

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
JANUARY 18, 2007**

**ITEM 5**

**SUBJECT**

ADOPTION OF THE INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FUNDING LIST AND CONCURRENCE WITH THE DEPARTMENT OF WATER RESOURCES' INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FUNDING LIST

**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 Integrated Regional Water Management (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 \$360 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 \$183 million is available from the State Water Board's funding allocation.

The Water Code requires that the Program be jointly administered by the State Water Board and DWR. 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.

The Step 1 Proposal Solicitation Package (PSP) for the first funding cycle of the IRWM Implementation Grants was made available in March, 2005. A total of 50 proposals were submitted electronically to the State Water Board's Financial Assistance Application Submittal Tool (FAAST) system by July 14, 2005. Of the 50 applicants, 16 were invited back for Step 2, including six regions that were asked to consolidate with other applicants. The Step 2 PSP was made available in March, 2006, and all 16 applicants submitted proposals by the June 28, 2006 deadline.

The 16 IRWM Step 2 Implementation proposals represented a total of approximately 175 individual projects. Approximately \$382 million in grant funding was requested for projects totaling over \$2 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 Implementation Grant PSPs. The technical reviews were performed by staff from the State Water Board, Regional Water Quality Control Boards (Regional Water Boards), DWR Headquarters, DWR Districts, Department of Fish & Game, and the California Bay-Delta Authority.

On November 13, 2006, the State Water Board and DWR posted the Draft Funding Recommendations for the IRWM Implementation Grant Program (first funding cycle), and evaluation summaries for each proposal. On November 16, 2006, the State Water Board and DWR held an Open House and Public Meeting to discuss the Draft Funding Recommendations and to accept public comments on those Recommendations. The public comment period closed on December 8, 2006. Staff has reviewed and taken into consideration these comments.

The proposed IRWM Implementation Grant Funding List contains grants totaling \$75 million ([Exhibit A](#)). DWR's proposed IRWM Implementation Grant Funding List contains grants totaling \$100 million ([Exhibit B](#)).

Prior to the 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. Expertise in the areas of nonpoint source pollution and ocean protection will be sought from those branches of the Division of Water Quality, when applicable. Any project determined to be ineligible may be removed from the suite of proposed projects.

**POLICY ISSUES**

Should the State Water Board adopt a resolution to:

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 \$75 million in grant funds for the first cycle of IRWM Implementation Grants will be committed from the 2005-2006 and 2006-07 allocation.

<b>State Water Board Funding Appropriations</b>	
<b>State Fiscal Year</b>	<b>IRWM Appropriations</b>
SFY 2003-04	\$26,000,000
SFY 2005-06	\$55,000,000
SFY 2006-07	\$20,000,000
SFY 2007-08	\$82,000,000
<b>Total Funding Allocation</b>	<b>\$183,000,000</b>

<b>Proposition 50 – IRWM Grant Program (State Water Board Funding Allocation)</b>	
Available Grant Funds	\$183,000,000
Encumbered IRWM Planning Grant Funds	\$2,104,046
Remaining IRWM Grant Funds	\$180,895,954

**REGIONAL WATER BOARD IMPACT**

None

**STAFF RECOMMENDATIONS**

That 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 DWR’s IRWM Implementation Grant Funding List.

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2007 -**

**ADOPTION OF THE INTEGRATED REGIONAL WATER MANAGEMENT  
IMPLEMENTATION GRANT FUNDING LIST AND CONCURRENCE WITH THE  
DEPARTMENT OF WATER RESOURCES' INTEGRATED REGIONAL WATER  
MANAGEMENT IMPLEMENTATION GRANT FUNDING LIST**

**WHEREAS:**

1. Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, authorizes approximately \$360 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 Integrated Regional Water Management (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 Program Guidelines were adopted by the State Water Board and approved by DWR in November 2004;
4. In accordance with the requirements of Proposition 50, public participation in the development of the Proposal Solicitation Packages (PSPs) was provided through public workshops and applicant assistance workshops;
5. The State Water Board and DWR jointly released the IRWM Implementation Grant Step 1 PSP in March 2005, with a July 15, 2005, submittal deadline;
6. The State Water Board and DWR jointly released the IRWM Implementation Grant Step 2 PSP in March 2006, with a June 28, 2006, submittal deadline;
7. The proposals were reviewed for technical merit based on criteria outlined in the IRWM Implementation Grant Step 1 and Step 2 PSPs, and the projects recommended for funding have shown competitive technical merit;
8. On November 13, 2006, the State Water Board and DWR posted the Draft Funding Recommendations for the IRWM Implementation Grant Program (first funding cycle), and evaluation summaries for each proposal;
9. On November 16, 2006, the State Water Board and DWR held an Open House and Public Meeting to discuss the Draft Funding Recommendations and to accept public comments on those recommendations through December 8, 2006;
10. An IRWM Implementation Grant Funding List with grants totaling \$75,000,000 ([Exhibit A](#)) has been recommended to the State Water Board; and
11. DWR is considering approval of an IRWM Implementation Grant Funding List in January 2007 with grants totaling approximately \$100,000,000 ([Exhibit B](#)).

**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 Resources Control Board held on January 18, 2007.

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Clerk to the Board