

Santa Barbara County Public Works Department  
Flood Control & Water Agency

February 7, 2007

2/20 BdMtg Item 6

IRWM

Deadline: 2/8/07 12pm

Mr. Lester Snow, Director  
California Department of Water Resources  
P.O. Box 942836  
1416 9<sup>th</sup> Street  
Sacramento, CA 95814

Ms. Celeste Cantu  
Executive Director  
State Water Resources Control Board  
1001 "I" street  
Sacramento, CA 95814

Re: Proposition 50 Grant Program, Modification of Guidelines

The Santa Barbara County Water Agency staff respectfully submits these comments on behalf of the Santa Barbara Countywide Integrated Regional Water Management Planning Cooperating Partners: twenty-nine local agencies actively preparing an Integrated Regional Water Management Plan in reliance on statutes and adopted regulations.

We urge the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to protect the integrity of the Proposition 50 grant process and adhere to the established Integrated Regional Water Management Grant Program Guidelines (Guidelines) issued November 2004 by DWR and the SWRCB. In those Guidelines, two funding cycles were established, each with open competition for the IRWMP Implementation Grants funds from Chapter 8 of Proposition 50.

A number of Round 1 applicants that were not successful in obtaining Step 2 funding now urge your agency to ignore its own regulations and procedures. The action they propose would cut off our Partners' access to over \$100 Million in Proposition 50 grant funding that by law should remain competitive. These unsuccessful applicants are recommending that DWR and SWRCB limit access to Round 2 funding to only those applicants that were passed to Round 1, Step 2. This is patently unfair to agencies, like

ours, who spent time and money in reliance on the regulations and procedures legally established for the distribution of grant funds.

The adopted Guidelines are very clear that the process for Round 2 is to be an open and competitive one. The Guidelines were deliberated upon for two years prior to their release in 2004. All stakeholders had the opportunity during that time period to weigh in on the approach to competition for Round 2. At that time, the concept of limiting access to Round 2 funding to Round 1 applicants was considered and rejected. Nothing has changed since then except that those who did not receive Round 1 funding are urging your agency to give them an unfair and unjustified advantage in the Round 2 process. No legitimate policy or legal justification is offered for this deviation from the law, adopted procedures and basic fairness.

Many regions from throughout the state have collectively invested countless hours and millions of dollars preparing for the Round 2 grant process. For many reasons, not all those regions were able or prepared to compete in Round 1 of the Implementation Grant process. Regions such as Santa Barbara County have proceeded to develop an IRWMP, at local expense, without the benefit or advantage of a Round 1 Planning Grant. It would therefore be a grossly unfair and egregious act for your agency to take any action that would give an unjustified advantage to any region for Round 2, or deny others a fair opportunity to compete. In summary, when applications for Round 2 are submitted later this year, the quality of each application should speak for itself. No intervening machinations should deny deserving local jurisdictions the right to compete for grant money approved by their local voters.

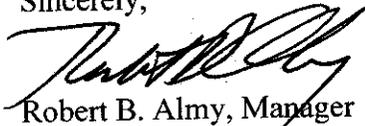
Proposition 50 Guidelines adopted by your agencies are clear that bond funding is to be granted during two rounds of funding. This two-part process motivates other regions to engage in integrated planning, which is the goal of the Proposition Chapter 8 process. Limiting the participation in Round 2 will result in decreasing participation in integrated regional planning in California, and make it more difficult to obtain bond funding in regions with worthy IRWM Plans and project implementation plans. More fundamentally, changing the rules in the middle of this process would be unfair.

We understand that the State may be tempted to save administrative costs through the proposed action, but State agencies were generously funded to administer this process. We have seen no proposal to augment grant funds with savings from reduced costs; this must be part of any action. Administrative costs must be accounted for and specifically reallocated as part of any change to the guidelines. These proposed changes to Proposition 50 guidelines have caused an inordinate amount of work for local agencies throughout the state. Shifting the burden of administration to local agencies is clearly inconsistent with the intent of the voters in passing Proposition 50. The voters intended that money be distributed locally, not soaked up by the very agency responsible to distribute the funds to deserving local projects. We believe complete accounting of administrative costs needs to occur now pursuant to Section 79575. Any action to modify the guidelines and change the distribution of grant funds must be justified and accompanied by a certified accounting of administration and distribution costs.

The proposed change in the guidelines would result in significant funds remaining in Proposition 50: \$33 Million from the allocation to DWR and \$19 Million or more from the allocation to WRCB. The funds are specifically allocated to Southern California by the provisions of Proposition 50. They are not legally subject to reallocation by either agency. A clear and transparent accounting for these resources, as well as a process that allows access to these funds by this region and others such as the San Diego area group, must occur. We believe that you have no discretion in this matter. Therefore we believe that the unexpended Prop 50 funds must be allocated separately and before the Prop 84 process. Those Southern California regions that have been engaged in round 1, but have not been funded, should compete in a combined phase I/II process using the legally adopted Proposition 50 decision criteria.

Santa Barbara County urges DWR and the SWRCB to keep the Proposition Chapter 8, Round 2, funding process open, fair and consistent with the will of the voters. Thank you for your consideration.

Sincerely,



Robert B. Almy, Manager  
Santa Barbara County Water Agency

Cc: Cooperating Partners, Santa Barbara County Region IRWMP