Table C-5 – Step 2 Scoring Criteria and Scoring Standards

Scoring Criteria	Weighting Factor	Range of Points Possible	Score	Scoring Standards
Adopted IRWM Plan and Proof of Formal Adoption *Formal adoption must be documented by a resolution or other written documentation officially accepting the Plan, with signatures and dates of signatures for the regional agency or all of the agencies and organizations involved in the Plan.* Was the Plan adopted prior to submittal of the Step 2 application?				Pass/Fail
Work Plan *Scoring will be based on whether the applicant has presented a detailed and specific work plan that adequately documents the Proposal.* Does the work plan contain an introduction that includes: a) goals and objectives of the proposal; b) a tabulated overview of projects which includes an abstract and project status; c) a map showing relative project locations; and d) a discussion of the synergies or linkages among projects? Are work items for each project of adequate detail and completeness so that it is clear that the project can be implemented? Do the work items include appropriate work item submittals (i.e., quarterly and final reports, PAEP)? Do the work items collectively implement the Proposal? Does the Work Plan include a listing of permits and their status including CEQA compliance? Are the submitted plans and specifications consistency with the design tasks included in the Work Plan?	3	3–15		Standard Scoring Criteria See Guidelines, Section V.F
Budget *Scoring will be based on whether the applicant has presented a detailed and specific budget that adequately documents the Proposal.* Was a summary budget provided for the Proposal and detailed budgets provided for each project contained in the Proposal? Do the items shown in the budget generally agree with the work items shown in the Work Plan and Schedule? Are the detailed costs shown for each project reasonable? Are all the costs shown in the budget supported by documentation, if required, and is that documentation complete?	1	1–5	5	A score of 5 points will be awarded where the budgets for all the projects in the Proposal have detailed cost information as described in Attachment 4; the costs are reasonable, and all the budget categories of Exhibit B are thoroughly supported.
			4	A score of 4 points will be awarded where the budgets for all the projects in the Proposal have detailed cost information as described in Attachment 4 and the costs are considered reasonable but the supporting documentation for some of the budget categories of Exhibit B are not fully supported or lack detail.
			3	A score of 3 points will be awarded where the budgets for most of the projects in the Proposal have detailed cost information as described in Attachment 4, but not all costs appear reasonable or supporting documentation is lacking for a majority of the items shown in the budget categories described in Exhibit B.
			2	A score of 2 points will be awarded where the budgets for less than half the projects in the Proposal have detailed cost information as described in Attachment 4, many of the costs cannot be verified as reasonable, or supporting documentation is lacking for all of the budget categories described in Exhibit B.
			1	A score of 1 will be awarded where there is no detailed budget information provided for any of the proposed projects.

Table C-5 – Step 2 Scoring Criteria and Scoring Standards

Scoring Criteria	Weighting Factor	Range of Points Possible	Score	Scoring Standards
Funding Match *Scoring will based on the percent of funding match to the total proposal costs. The funding match percentage is presented in Exhibit B, Budget.* Is the funding match at least 10% of the total cost of the Proposal, unless a reduction or waiver in the funding match has been submitted? – *This is a Pass/Fail criterion.* What is the percentage of the funding match as compared to the total cost of the Proposal?	1	1–5	**For applicants that have requested a funding match reduction or waiver assign a score of 3. For all other applicant use the funding match percentage calculated in Table 2-1 to assign the score.**	
			5	60% or greater
			4	45–59.9%
			3	30–44.9%
			2	20–29.9%
			1	10.0–19.9 %
			Pass/ Fail	<10 – Proposal will not be reviewed and will not be considered for funding.
Schedule *Scoring will be based on whether the applicant has presented a detailed and specific schedule that adequately documents the Proposal and on the readiness to proceed with the Proposal.* Does the schedule correspond to the work items described in the Work Plan? Given the work item descriptions in Attachment 5, does the schedule seem reasonable? How many months occur between the assumed contract execution date and the start of construction for the earliest of the Proposal projects?	1	1–5	The exact dates to be used for this Scoring Standard, ***text shown in italics***, **will be provided in the Step 2 Solicitation Notice and posted on the websites listed in the Foreword.**	
			5	A score of 5 points will be awarded if the schedule is consistent and reasonable and demonstrates a readiness to begin construction or implementation of all elements of the Proposal by *six months after the contract start date.*
			4	A score of 4 points will be awarded if the schedule is consistent and reasonable and demonstrates a readiness to begin construction or implementation one or more of the elements of the Proposal by *six months after the contract start date.*
			3	A score of 3 points will be awarded if the schedule is not entirely consistent and reasonable or demonstrates a readiness to begin construction or implementation after *six months after the contract start date* but before *12 months after the contract start date.*
			2	A score of 2 points will be awarded if the schedule is clearly not consistent, not reasonably achievable, or demonstrates a readiness to begin construction or implementation after *12 months after the contract start date* but before *18 months after the contract start date.*
			1	A score of 1 point will be awarded if the schedule does not follow the work items presented in the work plan and budget, is clearly not reasonable, or demonstrates a readiness to begin construction or implementation after *18 months after the contract start date.*

