

September 30, 2004

Tracie Billington  
Department of Water Resources  
Division of Planning and Local Assistance

Via email to [tracieb@water.ca.gov](mailto:tracieb@water.ca.gov)

**RE: Integrated Regional Water Management Grant Program Guidelines, Public Draft 8/16/04**

Dear Tracie:

Below are The Nature Conservancy's comments on the draft guidelines for the Integrated Regional Water Management (IRWM) Grant Program. We greatly appreciate your efforts to include the public throughout the development of these guidelines. While our comments focus on areas we believe the guidelines can be improved, we largely commend the staff at the Department and the Board for assimilating complicated and varied program directives into a coherent set of guidelines.

Sincerely,  
Jennifer Martin

1. The guidelines do not provide adequate direction for inclusion of ecosystem protection and restoration components in IRWM plans or implementation projects. Ecosystem protection and restoration is a clear objective of the bond program as evidenced by the list of eligible projects (CWC §79561) and the minimum requirements for IRWM plans (CWC §79562.5). The guidelines primarily treat ecosystem related activities as mitigation, compliance, or added benefits to the main projects. Given the significant impacts traditional water management can have on aquatic ecosystems, and the consequences of ecosystem decline on water management options, the IRWM program should fund regional plans and projects that incorporate ecosystem needs and benefits in a meaningful way. Indications of this direction from the state should be reflected in the IRWM program preferences, statewide priorities, plan requirements, and evaluation and selection criteria.
2. *Program Preferences* and *Statewide Priorities* must include ecosystem protection and restoration elements. One of the main benefits of and purposes behind integrating water management activities is to integrate all major water management needs in an area. CWC §79562.5 requires IRWM plans to address, "the major water related objectives and conflicts of the watersheds in the region covered by the plan, **including** water supply, groundwater management, **ecosystem restoration**, and water quality elements." One could argue this list should also include flood management. Regardless, ecosystem restoration is an integral element and the Program Preferences and Statewide Priorities should reflect that fact. It should be noted in the guidelines whether the list of Statewide Priorities is representative or all inclusive. The list should also be expanded to include plans and projects that meet the goals and objectives identified through Natural Community Conservation Plans, Habitat Conservation Plans, Multi-Species Conservation Plans, and Species Recovery Plans. It is likely that for some regions the major water-related conflicts are being addressed by a natural resource focused plan.
3. Several portions of the guidelines convey an apparent preference for urban areas and construction projects. This language may lead potential applicants to assume they are not eligible or will not be competitive, thus prematurely eliminating good projects. For example:

- In many rural areas, recreation, flood management, and aquatic ecosystem restoration are driving water management activities to a greater degree than drinking water supply and water quality management. By repeatedly requiring information specific to water supply and water quality, applicants whose regional water management needs are not dominated by these two will be discouraged from applying. A more inclusive term that can be applied to the applicant’s unique situation will attract a broader applicant pool.
  - However unintentional, the use of the word “construction” in the guidelines for implementation grants implies a preference. Non-structural projects are often equally effective and cost-efficient. A term that encompasses both should be used.
4. Areas included for Integrated Coastal Watershed Plan planning grants should be expanded. CWC §79563.5 states that, “planning areas shall be selected by the board in consultation with the State Coastal Conservancy and the Department of Fish and Game and shall include coastal watersheds that influence water quality in areas of special biological significance.” This does not limit planning areas to only those watersheds that drain into *Areas of Biological Significance* as implied by the guidelines. Coastal planning areas should be expanded to include at least the areas identified in the Coastal Commission’s *Critical Coastal Areas Program*.
  5. Funding levels for planning grants are too low. The \$500,000 limit for planning grants should be raised to at least \$1 million. Given the breadth of management options that must be examined, the cost of coordinating public participation, and the large geographic areas the program requires, IRWM plans will likely cost in the millions of dollars. The state should support their development at a higher level. The total limit for planning grants is also too low. The state should allocate one quarter to one half of the total funds available for planning grants. Given the scope of IRWM plans and the lack of existing suitable plans, more funding is needed to get all parts of the state to implementation stage.
  6. The selection process and criteria need clarification and more detail. The criteria in Tables B.1, C.1, and C.2 seem to correspond to the technical review phase of the selection process. There does not seem to be clear selection criteria. Also, it is not clear how the technical review scores will be factored by the selection panel or how the items listed in Section V(F): *Review Process* (page 11) will factor against the technical review score. More detail should be included in the guidelines as to who (or of what areas of expertise) will comprise the selection panel, what the selection criteria are and how they will be weighted against the technical criteria, and what the timeline is for completion of the review process. Also, we suggest adding the Department of Fish and Game to the review panels to evaluate plans and projects for their benefits to, and impacts on, natural resources.
  7. The guidelines are inconsistent or unclear about project applicants and contracting entities. In both the general solicitation guidelines (page 7) and Appendix C, the guidelines state that the application “must be submitted by regional agencies or groups.” Later, the guidelines state that grant agreements will be executed with only one grant recipient. This is potentially problematic and unnecessarily expensive. Our experience has shown that fewer problems regarding contract execution and completion occur when the applicant and contracting entity are one in the same. While it’s reasonable to require the applicant be part of a regional group, the regional group should not be required to be the applicant. Costs for many regional groups are likely to increase if administrative functions are necessary, which seems inevitable if the group is the applicant.
  8. Match requirements should be met by any non-state funding, including local or federal funding. The guidelines are unclear as to whether the local match can be met with federal funds or expenses incurred by a federal partner in the project (i.e. planning work done by the Army Corps). Also, we have heard from several of our partners that the 50% planning match requirement creates a significant

