

**City of Los Angeles Bureau of Sanitation  
Santa Monica Bay Restoration Commission  
Watershed Conservation Authority  
West Basin Municipal Water District**

September 29, 2005

Mr. Lester A. Snow  
Director  
Department of Water Resources  
P.O. Box 942836  
Sacramento, CA 94236

Ms. Celeste Cantu  
Executive Director  
State Water Resource Control Board  
P.O. Box 100  
Sacramento, CA 95812

**PROPOSITION 50 INTEGRATED REGIONAL WATER MANAGEMENT  
GRANT PROGRAM PLANNING GRANT AWARDS**

Dear Mr. Snow and Ms. Cantu:

We, the lead agencies for the four regions in Los Angeles County, are writing to you to amend our letter of September 22, 2006. We have a revised request based on the input we received at the workshop in Sacramento from staff. We further believe that this alternative solution preserves the integrity of the competitive grant process and is supported by sound government policy to minimize administrative expenses associated with a potential second round of planning grant applications. The request is for consideration of a minimum 40 percent allocation of planning grant funding to Southern California, a minimum 40 percent allocation to Northern California and the remaining 20 percent allocated at the State's discretion. The impact of this request is that if Southern California received the minimum 40 percent allocation, an additional \$3 million would need to be added to the planning grant funding pool.

The Los Angeles County region has the potential to gain great benefits from developing Integrated Regional Water Management Plans that address a multitude of water management issues. Due to the fact that Los Angeles County has approximately 28 percent of the State's residents, and the dire need for water management improvements, funding to initiate the step towards improvement is greatly needed. The four Planning Grant applications that were submitted from the Santa Monica Bay

Restoration Authority, Watershed Conservation Authority, City of Los Angeles, and West Basin Municipal Water District, on behalf of many stakeholders within the regions, represent 81 miles of coastline and encompass 88 cities and many unincorporated areas.

Since Los Angeles County is home to more than 10 million people, more than one-fourth of the State's entire population and is the largest county in the nation, it is critical for the State to consider funding these essential planning efforts to address the needs of the region. The initial award Planning Grant recommendations show tremendous inequity between Northern and Southern California (75 percent versus 25 percent). Such a funding discrepancy contrasts with at least four important points:

- (1) Language in the relevant Water Code section that identifies not less than 40 percent of the funds available through the Integrated Regional Water Management program be provided to Southern California;
- (2) The population difference and water supply needs between Northern and Southern California;
- (3) The substantial population of Southern California and, in particular, the population density of urban Los Angeles County creates a tremendous need for integrated water management planning;
- (4) The voters of Los Angeles County who voted 65 percent in favor of Proposition 50, which was instrumental in its passage.

Planning and regional coordination efforts have advanced significantly since the planning grant applications from the four Los Angeles County regions were submitted in May 2005. Since that time, the following activities have occurred:

- (1) At least six formal stakeholder workshops have been held among the four Los Angeles County regions and have been supplemented by dozens of individual stakeholder discussions;
- (2) Planning meetings have been held among the lead agencies of each region in Los Angeles County to coordinate future integrated planning efforts;
- (3) Each region prepared and submitted implementation grant applications which included working drafts of each region's integrated plan; and
- (4) Work plans for completing the integrated plans have been refined and consultants engaged to help complete the integrated plans in advance of the January 2007 deadline.

In addition, we strongly believe that grants for planning should be considered and awarded differently than grants for capital projects. In this particular program, the development and adoption of the integrated plan is the key to qualifying for and, potentially, receiving implementation funding. This is especially true for those applicants that submitted an Implementation Grant application for the first round of funding, with the intention of receiving planning funding to meet the State's requirements of developing an IRWM Plan by December 2006. Without the support for the planning efforts, integrated plans may not be developed. As a result, many projects with potentially great benefit to the State and to the integrated water management program will not have a chance to be developed.

Lastly, the regions in Los Angeles County recognize that other funding sources are needed beyond the funds available through the IRWM program for both capital and operations and maintenance costs. One source that Los Angeles County is considering is a multibillion dollar Countywide funding measure for the 2008 ballot, which would be used to meet water quality regulatory requirements and produce other water management benefits. The technical support needed for this ballot measure is expected to come from the integrated plans to be developed by the four Los Angeles County regions.

### **Significant Impacts**

If funds are not distributed more equitably between Northern and Southern California which, in turn, precludes providing grant funds to three of the four regions in Los Angeles County, there will be significant impacts, which will include:

- (1) Jeopardizing the thousands of hours and hundreds of thousands of dollars that have gone into preparing implementation grant applications and the projects that those applications may produce. It will also jeopardize Los Angeles County's continued participation in the program as the timely development of the integrated plan is a critical first step;
- (2) Jeopardizing valuable stakeholder cooperation that is now being developed between the region's water quality and water supply communities to address water conservation, runoff, water quality and environmental issues;
- (3) Jeopardizing how the region intends to leverage the integrated plan to pursue and capture funding through local and other sources. These sources include the pursuit of other local and Federal grant funding programs, along with Los Angeles County's effort for a multibillion dollar Countywide water quality funding measure in 2008; and

- (4) Challenging the credibility of the State's integrated water management program. This program has successfully motivated more than a hundred stakeholders in Los Angeles County. However, without funding for the planning efforts, not only will many lose faith in the process the State helped initiate, they will also lose faith in ever being able to receive implementation funding through the program.

### **Recommendations**

In order to rectify the inequity in funding between Northern and Southern California and to provide valuable funding for Los Angeles County's integrated planning efforts, we recommend that the Department of Water Resources Director and the State Water Resource Control Board alter the planning grant awards by providing at a minimum a 40 percent allocation to Northern California, a 40 percent allocation to Southern California and a 20 percent allocation to be distributed at the discretion of Department of Water Resources and State Water Resource Control Board. Rather than accomplishing this by reducing or eliminating the awards to Northern California regions, we recommend that this be accomplished by increasing the \$12 million made available for planning by \$3 million and earmarking this funding for Southern California. Based on our understanding of the Chapter 8 code language, there is no legal restriction preventing this and the impact on the nearly \$200 million available for Southern California will be less than 2 percent.

In addition to the reasons put forth in this letter, the addition of \$3 million to the current planning grant award pool at this time is supported by the State's consideration of another round of planning grants. However, as stated in our letter, delaying our efforts in order to pursue this second round of planning grants will have dire and costly implications. Thus, we contend that at least some of that potential funding be made available at this time. Many of the regions in Southern California who will not receive funding for planning grants under the current award recommendations also submitted implementation grant applications. By shifting future planning grant funding to the current cycle, these efforts will not be jeopardized.

This advancement of additional planning grant funds would fund the four regions in Los Angeles County as well as others in Southern California and preserve the 40 percent minimum allocations to Northern and Southern California. This solution

would provide equity between Northern and Southern California which we expect throughout the term of the program. We appreciate your leadership on this issue and are available should you wish to discuss our concerns in more detail.

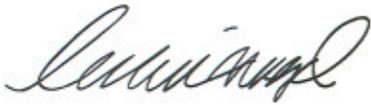
Very truly yours,



SHELLEY LUCE  
Executive Director  
Santa Monica Bay Restoration Authority



BELINDA FAUSTINOS  
Executive Officer  
Watershed Conservation Authority



RICHARD NAGEL  
Co-General Manager  
West Basin Municipal Water District



ART AGUILAR  
Co-General Manager  
West Basin Municipal Water District



JOSEPH E. MUNDINE  
Assistant Director II  
City of Los Angeles Bureau of Sanitation