



May 18, 2016

Leslie Pierce
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

RE: Draft 2016 Water-Energy Grant Program Guidelines

Dear Ms. Pierce:

The Sierra Business Council (SBC) welcomes the opportunity to provide comments on the Draft 2016 Water-Energy Grant Program Guidelines. SBC is a non-profit organization founded in 1994 that pioneers and demonstrates innovative approaches and solutions to increase community vitality, environmental quality, economic prosperity, and social fairness in the Sierra Nevada. SBC achieves its goals through collaborative partnerships and on-the-ground programs addressing water and watershed health, climate change, rural economic development, access to capital and regional advocacy.

We appreciate the work done by the Department of Water Resources to help bring needed money to projects that can help the state meet energy and water savings goals. We wish to register our concern, however, at the narrow scope of eligible project categories in the current guidelines. There are many other projects in addition to installed water-saving devices that match the commercial and industrial focus of this grant and also provide water and energy savings. For example, leak detection and repair is a useful category because leakage wastes water and increases energy use at the leak source and throughout other parts of the system due to pressure loss. Gray water reuse/recycling and waste heat capture are also examples of projects that meet the intent of this grant's goals to save energy and reduce water impact.

We also recommend the administering agency implement a new invoice payment system in accordance with these grant guidelines. In a recent example of a residential efficiency retrofit grant, it took 3-4 months between the receipt submittal until the time of payment, and in some cases it took up to 6 months for payments to be processed. Because these projects are often implemented by contractors with staff in the field, the grantee is often forced to front the cost or work with grant partners to accept delayed payments. This represents a significant barrier to smaller organizations who have the experience but not the financial capacity, though they often align with disadvantaged communities that are one of the key targets for this funding.



To address this significant barrier to broad participation, we suggest a commitment of a 2-month maximum payment turnaround for payments from this grant program. Alternatively, we also suggest creating a 20% pre-payment fund to preserve cash flow and allow agencies to pay partners in good time. The Department of Water Resources may wish to consider creating a bank account for each awardee upon the completion of the grant agreement to facilitate quick receipt of payment processing. The U.S. Bureau of Reclamation uses such a system, and it has worked out well for both the agency and its grantees.

We believe the State will benefit from a more comprehensive water-energy program that achieves value across multiple platforms, and one that increases administrative efficiencies as well as operational efficiencies. Thank you for your leadership on this critical issue, and we look forward to working with you in implementing this important program.

Sincerely,

Steve Frisch
President, Sierra Business Council