Proposition 84 Integrated Regional Water Management Plan Implementation Grant (Round 2!)

What Potential Project Proponents Should Know Before Applying

Overview

- Grant Application and Selection Process
- Project Selection Considerations
- Lessons Learned from Previous IRWM Grant Processes
- Costs of Applying
- Complying with Grant Requirements

Grant Application and Selection Process

- WCVC will select an integrated "suite" of projects and prepare a single grant application incorporating all of those projects.
- September (Date TBD):
  - Project proponents make presentations.
  - WCVC Steering Committee discusses projects and develops a recommended list.
- October 18:
  - WCVC general membership adopts project list.

Grant Application and Selection Process

- Project proponents will be required to adhere to a strict schedule for submittal of required information to grant application preparation team.

- Schedule to be made available in late October, after projects are selected (assuming final PSP has been issued by DWR).

Grant Application and Selection Process

- Application Due Date - March 2013
- Initial Funding Recommendations - August 2013
- Final Grant Awards - September 2013

Note: These dates are preliminary and subject to change.

Project Selection Considerations

- Pass/Fail Criteria:
  - Projects must result in physical changes to the environment. No studies.
  - Project must be included in the adopted WCVC IRWM Plan (as amended).
  - Minimum 25% match (for the overall suite of projects).

Project Selection Considerations

- Pass/Fail Criteria:
  - Compliance with requirements for Groundwater Management Planning (for projects with potential groundwater impacts, positive or negative).
  - Forms necessary to demonstrate compliance with AB 1420 and water meter requirements (for urban water suppliers).
  - 2010 Urban Water Management Plan Update deemed complete by DWR (for urban water suppliers).

Project Selection Considerations

- There's a difference between having a <u>good</u> project and having a project <u>well-suited to the Proposition 84 IRWM Implementation grant program</u>.
- All information submitted and/or presented must be <u>realistic</u> and <u>supportable</u>.
- Please read the PSP and Guidelines carefully!

Project Selection Considerations

- General Goals
  - Include <u>integrated</u> projects with <u>multiple benefits</u>.
  - Support and improve <u>local and regional water supply reliability</u>.
  - Contribute expeditiously and measurably to the <u>long-term attainment and maintenance of water quality standards</u>.
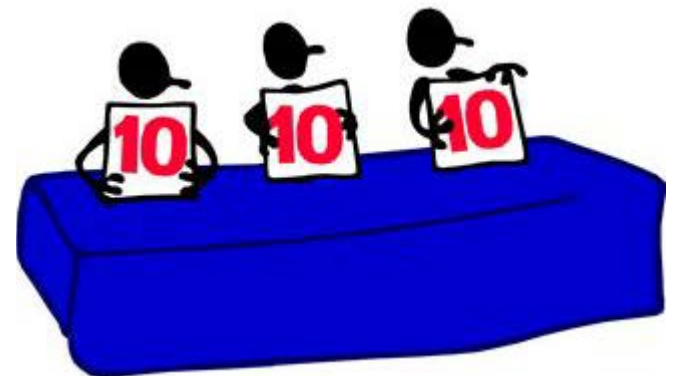
Project Selection Considerations

- Types of and Magnitude of Benefits
  - Application requires benefits to be monetized to the extent possible.
  - Non-monetizable benefits can also be described.
  - Typical benefit types:
    - Water supply
    - Water quality
    - Flood damage reduction

Project Selection Considerations

- Key Application Scoring Questions:
  - Are the costs and benefits claimed supported with clear and complete documentation?
  - Is the benefit analysis appropriate considering the size of the project and the type of benefit claimed?
  - Are the benefits of all projects taken together large relative to costs of the Proposal?

Project Selection Considerations

- Readiness to proceed
    - Is <u>matching funding</u> available?
    - Is <u>CEQA/NEPA</u> completed?
    - Is the <u>right-of-way</u> acquired?
    - What is the status of <u>design</u>?
    - Have all of the necessary <u>permits</u> been obtained?
    - Has a detailed <u>cost estimate</u> been prepared?
    - Is the project ready for <u>construction</u>?
    - Does the project have the <u>necessary staff and political support</u>?
    - Can the project be completed within the <u>grant timeframe</u>?

Project Selection Considerations

- Program Preferences
  - Include <u>regional</u> projects and programs.
  - Effectively <u>integrate</u> water management programs and projects within a hydrologic region identified in the California Water Plan; the RWQCB region or subdivision; or other region or sub-region specifically identified by DWR.
  - Effectively <u>resolve significant water-related conflicts</u> within or between regions.
  - Contribute to attainment of one or more of the <u>objectives of the CALFED Bay-Delta Program</u>.

