

DEPARTMENT OF WATER RESOURCES

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MAR 19 2007

Ms. Tam Doduc, Chair
State Water Resources Control Board
1001 I Street
Sacramento, California 95814

Dear Ms. Doduc:

I want to thank the State Water Resources Control Board (Board) for considering my request to delay its decision regarding the award of additional Proposition 50 Integrated Regional Water Management (IRWM) implementation grants. In early November, we collectively released our initial recommendations related to funding the top seven candidates from the Step 2 IRWM evaluation process. In light of the passage of Proposition 84, with its additional resources for IRWM, and the quality and readiness of the projects proposed by the remaining candidates in the Step 2 process, we proposed in January an alternative that provides funding of the remaining Step 2 projects at somewhat reduced levels.

After review of the public comments on both of these proposals, discussions with my staff, and conversations with many of the interested parties on both sides of the issue, I support approval of the recommendation proposed in January. I believe this action will get good projects moving quickly to help make important water supply, water quality, and environmental improvements, while still providing approximately \$64 million in future Proposition 50 IRWM funding.

I will direct my staff to work with Board staff to expedite a second solicitation for Proposition 50 funding, utilizing existing Proposition 50 guidelines and criteria with minor updates. This action will respect the efforts of those regional groups that have been working diligently, but were unsuccessful in the first round. I further propose that a cap of \$25 million per IRWM region be instituted, which would apply across the two cycles of funding. I recommend that, for this second round, applicants have IRWM plans at least in draft form, which have undergone public review by August 1, 2007, in order to be considered for funding. As we move forward, the Board should consider whether to limit the second round of funding to those not funded in Round 1.

This decision has been a difficult one for all involved. Despite the controversy, Department of Water Resources (DWR) continues to believe that tangible water supply, water quality, and environmental benefits will result from partially funding the currently proposed programs and projects. The remaining \$64 million of Proposition 50 funding, followed by Proposition 84, will provide the incentive for regions to move forward so the State may realize the long-term benefits of IRWM. In my judgment, this recommendation fulfills the intent of the IRWM program, satisfies the legislative mandate to execute the program in the most expeditious manner possible, and provides an opportunity for all regions to fairly compete for funding.

Ms. Tam Doduc, Chair

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DWR looks forward to working with the Board and interested parties to develop and carry out the solicitation process for future IRWM funding. If you wish to discuss this matter further, please call me at 653-7007.

Sincerely,



Lester Snow

cc: Gary Wolff, Vice Chair
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