Table C-5 – Step 2 Scoring Criteria and Scoring Standards

Scoring Criteria	Weighting Factor	Range of Points Possible	Score	Scoring Standards
Scientific and Technical Merit *Scoring will be based on whether the applicant has demonstrated that the Proposal has scientific and technical merit.* Was each project contained in the Proposal supported by thorough and well-documented studies and data? Does the information contained in the technical documents support the technical feasibility for each project? If feasibility or pilot studies have not been conducted for an individual project(s), was an explanation provided regarding what has been done to determine the project's feasibility? Were data gaps identified and are there items in Work Plan that fill the identified data gaps?	3	3–15	5	A score of 5 points will be awarded if supporting studies and data descriptions are complete for all projects in the Proposal; this information supports project feasibility; all data gaps are identified and referenced to specific work items in the Work Plan; and the listed studies were provided. For those Proposals in which only one project is proposed, the above criteria will be used for each of the components of the project.
			4	A score of 4 points will be awarded if supporting studies and data descriptions are complete for most projects in the Proposal; this information supports project feasibility; some but not all data gaps are identified and referenced to specific work items in the Work Plan; and the listed studies were provided. For those Proposals in which only one project is proposed, the above criteria will be used for a majority of the components of the project.
			3	A score of 3 points will be awarded if supporting studies and data descriptions are not complete but sufficient information is provided to support project feasibility; some but not all data gaps are identified and referenced to specific work items in the Work Plan; or the application does not contain all listed studies. For those Proposals in which only one project is proposed, the above criteria will be used for less than a majority of the components of the project.
			2	A score of 2 points will be awarded if supporting studies and data descriptions are not complete; this information does not support project feasibility; data gaps are not identified or referenced to specific work items in the Work Plan; or a the application does not provide the listed studies or were provided in an unreadable format.
			1	A score of 1 point will be awarded if the applicant does not respond directly to the Scientific and Technical Merit criteria.
Monitoring, Assessment, and Performance Measures *Scoring will be based on whether the applicant has presented an adequate monitoring and assessment program including performance measures that will allow a determination of whether the objectives are met.* Do the Project Performance Measures Tables include: project goals, desired outcomes, output indicators, outcome indicators, measurement tools and methods, and targets? Do the output indicators effectively track output? Are the outcome indicators adequate to evaluate change resulting from the work? Is it feasible to meet the targets within the life of the proposal?	1	1–5	Standard Scoring Criteria See Guidelines, Section V.F	

