



Heritage Ranch Community Services District
4870 Heritage Road, Paso Robles, California 93446
(805) 227-6230 • Fax (805) 227-6231
www.heritageranchcsd.com

October 7, 2014

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

Subject: San Luis Obispo County Flood Control and Water Conservation District's Eligibility and Final Award for 2014 IRWM Drought Grant Funding

Dear Mr. Eusuff:

On behalf of our agency, the San Luis Obispo County Flood Control and Water Conservation District (District) applied for 2014 IRWM Drought Grant funding to secure emergency drinking water supplies for the drought impacted communities of Cambria, San Simeon, Heritage Ranch, and Santa Margarita, along with critical public institutions including the County Emergency Operations Center, the California Men's Colony, Cuesta College, California National Guard at Camp San Luis Obispo, and the County Superintendent of Schools.

As evidenced by the application's third highest score in the State (total score of 34), your Department found that the District's application meets your Department's intent "to target the 2014 IRWM Drought Grant funding to IRWM regions with the greatest drought impacts" and meets the intent of the Governor and Legislature's direction via Senate Bills 103 and 104 to provide expedited funding to provide immediate relief to drought affected communities.

Therefore it was incredibly disappointing to learn this application was disqualified due to CASGEM noncompliance. It is our understanding that District staff is working with DWR in order to have the District's CASGEM plan approved by October 8, 2014. We respectfully request that your staff makes this approval a high priority and restore the District's application to "compliant" with a total score of 34.

Once the score of 34 is restored, we expect the grant reward to be 100% of the \$12,186,321, which is consistent with the two higher scoring applications (i.e. the Upper Sacramento-

McCloud and San Francisco Bay Area IRWM regions), as well as all applications scoring a total score of 33. In order to fund the District’s application at 100%, we suggest the following:

1. The balance of \$4,937,016 is brought forward into this funding round.
2. The recommended award amounts for Pajaro Valley and Santa Barbara County are adjusted as indicated in Table A below.

Table A. Final Funding Recommendation

Applicant	Score	Grant Request	Recommended Award	% of Grant Request
SLO County Flood Control and Water Conservation District	34	\$12,186,321	\$12,186,321	100%
Pajaro Valley Water Management Agency	33	\$12,261,898	\$7,561,744	62%
Santa Barbara County Water Agency	32	\$ 4,094,280	\$	0%

For my agency, Heritage Ranch Community Services District, our only water supply is surface water from the Nacimiento Reservoir. The IRWM Drought Grant will fund a critical emergency connection for access to the dead pool water in the reservoir to maintain the health and safety of our community during a multi-year drought. Our small community has already spent over \$1 million in cash reserves and incurred debt over the last three years in preparation of continued drought conditions. We are dependent on the IRWM drought grant for our emergency connection project.

The Central Coast, particularly San Luis Obispo County, have been ground zero of this current drought. The District’s application is funding three interties, a recycled water project, and emergency water supply project in order to ensure the communities at risk have adequate water as this drought persists. Your approval of this application ensure drought funds are allocated to the most high priority areas and projects.

Sincerely,



John D'Ornellas
 General Manager
 Heritage Ranch Community Services District