Policy Review Panel when selecting projects to ensure a relative ratio of benefits that reflects the needs of the region.

Funding Allocations – Grant Amounts

The PSP for the 1st Round of Proposition 84 Implementation Grants provided a funding formula and proportional breakdown of anticipated and maximum funding amount allocations for each funding area. Additionally, the Proposition 84 PSP, states that "DWR may alter the anticipated allocation schedule depending on the total amount of grant request received, the grant requests received by individual funding area, and whether the submitted proposals demonstrate sufficient technical feasibility or anticipated project benefits." Given that the overall funding available for the 2nd round of grants will be smaller, the North Coast requests modifying the current formula to allow for any additional funding, due

to non-submittals or ineligible proposals, to be allocated to highly-ranked applications. Multiple rounds of applications require substantial staffing resources and may act as a deterrent to the participation or success of the projects serving a region's most disadvantaged communities. In an effort to promote effective integrated projects and planning, the North Coast requests that DWR provide increased funding awards, when available, based on the merit of a region's proposal.

Climate Change – Proposed Additions

The NCIRWMP would like to request that DWR expand the options provided in the Proposition 84 Guidelines and Project Solicitation Proposal for addressing climate change mitigation and adaptation beyond those limited to water conservation/water-related energy efficiency and the modification of coastal water infrastructure related to human communities and consider a broader, more comprehensive approach that includes human communities and ecosystems. The NCIRWMP recommends including approaches such as: proposals that increase carbon sequestration as a mechanism for climate mitigation including preservation/restoration of riparian and upland forests; proposals that incorporate corridor connectivity and restoration of native aquatic and terrestrial habitats to support increased biodiversity and resilience for adapting to a changing climate; and proposals that include flood management systems that seek to reestablish natural hydrologic connectivity between rivers and their historic floodplains.

Invoicing

The current invoicing format for the Proposition 84 and 50 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 at a fixed percentage for the life of the grant. As most of the NCIRWMP 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.

For all of our current IRWMP grants with DWR, the NCIRWMP contract administrator has chosen to use the 'by task' method whereby 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 NCIRWM projects as some forms of cost share cannot be spent up front.

Following is an example of the challenges that these two methods present:

An implementation project being managed by a non-profit in partnership with a federal agency has cost share to perform construction administration duties during implementation. All other implementation/construction costs are covered by the grant. The "by task" method will not work as this cost share cannot be spent upfront since the duties associated with the funding will be performed throughout the construction period. Conversely, the "concurrent drawdown" is not feasible as the hours spent on construction administration are a reflection of the staff hours spent and not a percentage of other construction costs.

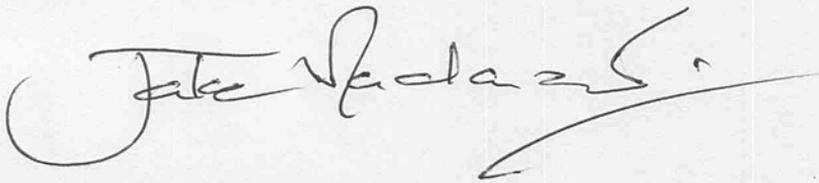
The NCIRWMP would like to request that DWR offer an alternative method of documenting the cost share in an invoice that allows for increased flexibility. One suggested alternative might require that a proportionate amount of cost share be invoiced based on the amount of grant funds expended overall, not by task. For example, when a project has expended 50% of their grant funds, documentation should be provided for at least 50% of the required cost share.

Bond Management System (BMS)

NCIRWMP contract administration staff has successfully used the BMS system for uploading grant deliverables for the NCIRWMP Prop 50 Round 2 and Prop 84 Implementation Grant Agreements. Staff has found this system easy to work with and an effective tool for submitting deliverables. Electronic copies of all deliverables can be easily organized and referenced using this tool.

The NCIRWMP appreciates DWR's commitment to the improvement of the IRWM program and looks forward to continuing to work together on this exciting program. We encourage DWR's efforts to continue to inspire regions to seek innovative, creative solutions that reflect the diversity and uniqueness of our respective IRWM planning efforts. If you have any questions or would like more information, please feel free to contact me or Karen Gaffney at 707.433.7377 x2 or via email at kgaffney@westcoastwatershed.com. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jake Mackenzie". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline that extends to the right.

Jake Mackenzie, Chair
North Coast IRWMP Policy Review Panel
City of Rohnert Park, Mayor