Los Angeles Gateway Region

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April 21, 2010

Department of Water Resources
Division of Integrated Regional Water Management
PO BOX 942836
Sacramento, CA 94236-0001
Attention: Joe Yun
Via email: dwr_irwm@water.ca.gov

Re: Draft IRWM Grant Program Guidelines and PSPs

Dear Mr. Yun:

The Los Angeles Gateway Authority appreciates the opportunity to submit written comments on the drafted Integrated Regional Water Management (IRWM) Grant Program Guidelines, and Planning Grant Proposal Solicitation Packages (PSP). We are particularly appreciative of DWR's understanding of the timing complexity for implementation and planning PSPs, and we value and support DWR's commitment of staff & resources for running virtually concurrent PSPs.

Following are some key areas where we are seeking clarification or revisions:

Guidelines

II. E. Minimum Funding Requirements [Guidelines, page 12]

"For IRWM planning grants, the minimum funding match is 50% of the total project cost."

We appreciate that funding match may include, but is not limited to federal funds, local funding, or donated services from non-state sources. However, we feel that a 50% requirement is onerous, particularly for groups with significant proportions of Disadvantaged Communities (DACs). Because this 50% match is not a legislative requirement, or required for previous planning grants, please consider revisions to this requirement that would put the funding match in line with the implementation grants at 25%. Further, pleases consider reducing the match to 10% for Regional Water Management Groups where more than 50% of the region's total population is classified as DAC. We also request that DWR allow the demonstration of matching funds to begin with the passage of Proposition 84 in November of 2006, which would follow the precedent set for the application of Prop 50 funds.

"For IRWM implementation projects that address a critical water supply or water quality need for a disadvantaged community (DAC) and are seeking Proposition 84 funds, funding match may be waived." We certainly appreciate that there are provisions for funding match waivers for disadvantaged communities, but we believe that this waiver should be extended to any project benefitting a Disadvantaged Community in light of the fact that regional water resources planning efforts are intended to address long-term water goals, not just provide stopgap measures for immediately critical water needs.

Urban Water Management Planning Act Compliance [Guidelines, page 16]
Guidelines state that applicants and project proponents must have a complete UWMP by the time a grant is awarded to be eligible to receive funding. Please consider revising this requirement to match the guidelines relative to AB 1420 compliance, i.e., that an applicant may be eligible if it demonstrates that it has or is implementing or scheduling the completion of an UWMP. Many of our members are DACs which lack staff and funding resources required to create UWMPs and implement AB 1420 compliance measures. If UWMP compliance requirements were part of this program, we as a joint powers authority could obtain grant funding to develop a regional UWMP and/or provide implementation assistance to disadvantaged communities in our region. The provision of funding assistance through Prop 84 implementation grants would be particularly advantageous in the Gateway Region, as most of the stakeholder water agencies are also the land use planning authorities whose participation in projects is imperative in maximizing integrated planning efforts.

K. Reimbursable Costs [page 29]
The Guidelines state that costs incurred before a grant agreement are not eligible for reimbursement, but at DWR's discretion these costs may be allowed as part of the funding match. We appreciate the opportunity to have these costs examined and would ask for some clarification with respect to the kinds of costs that would not be allowed to fulfill funding match requirements.

PSP For Planning Grant
Due Date [page 3]. We are anxious to begin the work of a planning grant, and appreciate the idea of a short time frame between the time the guidelines are approved and the application due date. However, we also believe that anything shorter than eight weeks would jeopardize the application process.

Eligible Project Types [page 5]
"Eligible projects are planning actions related to development, updating, or improvement of an IRWM Plan. This may include focused, topic-specific planning efforts such as salt/nutrient management planning or enhanced integration of flood management issues into an IRWM Plan. Applicants must make it apparent within the work plan that the end result the proposed work effort is a complete IRWM Plan, which must be demonstrated in the Proposal by identifying which specific section or sections of the Work Plan that support IRWM Plan as product." In addition to previous comments relative to UWMP, please clarify if the preparation of a Regional UWMP by the Gateway Authority would qualify as an eligible project (focused, topic-specific).

Funding Match [page 8]
While we appreciate the possibility of obtaining a funding match waiver for projects that address a critical water supply or water quality issue for DACs, there are additional regional projects benefitting DACs that would meet other statewide priorities as outlined in the legislation. Please consider implementing a waiver for projects directly benefitting DACs, and consider reducing the required funding match to 10% for regional projects that benefit both DAC and non-DAC communities.

Table 5 – Evaluation Criteria Summary [p. 19]
Scoring standards for Program Preference – *"One point will be awarded for each program preference… the score may be reduced if the work plan does not convey certainty that the preference[s] will be achieve[d] or that the magnitude of claimed benefits is limited."*
We agree that the scope the work of a planning grant must specifically reference the program preferences of Prop 84 and the IRWM program. We believe that a planning application should be scored based upon

whether the plan will address the program preferences. Please provide clarification regarding the terms "conveying certainty" or "limited magnitude of claimed benefits." Is this subject to the reviewer's interpretation, or is there a more objective scoring procedure?

PSP for Implementation Grant

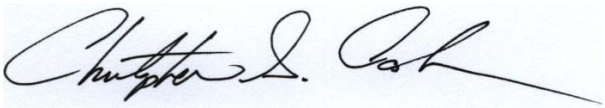
Economic Analysis - Exhibits C, D, E and F [pp.33-56]

For all regions, particularly those that include a high proportion of Disadvantaged Communities, the development of a comprehensive economic analysis such as that required by these draft guidelines is potentially prohibitive. According to the guidelines, this intensive economic analysis should be supported by studies, reports, and technical data. The requirement to develop and submit these documents clearly undermines the competitive ability of less-affluent regions. In addition, the economic analysis does not provide the ability to quantify the true economic, social, and environmental impact of water supply or water quality projects that also restore beneficial uses, protect habitat, or protect or enhance open space opportunities.

We respectfully suggest an alternative method of analysis: that DWR provide technical assistance such as providing a standard per-acre-foot estimate for the cost of groundwater contamination or the restoration of impaired bodies of water; calculating a per-acre dollar benefit of preserving or enhancing open space; and developing a chart predicting the costs of flood damage based up on the likelihood of the storm and the population density or type of industry impacted. The provision of this technical assistance would not only eliminate the exclusion of less-affluent regions from the Prop 84 funding process, but it would also simplify the evaluation for DWR staff by ensuring that all projects are compared based upon standard economic benefit assumptions, and still provide you with qualitative measurements with which to ensure the best use of California bond funds.

We believe that open collaboration with the Department of Water Resources in the initial phases of this round of IRWM funding will ensure clear guidelines that result in comprehensive regional planning efforts and implementation. The Gateway Authority shares DWR's goal of ensuring that the taxpayers of the State of California receive the best possible return on their investment, and we appreciate the opportunity to be a part of the IRWM process.

Sincerely,



Christopher S. Cash
Chair