

August 19, 2005

California Department of Water Resources
Division of Planning and Local Assistance
Attn: Tracie Billington
P.O. Box 942836
Sacramento, CA 94236-0001

Dear Ms. Billington,

The Mojave Water Agency has reviewed the Draft PSP for the Integrated Regional Water Management Implementation Grants Step 2 and offers the following general observations and specific comments. First, we would like reiterate our support for DWR and its position to encourage development of truly integrated regional water management. Our support is further grounded by the Board's adoption of its Regional Water Management Plan (RWMP) this last February. This plan fully embraces the water management philosophies purposed by DWR and articulated in the recently released Draft Bulletin 160-05. In fact, MWA chose a rather unique path in developing its plan by incorporating all of the legislative requirements for Urban Water Management Plans, Groundwater Management Plans and Integrated Regional Water Management Plans into one comprehensive document. In addition, MWA has been a strategic partner with DWR since the MOU was signed in 2001. DWR's assistance and guidance was invaluable throughout the development of our RWMP.

Our RWMP has gained widespread community support largely because of the input we received from DWR early in the process that encouraged us to actively involve the community in the decision-making process. What we were told is that a comprehensive plan developed by the community would truly reflect the needs of the community. We followed this advice with positive results. Our community now has a plan that it can support and is willing to invest in. However, much like other communities, the plan is ambitious, and requires additional investment from the State.

The reason for this background is that the Draft PSP for the Integrated Regional Water Management Implementation Grants, Step 2 appears to put an onerous burden on the applicant to provide detailed information to the State so that "it" can make a selection on which projects are best suited and most worthy of investment to fulfill the local needs. This seems counter to previous DWR philosophies, legislative mandates (SB1672) and the Draft Bulletin 160-05. It also seems to ignore, in our case, the extensive (and costly) evaluation and screening processes (including community input) that were part of the RWMP development. It appears that this local evaluation component is not recognized or is undervalued in your proposed ranking system.

We do understand the DWR's obligation to be able to justify to legislators the quantifiable value of proposed State funded projects. However, we feel that a more simplified quantification of benefit can be attained for proposal justification without

requirements for such in depth economic analyses in a fashion that effectively communicates benefits of projects to upper management and legislators. In addition, maybe greater weight should be placed on public involvement in the decision-making process, community support, and the local community's willingness to invest local funds in the proposed solutions. Ultimate success, in the eyes of both the local community and the legislators, will be based on how effectively locally derived plans can be implemented.

The following comments offer more specific references to support the general observations summarized above.

Comment No. 1

Attachment 7 and 8 do not provide a reasonable and fair criterion on how a project should be selected. The criteria should be largely based on how well each project meets the program preferences and not benefit cost ratio tables. Many projects, although meeting the legislature's program preference, may have unacceptable B/C ratios (as calculated) using the rather cumbersome, complicated and confusing forms provided in the PSP.

There seems to be an inordinate focus on the number crunching, rather than the relationship of each project and how it meets the IRWMP program purpose. After all is said and done, if a project meets all the program preferences, the B/C ratio (as calculated) may be somewhat less material.

The wording in SB 1672 chapter 5 – "Funding for Qualified Project and Programs" states that the selection is based on any set of criterion "...that provides a benefit for qualified projects or programs."

In Attachment No. 7 and Attachment No. 8 the point possibility is worth a combined total of 25 points (31% of the total points). The point possibility for these attachments should be reduced or, alternatively, change the criterion to be more direct in the evaluation. The point possibility in these attachments will skew the ranking of the projects heavily towards those applicants that are able to understand and articulate project estimates over a 50 year time frame.

The explanation of quantified vs. qualitative benefits does little to help the applicant understand the criterion on which their project will be evaluated under.

The specifics of an IRWMP and how each individual project relates to achieving the overall plan do not seem to be considered as a measurable benefit in this section.

The DWR should give some qualified benefit to IRWMP projects that are determined to be a high priority as determined and supported by a large consensus of the community. Recall that one of DWR stated philosophies (and one articulated in the State's Draft

California Water Plan) has been to support and encourage the implementation of locally derived plans. This is the fundamental basis behind IRWMPs. If the local community can come together behind an IRWMP, support programs and projects called for in the plan and commit to a significant portion of the project funding, the application for funding, pursuant to SB 1672, should be favored, even if the applicant may not be able to demonstrate a favorable B/C ratio pursuant to the proposed guidelines.

The DWR should provide a qualified benefit to Projects that meet the Program Preferences such as:

A. Integrated projects with multiple benefits (i.e. higher scores are earned for a project that is identified in an IRWMP with other projects and provides more than one benefit).

B. Support and improve local and regional water supply reliability (i.e. high scores should be given to a project that can do all the above).

C. Project contributes expeditiously and measurably to improve water quality (i.e. high scores demonstrate quick, measurable impacts to water quality).

D. Pollution benefit, sensitive habitat, biological significance. (i.e. high scores given to project that meet all three items).

E. Project serves DAC (i.e. high scores for serving DAC).

F. Project is for groundwater management and recharge in San Bernardino or Riverside County, outside MWDSC, one mile from residential area (i.e. high score for meeting all criteria).

These are the program benefits that should be measured, and if a benefit/cost ratio is applied to the evaluation it should have a lower point weighting. The benefits are not necessarily related to cost, but should be evaluated on the related sections of the California Water Code directly. This was the intent of the legislation, and to that end, Step 2 projects must be evaluated on how well each submitted project matches up with the program preferences.

Comment No. 2

The PSP Attachment No. 7 and 8 should include specific examples for a project. The DWR should provide, as a minimum, filled in tables for sample projects that show how these tables are suppose to work for at minimum one groundwater project and one water quality project.

Comment No. 3

The PSP Weighting factor for Attachment No. 7 and No. 8 should be reduced to 1 instead of 3 and 2 respectively.

Comment No. 4

The PSP Weighting factor for Attachment No. 4, Budget, should be increased. The DWR should spend more time evaluating the legitimacy of proposed expenditures for each project rather than the B/C ratio. Budgets are very important, especially if a project is dependent on outside funding sources to be successful. The criteria gives more points to projects that have higher funding matches; if there is an insufficient budget or questionable expenditures, some projects could be non-implementable. The weighting should be increased to a minimum of 2.

Summary

We appreciate the opportunity to provide comments on this PSP. These comments are offered in the spirit that those entities embracing the vision of true integrated regional water management have the best chance of competing for the limited funds available. The Mojave Water Agency remains committed to our partnership and to demonstrating the value provided by DWR's investment and leadership. We look forward to working with the SWRCB and DWR during further steps of the application process.

Sincerely,

Kirby Brill

Kirby Brill
General Manager, Mojave Water Agency