



April 24, 2015

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

Attn: Zaffar Eusuff

Email: DWR_IRWM@water.ca.gov

Subject: Comments on the Draft 2015 IRWM Program Guidelines and Proposal Solicitation Package

Dear Mr. Eusuff,

The Coachella Valley Regional Water Management Group (CVRWMG) – comprised of the Coachella Water Authority, Coachella Valley Water District, Desert Water Agency, Indio Water Authority, Mission Springs Water District, and Valley Sanitary District – would like to thank the California Department of Water Resources (DWR) for the opportunity to provide input on the Draft 2015 Integrated Regional Water Management (IRWM) Program Guidelines and Proposal Solicitation Package (PSP). We have three specific comments on the Draft Guidelines and PSP as well as two additional general comments, which are outlined below:

Final Solicitation

Table 1 in the Draft PSP shows the amount of funding remaining for each Funding Area, including a total of \$4,175,000 for the Colorado River Funding Area. The Draft PSP states that the 2015 solicitation is intended to be the final solicitation of the Proposition 84 Implementation Grant Program and that DWR intends to release all remaining funding per the funding balances listed in Table 1. Given the small amount of funding available for our Funding Area and the ongoing drought, we encourage DWR to allocate all remaining funding to each Funding Area in accordance with the values shown in Table 1 of the Draft PSP.

Clarify Scoring Methodology

We appreciate that DWR has provided a detailed table that shows the scoring criteria which will be applied to projects considered for funding as well as requirements that must be met to receive full points for each criterion (Table 10 in the Draft PSP). However, we ask that in the Final PSP DWR provide further clarification to assist IRWM regions with fully understanding the methodology that DWR reviewers will use to score projects. Specifically, for several of the project-level evaluation criteria, Table 10 states that projects will be evaluated based upon a certain level of “reasonableness”. The criteria that include a measure of reasonableness are listed below:

- Criterion 10: If applicable, projects must include “a reasonable claim of no adverse impacts”.
- Criterion 19: Project budgets can receive full points if they, “contain costs that are reasonably supported and not significantly higher or lower than industry standard”.
- Criterion 21: Project schedules can receive full points if they include a, “reasonable timeframe for the proposed tasks”.

We request that the scoring methodology for the three above-listed criteria be clarified in the Final PSP such that it is clear how DWR reviewers will assess whether or not project information is “reasonable.”

Furthermore, we request that the Final PSP DWR disclose all of the criteria—whether related to actual points or other factors—that will be used to evaluate projects. After release of the draft awards for the 2014 Drought Solicitation, DWR released a ranked list that showed drought priorities throughout the State; this list showed the Colorado River Funding Area as the least impacted area in the State with regards to the drought. The additional drought-related ranking and scoring criterion was not explained in either the Draft or Final versions of the PSP, and IRWM regions were not aware that DWR would use an additional drought priority criterion in the scoring process. Given that our region lies within a competitive Funding Area, it is critical that we are made aware of all criteria that will be used by DWR to score and rank projects for funding as this will allow us to prepare the most competitive application possible to fund high-priority projects in our region.

Finally, we request that the scoring criteria included in Table 10 of the Draft PSP not be substantially modified in the Final PSP (due for release in late May 2015) other than including the clarifications requested herein. Our region is undergoing our project solicitation, evaluation, and ranking process, and we are using the criteria listed in Table 10 of the Draft PSP to evaluate projects. In addition, we have provided information about the scoring criteria listed in Table 10 of the Draft PSP to stakeholders to inform them of what the CVRWMG will be considering in the evaluation process. Given that we aim to have our project selection process completed in June, there will not be enough time to consider substantial revisions to the scoring criteria if we are not aware of these revisions until the end of May.

Schedule Requirements

Table 2 of the Draft PSP shows the following schedule for the 2015 IRWM Implementation Grant solicitation process:

- Late May 2015: release Final Guidelines and PSP

- July 2015: applicant workshops
- August 2015: grant applications due to DWR
- November 2015: public meeting to discuss draft funding recommendations
- December 2015: DWR approves final conditional grant awards

The schedule in Table 2 indicates that final grant awards will be approved in December 2015, but does not indicate when contracts will be finalized. The CVRWGMG is concerned that contracts will not be made available before the project construction start date requirement of April 1, 2016. This concern is largely associated with the fact that our region has historically provided a substantial amount of IRWM Implementation Grant funding to disadvantaged communities (DACs) and non-governmental organizations (NGOs). DACs and NGOs in our region will likely not be willing to move forward with project implementation before executing a contract with DWR, because this would potentially require them to expend funds months before being able to invoice DWR for grant reimbursements. As such, we request that the implementation date for projects be linked to the date by which contracts are finalized by DWR, which will ensure that project sponsors are not expected to begin implementation prior to executing a contract with DWR.

General Comment: Support for Senate Bill 208

In conjunction with the comments provided above regarding scheduling, the CVRWGMG strongly supports Senate Bill (SB) 208, which directs DWR to streamline funding to DAC and NGO-sponsored projects under Proposition 1 such that these proponents would receive funding upfront rather than expending funds and later invoicing DWR for reimbursement. The reimbursement process can take several months, requiring organizations that receive IRWM funding to provide substantial cash against expenses to accommodate pre-financing of projects, which is infeasible for many DAC and small NGO-sponsored projects. The CVRWGMG has witnessed this struggle firsthand for multiple cycles of IRWM grant funding where DACs with limited operating funds have struggled to implement projects within the grant schedule because of their dependence on grant reimbursements for funding subsequent phases of implementation projects. Advanced IRWM grant funding is, therefore, needed to ensure that certain IRWM groups are not excluded from implementing high-priority projects that would benefit communities throughout the State.

Due to the experience in our region, we continue to strongly support SB 208 and encourage DWR to implement streamlined grant funding measures for DACs and NGOs.

General Comment: Proposition 1 Funding Timeline

We urge DWR to modify the currently proposed schedule for release of IRWM Implementation Grant funding under Proposition 1 such that our region and others across the State can receive funding to implement high-priority projects that will address the drought and other pressing issues. DWR's current schedule indicates that IRWM Implementation Grant funding for Proposition 1 will not be released until Fiscal Year 2018; this would leave a three-year gap in between when regions are awarded final Proposition 84 Implementation Grant funding and when Proposition 1 funding is made available. Considering current drought conditions, three years is too long for our region and many others to wait to receive additional funding necessary to implement high-priority projects. We urge DWR to re-consider the Proposition 1 funding schedule, and request that funding be made available as soon as possible.

Conclusion

Again, the CVRWMG thanks DWR for the opportunity to provide input on the Draft IRWM Program Guidelines and PSP. Our region appreciates DWR's solicitation of our input and hopes the suggestions in this letter are useful to clarify specific items in the Final PSP and Guidelines. The CVRWMG looks forward to the release of the Final IRWM Program Guidelines and PSP and continuing to work with DWR to implement high-priority projects in our region.

Sincerely,



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