

Comments and Request for Clarification on Draft IRWM Grant Program Guidelines and Projects Solicitation Package, Propositions 84 and 1E

Introduction

The Upper Santa Margarita Watershed IRWM planning region respectfully submits the following comments and request for clarifications for review and consideration.

The recently released Proposition 84 IRWM Draft IRWM Grant Program Guidelines and Project Solicitation Packages (PSP) as well as Proposition 1E PSP were reviewed for comments applicable to the Upper Santa Margarita Watershed and additional requirements under the Proposition 84 program not included in the original IRWMP.

Comments and Requests for Clarification

Proposed Guidelines

1. Eligibility Criteria and Eligible Project Types (Sections III B and III C): Significant work has been completed since the USMW IRWM Plan was adopted on July 13, 2007. For example, projects have been implemented, other funding has been secured, new stakeholders have become involved, projects have been modified and integrated, and new projects and partnerships have been identified. Similar to other types of regional planning efforts (e.g., General Plan Updates, Master Plan Updates, UWMP updates, etc.), a “plan” is a tool (programmatic in nature) for implementing objectives, strategies, programs, projects, and recommendations. The USMW planning region recommends that Sections III B and III C be modified to allow greater flexibility in the area of “eligibility” by replacing language that limits implementation of an adopted IRWM Plan such as the USMW IRWM Plan to language that facilitates and encourages implementation of IRWM Plans. The following text excerpts from Sections III B and III C have been modified with proposed replacement language in **red font**:

B. Eligibility Criteria

Applications for IRWM and SWFM grants must meet all relevant Eligibility Criteria below in order to be considered for funding. Additional eligibility criteria may be applicable to specific appropriations of funding. Such appropriation specific elements will be found in the PSPs.

✦ **The IRWM region must have been accepted into the IRWM grant program through the RAP.** The terms of a conditional acceptance may preclude an IRWM region from being eligible for a specific grant. Conditionally accepted IRWM regions should check the conditions and ensure they are not prohibited from applying to a specific type of grant. For example an IRWM region may be limited to competing for planning grants only until certain conditions are met.

Conditionally accepted IRWM regions should work with DWR to satisfy the specific conditions prior to grant application deadlines. Each PSP will contain a list of IRWM regions accepted and eligible for a specific solicitation based on RAP acceptance.

✦ **Projects included in either an IRWM implementation or SWFM proposal must be consistent with an adopted IRWM Plan.** Consistency means, implementation projects submitted for funding must be **consistent with objectives and water management strategies and support integrated projects** included in an adopted IRWM plan. Updates and changes to an IRWM project list may be performed according to the IRWM plan. When submitting for a grant, applicants will need to demonstrate the projects in a proposal are included in their IRWM plans or have been added to the implementation project list for an IRWM plan according to the procedures in that plan. If an IRWM plan is silent on procedures to update the implementation project list, the **IRWM Plan can be modified to include explicit procedures to update the implementation project list so that applicants are not excluded from IRWM Plan implementation.**

C. Eligible Project Types

Factors affecting eligible project type include funding source, DAC status, and BMP implementation. As an IRWM region considers projects to include in a proposal, they need to consider the project eligibility as described below. Some provisions for eligible project types are applicable regardless of funding source and others are funding source specific.

Planning Grant Projects

Eligible projects are activities that directly develop, update, or improve an IRWM Plan. Such activities may include focused, topic-specific activities that fill gaps or improve sections of the IRWM Plan, i.e. salt/nutrient management planning or enhanced integration of flood management, as well as broader plan development efforts. Applicants must establish within their grant proposals (work plan and other components) that the end result of the proposed activities is an IRWM Plan that meets the new IRWM Plan standards and serves to meet the regional water management objectives contained in their IRWM Plan.

