Philip L. Anthony
Commission Chair

Celeste Cantú
General Manager

Orange County Water District

Western Municipal Water District

Eastern Municipal Water District

San Bernardino Valley Municipal Water District

Inland Empire Utilities Agency

October 7, 2014

Mr. Zaffar Eusuff
Program Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

Re: 2014 IRWM Drought Grant – Draft Funding Recommendation Comments

Dear Mr. Eusuff,

We appreciate the opportunity to provide comments on the Department of Water Resources' draft funding recommendation for the 2014 Integrate Regional Water Management (IRWM) Grant Solicitation. We appreciate your agency's quick review of the applications, especially during the drought, which has required all water resources managers to work even harder. We are hopeful that you find these comments helpful from the Santa Ana Watershed Project Authority, SAWPA, the regional water management group for the Santa Ana IRWM region and funding area.

Integrated Water Management is the most important strategy as we confront current challenges such as the water shortages due to long term drought, the energy crisis, and growing demand for both water and energy due to population growth. According to the California Department of Finance's January 2014 Population Projections, by 2060 Riverside County will have the largest growth (approximately 2 million) of any county in the state. Riverside will become the second most populated county in the state at 4.2 million, trailing only Los Angeles at 11.6 million. The IRWM program must facilitate an integrated approach if the State is to be resilient in the face of the wide range of challenges that impact us on an unparalleled scale. Every opportunity needs to be taken to make the IRWM program accessible to the water resource managers while protecting the standards of IRWM. I am concerned that many of administrative decisions have had the result of undermining the promise of Integrated Water Management.

Our most significant comment is that though we support the DWR's draft recommendation of 100% funding to Santa Ana Watershed Project Authority RWMG and the 100% funding for the same application to the Upper Santa Margarita RWMG, we do not feel that the SAWPA application should be in competition with other regions.. We have stressed this on multiple occasions in past comments regarding Proposition 84 IRWM Rounds 1 & 2 as well as in comment letters regarding the 2014 Proposal Solicitation Package (PSP) and Guidelines. This concern is again not reflected in the draft funding recommendations released on September 23. SAWPA, as the sole IRWM region for the Santa Ana Funding Area, should not be competitively scored statewide and that in accordance with Proposition 84 legislation and the Public Resources Code (PRC), competition should be limited to areas with more than one applicant in a Funding Area. The DWR should review our application only for consistency with the law and the principals of IRWM. This is reflected under PRC §75028(a): *The department* ***shall defer*** *to approved local project selection, and review projects only for consistency with the purposes of §75026.* PRC

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§75026 states that the DWR should request only information necessary to confirm that a grant application project is consistent with the local IRWM Plan, provides multiple benefits, and helps to achieve the DWR's program preferences.

SAWPA/OWOW is the only applicant in the Santa Ana Funding Area because early on SAWPA and the Santa Ana River Watershed's stakeholders understood the importance of being integrated on a hydraulic scale. This allows the development of projects that SAWPA and also the DWR stresses that are packaged together and solve problems on a regional scale. Through the Regional Acceptance Process, we worked hard to form one Integrated Regional Water Management Group. SAWPA developed and implemented the integrated regional planning process—which was not always popular with all stakeholders—because we believed it was our responsibility to the State and to our own region.

We believe that following a process of deferring to eligible local projects would expedite and streamline the grant funding process. A scoring process to make funding decisions thwarts the intent of Proposition 84 Chapter 2 and the SB 104.

In regards to the specific review of the 2014 Prop 84 Drought Implementation Grant application by the DWR, we also do not understand why in evaluation questions 20 and 22, the proposal was given a zero. For question 20, tasks discussed in the workplan, for example, have the same title as the tasks in the budget. They are broken out by category in Table 7 and repeated because there is both a planning and construction phase for some of the tasks. We also worked with the DWR on Table 7 because it was a joint watershed application with the Upper Santa Margarita Watershed. We followed the DWR's guidance for Table 7 by creating columns for total requested; Santa Ana Funding Area total; and San Diego Funding Area total. We believe for these reasons the questions show each receive a score of one.

In summary, we support the DWR's recommended funding allocation of 100% for the Santa Ana Watershed Project Authority RMWG and the Upper Santa Margarita RWMG and look forward to working with the DWR in the execution of the future agreement but again hope that the DWR will defer to local project selection and not score the SAWPA RMWG applications under Proposition 84 on a statewide competitive basis. . If you have any questions regarding these comments, please let me know.

Sincerely,

Celeste Cantú
General Manager