



April 22, 2010

Mr. Joe Yun
California Department of Water Resources
Division of Integrated Regional Water Management
P.O. BOX 942836
Sacramento, CA 94236-0001

Subject: Coachella Valley Regional Water Management Group comments on the DRAFT IRWM Grant Program Guidelines, Planning Grant PSP, Implementation Grant PSP, and Storm Water Flood Management Grant PSP

Dear Mr. Yun;

The Coachella Valley Regional Water Management Group (CVRWMG) would like to thank DWR for release of the draft IRWM Grant Program Guidelines, Planning Grant PSP, Implementation Grant PSP, and Storm Water Flood Management Grant PSP and the opportunity to provide comments related to these documents. CVRWMG is committed to IRWM planning and is looking forward to the opportunity to seek funding for planning and implementation activities.

CVRWMG has reviewed the draft Guidelines and PSPs and submits the following comments:

Projects that Directly Benefit Disadvantaged Communities (DACs)

The draft IRWM Grant Program Guidelines, Section III.C Eligible Project Types and the Implementation Grant PSP Section II, state that in order to be eligible for implementation funding, projects must be included in an approved IRWM Plan or added to a plan through an approved procedure. However, these sections also provide an exemption which allows projects that directly benefit DACs to be relieved of the requirement to be included in a previously approved IRWM plan as long as the project is consistent with the IRWM Plan objectives.

At this time, CVRWMG requests that DWR expand this exception to allow regions that are in the process of completing their IRWM Plan to apply for implementation grant funding provided that the funding would be used to benefit DAC projects that are consistent with the proposed objectives of the region's draft IRWM Plan. By expanding this exemption, DWR will allow regions such as ours to address critical water quality and supply issues in DACs. This is of particular importance to our region because the Coachella Valley faces a number of critical health and safety issues surrounding water supply in DAC areas, including high arsenic

and nutrient levels in groundwater. CVRWGM would appreciate the ability to meet the basic, safe drinking water needs of these communities by obtaining an implementation grant in Round 1 of Prop 84 funding.

A preliminary list of DAC projects was identified by the region in 2008, including:

- **DAC Conservation and Water Testing Pilot Project**—Utilize existing non-profits and agencies to help DAC members test water quality, make system repairs, and conserve water resources.
- **Verbena Channel Flood Control Improvement**— Address safety and flood control issues for the DACs in the lower Desert Hot Springs area.
- **Integrated Regional Groundwater Quality Protection Project**—Facilitate septic to sewer conversion in DAC areas to comply with a state mandate to eliminate septic tanks, generate recycled water, reduce dependence on imported water, and protect regional groundwater supplies.
- **Eagle Canyon Dam Integrated Flood Control and Regional Watershed Project**—Address safety, flood control and economic development issues for the DACs in Cathedral City, Palm Springs, Riverside County and tribal lands.

Through the IRWM planning process, the CVRWGM will ensure the proposed DAC projects are aligned with the proposed plan objectives and will be included in the IRWM Plan that is formally adopted by all CVRWGM governing bodies prior to grant execution.

Timing of Grant Application Cycles

The CVRWGM request the release of planning grant applications prior to the release of implementation grant applications. Staggering the grant applications will allow adequate time and resources needed to properly address various aspects involved in IRWM planning, such as objective setting, project identification and prioritization, and project selection. While the deadlines are planned to be staggered per DWR's Proposition 84 Workshop presentations, regions are still being asked to prioritize planning applications versus implementation applications. As was discussed in the April 14 public comment session in Ventura, this a chicken-or-egg scenario and many regions agree with CVRWGM that concurrently working on multiple grant applications is detrimental to the process.

CVRWGM also requests a minimum 12-week timeframe for preparation of planning and implementation grant applications in order to better engage local stakeholders and obtain advisory committee approval of our applications. While CVRWGM appreciates and encourages the efforts by DWR to move quickly, we prefer to prioritize the sequencing of these tasks in such a way that the goals and efforts of CVRWGM, DWR, and our stakeholders can be achieved most effectively.

Funding Area Balance

In the draft Implementation Grant PSP (page 22, Table 5, Funding Area Balance Points), the scoring criteria explain that "scoring will be discretionary and based on the ranking of multiple IRWM planning regions in a funding area; the developmental state of IRWM planning regions in a funding area; and existing IRWM grants active in the funding area." It is CVRWGM's belief that all regions should have equitable opportunity to provide high quality drinking water to their communities. As such, CVRWGM requests that DWR carefully weigh the application submittals from regions that have already received extremely large sums in the Proposition 50 cycle and consider reserving Proposition 84 funds for emerging regions.