Table C-5 – Step 2 Scoring Criteria and Scoring Standards

Scoring Criteria	Weighting Factor	Range of Points Possible	Score	Scoring Standards
Economic Analysis – Water Supply and Water Quality Benefits *Scoring will be based on the Economic Analysis – Water Supply and Water Quality Benefits of the Proposal. The scores will be assigned relative to all other Proposals. Scoring is designed to not bias water supply and water quality projects with respect to each other.* Did the applicant provide qualitative or quantitative information describing the costs and water supply and water quality benefits of the Proposal? Are the costs and water supply and water quality benefits claimed supported with adequate documentation?	3	3–15		The minimum score for this criterion is 1 point. The remaining 4 points will be allocated based on: 1) the water supply and water quality benefits realized through implementation of the Proposal and 2) the quality of the analysis and supporting documentation demonstrating those benefits. Points will be awarded based on a comparison of qualitative and quantitative information describing the water supply and water quality benefits of the Proposals. Proposals will be scored as follows: 1) high levels of water supply or water quality benefits will receive 3 to 4 points; 2) average levels of water supply or water quality benefits will receive 2 to 3 points; and 3) low levels of water supply or water quality benefits will receive 1 point). The initial score will then be adjusted qualitatively based on the quality of the analysis and supporting documentation. Unsubstantiated or poor quality analysis or documentation can result in the score being reduced by up to 4 points, provided that the final score is not less than the minimum score of 1.
Other Expected Benefits *Scoring will be based on the certainty that the Proposal will provide the benefits claimed, as well as the magnitude and breadth of the Other Expected Benefits.* Did the applicant provide qualitative or quantitative information describing the Other Expected Benefits of the Proposal? Are the Other Expected Benefits claimed supported with adequate documentation?	2	2–10		The minimum score for this criterion is 1 point. The remaining 4 points will be allocated based on: 1) the benefits realized through implementation of the Proposal and 2) the quality of the analysis and supporting documentation demonstrating those benefits. Points will be awarded based on a comparison of qualitative and quantitative information describing the benefits of the Proposals. Proposals will be grouped by the reviewers on the basis of physical quantification in Proposals with: 1) high levels of Other Expected Benefits will receive 3 to 4 points, 2) average levels of Other Expected Benefits will receive 2 to 3 points and 3) low levels of Other Expected Benefits will receive 1 point. The initial score will then be adjusted qualitatively based on the quality of the analysis and supporting documentation. Unsubstantiated or poor quality analysis or documentation can result in the score being reduced by up to 4 points, provided that the final score is not less than the minimum score of 1. Proposals that do not have Other Expected Benefits will receive the minimum score of 1 point.
Program Preferences *Scoring will be based on whether the Proposal will implement one or more of the specified IRWM Grant Program Preferences (See Guidelines, Section II.E). Proposals that demonstrate significant, dedicated, and well-defined projects that meet multiple Program Preferences will be considered more favorably than Proposals that demonstrate a significant potential to meet a single Program Preference or demonstrate a low degree of commitment or certainty to meeting Program Preferences* Does the Proposal include projects that implement Program Preferences? Did the applicant demonstrate a high degree of certainty that the Proposal will implement the Program Preferences? Did the applicant document the magnitude and breadth of Program Preferences that the Proposal will meet?	1	1–5	5	A score of 5 points will be awarded if the Proposal will implement multiple Program Preferences, demonstrates a significant degree of certainty that the Program Preferences claimed can be achieved, and thoroughly documents the breadth and magnitude of the Program Preferences to be implemented.
			4	A score of 4 points will be awarded if the Proposal includes project(s) that implement a single Program Preference, demonstrate a significant degree of certainty that the Program Preference claimed can be achieved, and thoroughly documents the breadth and magnitude of the Program Preference to be implemented.
			3	A score of 3 points will be awarded if the Proposal includes project(s) that implement multiple Program Preferences, demonstrates a limited degree of certainty that the Program Preferences claimed can be achieved, and lacks thorough documentation for the breadth and magnitude of the Program Preferences to be implemented.
			2	A score of 2 points will be awarded if the Proposal includes project(s) that implement a single Program Preference, demonstrates a limited degree of certainty that the Program Preference claimed can be achieved, and lacks thorough documentation for the breadth and magnitude of the Program Preference to be implemented.
			1	A score of 1 point will be awarded if the Proposal does not address any Program Preference or the Program Preferences are highly unlikely to be implemented.
Total Range of Points Possible	**16 – 80**			

EXHIBIT 1
WORK PLAN

This exhibit provides guidance for presenting, in Attachment 3, the Work Plan for the Proposal.

All proposals must include a detailed description of the proposed implementation project(s) for which funding will be requested. The goals and objectives of the proposal must be identified. Where requested funding is for a component of a larger project, this section must describe all of the components of the larger project and identify which elements of the project the IRWM grant is proposed to fund. Linkages to any other projects that must be completed first or that are essential to obtain the full benefits of the proposal must be discussed.

Based on the goals and objectives of the proposal, a description of all work that will be necessary to complete the project or suite of projects must be included in this section. The work plan should include a description of work items to be performed under each task and work item submittals for assessing progress and accomplishments. The description should include as much detail as possible, and explain all work items necessary to complete the proposal and how the applicant will coordinate with the granting agency.

