

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
JUNE 3, 2008**

ITEM 9

SUBJECT

CONSIDERATION OF A RESOLUTION ADOPTING THE INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT FUNDING LIST AND CONCURRENCE WITH THE DEPARTMENT OF WATER RESOURCES' IRWM IMPLEMENTATION GRANT FUNDING LIST

DISCUSSION

California voters passed Proposition 50, the Water Security, Clean Drinking Water, Coastal, and Beach Protection Act of 2002, 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 (Program) is 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 while encouraging water management on a regional level. Approximately \$58 million is available for IRWM grants split between the State Water Resources Control Board (State Water Board) and the Department of Water Resources (DWR). Approximately \$31.1 million is available in the second round (Round 2) of funding from the State Water Board's funding allocation.

The Water Code requires that the State Water Board and DWR jointly administer the Program. The State Water Board and DWR adopted the IRWM Program Guidelines (Guidelines) for Round 2 in July 2007. The IRWM Guidelines established the process by which the State Water Board and DWR jointly solicit applications, evaluate proposals, and award grants.

The State Water Board and DWR, in Step 1, evaluated a total of 16 completed proposals. Of the 16 applications, nine were invited back for Step 2. All nine applicants submitted final proposals by the January 14, 2008, deadline.

The nine IRWM Step 2 Implementation proposals represent a total of approximately 73 individual projects. Over \$117 million in grant funding was requested for projects totaling over \$1 billion.

The State Water Board and DWR coordinated the technical review process for both the Step 1 and Step 2 proposals based on criteria outlined in the IRWM Round 2 Guidelines and Proposal Solicitation Packages (PSP). The technical reviews were performed by staff from the State Water Board, Regional Water Quality Control Boards (Regional Water Boards), DWR Headquarters, and DWR Districts.

The State Water Board and DWR posted the Draft Funding Recommendations for the IRWM Implementation Grant Program for Round 2 and evaluation summaries for each proposal. In May 2008, the State Water Board and DWR had a public meeting to discuss the Draft Funding Recommendations (Recommendations) and to accept public comments on those Recommendations.

The proposed State Water Board's IRWM Implementation Grant Funding List contains grants totaling approximately \$31.1 million ([Exhibit A](#)). DWR's proposed IRWM Implementation Grant Funding List contains grants totaling approximately \$27.1 million ([Exhibit B](#)).

Prior to execution of grant agreements, individual projects will be reviewed for eligibility and consistency with applicable funding guidelines and policies including, but not limited to, the Water Recycling Funding Program Guidelines and the State Revolving Fund Loan Program Guidelines. Adherence to the California Environmental Quality Act (CEQA) will also be reviewed prior to the implementation of eligible projects. Any project determined to be ineligible may be removed from the suite of proposed projects.

POLICY ISSUES

Should the State Water Board:

1. Approve the IRWM Implementation Grant Funding List and authorize staff to issue grant agreements and amendments for the implementation grants?
2. Concur with the IRWM Implementation Grant Funding List under consideration for approval by the DWR Director?

FISCAL IMPACT

The Legislature appropriated \$183 million from Proposition 50 to the State Water Board for local assistance grants. The approximately \$31.1 million in grant funds for Round 2, Step 2 of the IRWM Implementation Grants, will be committed from the 2007 – 2008 allocation.

State Water Board Funding Appropriations	
State Fiscal Year	IRWM Appropriations
SFY 2003-04	\$2,104,046
SFY 2005-06	\$55,000,000
SFY 2006-07	\$20,000,000
SFY 2007-08	\$105,895,954
Total Funding Allocation	\$183,000,000

Proposition 50 – IRWM Grant Program (State Water Board Funding Allocation)	
Available Grant Funds	\$183,000,000
Round 1 IRWM Planning Grant Funds	(\$2,104,046)
Round 1 IRWM Implementation Grant Funds	(\$149,831,579)
Remaining IRWM Grant Funds	\$31,064,375

REGIONAL WATER BOARD IMPACT

Yes. Up to \$58 million in funding for water quality projects in several regions.

STAFF RECOMMENDATIONS

The State Water Board should:

1. Approve the IRWM Implementation Grant Funding List and authorize staff to issue grant agreements and amendments for the implementation grants; and
2. Concur with DWR's IRWM Implementation Grant Funding List.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-

ADOPTING THE INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT FUNDING LIST AND CONCURRENCE WITH THE DEPARTMENT OF WATER RESOURCES' IRWM IMPLEMENTATION GRANT FUNDING LIST

WHEREAS:

1. Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 authorizes approximately \$412 million to implement projects that protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water while encouraging water management on a regional level;
2. The IRWM Grant Program is administered jointly by the State Water Resources Control Board (State Water Board) and the Department of Water Resources (DWR);
3. The IRWM Round 2 Grant Program Guidelines and Proposal Solicitation Packages (PSP) were adopted by the State Water Board and approved by DWR in June 2007;
4. In accordance with the requirements of Proposition 50, public participation in the development of the PSPs was provided through public workshops and applicant assistance workshops;
5. The State Water Board and DWR jointly invited selected applicants to submit the IRWM Implementation Grant Round 2, Step 2 proposals in November 2007, with a January 14, 2008 submittal deadline;
6. The proposals were reviewed for technical merit based on criteria outlined in the IRWM Implementation Grant Round 2, Step 1 and Step 2 PSPs, and the projects recommended for funding have shown competitive technical merit;
7. An IRWM Implementation Grant Funding List with grants totaling approximately \$31.1 million ([Exhibit A](#)) has been recommended to the State Water Board; and
8. DWR is considering approval of an IRWM Implementation Grant Funding List with grants totaling approximately \$27.1 million ([Exhibit B](#)).

D R A F T

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves the IRWM Implementation Grant Funding List and authorizes staff to issue grant agreements and amendments; and
2. Concurs with DWR's IRWM Implementation Grant Funding List.

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 Board held on June 3, 2008.

Jeanine Townsend
Clerk to the Board