challenge to participating in the program, particularly for those in rural areas. We suggest a sliding scale based on various factors such as population and land-use value, in addition to the Disadvantaged Community qualification.

9. Regarding Section VI(F): *CALFED Program Consistency*, please provide more detail as to what is meant by projects being implemented, “to the maximum extent possible, through local and regional programs.” This is not enough information to evaluate the implications of this guideline.
10. Please clarify Section VI(I): *Waiver of Litigation Rights*. This statement is unclear, particularly what is meant by, “regulation or order that requires performance of the project.”
11. We suggest the guidelines explicitly state that administrative overhead costs are allowable and should be included in the work plan. Section V(I): *Grant Agreement* discusses cost reimbursement, and may be an appropriate place to note this.
12. The guidelines state that the applicant will need to, “provide a resolution adopted by the applicant’s governing body designating an authorized representative to file an application and enter into an agreement for a grant.” (pages 16, 21, and 28) For some organizations, an assurance of applicant eligibility can be provided through documentation already on hand. Requiring a specific resolution adds unnecessary time and expense for the applicants. We suggest changing this statement to accommodate other forms of documentation. For example it could read, “The applicant must provide documentation that the representative identified in Section A is authorized to file an application and enter into an agreement for a grant.”
13. Notes on the Appendices by section:
  - Appendix A
    - B: Region Description – (1) It is not clear if applicants will be required to describe the quality and quantity of water resources for all water in the region or just developed water (which many may assume). (2) Regional descriptions should include a description of recreation and public access opportunities as they relate to water management in the region.
    - C: Objectives – By requiring specific information on supply and demand, this standard reflects the bias noted above (comment #3). Other water management needs may be equally or more important in a region, which should be reflected by the regional plan’s objectives.
    - J: Data Management – Water supply and water quality are singled out for assessment of existing monitoring efforts and data gaps. Data needs should be relative to plan objectives.

- Appendix B
- E: Description of Region – (1) The list should be more specific regarding environmental resources and should include aquatic and terrestrial species and communities associated with rivers and streams in the region. (2) Identifying important cultural and social values is unduly challenging and should be removed. Accurate assessment of values would require extensive polling or broad assumptions.
  - M: Disadvantaged Communities – Applicants should be required to document any and all of the major water management needs of the community including flood management, recreational, and environmental. The same comment applies to the criteria table.
  - N: Relation to Local Planning – The list of example plans that will be considered should include local floodplain management plans.
  - Table B-1 – It is unclear how these lists of questions for each criteria will be used for evaluation. Most of the questions seem designed to rate a complete plan, which seems inappropriate for the planning grants component. For example, 3 of the 4 questions in the *Planning Objectives* criteria appear to favor applicants who already know their objectives. It isn't clear if these questions are additive, or if reviewers will have their choice of which to use. The guidelines should be clear as to how these questions will be used by reviewers and how applicants who are at the beginning of the planning process will be evaluated relative to those further along.
  - Table B-1: Impacts and Benefits – The list of questions for this criteria again shows a bias in the program for water supply and water quality. The program should include all major water management activities including flood management, environmental protection and recreation.
- Appendix C, Step 1
- Increase the weighting factor for Water Management Strategies and Integration, Impacts and Benefits, Technical Analysis and Plan Performance, Stakeholder Involvement and Coordination, and Need criteria.
  - Add the Statewide Priorities to the criteria.
- Appendix C, Step 2
- I: Other Expected Project Benefits – Environmental benefits were clearly meant to be an integral part of IRWM plans (as noted above). These benefits should be singled out as essential and valuable in the guidelines. Environmental components of plans and projects should have their own criteria for review in each portion of the process.
  - Add the Statewide Priorities to the review criteria.