



WATER RESOURCES AGENCY

MEMORANDUM

Monterey County

DATE: February 6, 2017

TO: Legislative Committee

FROM: Robert Johnson, Deputy General Manager

SUBJECT: Integrated Regional Water Management Program – Report to Legislative Committee

At the January 26, 2017 Special Meeting of the Monterey County Legislative Committee, a report on the Integrated Regional Water Management (IRWM) Program was requested. This memorandum will provide: 1) some background information, 2) a breakdown of the entities that share in the apportionment opportunities, and 3) a listing of grant applications (both successful and unsuccessful).

The California Department of Water Resources (DWR) web page describes the IRWM program as, “IRWM is a collaborative effort to identify and implement water management solutions on a regional scale that increase regional self-reliance, reduce conflict, and manage water to concurrently achieve social, environmental, and economic objectives.”

California is broken up into 11 Funding Areas for the IRWM Program. Each Funding Area around the State receives an allocation from each piece of respective legislation. Within each Funding Area are regions, areas that are formed based on similar hydrologic conditions, and those regions participate in a competitive process for the resources allocated to each Funding Area. Monterey County is in the Central Coast Funding Area, where there is a total of six IRWM Regions:

Santa Cruz County
Pajaro River Watershed
Greater Monterey County

Monterey Peninsula-Carmel Bay
San Luis Obispo County
Santa Barbara County

Of the six regions within the Central Coast Funding Area, three of the regions listed above include portions of Monterey County, with the Greater Monterey County (GMC) Region making up the bulk of the area within Monterey County (see Figure 1 below).

There are two categories of IRWM monies – Planning and Implementation grants. There are specifics related to each of these categories regarding eligibility, and there are different timings

and opportunities within each apportionment cycle – so timing of projects and or planning of projects is critical to IRWM success.

There have been three apportionments of IRWM monies, one each in Proposition 50, Proposition 84, and most recently Proposition 1. Below is a synopsis of grant awards for each of the apportionments.

From the Proposition 50 apportionment, the Agency applied for a \$25M grant with two other partners, and was rejected. Agency staff petitioned the State Board (holder of some of the IRWM funds at the time), resulting in an award of \$12.5M. These monies were allocated proportionally between the Agency, the City of Soledad, and the Marina Coast Water District. The Agency utilized the \$5.6M (its share of the \$12.5M) for part of the construction of the Salinas Valley Water Project.

From the Proposition 84 IRWM allocation, the GMC Region applied for three IRWM Planning Grants and was successful in receiving two of them:

- Round 1 2010 - received \$755,264
- Round 2 2012 - rejected
- Round 3 2016 - received \$76,935

Regional Setting of the Greater Monterey County IRWM Region



Figure 1 – Map of IRWM Regions in the Central Coast Funding Area

The GMC Region applied for three (four including the Drought Round) IRWM Implementation Grants and was successful in receiving one of them:

- Round 1 2010 - received \$4,139,000
- Round 2 2013 - rejected
- Round 3 2014 Drought Round (special round of funding) - rejected
- Round 4 2015 - rejected

For the Proposition 1 IRWM allocation, the Central Coast Funding Area has been designated \$43 million. To help alleviate competition between the different regions, the six Central Coast IRWM Regions have entered into an agreement (signed MOA) to congenially allocate the Proposition 1 IRWM funds amongst the regions based on the following formula: 1/2 of the funds

equally split amongst the regions, 1/4 of the funds based on population, 1/4 of the funds based on geographic area. The various entities (20 different entities in the IRWM Regional Water Management Group) will still need to come together on what projects want to move forward and submit applications to DWR, and DWR will need to approve the proposals; but if all goes as expected, the GMC Region will receive its full allotment of funds.