Applicable to All Implementation and Stormwater Flood Management Projects

Eligible projects must be consistent with an adopted IRWM Plan (PRC § 75026.(a) and PRC § 5096.827). This means that all projects must be **consistent with objectives and water management strategies and support integrated projects** identified within the IRWM Plan as a project or program needed to implement the Plan. DWR will defer to each IRWM Plan's procedures for updating the implementation project list. As long as the projects exist on the implementation project list of the IRWM Plan and they have been added according to the IRWM Plan processes, they will be considered as eligible projects. If the IRWM Plan is silent regarding a process to update or change the project list, **the IRWM Plan can be modified to include explicit procedures to update the implementation project list so that applicants are not excluded from IRWM Plan implementation.**

2. Please provide clarification on the following statement found in Section I Grants, page 28, paragraph 2 as the intent of the statement is unclear. “Both the Fiscal Statement and CEQA statement of conditions must be met **for at least one project** contained in the Proposal prior to execution of a grant agreement. For each remaining project(s), both conditions must be met prior to disbursement of grant funds.” Does DWR need only one, but desires all that are complete or should only one be submitted?
3. Reimbursement of Costs (Draft IRWM Guidelines, page 28, Section V. Proposal Selection, Section K. Reimbursement of Costs):

Please consider revising this section to include “grant reimbursement of eligible activities dating back to March 8, 2010 when the draft Implementation Grant PSP was released.”

4. Electrical Company coordination requirement on page 38 of Appendix C. Has DWR established statewide contacts for the large electrical utilities, such as SCE, SDGE, etc., or does DWR expect each region to contact the utilities individually? Is this requirement for electrical companies and municipalities operating only within the IRWM Planning Region?

Implementation Grant PSP

5. Similar to the first comment on the Guidelines regarding eligibility, please consider the following modification to related text within the Implementation Grant PSP, Section 2 Eligibility, page 9 as follows.

Eligible Project Types

Guidelines Section III.C, provides specific detail on eligible project types. Eligible projects must be consistent with an adopted IRWM Plan (PRC §75026.(a)).

Consistency with an adopted IRWM Plan means either the project is included as an implementation project for the IRWM Plan, or the project has been added to the IRWM Plan implementation list after adoption, but in accordance with the procedures in the adopted IRWM Plan. If the IRWM Plan is silent on procedures to modify the implementation project list, **the IRWM Plan can be modified to include procedures to update the implementation project list so that applicants are not excluded from IRWM Plan implementation, and otherwise** the proposal is limited to the projects contained in the IRWM Plan on September 30, 2008.

Projects that are consistent with objectives and water management strategies and support integrated projects included in an adopted IRWM Plan cannot be added to a proposal based on a future IRWM Plan revision.

For this solicitation there are two exceptions to this eligibility criterion, projects that directly address a critical water quality or supply issue in a DAC and urban water suppliers implementing BMPs as described in the Guidelines. These exceptions are being made to encourage assistance to DACs and encourage implementation of BMPs by urban water suppliers. Such projects must still be consistent with the IRWM Plan objectives.

6. Similar to the first comment on the Guidelines regarding eligibility, please consider the following modification to related text within the Implementation Grant PSP, page 17 as follows.

Consistency with an adopted IRWM Plan – Consistency with the adopted IRWM Plan means either the project is included as an implementation project for the IRWM Plan, or the project has been added to the IRWM Plan after adoption, but in accordance with the procedures in the adopted IRWM Plan. In Attachment 1, the applicant must provide a listing of projects proposed for funding and how those projects are consistent with the adopted IRWM Plan. In cases where the project has been added post adoption, please discuss how the addition of the project(s) was consistent with the procedures established in the adopted IRWM Plan. If the IRWM Plan is silent on procedures to modify the implementation project list, **the IRWM Plan can be modified to include procedures to update the implementation project list so that applicants are not excluded from IRWM Plan implementation.**

7. We request that DWR consider revision to the Implementation Grant Application process to streamline it and reduce extensive scoring and ranking of proposals in non-competitive Funding Areas. Proposition 84 (PRC §75028(a)) states that DWR:

“shall defer to approved local project selection and review projects only for consistency with the purposes of §75026.”