A vicinity map must be provided to show the general location of the project or suite of projects. A more detailed map showing at a minimum the location of activities or facilities of the project(s), the groundwater basins and surface water bodies that will be affected; the natural resources that will be affected; and proposed monitoring locations must also be provided. Disadvantaged communities within the region should be identified on the detailed map.

The work items shown on the work plan must agree with the work items shown on the budget and schedule discussed in Attachments 4 and 5. Additionally, the application must describe how the proposal is consistent with the adopted IRWM Plan.

Attachment 3, Work Plan, should consist of two parts: an introduction and work items. Based on the goals and objectives of the Proposal, a description of all work that will be necessary to complete the Proposal must be included in this attachment. The Work Plan must include a summary of the entire Proposal as well as details for each project within the Proposal. Any supporting documentation necessary to substantiate work already completed should be submitted as appendices to Attachment 3.

INTRODUCTION

The introduction should provide information about the Proposal and shall include, but not be limited to the following items:

- A presentation of the Goals and Objectives of the Proposal.
- A description of how the Proposal is consistent with the adopted IRWM Plan.
- A table of specific projects in the Proposal, including, an abstract of each project, the current status of each project in terms of percent completion of design, the priority of those projects, and implementing agencies.
- A description of synergies or linkages between projects that result in added value, or require coordinated implementation or operation.
- A map showing the location of project(s) contained in the Proposal and also showing the regional boundaries.
- A description of the work that has been completed or is expected to be completed prior to January 1, 2009, the assumed contract execution date. For example, if CEQA/NEPA and other environmental compliance efforts have been completed discuss the environmental determination made by the lead agency and the documents that were filed.

Where requested funding is for a component of a larger project, this section must describe all of the components of the larger project and identify which project elements the IRWM grant is proposed to fund. Linkages to any other projects that must be completed first or that are essential to obtain the full benefits of the Proposal must be discussed.

WORK ITEMS

Work items are specific activities that will be performed to implement each project of the Proposal. The work items descriptions will be used as the scope of work in the grant agreement if the Proposal is selected for funding. The work item detail must be sufficient to demonstrate a high expectation of successful implementation and must allow the reviewer to fully understand the work to be performed in order to evaluate the adequacy of the Proposal. Additionally, the work items must provide sufficient detail to justify the project and Proposal cost estimates. Work items listed in the Work Plan should be consistent with those used in Attachment 4, Budget and Attachment 5, Schedule.

The work item section must contain the following items:

- For each project contained in the Proposal, include a description of work to be performed under each work item and the current status of the work item. The description should include as much detail as possible and explain all work necessary to complete each project and, collectively, the Proposal.
- Procedures by which the applicant will coordinate with its partner agencies and organizations that may receive funding from the grant including any contracts, MOUs, and other formal agreements.
- Detailed maps that show, at a minimum, the location of activities or facilities of the project(s), the groundwater basins and surface water bodies that will be affected including modifications to any river or stream channel; the water resources that will be affected; disadvantaged communities within the region; and proposed monitoring locations.
- A discussion of standards, such as construction standards, health and safety standards, laboratory analysis, or accepted classifications methods that will be used in implementation.
- Development of PAEPs, MPs, and QAPPs for the Proposal.
- A discussion of the status of acquisition of land or rights-of-way, if applicable.
- A discussion of the merits of the building materials or computational methods that were or will be used for project development, such as use of specific grades of building materials or use of specific, tested, and established models (or software). Also discuss the status of project design and bid solicitation efforts.
- Identification of all necessary permits and the status of securing such permit.
- A discussion of the status of preparation and completion of requirements to comply with the CEQA, NEPA, and other environmental laws. If environmental compliance efforts have not been completed, include a plan for environmental compliance. Discuss the status of environmental mitigation or enhancement actions.
- If a GWMP must be prepared, work items to complete the GWMP.
- A description of submittals to the granting agency for assessing progress and accomplishments, such as quarterly and final reports.
- Any other work items that may be applicable to describe implementation of the projects but are not listed above.

Additionally, the most recent plans and specifications should be referenced, including page or sheet numbers, in the Work Plan and copies of the plans and specifications must be submitted as part of the application, as detailed in Appendix B, Attachment Instructions.