As it is currently understood at this point in time, there will be a few rounds of Proposition 1 funds from DWR, with the first two being heavily focused on Disadvantaged Communities (DACs). Here is the current (expected) breakdown of the \$43 million for the Central Coast Funding Area:

- Program Admin fees: \$3,010,000
- Disadvantaged Community (DAC) - Involvement (DAC Engagement): \$4,300,000
- DAC - Implementation: \$4,300,000
- Implementation and Planning Grants: \$31,390,000

Through the MOA, the GMC Region will be receiving a total of **\$8,253,910** (minus administrative fees which will be paid to a Lead Applicant for each round of funds). This is broken out as:

- DAC funds: **\$1,775,034**
- Implementation funds: **\$6,478,875**

The Central Coast Funding Area are currently in the process of applying for the first round of DAC funds (“DAC Involvement”). The GMC will receive approximately \$830,000 (that is, \$887,517 minus admin fees that will go to the Lead Applicant, which is Santa Cruz Regional Water Management Foundation).

Subsequently, there may be two IRWM Implementation Grant rounds. DWR is intending to hold the first IRWM Implementation round in early 2018. This will include both the remaining DAC funds (DAC Implementation, which will equal about \$830K for GMC) plus the first round of regular IRWM Implementation funds (maybe half of the \$6,478,875? – undetermined at this time). There will be a second Implementation Grant round probably two years after that. Since the competition between the six Central Coast IRWM regions has been removed via the MOA, and the amount of money is known for the GMC Region, it is felt that the competition within the GMC may get a bit more intense than in previous rounds.

Proposition 1 Storm Water Grant Program (through State Water Board)

About \$175 million is available statewide through the Storm Water Grant Program for Implementation grants. About \$80 million has been awarded so far, which will leave about \$95 million to \$105 million for Round 2, which is expected in mid to late 2018. The City of Salinas and MRWPCA were successful in receiving \$10 million in grant funds from Round 1 Implementation.

There was about \$19 million available statewide in Storm Water Planning Grant funds. The GMC Region applied for a Storm Water Planning Grant in 2016 and was successful - received \$469,305. This will allow the region to get started on the Storm Water Plan now. In order to be

competitive for Round 2 Implementation Grants, the Storm Water Plan will need to complete within 90 days after award of the Implementation Grant.

Grant Recipient Breakdown

Successful Grant Applications:

Proposition 84 IRWM Planning Grant Round 1:

Program Coordinator – to develop/write the IRWM Plan

Central Coast Wetlands Group - developed a GHG emissions analysis tool, and were responsible for creating the website, and for figuring out a plan for data management

Environmental Justice Coalition for Water - develop a DAC Plan

Monterey Bay National Marine Sanctuary - data management

RCD - conduct stakeholder outreach

Katie Burdick - facilitate the Water Project Reconciliation Process

ECONorthwest - create an economic feasibility analysis tool

Proposition 1 IRWM Planning Grant:

Program Coordinator – to update the IRWM Plan

Central Coast Wetlands Group - to update the Climate Change chapter

Nilsen & Associates - to take the lead on a plan to address nitrate, arsenic, perchlorate, chrom-VI

Environmental Justice Coalition for Water - to provide DAC outreach

Proposition 84 IRWM Implementation Round 1:

City of Soledad

Castroville Community Services District

San Jerardo Cooperative

Elkhorn Slough Foundation

Central Coast Wetlands Group

Partnership between CCWG, RCD, and the Monterey Bay Sanctuary

UC Davis

Prop 1 Storm Water Implementation Grant Round 1:

MRWPCA and City of Salinas (storm water diversion project)

Prop 1 Storm Water Planning Grant:

Monterey County RMA is the “lead public agency” - but isn’t receiving any \$ from the grant

Central Coast Wetlands Group - PI in developing the SWRP

Program Coordinator – to assist in writing the plan

California Marine Sanctuary Foundation - to facilitate stakeholder outreach

(the proposal states that the Agency is a “cooperating entity” and “will participate in all aspects of plan development” — and Agency contributed match)

Unsuccessful Grant Applications:

Prop 84 IRWM Implementation Round 2:

Monterey County - for San Lucas Water District

Pajaro/Sunny Mesa Community Services District

City of Salinas and MRWPCA (dry weather runoff diversion project)
RCD
Ecology Action
Elkhorn Slough Foundation
Central Coast Wetlands Group
Save Our Shores

Prop 84 IRWM Implementation Round 3 (Drought Round):
City of Salinas and MRWPCA (stormwater diversion project)

Prop 84 IRWM Implementation Round 4:
Castroville Community Services District