



Santa Ana Watershed Project Authority

CELEBRATING 40 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

April 21, 2010

Attention: Joe Yun
Department of Water Resources
Division of Integrated Regional Water Management
PO BOX 942836
Sacramento, CA 94236-0001

Terry Catlin
Commission
Chair

Re: Integrated Regional Water Management Grant Program Guidelines
For Proposition 50, Chapter 8

Celeste Cantú
General
Manager

Dear Mr. Yun:

Eastern
Municipal
Water
District

The Santa Ana Watershed Project Authority (SAWPA) is pleased to provide comments, suggestions, and recommendations to the draft guidelines and PSPs in order to help in the implementation of Integrated Regional Water Management (IRWM) Grant Program. SAWPA fully supports DWR's progressive steps in recognizing Integrated Regional Water Management planning. The DWR guidance for the IRWM Plan Standards serves as a hallmark of higher integrated planning standards that all regions across the State will ultimately benefit from. These standards will assist the State in maximizing available water resources, help the State in leveraging all available grant funding dollars, maximize benefits through integrated approaches and improve collaboration among all planning entities. We applaud DWR in reaching a higher bar of attainment that will assist the State to assure adequate water supply and water quality to meet the State's growing water demands.

Inland
Empire
Utilities
Agency

In evaluation of the approach that DWR has used under this State funding grant round, we compliment DWR in implementing the progressive Region Acceptance Process (RAP) which has helped avoid institutional conflicts and promote collaborative processes before any grant funds are provided across the State. Based on feedback we have seen, the RAP process has assisted regions across the State to reach out to one another in a spirit of sharing of data and IRWM planning processes under the framework of the Roundtable of Regions.

Orange
County
Water
District

In support of DWR's interest in providing the improved guidelines and PSPs that will most effectively deliver grant funding to important planning and implementation projects, we have prepared the following comments for the draft documents released for review under the Prop 84 and 1E Integrated Regional Water Management Grant Program.

San
Bernardino
Valley
Municipal
Water
District

Western
Municipal
Water
District

1. Draft Guidelines IRWM Grant Program Funded by Prop 84 and Prop 1E
 - a. Page 10-11. Mention is made of a PSP for Regional Flood Planning grant under both Prop 1E and Prop 84; however, we noticed that a draft PSP was not released. It is unclear what the source of this funding is from and how it should be used. This info would be helpful in how it relates to the PSP for the IRWM Planning grant application.



- b. Page 14, G. Competition. The IRWM planning grant is shown as being competitive statewide. Since 50% of the planning grant funding arises from regional funds assigned to funding areas and 50% from interregional funds, **we recommend that regional funding assigned to funding areas not be spent outside the funding area from which it was assigned** under each funding round.
- c. Page 15, first sentence at top. Unclear.
- d. Page 15, III Eligibility Requirements, B. Eligibility Criteria, 2nd bullet. We support fully support this language on procedures to recognize projects within a project list in an adopted plan. However, this criteria conflicts with Page 9 and 17 of the Prop 84 Implementation Grant Program PSP, “Eligible Project Types” and “Consistency with an adopted IRWM Plan” which states that if an IRWM plan is silent on procedures to modify a project list, the proposal is limited to projects in the IRMW Plan on Sept. 30, 2008. We believe this language in the PSP on eligibility of projects to only adopted plans **“prior to Sept. 30, 2008”** is overly restrictive, will restrict funding to only projects in old IRWM plans, not in accordance with CWC 83002 (b)(3)(B). We encourage DWR to recognize and support IRWM planning efforts by some Regions to incorporate the “new” IRWM Plan Standards that DWR is now requiring in all adopted IRWM plans, many that have been added since Prop 50 IRWM plans requirements such expansion of flood management and planning, EJ considerations, and Climate Change impacts to name a few. Based on our review, there are no requirements for inclusion of procedures to modify implementation project lists in any CWC sections about IRWM plans.

In DWR slides presented to the stakeholders on Nov. 18, 2008, under Expedited Round Concepts, DWR stated that eligible applicants must comply with CWC §83002 (b)(3)(B) from SBxx 1 which states

IRWMP must meet provisions of IRWM Planning Act Rewrite

OR

Adopted Plan as of Sept 30, 2008 + agreement to update within 2 years + effort to address DAC water issues

As currently written in the PSP for Implementation Projects, the first IRWMP condition on the slide is ignored by including a requirement that eligibility is restricted to adopted plans “prior to Sept. 30, 2008”. We strongly recommend the Prop 84 Implementation Grant Program PSP language regarding consistency with an adopted IRWM Plan at the top of Page 9 and 17 be modified to match the Eligibility Criteria shown on Page 15 of the IRWM Grant Program Guidelines and accept implementation projects that are included on implementation project lists for any adopted IRWM Plan that

meets IRWM Planning Act Rewrite **and eliminate the “prior to Sept. 30, 2008” requirement. Further we recommend that the IRWM Plan acceptance date be extended to the grant agreement execution date for the Implementation PSPs to assure that all IRWM Plans seeking to comply with the new DWR IRWM Plan Standards have sufficient time to incorporate them under this first round of funding grants.**