EXHIBIT 2
BUDGET

The proposal must provide a detailed estimate of costs and funding sources. The estimate must at a minimum include the following for each individual project within the proposal:

- Land costs, planning and design costs, environmental compliance and documentation costs, construction costs shown by project task, or phase, and the contingency amount for the proposal;
- All sources of the funding match;
- The amount of funding match applied to each task; and
- Work items that are completely supported by funding match.

The detailed budget should be commensurate with the design stage that is being submitted and be broken out by work items used in the work plan. The detailed budget should clearly identify the amount of any contingencies amounts and provide an explanation for the rationale used to determine the percentage contingency used in the estimate. The work items shown on the budget must agree with the work items shown on the work plan and schedule discussed in Attachments 3 and 5.

Table 2-1 must be completed for each project in the Proposal and another Table 2-1 must be completed as a summary (roll-up) budget for the entire Proposal. The Summary Budget Table 2-1 must be clearly marked as such. Although the applicant should complete Row (j) for each individual project, the Minimum Funding Match requirement applies to the costs of the overall Proposal. Therefore, the 10 % minimum Funding Match must be met or exceeded on the Summary Budget Table 2-1; the percent funding match from that table only will be used for the Funding Match Scoring Criterion shown in Table C-5.

TABLE 2-1 – BUDGET
(INSERT EITHER "SUMMARY BUDGET" OR INSERT THE NAME OF THE INDIVIDUAL PROJECT)

PROPOSAL TITLE: _____

PROJECT TITLE: _____

	Budget Category	Other State Funds[1)]	Non-State Share (Funding Match)	Requested Grant Funding	Total	% Funding Match
(a)	Direct Project Administration Costs					
(b)	Land Purchase/Easement					
(c)	Planning/Design/Engineering/ Environmental Documentation					
(d)	Construction/Implementation					
(e)	Environmental Compliance/ Mitigation/Enhancement					
(f)	Construction Administration					
(g)	Other Costs					
(h)	Construction/Implementation Contingency					
(i)	Grand Total (Sum rows (a) through (h) for each column)					
(j)	Calculation of Funding Match % (Used in Funding Match Scoring Criterion) *Optional for individual component projects.*					
Sources of Funds for Non-State Share (Funding Match) and Other State Funds		*Use as much space as required to show the source of the Non-State Share and Other State Funds*				

1) "Other State Funds" may be presented in Table 2-1 to demonstrate the full funding picture for the Proposal and, if presented, must be included in the total costs of the Proposal, which will be used to determine the percentage for the Funding Match Scoring Criterion.

For each of the categories shown in the Table 2-1 above, the applicant must provide supplemental detailed costs for each project as follows:

ROW (A) DIRECT PROJECT ADMINISTRATION COSTS

Detail shall include hourly wage paid by discipline; number of hours to be expended for administration; and costs shown for equipment, supplies, or travel, with back-up data provided. Travel proposed to be reimbursed by the grant must be at or below the rates allowed for unrepresented State employees. If project administrative costs are shown as a percentage of a cost, include both: a) the total on which the project administration is based (i.e., total project costs, total construction cost, etc.) and b) how the percentage was determined (i.e., flat rate, based on prior experience, etc.). This budget category includes all such costs for the grant recipient and any partner agencies or organizations. Applicants are encouraged to limit administrative costs proposed to be reimbursed by the grant to less than 5% of the total Proposal costs. Such administrative expenses are the necessary costs incidentally but directly related to the Proposal.

ROW (B) LAND PURCHASE/EASEMENT

Detail shall distinguish whether the cost is for purchase of land or an easement to use the land. If land purchase is to be included in the funding match, include whether it is a proposed acquisition or whether the land is already owned by the applicant or partner agency/organization. If the land is already owned by the applicant or partner agency/organization, indicate when the land was purchased and the purchase price. The purchase price for that portion of the land that will be dedicated to the Proposal may, in certain circumstances, be included as funding match.

ROW (C) PLANNING/DESIGN/ENGINEERING/ENVIRONMENTAL DOCUMENTATION

Detail shall include hourly wage paid by discipline, number of hours, and the total cost for the particular item (i.e., 60% design, final design [See below for discussion of design stages], engineering field investigations, preparation of CEQA documentation, PAEP preparation etc.). If any contingency amounts are used in the estimate, provide an explanation for the rationale used to determine the contingency percentage.