Project Selection Considerations

- Program Preferences
  - Address critical water supply or water quality needs of <u>disadvantaged communities</u> within the region.
  - Effectively integrate water management with <u>land use planning</u>.
  - For eligible SWFM funding, projects which: a) are not receiving state funding for flood control or flood prevention projects pursuant to PRC 5096.824 or 75034 or b) provide multiple benefits, including, but not limited to, water quality improvements, ecosystem benefits, reduction of instream erosion and sedimentation, and groundwater recharge.
  - Address <u>statewide priorities</u>.

Project Selection Considerations

- Statewide Priorities
  - Drought Preparedness
  - Use and Reuse Water More Efficiently
  - Climate Change Response Actions
  - Expand Environmental Stewardship
  - Practice Integrated Flood Management
  - Protect Surface Water and Groundwater Quality
  - Improve Tribal Water and Natural Resources
  - Ensure Equitable Distribution of Benefits

Project Selection Considerations

- IRWM Plan Objectives
  - Reduce dependence on imported water and protect, conserve and augment water supplies.
  - Protect and improve water quality.
  - Protect people, property and the environment from adverse flooding impacts.
  - Protect and restore habitat and ecosystems in watersheds.
  - Provide water-related recreational, public access and educational opportunities.

Project Selection Considerations

- Disadvantaged communities (DACs): Not less than 10% of the available funding will be used to support projects that address critical water supply or water quality needs for DACs.

Lessons Learned from Previous IRWM Grant Processes

- Projects for a successful grant application need:
  - Backup documentation for technical feasibility, costs, and benefits.
  - Clear understanding of needs and consequences for NOT receiving funding.
  - A knowledgeable, responsive champion from the sponsoring entity with the authority to provide the information needed and make quick decisions.

Lessons Learned from Previous IRWM Grant Processes

- Having too many projects dilutes the available resources.
- Project proponents need to be very familiar with technical and budget/economic information so that they can recommend graphics, facts, and other supporting information.
- Project schedule must be flexible to accommodate DWR's timeline.
- The bar is higher than it has ever been for grant applications.

Costs of Applying

- Cost will be dependent on the number of projects included in the application and the requirements of the PSP.
- 2010 Prop 84 grant application for 8 projects cost approximately $175,000 (includes consultant and project management costs).
- Costs were not split evenly among projects (small projects/non-profits had lower share) and cost sharing arrangement was determined by project proponents.

Costs of Applying

- Significant effort required by the project proponent and its staff or consultants to prepare information for incorporation into the application.
- Items that project proponents will be expected to submit for the application include:
  - Detailed Work Plan
  - Budget (detail consistent with work plan)
  - Schedule (detail consistent with work plan)
  - Monitoring, Assessment and Performance Measures
  - Financial Statements/Demonstration of Match Funds
  - Documentation to support compliance with pass/fail criteria listed earlier (UWMP, AB 1420, etc.)

Costs of Applying

- Additionally, project proponent will be required to provide:
    - Support of, and participation in, discussions for benefits analysis for the project both qualitative and quantitative.
    - Technical justification for those benefits.

Complying with Grant Requirements

- Grant costs are reimbursed after expenditures are made, NOT paid in advance.
- Delayed reimbursements (historically 6 to 18 months after expenditure has been incurred).
- Payment is "concurrent drawdown" between match and reimbursement.
- Retention (5 or 10%) on all reimbursements until project is complete.
- Travel costs of any kind are not eligible as match or reimbursement.

Complying with Grant Requirements

- Subagreement negotiation and execution.
- Cost of grant administration for County/consultants (estimated at approximately 1-3% of grant amount)
- Quarterly invoice and status report preparation by project proponent.
- Labor compliance program.

Complying with Grant Requirements

- Additional grant reporting/documentation requirements:
  - Project Assessment and Evaluation Plan (PAEP)
  - Non Point Source Pollution Reduction Project Follow-up Survey Form and Assessment of PAEP Status
  - Surface monitoring data (CEDEN)
  - Groundwater monitoring data (GAMA)
  - Natural Resource Projects Inventory
  - Draft and Final Project Reports

Final Thoughts

- It is a lot of work (for the project proponent and grant application/ administration team) to submit a grant application and comply with the grant requirements.
- There is no guarantee that WCVC will receive any funding.
- Think carefully and read the entire PSP and Guidelines before deciding whether to move forward with a project.

Questions?