- e. Page 22-23, IV. General Program Requirements, A. IRWM Plan Standards, 3rd bullet. In review of new standards, we compliment staff of an expanded vision of IRWM planning to maximize and integrate all water resource management strategies available in a region. However, under the sections labeled “Project Review Process” and “Finance”, the language seems to imply that very detailed information would be required for each and every project listed in the plan. **We recommend clarification language be provided to indicate that the detailed economic feasibility, technical feasibility, and project implementation documentation need only be submitted required in the Implementation Grant PSP and not in the plan. We suggest a two tier documentation approach for the IRWM Plan.** The first tier would contain general information about the projects sufficient to rate and rank them for consideration in achieving the IRWM plan goals. The second tier would be for priority projects where that will be included in the PSP Prop 84 IRWM Implementation project submittal for the 2nd tier priority projects. Requiring detailed information for “all” projects would be unmanageable, unwieldy and expensive. For example, an IRWM plan may include hundreds of projects that may provide benefit within a region. It is unrealistic to expect that all hundred projects in the IRWM plan would need to provide detailed economic and financial analysis for consideration until they are ready to be submitted for a specific grant program for funding. Using a two tier system of documentation would fall more in line with IRWM guidelines statement shown on page 50 stating “the RWMG may apply grant criteria when moving from the overall list of projects in the IRWM Plan to a specific grant proposal.”
- f. Page 26, V. Proposal Selection, F. Review Process. As presented, the scoring seems more heavily weighted to project values defined as : “Economic Analysis – Water Supply” and “Water Quality Benefits” sections rather than on integration. It also appears to override the discretion of the region in defining the most important priority to the region in applying for funding. We recommend that the weighting for both of these two sections be modified on par with other completeness requirements.
- g. Page 29, K. Reimbursement of Costs. We recommend that due to the 18 month delay since legislation was passed to authorize grant funding in September 30, 2008, all work and costs associated with the work performed in preparation of Planning, Implementation, Regional Flood Management

Grants and SWFM Grants since September 30, 2008 be eligible for reimbursement as part of the applicant's funding match.

2. PSP IRWM Implementation Grant

- a. Page 6, II. Eligibility, Eligible Grant Applicants. This section should be clarified that the eligible grant applicant is an IRWM planning region that was accepted for Implementation funding under the 2009 Region Acceptance Process.
- b. Page 6, II. Eligibility, Eligibility Criteria 5th paragraph. This section seems to be a series of statements rather clear requirements. May be missing some "if" and "then" words.
- c. Page 9, Eligible Project Types. Please see comments regarding this first paragraph our comment 1.d.
- d. Page 10, Schedule. Based on draft Schedule released by DWR, we recommend that 3-4 months be provided instead of the two months shown for preparation of the Implementation PSP by the project applicant due to the extensive documentation required.
- e. Page 13 Table 4. We are fully supportive of the use of a grant checklist and see value of checking off items that have already been submitted as part of the Region Acceptance Process. However, we believe that much of the information required in many of the Attachments associated with the checklist is duplicative of required submittals under the Region Acceptance Process. DWR and the regions/applicants could save significant staff time and resources in processing time through the elimination of the duplicative data request.
- f. Page 17, Consistency with the adopted IRWM Plan. Please see our previous comment 1d.
- g. Page 24, Table 5. Economic Analysis – Water Supply and Water Quality Benefits and Water Supply and Other Expected Benefits. The scoring standards seem to unnecessarily limit the flexibility and prioritization of the regions in proposing a portfolio of projects that may be limited in water supply and water quality benefits such as an environmental enhancement or GHG reduction project but meet the prioritization criteria of a region. We recommend significant reduction of the number of points and weighting factor for these scoring criteria.
- h. Page 29-32, Exhibit B, Budget. Again this section appears to have been written for construction projects and does not account for implementation of "non-structural actions" in accordance with the definition of a "project". We recommend simplifying this section to just the table without the details indicated in page 30 and 31. Again, this level of detail will incur undue processing costs to prepare this application particularly for small project proponents with limited budgets.
- i. Pages 33-44, Exhibit C, Economic Analysis: Water Supply. We are concerned that this requirement is excessive and overly expensive to prepare particularly for all sizes of projects. We recommend that economic analysis be adjusted appropriate to the type of project proposed. Based on past

experience with similar economic analyses under Prop 50 IRWM applications, a separate financial consultant had to be hired by each project proponent to prepare the economic analysis at thousands of dollars of cost. The level of detail required appears excessive and does not provide the smaller project proponents or DAC a means to obtain funding due to the high application processing costs necessary to complete. We recommend that a scaled down economic analysis be required for small projects and the more in depth economic analysis be used as needed for the larger projects.

3. PSP IRWM Planning Grant

- a. Page 5, II Eligibility, A. Eligible Application. As indicated in our comment 1b above, **we recommend that regional funding assigned to funding areas not be spent outside the funding area from which it was assigned under this funding cycle.**
- b. Page 8, III. Funding. Same comment as above.
- c. Page 14 B. Attachment Instructions, Attachment 2. Responses to these questions have already been addressed through the RAP and appear duplicative and unnecessary to repeat if applicants are already recognized as a region.
- d. Page 15, Attachment 3 Work Plan, Background Section. Similar to our last comment, the background section has already been covered through RAP. We recommend deleting this section as duplicative of previous data provided under the RAP.

4. PSP IRWM Storm Water Flood Management Grant

- a. Page 5, II Eligibility. It is unclear whether the applicants are regions accepted under RAP or individual agencies that are not regions. This confusion stems from the second paragraph under B. Eligibility Criteria which focuses on the IRWM region and Table 1 of Regions. It is unclear how this information relates to the applicant.
- b. Page 11. Q6. Correct spelling for “RWQCB”
- c. Page 11. Q10. Should the “Q12” be changed to “Q9” in first sentence.
- d. Page 11. Q11. Should the “Q12” be changed to “Q9” in the first sentence.
- e. Page 11. Q13. Should the “Q11” be change to “Q9” in the first sentence.
- f. Page 22. Correct (See Section II.D) in second line of table under Program Preferences to (See Section II.F).
- g. Pages 23-51. See similar comments on Exhibits as shown above for 3h – 3l.

If you have any questions regarding the comments provided, please let us know.

Sincerely,

Celeste Cantú
General Manager
Santa Ana Watershed Project Authority