



IRVINE RANCH WATER DISTRICT 15600 Sand Canyon Ave. P.O. Box 57000 Irvine, CA 92619-7000 (949) 453-5300

September 5, 2014

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

Via Email: Laura.Peters@water.ca.gov

RE: COMMENT LETTER – DRAFT 2014 WATER-ENERGY GRANT PROGRAM GUIDELINES

Dear Ms. Peters,

Thank you for the opportunity to provide comments for the Department of Water Resources (DWR) consideration as it weighs adoption of the Draft 2014 Water-Energy Grant Program guidelines and proposal solicitation program. Irvine Ranch Water District (IRWD) has reviewed the Draft Guidelines, and has attended a recent DWR public meeting held in Chino, CA on August 19, 2014. IRWD understands the benefits of implementing projects that simultaneously achieve water savings, energy savings, and greenhouse gas (GHG) reductions. Projects that have several savings targets are typically more cost effective and have broader reaching benefits to multiple parties. IRWD fully supports DWR's desire to encourage water-energy projects throughout the State as a step in the right direction toward achieving greater savings of both resources.

While IRWD understands DWR's intent behind the Draft Water-Energy Grant Program Guidelines, we request that the ranking matrix be modified to include award preference for projects that promote inter-agency collaboration with other private and/or public utilities. The proposed priority level for these projects would be between the current priority 3 and 4 levels within the ranking matrix. IRWD has collaborated with investor owned utilities (IOU's) in the past and it has been the District's experience that collaborative projects offer numerous benefits and enhanced resources, which include increased project expertise and leveraging of other existing funding opportunities, which lead to higher project success rates.

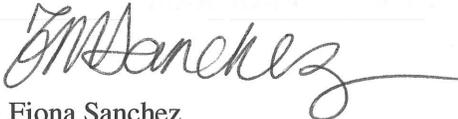
IRWD understands from the public meetings that the Water-Energy Grant Guidelines aim to not only provide water, energy, and GHG benefits, but also to promote projects that benefit disadvantaged communities (DAC's). As structured, IRWD's comments regarding the ranking matrix would not result in any change in funding priority for DAC's, but establish collaborative or partnership projects as a second priority.

IRWD also offers the following additional comments for your consideration on the Water-Energy Grant Program Guidelines:

- 1) **Section III: Eligibility Requirements** – IRWD requests that explanation of eligible projects be further clarified to include new technology pilot projects, demonstrations, feasibility studies, or other planning studies, as well as new innovative rebates and retrofits.
- 2) **Section VII: Proposal Review and Ranking** – IRWD requests that in the event of a tie, individual agency projects are weighted the same as regional projects with no priority given for regional or IRWM projects. Individual agencies can be more adept at expediting project implementation within their own service area as opposed to regional projects that requires significant coordination. IRWD also suggests that projects that are “ready to proceed” should receive priority given the current drought conditions. As such, preference should be given to cost-effective water, energy and GHG savings projects that be quickly implemented.

IRWD thanks you in advance for taking our comments into consideration. Please do not hesitate to contact me at (949) 453-5325 if I can be of assistance to you or associated staff.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fiona Sanchez', with a long horizontal flourish extending to the right.

Fiona Sanchez
Director of Water Resources