

The East Bay Municipal Utility District (EBMUD) appreciates the opportunity to provide input on the Draft Integrated Regional Water Management Grant Program Guidelines for Proposition 50, Chapter 8 funding, dated August 16, 2004. Separately, a coalition of Bay Area water agencies, of which EBMUD is a member, will likely submit additional comments on Chapter 8 funding. Our comments here are specific to EBMUD, but no decision has been made yet on how we will approach a Chapter 8 grant application. We appreciate your continuing effort to address comments and finalize the process.

Background

As a regional agency, EBMUD provided retail water service to 1.3 million people in Alameda and Contra Costa counties, including 20 cities and 15 unincorporated communities, wastewater service to 642,000 people along east shore of San Francisco Bay and has facilities and properties that stretch across four other counties. EBMUD has either adopted or has participated in many regional planning efforts, including a Water Supply Management Program (WSMP) adopted in 1993 that integrates fishery management and enhancement, water conservation, water recycling, water demand management during drought, protection of the Mokelumne Aqueducts, and a supplemental water supply for drought periods. EBMUD also manages extensive watershed lands in the East Bay Area and Sierra foothills and provides recreation, firefighting and watershed management services in both regions.

Comments

1. Weighting. One overall comment is that the criteria and scoring for implementation projects seem to emphasize preparation of plans with less focus on achieving the bottom line purpose of Chapter 8, which is to protect communities from drought, protect and improve water quality, and improve security by reducing dependence on imported water. We request that the draft scoring system be modified so that the plan is weighted at no more than 33% of the total score and the project(s) score at no less than 67% of the total. Suggestions for doing this are presented later in these comments. Objectively judging inherently different plans will be difficult and the projects contained within the plan are arguably more important in accomplishing the stated purposes of Chapter 8.

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exhaustive analysis, extensive public participation, and collaboration with local water use agencies. Our WSMP includes innovative recycling and conservation projects in the East Bay that improve water supplies during drought, reduce dependence on imported water, and provide ecosystem benefits to the Mokelumne River system from Camanche Reservoir down into the Delta. Our recycling projects also reduce discharges to San Francisco Bay which helps the Bay ecosystem. We recognize the value in more expansive regional cooperation, and are in fact working with other agencies in the Bay Area on a larger multi-disciplinary planning document. However, there is no legal basis to prohibit regional agencies from competing for implementation grants, particularly when few examples of "super-regional" integration have been identified to

date.

Before the draft guidelines and criteria are finalized, please list examples of adopted plans on your web site that meet the proposed minimum standards. This would be helpful in understanding what types of plans and projects qualify.

3. Evaluation Criteria for Integrated Regional Water Management Implementation (IRWM) Grants (Table C-1, pg. 23). Again, we would recommend dropping the three local public agency test as a pass/fail evaluation criteria, but agree that scoring the extent of regional involvement within the evaluation framework is appropriate. The focus of the grant evaluation process should be project-level benefits and impacts where the extent of benefits to a region could be one of several rating factors. An agency that provides multiple services in many local jurisdictions, like EBMUD, could have just as many beneficial projects as compared to a small grouping of single purpose agencies serving a limited area that are cooperating solely for the purpose of seeking Chapter 8 funds. Regional agencies should have their projects evaluated on their merits and not prematurely excluded.

We also would like more information on the pass/fail prioritization test. Please provide more detail in the final criteria as to what will be considered a pass or fail.

4. Scoring System for Implementation Grants (pg. 23-27). The definition of a regional plan in comparison to "local efforts" (pg. 25, top box) needs further discussion as the proposed scoring system relies on the distinction between regional and local. We are concerned that EBMUD, which spans two counties and 20 cities in multiple watersheds, might not be considered regional and accordingly disadvantaged under the draft guidelines. As an example of EBMUD's regional nature, our recycling program alone requires working with five separate wastewater agencies that adjoin or serve different parts of our water service area, all of which are in different watersheds. Extensive stakeholder involvement, including input from a citizen's advisory committee on demand management, has been incorporated. In fact, the recycling program, like our supplemental supply projects, is integrated with a second region, the Mokelumne River basin, as some portion of the water saved due to recycling goes to the Mokelumne River and then to the Delta through an agreement with the resource agencies and the Federal Energy Regulatory Commission.

The agencies we adjoin also have plans, adopted through public forums, that cover multiple areas and projects, some of which overlap EBMUD planning for the projects we collaborate on. Regional planning can occur in many ways and all funds should receive due consideration in the proposed scoring. The Bay Area Regional Wastewater Recycling Program has developed a Masterplan that is being updated. The California Bay Delta Program is nearing completion of a second phase of study on ways to cooperatively improve Bay Area water quality and supply reliability that involves extensive interaction among agencies. And, the Bay Area agencies themselves have initiated preparation of a separate water supply and water quality integrated plan and are even reaching out to flood control, stormwater, watershed, and wastewater agencies to discuss a broader plan. Good projects can come from all of these planning efforts and each plan may be complementary with one another and with EBMUD's WSMP.

Specific Scoring Suggestions

Something that is not addressed by the evaluation criteria is how well a given plan has performed over time. There is almost an implicit assumption that most plans will be new ones so looking back at successes or failures is not part of the evaluation. Good IRWM plans with a track record of success should be rewarded with points. New, complex plans will remain untested until implementation. The proposed scoring should account for this.

We can understand that many entities may want to maximize their opportunities for funding from this chapter. However, open ended interpretations of what is local or regional do not provide fair guidance for a competitive process and should not be weighted heavily. Quantifiable benefits and impacts for a proposed project (i.e. acre feet of local water supply, water quality constituents, acres of habitat, increased floodwater conveyance capacity, etc.) should receive specific attention in the scoring given the purpose of Chapter 8 and the ten elements identified in Water Code Sect. 79561. The State should be able to confidently document the benefits from Chapter 8.

We encourage you to increase the weight of project scoring by the following means:

- Decrease the number of scoring categories for the adequacy of the IRWM Plan by combining categories. Examples -adoption of Plan and description of Region can be combined; objectives and strategies can be combined, priorities and implementation can be combined, technical analysis and data management can be combined, etc.
- Increase the scoring categories for the proposed project. Example -the impact and benefit of the project should be scored separately from the project description and receive a high weighting factor. Drought supply, local supply and water quality improvement should be three required evaluation items given the objectives of Chapter 8.

Miscellaneous -On page 25, there is an extra word or error on the line concerning "interregional benefits and impacts." We agree that projects that result in interregional benefits should receive be rewarded with points.

Other Issues

-Matching funds. What date is the earliest that an applicant can cost match? At the September 9,2004 workshop an answer was provided that applicant costs as of November 2002, the date Proposition 50 was enacted, would be eligible for cost matching. Please confirm this in the final guidelines if that is the case.

-Reimbursement. As of what date can costs be reimbursed for a successful grant award? We recommend that the grant application date be the cutoff. We also encourage you to use the same cost funding format as the one proposed by the SWRCB for recycling under Chapter 7 of Prop: 50 (Appendix E of the Water Recycling Funding Program Guidelines) and previously used for Prop. 13. Appendix E includes a table that identifies the SWRCB share, the applicant's share, and other loans or grants for each major task. This helps provide some certainty as to what costs will be reimbursed once a grant contract is finally

approved, which can have a lengthy period of review prior to approval.