Section 75026 requires that eligible projects (1) be consistent with an adopted IRWM Plan or its functional equivalent as defined in the IRWM Guidelines; (2) provide multiple benefits; and (3) contribute to DWR’s program preferences.

As such, we recommend that DWR could confirm consistency of grant application project(s) with the local IRWM Plan and any Memorandum of Understanding (MOU) adopted by the region and/or Funding Area but eliminate the need for extensive development of supporting information and attachments beyond those necessary to comply with the Public Resources Code. DWR is obligated to honor the approved local project selection process used to identify and prioritize water management projects for each region.

The Tri-County Funding Area Coordinating Committee (Tri-County FACC), which includes all three regions within the San Diego Funding Area, have an MOU adopted by all nine RWMG agencies that outlines our commitment to inter-regional coordination (demonstrated through ongoing Tri-County FACC meetings), development of cross-watershed projects (planning is currently underway), and allocation of the Proposition 84 bond funding. We are committed to sharing the bond funding for our Funding Area in an equitable manner. As such, our grant applications will be aligned with our agreed-upon allocation, will not exceed the Round 1 maximum, and will not be competitive. This mutual agreement will enable DWR to honor our approved local project selection processes and review our grant applications in a more streamlined manner. In fact, offering a more streamlined grant application process for non-competitive Funding Areas

will encourage better coordination and collaboration between IRWM regions throughout the State.

A **streamlined grant application process for non-competitive Funding Areas** may include work plans, budgets, schedules, discussion of performance measures, and outreach to disadvantaged communities (DACs) for each proposed project in order to demonstrate consistency with local IRWM Plans and priorities. However, in accordance with PRC §75028(a), once each region has prioritized and approved its project list, additional economic analysis and assessment of impacts and benefits should not be necessary. Development of these materials are time consuming and overly burdensome on the resources that fund local IRWM programs.

8. While we believe that the following required sections are excessive for regions not in direct competition due to documented regional agreements, additionally, these sections, as written, are difficult to follow and require extensive analysis: **Exhibit C Economic Analysis: Water Supply, Exhibit D Water Quality and Other Expected Benefits, Exhibit E Economic Analysis Flood Damage Reduction, and Exhibit F Proposal Project Costs and Benefits Summaries.** Please consider modifying these sections to include a level of economic analysis that is simplified but still accomplishes the intent of the guidelines. One option to consider would be to provide a universal template with measures that include simple metrics that can be defined and compared based on statewide guidance for evaluating IRWM Plan projects. The steps to evaluate each of the categories are already provided in the guidelines. These can be used to create a flow chart with identified questions/thresholds and if/then statements resulting in a project not meeting, meeting, or exceeding a required economic benefit. Narrative responses with appropriate sources/references would still be required to substantiate results. Other options could be considered to meet DWR purpose and need for this analysis while responding to comments from regions concerned about the extensive analysis and/or concerns over “missing the mark” by falling short of DWR expectations. Additionally, some or all of these sections should be waived for regions that are not in direct competition due to documented regional agreements.
9. **Application submittal instructions are not clear.** Is the entire application required to be submitted via the BMS system in conjunction with 3 copies of the application via hard copy or just 3 copies of the attachments submitted via hard copy? Can documents be submitted on a cd/dvd. Page 12 of the PSP below “2. Hard Copy Application Submittal” mentions cd/dvd application components. Page 15 also mentions cd/dvd as required. We request that DWR clarify these as the BMS system comes online and reduce or eliminate hard copy where possible to reduce cost and reduce the resource impact of the IRWM program.
10. Please clarify the guidelines and PSPs to help us understand the following situation. If multiple projects are submitted in one application and one of the projects has targeted benefits to a DAC and no matching funding, but the targeted benefits to the DAC are deemed invalid by the reviewers, then are the rest of the

projects in the application still considered even though the 25% overall application match may no longer be met if the DAC project becomes a regular project?

