

REGIONAL WATER MANAGEMENT FOUNDATION

a subsidiary of Community Foundation Santa Cruz County

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814
commentletters@waterboards.ca.gov



October 13, 2015

SUBJECT: Comment Letter – Storm Water Resource Plan and Proposition 1 Funding Guidelines

Dear Ms. Townsend:

Thank you for the opportunity to comment on the draft Storm Water Resource Plan and Proposition 1 Storm Water Grant Program Guidelines. Municipalities and non-profit organizations in Santa Cruz County have been collaborating on storm water resource management for many years. This collaborative partnership was advanced through the development of the Santa Cruz Integrated Regional Watershed Management (IRWM) program. The Santa Cruz partners have successfully utilized Proposition 50 and Proposition 84 grant funding to support regional planning and project implementation to improve storm water management. Our specific comments are detailed below. We are particularly concerned the proposed grant guidelines and the Storm Water Resource Plan guidelines unfairly benefit large Phase I communities with established storm water utility budgets, while being potentially inaccessible to small Phase II municipalities.

Please consider the following issues and proposed recommendations to the guidelines.

Proposition 1 Storm Water Grant Program Guidelines (Public Review Draft August 2015):

1. Match requirements for DACs. As stated on Page 2 of the Draft Proposition 1 Stormwater Grant Program Guidelines, up to ten percent (10%) of the SWGP funds (up to \$20 million) shall be allocated for implementation of projects that directly benefit a Disadvantaged Community (DAC), consistent with Water Code section 79725(b). The Water Code further specifies that at least 10% of the funds available shall be allocated for projects serving severely disadvantaged communities.

The Water Code does not limit the match waiver amount for DACs, it simply states that DACs are eligible for waiver. However, as documented in the Draft Proposition 1 Stormwater Grant Program Guidelines, the SWRCB is proposing to require a 10% match for Group B Small (population <20,000) Disadvantaged Communities and 15% match for Group C DACs (population >20,000).

Disadvantaged communities, regardless of size, face significant difficulties in financing stormwater projects. For many larger DACs, any economies of scale are often very limited and frequently non-existent. Simply put, having more economically disadvantaged people seldom enhances the economics of a community.

Recommendation: Just as the non-DAC communities have a single (50%) match, we highly encourage the SWRCB to create a single (10%) match requirement for all DACs.

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2. Funding Match Sources. The Program Guidelines (Page 5) state: *Other State grant funds (regardless of issuing State agencies) cannot be used for the required match. The funding match may include, but is not limited to: Federal loans, local and private funding, or donated and volunteer (“in-kind”) services. Repayable financing received through the Clean Water State Revolving Fund Program or a Federal sponsored loan program may be used for match that funding match may include, but is not limited to: federal loans, local and private funding, or donated and volunteer services.*

While not explicitly stated, this section appears to eliminate Federal grants as a source of match funding. Historically, many agencies have successfully leveraged Federal grants to support State grant funded stormwater projects. Elimination of Federal grant funding as a match is inconsistent with prior State Water Board and Department of Water Resources funding program guidelines.

Page 40 the Guidelines states:

Regardless of the source, grant funds cannot be used for the required match.

This language would seem to eliminate any grant funding (regardless of source) as match funding and is inconsistent with the description on Page 5.

Recommendation: Clarify match funding language to specifically allow funding from Federal grant programs and private funding sources.

3. Implementation Project Funding Start Date. On page 5 of the Guidelines it states: *For implementation projects, eligible reimbursable expenses incurred after adoption of the Prop 1 SWGP Guidelines (December 1, 2015) and prior to the project completion date can be applied to the funding match.*

Making the eligible reimbursable expense start date consistent with the passage of Proposition 1 (November 4, 2014) will better enable grantees to meet the 50% funding match. This would also make the stormwater funding guidelines consistent with other Proposition 1 funding programs, such as the Sustainable Groundwater Planning Grant Program’s Counties with Stressed Basins Proposal Solicitation Package.

Recommendation: Allow eligible reimbursable expenses incurred after November 4, 2014 to be applied to the funding match.

4. Funding schedule: The proposed funding schedule in Program Guidelines (Page 6 Section E) anticipates awarding up to \$20 million in planning grants and up to \$80 million in implementation grants in Round 1 and \$100 million for implementation grants in Round 2. The proposed funding schedule confers a significant competitive advantage to entities that are able to comply with SB 985 before Round 1 applications in spring 2016. Smaller, less well funded agencies that lack the resources to develop a Storm Water Resource Plan prior to Round 1 are at a significant disadvantage since they are precluded from applying for Round 1 Implementation funds for capture projects. Entities, particularly those less well funded, that intend to pursue a planning grant to support completion of their Plans to comply with SB 985 are limited to the Round 2 implementation grant funding.

Recommendation: We propose the Round 1 implementation funding not exceed \$45 million (25% of the total implementation funding) and Round 2 includes \$135 million (75% of the total implementation funding).

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5. Funding distribution equity. To promote an equitable geographic distribution of funding awards and program benefits, we advise the use of funding area allocations. This approach has been utilized in other grant programs (e.g., IRWM) to ensure that funding supports efforts and benefit residents throughout multiple regions in the state.

Recommendation: Create funding areas to allocate funds equitably.