For example, the Mojave Region, which is eligible for both Colorado and Lahontan funding, already received \$25 million in Proposition 50 funding (which is 70% of the Funding Area's Proposition 84 allocation). With only \$36 million available for the entire Colorado River Funding Area in all three Proposition 84 rounds, we request that DWR protect the majority of those funds for the other three regions in the Colorado River Funding Area. If DWR opts to consider disbursement of funds to the Mojave Region after all, we ask that the Round 1 allocation be based on population within the Funding Area or some other equitable method.

IRWM Grant Program Guidelines

Grant Reimbursement

The draft Guidelines (page 28, K. Reimbursement of Costs) state that "Only work performed *after* execution of the planning grant agreement will be eligible for reimbursement" and "Only work performed *after* execution of the implementation grant agreement will be eligible for reimbursement." However, work performed prior to grant execution may be credited to the required funding match at DWR's discretion. While CVRWGM appreciates the opportunity to recoup previously expended costs by crediting them to the funding match, we oppose the stipulation that previously completed work is not reimbursable. This stipulation would delay CVRWGM's ability to move forward with planning and implementation activities while waiting for grant contract execution. Smaller agencies and non-profit organizations would be disproportionately impacted if forced to stall implementation projects while waiting for grant contract execution. CVRWGM requests that DWR revise the eligibility requirements to allow grant reimbursement for work completed after some "date certain" (such as release of the draft Guidelines on March 8, 2010) in an effort to accelerate the process of IRWM planning and implementation.

Plan Adoption

The draft Guidelines (page 31, Appendix B. Definitions) require that "At a minimum, each project proponent named in an IRWM grant application must also adopt the IRWM Plan." CVRWGM requests that only our CVRWGM governing bodies be required to adopt the IRWM Plan as significant time and resources would be required to achieve adoption by each project proponent. This may force a delay on critical water management projects in the region due to inadequate time for formal hearings. CVRWGM has begun extensive stakeholder engagement through an advisory committee, so stakeholders in the region will have an opportunity to demonstrate support without formally adopting the IRWM Plan.

Implementation Grant PSP

Eligibility

As previously mentioned, CVRWGM is requesting that DWR expand the DAC project exception to allow submittal of implementation grant applications for DAC projects in regions prior to formal adoption of IRWM Plans. The Coachella Valley IRWM Plan is currently underway and is anticipated to be completed by the CVRWGM and stakeholders by the end of 2010. However, there are communities within our region that are in need of funding to address safe drinking water concerns prior to completion and adoption of the IRWM Plan. CVRWGM recommends that the DAC exceptions outlined in the eligibility criteria be expanded to include submittal of implementation grant applications prior to formal Plan adoption. CVRWGM commits to formal adoption of the IRWM Plan by all CVRWGM governing bodies prior to grant execution.

Economic Analysis

The requirements included in the draft Implementation Grant PSP discussing the economic analysis of the water supply and flood damage reduction, are unnecessarily complex (page 33, 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). CVRWGM requests that DWR reduce the requirements for DAC projects because these projects are often sponsored by non-profit organizations that do not have the resources to dedicate to this type of analysis. Please consider modifying these Exhibits to allow simplified cost/benefit analysis that still accomplishes the intent of the Guidelines.

Storm Water Flood Management Grant PSP

Economic Analysis

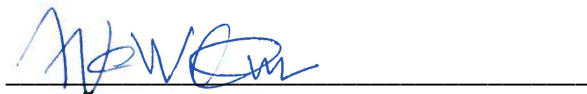
As with the economic analysis required in the Implementation Grant PSP, the draft Storm Water Flood Management PSP (page 30, Exhibit C: Economic Analysis Flood Damage Reduction Costs and Benefits, Exhibit D: Economic Analysis Water Supply Costs and Benefits, and Exhibit E: Water Quality and Other Expected Benefits) requires an intensive level of economic analysis . Please consider modifying these Exhibits to allow simplified cost/benefit analysis that still accomplishes the intent of the Guidelines.

Conclusion

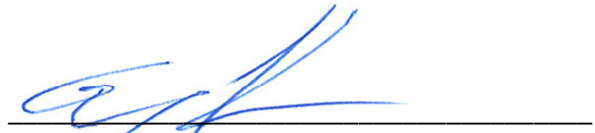
Again, CVRWGM thanks DWR for the release of draft PSPs and Guidelines. Our region appreciates the solicitation of our input and hopes the suggestions in this letter are valuable to the department. CVRWGM looks forward to the release of the final PSPs and Guidelines. Our region is committed to IRWM planning and improving our region through the integrated resources management process.

Sincerely,

Coachella Valley Regional Water Management Group



Arden Wallum
Mission Springs Water District



Gary Lewis
Indio Water Authority



Steve Robbins
Coachella Valley Water District



Dave Luker
Desert Water Agency



Paul Toor
Coachella Water Authority