11. Please clarify the guidelines and PSPs to clearly indicate that the cost match is on the entire submitted application of projects rather than on each individual project submitted in the PSP. This is what we understood and heard Joe say at the workshop but is not clear in the PSP.
12. To encourage regions to work more closely together we recommend DWR establish criteria for funding area balance points (Page 22, Table 5, Funding Area Balance Points). We recommend the following:
 - 5 points = Funding Area has documented and implemented a consensus agreement approved by the governing boards of all RWMG entities for planning, coordination, and funding
 - 2 points = Funding Area can demonstrate cooperation, but no specific agreements for planning, coordination, or funding
 - 1 point = Letters sent to surrounding IRWM regions in Funding Area, but no specific planning or coordination activities
 - 0 points = No communication between multiple IRWM regions in a Funding Area
13. If a project crosses multiple IRWM planning regions within a funding area or even outside of a funding area, which planning region should be the project applicant and how are the funds going to be allocated? DWR may wish to consider some criteria for how much funding can be allocated to a minority portion a funding area.
14. Grant Solicitation Schedule: Please consider allowing a minimum of 12 weeks after release of the final PSP for development of implementation grant applications. If the implementation grant cycle occurs prior to completing the IRWM Plan Updates, a 12-week schedule would allow the regions to engage local stakeholders in timely project identification, ranking, and selection processes to develop the best suite of projects possible. Without a near-term grant solicitation schedule in hand, the IRWM regions may need to begin the project prioritization and selection process prior to release of the final PSP or rush the project selection process if they wait until the final PSP is released. As a result, IRWM regions may have difficulty soliciting and selecting strong integrated projects that can wait for funding to become available.
15. The draft Implementation Grant PSP (page 17, Attachment 2) and the draft IRWM Guidelines (page 31, Appendix B. Definitions) are in conflict regarding IRWM Plan adoption requirements. The Implementation Grant PSP requires the IRWM Plan to be adopted consistent with CWC §10543, which requires “the regional water

management group [to]... adopt the plan in a public meeting of its governing board." In contrast, the IRWM Guidelines state that "At a minimum, each project proponent named in an IRWM grant application must also adopt the IRWM Plan." Please clarify who must formally adopt the IRWM Plan.

Please consider revision to require that **only RWMG governing bodies be required to adopt or otherwise endorse the IRWM Plan**. Requiring each Local Project Sponsor (LPS) to adopt the IRWM Plan prior to being included in an implementation grant application would be difficult given the short timeline associated with submittal of the grant applications. USMW stakeholders have reached consensus on the IRWM Plan and recommended it for approval by the RWMG governing bodies. Many have also presented the IRWM Plan to their Boards and Councils as informational items. Asking each LPS to formally adopt the IRWM Plan would be time consuming and burdensome to those parties, and may prohibit priority projects from being included in the implementation grant application due to inadequate time for formal hearings.

Planning Grant PSP

16. Application submittal instructions are not clear. Can documents be submitted on a cd/dvd. Page 9 of the PSP below "2. Hard Copy Application Submittal" mentions cd/dvd application components. We request DWR clarify these instructions as the BMS system comes online in order to reduce or eliminate hard copy where possible. This will reduce cost and resource impacts to the IRWM program.
17. We recommend DWR add concepts about how volunteer hours associated with non-profit organization may be valued. Are there any guidelines on assigning values to volunteer work? If not, is an estimated total adequate or are detailed records required? Non-profits are more than willing to participate but concerned that excessive recordkeeping requirements may make it untenable.
18. Are there any costs that cannot be considered part of matching funds?

Storm Water Flood Management Grants

19. Application submittal instructions are not clear. Can documents be submitted on a cd/dvd. Page 9 of the PSP below "2. Hard Copy Application Submittal" mentions cd/dvd application components.
20. Please clarify if an entity can apply for funding for the same project under both Prop 84 and Prop 1E or other appropriate grant programs.