

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
OCTOBER 20, 2005

ITEM 2

SUBJECT

ADOPTION OF THE INTEGRATED COASTAL WATERSHED MANAGEMENT (ICWM) PLANNING GRANT FUNDING LIST AND CONCURRENCE WITH THE INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLANNING GRANT FUNDING LIST APPROVED BY THE DEPARTMENT OF WATER RESOURCES (DWR)

DISCUSSION

Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 was passed by California voters in November 2002. It amended the California Water Code to add, among other articles, Section 79560 et seq., authorizing the Legislature to appropriate funding for IRWM projects. The intent of the IRWM Grant Program is to encourage IRWM and to provide funding, via competitive grants, for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. It is intended to create a new model for water management. Approximately \$380 million is available for IRWM grants, of which approximately \$183 million is from the State Water Resources Control Board (State Water Board's) funding allocation.

The Water Code requires the program be administered jointly by the State Water Board and Department of Water Resources (DWR). The Water Code also requires that the State Water Board provide funding for at least one ICWM Plan. The State Water Board and DWR adopted the IRWM Program Guidelines in November 2004. The IRWM Guidelines established the process by which the State Water Board and DWR jointly solicit applications, evaluate proposals, and award grants. As established in the IRWM Guidelines, funding from the IRWM Grant Program is administered in two funding cycles:

- First Funding Cycle – Approximately \$160 million
 - Approximately \$12 million for Planning Grants and
 - Approximately \$148 million for Implementation Grants
- Second Funding Cycle – Approximately \$220 million.

Approximately \$2 million of the \$12 million in planning grants is from the State Water Board's funding allocation and is set aside for the development of ICWM Plans. The remaining \$10 million is from the DWR funding allocation and is set aside for the development of the IRWM Plans. The State Water Board and DWR received extensive comments expressing the need for additional planning grant funds in this funding cycle. In response, DWR has allocated an additional amount of approximately \$3 million for planning grants in the first funding cycle.

The Proposal Solicitation Package (PSP) for the IRWM Planning Grants was made available in March 2005, and a total of four applicant workshops were held in March and April 2005. Proposal packages were submitted electronically to the State Water Board's Financial Assistance Application Submittal Tool system by May 12, 2005. For ICWM Planning Grants, the applicant had to demonstrate that the proposed planning area is located in a coastal watershed that influences water quality in an area of special biological significance. If there are projects in the same watershed funded by the State Coastal Conservancy, or the State Water Board's Clean Beaches Initiative or Proposition 40 Integrated Watershed Management Program, the applicant had to describe proposed integration with those projects.

The State Water Board and DWR coordinated the technical review process for each of the proposals based on criteria outlined in the IRWM Planning Grant PSP ([Exhibit B](#)). Technical reviews were performed by staff from the State Water Board, Regional Water Quality Control Boards (Regional Water Boards), DWR, Department of Fish & Game, California Coastal Commission, State Coastal Conservancy, and the California Bay-Delta Authority. A public workshop was held on September 23, 2005, to discuss the evaluation results and preliminary draft funding recommendations.

The proposed ICWM Planning Grant Funding List contains grants totaling \$2,104,046 million ([Exhibit A](#)). DWR is considering approval of the IRWM Planning Grant Funding List with grants totaling \$13,139,410.

POLICY ISSUES

Should the State Water Board adopt a resolution to:

Approve the ICWM Planning Grant Funding List and authorize staff to issue grant agreements and amendments for the planning grants?

FISCAL IMPACT

The Legislature appropriated \$55 million from Proposition 50 to the State Water Board in State Fiscal Year (SFY) 2005-2006 for local assistance grants. The grant funds for the ICWM Planning Grants will be committed from the 2005-06 allocation. The uncommitted funds from 2003-04 will be reappropriated to SFY 2006-07.

State Water Board Funding Appropriations	
State Fiscal Year	IRWM Appropriations
SFY 2003-04	\$22,000,000
SFY 2004-05	--
SFY 2005-06	\$55,000,000
Unappropriated Funds	\$106,000,000
Total Funding Allocation	\$183,000,000

Proposition 50 – IRWM Grant Program (State Water Board Funding Allocation)	
Available Grant Funds	\$183,000,000
Recommended ICWM Planning Grant Funds	\$2,104,046
Remaining IRWM Grant Funds	\$181,095,954

REGIONAL WATER BOARD IMPACT

None

STAFF RECOMMENDATIONS

That the State Water Board:

Approve the ICWM Planning Grant Funding List and authorization of staff to issue grant agreements and amendments for the planning grants.

Policy Review _____

Legal Review _____

Fiscal Review _____

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2005 -

ADOPTION OF THE INTEGRATED COASTAL WATERSHED MANAGEMENT (ICWM)
PLANNING GRANT FUNDING LIST AND CONCURRENCE WITH THE DEPARTMENT OF
WATER RESOURCES INTEGRATED REGIONAL WATER MANAGEMENT (IRWM)
PLANNING GRANT FUNDING LIST

WHEREAS:

1. Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, authorizes approximately \$380 million in grants for the development of IRWM Plans or ICWM Plans, and to implement projects that meet the requirements of the Guidelines to the State Water Resources Control Board (State Water Board), Division of Financial Assistance for local assistance in the IRWM Grant Program;
2. The IRWM Grant Program is administered jointly by the Department of Water Resources (DWR) and the State Water Board and is intended to create a new model for water management;
3. The IRWM Program Guidelines were adopted by the State Water Board on November 18, 2004;
4. In accordance with the requirements of Proposition 50 and as amended by budget trailer bills, Assembly Bill 1747 and Senate Bill 1049, public participation in the development of the Proposal Solicitation Packages has been provided through public workshops and applicant assistance workshops;
5. In accordance with the IRWM Program Guidelines, there is approximately \$12 million available for IRWM or ICWM planning grants from which approximately \$2 million of the State Water Board's funding allocation is available for ICWM plans;
6. In response to the public's request for additional planning grant funds, DWR has made available an additional amount of approximately \$3 million for IRWM planning grants;
7. ICWM Program is being managed in accordance with the adopted IRWM Guidelines;
8. The State Water Board and DWR jointly released the IRWM Planning Grant Proposal Solicitation Package (PSP) in March 2005 with a May 12, 2005, submittal deadline to the Financial Assistance Application Submittal Tool system;
9. The proposals were reviewed for technical merit based on criteria outlined in the IRWM Planning Grant PSP, and the projects recommended for funding have shown competitive technical merit and have provided adequate information for grant agreement preparation;
10. The ICWM Planning Grant proposals have demonstrated that the proposed planning area is located in a coastal watershed that influences water quality in an area of special biological significance;
11. Grant program funding recommendations were prepared by review panels and forwarded to the Selection Committee for review and recommendation in accordance with the process specified in the IRWM Planning Grant PSP;
12. An ICWM Planning Grant Funding List with grants totaling \$2,104,046 (Exhibit A) has been recommended to the State Water Board; and

13. DWR is considering approval of an IRWM Grant Funding List with grants totaling \$13,139,410. State Water Board approval or concurrence is not necessary for the DWR-approved projects. If the Chief of the Division of Water Rights or the Executive Director determines that any DWR-approved projects may adversely affect state water rights administration, then the State Water Board expects those concerns to be conveyed promptly to DWR.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

Approves the ICWM Planning Grant Funding List and authorizes staff to issue grant agreements or amendments; and

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on October 20, 2005.

Debbie Irvin
Clerk to the Board