2/20 BdMtg Item 6
IRWM
Deadline: 2/8/07 12pm

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February 5, 2007

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State Water Resources Control Board
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**PROPOSITION 50 INTEGRATED REGIONAL WATER MANAGEMENT FUNDING**

The purpose of this letter is to provide our objections to the recent recommendation by the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) to advance funding from the Integrated Regional Water Management (IRWM) Proposition 50 Grant Program, previously proposed for Round 2, into funding the remaining Round 1, Step 2 proposals. The State's recommendation will eliminate the ability to compete for up to $25 million in Proposition 50 IRWM funding and the City of Stockton clearly objects to this recommendation.

The City of Stockton (City) is one of 11 water agencies joined together as the Northeastern San Joaquin County Groundwater Banking Authority to undertake various efforts, including the preparation and implementation of an IRWM Plan.

In July 2005, the City applied for $50 million in IRWM Proposition 50 Implementation Grant Funds for the Delta Water Supply Project (DWSP) – one of many projects included in the GBA's IRWM Plan and a project for which the SWRCB issued a water right permit for in 2006. With a score of 67, the City was not invited back to Step 2 for funding consideration.

While the City is still very concerned with the State's original evaluation of its application, as discussed at an October 2006 meeting with DWR and SWRCB staff, and the subsequent impact of that evaluation on the City's potential to compete for IRWM Proposition 50 funding, the focus of our current objection deals with the State's continued actions to change the funding evaluation system and process in addition to criteria and objectives of the IRWM Proposition 50 Grant Program from the original program set forth in the 2004 IRWM Grant Program Guidelines (Guidelines).

First, in the original evaluation criteria, IRWM Plans did not need to be completed at the time of submittal; only that they be complete by December 2006. Yet grant program reviewers downgraded applicants in several respects for incomplete IRWM Plans. Second, heavy consideration was placed on Statewide Priorities when scoring and ranking Round 1, Step 1 proposals yet Statewide Priorities were not included in the "Evaluation Criteria for Implementation Grants, Step 1" of the Guidelines nor were they included in the Step 1 Proposal Solicitation Package (PSP) and were only later added in the process to the Step 2 PSP. Third, Round 1, Step 1 applicants were asked during the evaluation process by DWR and the SWRCB to consolidate proposals with other nearby agencies – an additional criteria not addressed in the Guidelines or PSP. Those applicants who were able to consolidate were called back to Step 2. Two of these consolidated applicants invited back to Step 2 had individual scores lower than

Stockton
All-America City
2004
1999

**PROPOSITION 50 INTEGRATED REGIONAL WATER MANAGEMENT FUNDING**

that assigned to the City of Stockton. Now, the State seems to have decided that it is not necessary, prior to awarding additional IRWM Proposition 50 funding, to reevaluate the process by which funds have been awarded to date in favor of expediting the process, ignoring past mistakes and hoping these same mistakes are not again made with Proposition 84.

While we recognize the State's efforts to conduct a public process as it pertained to the development of the Guidelines, we believe these Guidelines are not being followed by DWR and the SWRCB in favor of a "plan as you go" approach. The City is also concerned with comments made by DWR staff at the January 23, 2007 Scoping Meeting regarding future IRWM funding, specifically Proposition 84, whereby there appears to be a shift away from the original focus of IRWM (i.e., regional water supply) in favor of environmental resource management.

The City of Stockton recommends that DWR and the SWRCB rescind their recent recommendation to fund the remaining Round 1, Step 2 proposals and implement a Round 2 funding cycle after a careful review, evaluation and implementation of any administrative changes needed to improve the current IRWM Proposition 50 Grant Program.

Should you wish to discuss our comments further, please contact Mark Madison, Director of Municipal Utilities, at (209) 937-8700.

J. GORDON PALMER, JR.
CITY MANAGER

JGP:MJM:MP:pd

cc: Stockton Mayor Edward J. Chavez
Stockton City Council
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Ron Davis, ACWA
Dave Bolland, ACWA
John Woodling, DWR
Tracie Billington, DWR
State Water Resources Control Board Members
Barbara Evoy, SWRCB
Shahla Farahnak, SWRCB

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