6. Clarification of “capture” project definition. Page 4 of the Draft Guidelines state:

All Prop 1 SWGP projects must meet the following requirements:

- *Prop 1 SWGP projects that are storm water and dry weather runoff capture projects must be included in a Storm Water Resource Plan that complies with the SB 985 requirements and is consistent with the Storm Water Resource Plan Guidelines.*

Appendix D does not provide a definition of a capture project. A number of stormwater management practices could be considered “capture” such as Low Impact Development, rainwater barrels and stormwater /dry weather runoff capture and reuse.

In addition, the need to include the location of smaller capture projects (such as rainwater barrels) in the Storm Water Resource Plan would be almost impossible. Some form of capture project size/type metric is needed to make this requirement feasible.

Recommendation: Define “capture” project as large-scale direct reuse and specifically exclude small scale Green Infrastructure projects and projects done with private homeowners from requiring a Plan.

Storm Water Resource Plan Guidelines (August 26, 2015 DRAFT):

1. Watershed scale: In Phase I communities, large portions of the watershed are covered by urban areas under the jurisdiction of municipalities. As such, Phase I municipalities are more likely to have a significant amount of existing information on their watershed’s hydrology and infrastructure, or the jurisdiction to collect this information. Phase I communities, with their larger economic base and established stormwater utilities, are also more likely to have the economic resources and jurisdiction necessary to conduct quantitative watershed-wide hydrologic analysis.

Many Phase II communities are part of much larger watersheds, with only small portions of the watershed being urbanized and under the jurisdiction of municipalities. As such, most Phase II municipalities do not have a significant amount of existing information on the watershed’s hydrology and infrastructure, or even the jurisdiction to collect this information. Phase II communities are also unlikely to have the resources or jurisdiction necessary to conduct quantitative watershed-wide hydrologic analysis.

IRWM groups are uniquely positioned to meet the caveats laid out in the draft guidelines for watershed boundary delineation. These groups are already involved with agencies and projects responsible for determining quantitative analyses of storm water and dry weather runoff patterns; they work across multiple jurisdictional boundaries and they focus on multiple benefit projects within the IRWM group watershed boundary. This is consistent with the draft guidelines, which suggest that CalWater watershed designations or an equivalent system such as defined by an applicable IRWM Group, be used to determine and identify an appropriate watershed scale and boundaries.

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Recommendation: The Storm Water Resources Plan should allow the boundary of an IRWM (or group of IRWMs) to function as a proxy for what is currently defined as a Watershed.

2. Functionally Equivalent Plan Guidelines: Page 29 of the Guidelines states:

CAPTURE PROJECTS ONLY: Please describe whether you are submitting multiple plans for a functionally equivalent Storm Water Resource Plan or whether you have completed the Stormwater Resource Plan that addresses requirements in the Water Code and is in accordance with the Storm Water Resource Plan Guidelines.

Developing a separate Stormwater Resource Plan (SWRP) will cause a significant additional burden on the already limited resources and budgets of most Phase II municipalities. As stated above, Santa Cruz County municipalities already collaborate in an IRWM group with an established Plan that was updated in 2014. Additionally, the municipalities also collaborate regionally on urban watershed analysis and program effectiveness assessments as required by the Phase II MS4 permit.

3. Integrated Metrics-Based Analysis. The integrated Metrics Based Analysis will be costly, time prohibitive, and burdensome on Phase II communities to model and implement. Most of the Central Coast watersheds are rural lands, making the quantitative requirements far too extensive for a watershed scale. While we acknowledge that the guidelines present the ideal plan, they create an insurmountable barrier as the minimum requirement for funding eligibility. We believe this section should be revised to allow for the watershed analysis be qualitative, while the project-specific analysis would be appropriate as quantitative, as outlined below.

- Page 21, paragraphs 2.a.i. and 2.a.ii are both problematic and difficult for Phase II permittees to meet the requirements because the pollutant load reduction estimates in receiving waters are complicated to establish in watersheds that involve many different land uses that are not primarily urban. The urban contributions are furthermore already addressed in TMDL implementation plans.
- Page 23, paragraph 2.b.i is problematic because Phase II permittees do not have the level of detail needed at a planning level to meet those requirements.
- Page 24, paragraph 2.c.i is not appropriate in a Phase II context where the urban stormwater capture will not be a significant portion of the watershed, even if the stormwater capture is significant at the urban scale.

Recommendation: Allow for the analysis required of the Plan to include a qualitative description of watershed-wide pollutant issues and a quantitative metrics-based estimate of the project's anticipated water quality, water supply, flood management, environmental and other community benefits.

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We thank you again for the opportunity to provide comments and are happy to discuss the contents of this letter in greater detail at the request of the State Water Board.

Sincerely,



Tim Carson
Program Director, Regional Water Management Foundation
831.662.2000
On behalf of the signatories below

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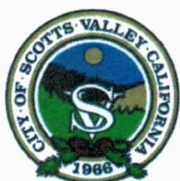
Signature Page to Comment Letter – Storm Water Resource Plan and Proposition 1 Program Guidelines



Steve Jesberg
Public Works Director
City of Capitola



Mark Dettle
Public Works Director
City of Santa Cruz



Scott Hamby
Public Works Director
City of Scotts Valley



Steve Palmisano
Director of Public Works and Utilities
City of Watsonville



John Ricker
Water Resources Division Director
County of Santa Cruz



RESOURCE
CONSERVATION DISTRICT
OF SANTA CRUZ COUNTY

Chris Coburn
Executive Director
Resource Conservation District of Santa Cruz County



Kristen Liske
Vice President Community Programs
Ecology Action



Bridget Hoover
Water Quality Protection Program Director
Monterey Bay National Marine Sanctuary