

**The River Exchange  
P.O. Box 784  
Dunsmuir, CA 96025**

April 22, 2010

Department of Water Resources  
Division of Integrated Regional Water Management  
Sacramento, CA  
Attention: Joe Yun

**Re: Comments on Draft IRWM Guidelines**

Dear Mr. Jun:

On behalf of The River Exchange, a watershed stewardship organization located in Siskiyou County, I am submitting our comments on the draft IRWM Program Guidelines and PSPs recently released by the Department of Water Resources. The River Exchange was one of the founding members of the Upper Sacramento/McCloud Regional Water Management Group, and was actively involved in the application for region approval that was submitted by the RWMG in 2009. Since we are part of an emerging region, our comments will only relate to those portions of the new guidelines and PSPs that deal with planning grants.

Our main comments regarding the draft guidelines and the proposed PSP for planning grants can be summarized as follows:

1. The 50% match requirement for new planning grants is unduly burdensome on rural, economically-challenged regions, and would likely prohibit our region from being able to participate in the IRWM program.
2. The removal of the DAC waiver for the match requirement for planning grants is inequitable and discriminates against those regions that were unable to participate in the Prop 50 round of planning grants. At the very least there should be a mechanism for regions to request a hardship waiver from the match requirement on a case-by-case basis. Without such a waiver provision, rural regions will be unable to compete on a level playing field with wealthier urban regions for bond-funded grants.
3. Emerging regions that have yet to receive any planning grants funds should receive some kind of additional points in the scoring regime, as long as they otherwise submit a competitive application. We support the recommendation that planning and implementation solicitations should occur simultaneously, but if the PSP process is bifurcated, the planning grant solicitation should go forward before the implementation

grant solicitation, so that emerging regions do not fall even farther behind the already-established regions.

Our region encompasses the headwaters of the Sacramento River, as well as portions of the two other major river systems that fill the Shasta Dam. These watersheds are vital to the health of not only our region, but to the system that supplies drinking water and agricultural water supplies to a large portion of the state. At the same time, the region is sparsely-populated and most, if not all, of its communities are economically-disadvantaged.

We are unusual in that our region does not contain either large water districts or irrigation districts, and our local agencies are struggling with budget deficits and the difficulty of raising rates in an area where unemployment is close to 20% and median household income is far below the state average. Because our local agencies are so under-funded and understaffed, it has been non-profit community that has taken the lead in organizing the region to participate in the IRWM program. Both the new guidelines and the PSP solicitations must recognize that a “one size fits all” process will not address the special challenges that rural regions face, and must make accommodations for those regions that cannot compete on the same level financially as the larger, better-funded regions.

Thank you for the opportunity to present these comments. We look forward to continuing to work with DWR staff and to participating in the IRWM program.

Sincerely,

Sandra Spelliscy  
Executive Director  
The River Exchange