ROW (D) CONSTRUCTION/IMPLEMENTATION

Provide a cost estimate commensurate with the design stage that is being submitted for the project. For example, if the applicant states that the design for a particular project is at the 60% design stage, then a cost estimate with appropriate detail based on that design stage must be included (See below for guidance on design stages). The estimate should include the quantity of materials used, unit cost, number of units, and, if possible, should have separate costs for labor, equipment, and materials. Do not show any construction/implementation contingency costs in this category. They will be shown in Construction/Implementation Contingency category. For any implementation costs, show as much detail as required to support the implementation costs shown.

ROW (E) ENVIRONMENTAL COMPLIANCE/MITIGATION/ENHANCEMENT

This item includes an estimate of all environmental compliance, mitigation, and enhancement costs. The estimate of costs for this work should be provided in the same format as shown for Construction/Implementation.

ROW (F) CONSTRUCTION ADMINISTRATION

The costs to administer and manage construction of the project must be presented. Provide a discussion of the method used to determine this cost. If a percentage of construction costs is used here, indicate the percentage used. If the estimate will be based on expected hours of effort, list the hours, by discipline, unit cost, equipment costs, and total cost.

ROW (G) OTHER COSTS

Include detail for any legal services costs required to support the project. Include the costs for licenses and permits. Include any costs of monitoring and assessment required during the construction/initial implementation of the project and may include preparation of the necessary PAEPs, MPs, or QAPPs. Do not include any monitoring and assessment costs for efforts required after project construction is complete.

ROW (H) CONSTRUCTION/IMPLEMENTATION CONTINGENCY

Normally these costs include costs to handle unknown conditions encountered during construction or implementation of the project and may cover items that are not yet shown in the design. Specify the percentage used for this cost, and provide a reason for using the percentage used. Include only those contingency costs for construction/implementation efforts here. All other contingency costs should be included in the appropriate cost category.

ROW (I) GRAND TOTAL (SUM ROWS (A) THROUGH (H) FOR EACH COLUMN)

Sum each of the columns as shown in Table 2-1 to determine the grand total of costs for each project. Provide a separate table that summarizes, or rolls-up, the costs for each project in the Proposal. From this summary sheet use the grand total from the "Non-state Share (Funding Match)" column, and use this cost to include in Table 1 – FAAST Checklist, under the box entitled "Local Cost Match". Use the grand total from the "State Share (Grant Funding)" column, and use this cost to include in Table C-3, under the box entitled "Grant Funds Requested." Finally, use the grand total from the "Total" column, and use this cost to include in Table C-3, under the box entitled "Total Budget."

ROW (J) CALCULATION OF FUNDING MATCH %

DWR and the State Water Board will use the calculations of the Funding Match percentage from the Summary Budget Table 2-1 as the basis of the score for the Funding Match Criterion.

For purposes of this PSP, the following design stages are provided to assist applicants in determining their design percentage for projects under design:

- **10% (Conceptual) Design** – The 10% design shows project siting and the layout of major facilities. No specifications are provided. Design analysis has been started and is nearing completion. Background geologic, seismic literature research has been performed. A listing of project objectives, environmental or infrastructure constraints is provided.

- **30 % (Concept) Design –** The 30% design shows project siting and all project appurtenances. Some detail is provided for each of the disciplines (such as civil, structural, mechanical, and geology). Design analysis should be complete at this stage. A rough listing of specifications required for the project is provided. Preliminary Geologic and Foundation Studies have been performed.

- **60% Design** – The 60% design is the same as for the 30% design submittal, with more details provided for each design discipline, including electrical, and traffic control, if applicable. Standard details and outline specifications, including the front end and technical portion, are provided. Foundation studies completed, lab testing performed, structural analysis and/or modeling performed, permitting underway.

- **90% (Pre-final) Design** – The 90% design is the final, un-stamped, submittal. Complete plans and specifications are prepared, and a detailed itemized cost estimate is included.

- **100% (Final) Design** – The 100% design is the design package that will be advertised for project award for construction/implementation of project. The package consists of the complete, signed, and "As-Advertised" plans and specifications.

EXHIBIT 3
ECONOMIC ANALYSIS – WATER SUPPLY AND WATER QUALITY BENEFITS

This exhibit provides methods and formats for estimating and presenting, in Attachment 8, the costs and the water supply and water quality benefits of the Proposal.

