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California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch

Keith Wallace  
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Zaffar Eusuff  
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***Re: Suggestions for Process Improvements (Proposition 84-Round 3)***

Dear Mr. Wallace and Mr. Eusuff:

Rural Community Assistance Corporation (RCAC) participates in the San Diego Integrated Regional Water Management (IRWM) Program. We appreciate that the San Diego IRWM Program benefits from DWR's efforts to encourage integrated regional strategies for water management. This letter represents RCAC's suggestions on process improvements for the Proposition 84-Round 3 solicitation.

**1) Award Full Allocation to Each Hydrologic Region Per Proposition 84**

RCAC encourages DWR to award the remaining \$450 million Proposition 84 dollars (\$472.5 million minus \$21.8 million additional funding for Round 2) in a single Round 3 grant cycle in accordance with PRC §75027 and PRC §75028(b). If complete funding is not distributed in one cycle, DWR should set maximum amounts for each funding area, and final funding recommendations should remain within these limits, clearly setting and managing expectations for funding availability.

**2) Streamline Distribution of "Expedited" Grant Funding**

Because an "expedited" round of Proposition 84 IRWM grant funding to address drought response was approved by the legislature (AB 103 and SB 104; approved by the Governor on March 1, 2014), DWR should not use its traditional proposal solicitation/review process to award those funds. In the "expedited" round of Proposition 84 funding, DWR should allocate maximum funding amounts proportional to the Funding Area allocations, award "block grants" of funds to Funding Areas, and then implement a simplified proposal review before releasing the funds. A

simplified proposal review should be limited to Proposition 84 eligibility criteria and minimize extraneous materials. As an alternative, DWR might give preference to projects that satisfy the requirements of SB 104 and have been funded in a previous round of IRWM grant funding. In this case, a region may propose a previously funded project for additional funding in the emergency drought relief round, and refer to the details of the previous application for information concerning evaluation.

### **3) Streamline Proposals for Non-Competitive Funding Areas**

DWR should streamline the proposal requirements for non-competitive Funding Areas, such as in the San Diego Funding Area where we have an agreement with our neighboring IRWM regions on how to divide the funding. A streamlined proposal could be limited to basic contracting materials and eliminate excessive technical and economic analysis.

### **4) Defer to Regional Project Selection Process**

In non-competitive Funding Areas, DWR should defer to regional project selection processes that are conducted through open and transparent stakeholder committees. DWR should request only information necessary to confirm consistency of grant application project(s) with the local IRWM Plan, multiple benefits, and DWR's program preferences, along with any Memorandum of Understanding (MOU) adopted by the region or Funding Area. Extensive development of supporting information and attachments beyond those necessary should be eliminated. Individual regions should be able to specify their own regional priorities (of the State priorities) for the available grant funding.

### **5) Allow for Response to DWR's Questions/Evaluation**

RCAC requests that DWR institute a "feedback loop" after release of the proposal evaluations and before release of the draft awards. By releasing the evaluations first, separate from the funding awards, regions would be able to respond to DWR's questions and evaluation by pointing reviewers to the information provided. This can prevent in mis-scoring of an application and release of draft award recommendations that are not aligned with the true quality and value of a funding request.

Sincerely,



Stanley Keasling  
Chief Executive Officer