DEPARTMENT OF WATER RESOURCES

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October 5, 2018

To: Prospective Grant Applicants and Other Interested Parties

Subject: Release of Proposition 1 IRWM Implementation Grant Funding (Round 1) Draft Proposal Solicitation Package (PSP) and Related Documents for Public Review

We are pleased to announce the release of the Proposition 1 - Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Draft Proposal Solicitation Package (PSP) and 2018 IRWM Grant Program Guidelines (2018 Guidelines) for public review. We encourage all interested parties to submit comments as described in detail below by Tuesday, November 20, 2018 at 5pm.

For this first round of funding, we are proposing approximately \$194 million be made available for implementation projects with approximately \$18 million designated for projects that provide benefits entirely to Disadvantaged Communities. We invite and expect feedback on the proposed funding amounts.

Major Changes to this Solicitation Process Compared to Previous DWR Solicitations
This solicitation process is different from previous solicitation processes. The changes are
intended to increase transparency in the application process, collaboration and engagement
between all interested parties. DWR will fund projects that provide the greatest benefits to the
IRWM funding regions and the state. The following are some of the major changes:

- Funding Area Pre-Application Workshop (Workshop): We are asking the IRWM Regions within each Funding Area to participate in a Funding Area Pre-Application Workshop. The purpose of this Workshop is to allow for early interaction of all interested parties with DWR and other State funding agencies and fund projects that provide the greatest benefits to the region and the State.
- Solicitation Schedule will be Determined by Funding Area Need and Readiness:
 Each Funding Area will move through the solicitation process on a unique timeline. The
 date of the Workshop selected by the Funding Area will determine the application
 submittal deadlines and the Final Award date for each Funding Area. This process
 allows greater opportunities to accommodate regional needs and readiness.
- Available Funding based on Funding Area Need and Readiness: We are asking
 each Funding Area to provide feedback during the public comment period as to how
 much funding should be made available during Round 1, based on the Funding Area's
 unique financial needs and readiness.
- Standardized Application: This PSP includes a Proposal Summary Form and Project Information Form. These forms will be used to ensure that consistent information is submitted across applications and that all applicants have equal opportunity and ability to fill out a complete, competitive application.

Changes to 2018 IRWM Grant Program Guidelines

The 2018 Guidelines include necessary updates to accommodate the revised PSP process, updated legislative and regulatory requirements, and incorporate lessons learned during previous solicitations. For example, updates have been made to CEQA and labor compliance requirements and a new requirement has been added for limited waivers of Tribal sovereign immunity.

Information Needed from Each Funding Area

Prior to the close of this public comment period, we are asking the interested parties in each IRWM Funding Area to work together to provide specific information regarding the solicitation process and how much funding should be made available. This information should be coordinated among all IRWM Regions, disadvantaged communities, tribes, and other interested parties within each Funding Area.

- Funding Area Point of Contact: Each Funding Area is required to provide a single Point of Contact (POC). This person will be the POC for solicitation process logistics and serve as a communications liaison between DWR and the IRWM regions within the Funding Area. Each Funding Area should provide DWR a written notification of their POC no later than November 20, 2018. The notification should include:
 - Funding Area Name
 - o POC Name
 - o POC Title
 - o POC Organization
 - o POC Contact Information (email, phone, mailing address)
 - Evidence of coordination with and support from each IRWM Region within the Funding Area (e.g., letters of support)
- Determining Amount of Funding Desired in Round 1: Table 2 in the PSP presents the proposed default grant funding amount for Round 1 for both the DAC Implementation Project and General Implementation Project funding categories.

We recognize that the financial needs of each Funding Area are different. If the Funding Area would like an amount other than the proposed amount they must submit a letter to DWR:

- requesting the revised funding amounts
- describing and justifying how the requested amount best meets the needs and readiness of the Funding Area
- showing support for the request from every IRWM region within the Funding Area

We will also consider relevant comments regarding funding amounts that are received from other interested parties during the public comment period. Based on each request and any relevant comments, DWR will determine the amount of funding available in Round 1. An appropriate amount of funding must be reserved until Round 2 for DAC Implementation projects to allow sufficient time for the needs assessments to be completed as part of the ongoing DAC Involvement Grant Program. The percent of available funding may be different for each Funding Area. Grant funding amount requests must be submitted to DWR by November 20, 2018.

• **Determining Workshop Date and Location**: Please see the Draft PSP for details regarding selection of the Workshop date and location. We will work with the POC to

determine the date and location of the Workshop with the consensus of the IRWM regions by February 1, 2019.

• Submitted Information Schedule Summary:

| Information to be Submitted to DWR | Deadline (Date) |
|--|-------------------|
| POC Notification | November 20, 2018 |
| Change in Grant Funding request | November 20, 2018 |
| Comments on PSP and/or 2018 Guidelines | November 20, 2018 |
| Workshop Date and Location | February 1, 2019 |

Funding for Program Planning and Monitoring

In the PSP, Table 2 provides a detailed breakdown of how the \$510 million authorized by Proposition 1 for IRWM is allocated. As authorized by Proposition 1, 10 percent of funds are designated for state costs including 5 percent for grant administration, 3 percent for program planning and monitoring, and 2 percent for bond costs.

How to comment on the draft solicitation documents and/or provide the requested information discussed above:

- 1. Send an Email to: dwr_irwm@water.ca.gov
- 2. Send a letter to:

Financial Assistance Branch
Department of Water Resources
901 P Street
Post Office Box 942836
Sacramento, California 942346-0001

3. Participate in one of our three (3) public meetings in person or remote web access. Our website will be updated with public meeting dates and locations as they are finalized.

Conclusion

We want to thank you for your time reviewing the draft solicitation package documents and welcome all comments received. We look forward to working with you during the grant agreement solicitation process and engaging with each of you at the three public meetings and Funding Area Pre-Application Workshops.

Sincerely,

Carmel K. Brown, P. E

Chief, Financial Assistance Branch

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Division of Integrated Regional Water Management