The Water Supply and Water Quality Benefits may include, but are not limited to, the following benefit types:

- Water Supply
  - Avoided water supply purchases, including those for environmental purposes;
  - Avoided water supply projects;
  - Avoided water shortage costs;
  - Avoided operations and maintenance costs; and
  - Water revenue from sales to another purveyor or third party.
- Water Quality
  - Water quality improvements related to protecting, restoring, or enhancing beneficial uses;
  - Water quality improvements for impaired water bodies and sensitive habitats;
  - Avoided water quality projects costs;
  - Avoided water treatment costs;
  - Avoided wastewater treatment costs; and
  - Water quality improvements related to providing water supplies (if not already captured as a water supply benefit).

At a minimum, all applications must provide a narrative description of the expected water supply or water quality benefits of the Proposal. If possible, each such benefit should be quantified and presented in physical or economic terms, using existing information or reasonable effort. If benefits cannot be quantified, explain why and justify. Applicants may use the tables contained in this Exhibit to present the water supply or water quality benefits of the Proposal, or may use other formats if desired. Excel spreadsheet versions of following tables can be found at the links listed in the Foreword.

Each applicant must provide the following information:

- Narrative description of the Proposal's economic costs.
- Cost details for the entire Proposal using Table 3-3 and the information in Table 2-1.
- Narrative description of all of the Proposal's expected water supply and water quality benefits, including those achieved by restoring, protecting, or enhancing beneficial uses, particularly those on impaired water bodies (See "Water Quality Benefits" below), which shall address the following items:
  - Estimates of without-Proposal conditions; e.g. existing water quality or current and future water supplies and demand.
  - Estimates of with-Proposal conditions; e.g. improvements in water quality or new water supplies made available to meet demand.
  - Description of methods used to estimate without- and with-Proposal conditions.
  - Description of the distribution of local, regional, and statewide benefits.
  - Identification of beneficiaries.

- When the benefits will be received.
- Uncertainty of the benefits.
- Description of any adverse effects.

- Narrative discussion that describes, qualifies, and supports the values entered in the tables.
- If possible, quantified estimates of physical and economic benefits using Tables 3-4, 3-5, and 3-6, as applicable. Table 3-4 is used to present physical and economic benefits. Table 3-5 is used for the benefits in an avoided cost of future projects. Table 3-6 is used if the benefit is estimated in some other way (i.e., not using a unit monetary value or an avoided cost).
- Documentation to support information presented in the Proposal. Applicants may provide requested information for each project to help document the Proposal, including sing tables 3-3 through 3-6 on a project basis. However, the evaluation score will be determined based on the information provided for the Proposal in its entirety.
- If the Proposal includes a suite of projects, describe the relationship of each project to the overall Proposal costs and to the overall water supply and water quality benefits of the entire Proposal.

Applicants should take necessary care to provide realistic and supportable cost and benefits analyses. Other studies or documents used to support cost and benefit estimates should be clearly referenced. See Appendix B, Attachment Instruction for guidance on submitting studies, documents, or other reference materials.

PROPOSAL COSTS

This section provides guidance for describing all costs that will be incurred to implement and operate the Proposal and to achieve benefits from the Proposal. This includes costs funded by local, State, and federal agencies, non-profit organizations, and other entities. All costs, both initial investments and operational costs, associated with the Proposal necessary to accomplish full implementation of the Proposal and achievement of the stated benefits, must be included. All costs must be clearly documented to allow a reviewer to assess the accuracy and reasonableness of the analysis. If the reviewers find that some Proposal costs are not included in the analysis, a lower score will result. Applicants must use the following guidelines and assumptions in an economic analysis for the Proposal:

- *Consistency* – The economic analysis must be completed for the entire Proposal and must be consistent with other data and information provided in the Proposal.
- *With-Proposal and Without-Proposal Comparison* – The economic analysis should be based on a comparison of expected conditions with- and without-Proposal over the period of analysis.
- *Period of Analysis* – The economic analysis will be based on a Proposal life cycle specified by the applicant which shall include the construction period and operational life.
- *Economic Cost* – Any costs associated with the Proposal, regardless of who bears the cost and regardless of the funding source is considered an economic cost. Opportunity costs should be included, but sunk costs should be excluded.
- *Sunk Costs*– Sunk costs are costs spent in the past that have no salvage value; therefore, they cannot be recovered and should not be counted.
- *Opportunity Costs* – Opportunity cost is the benefit that a resource could provide in the without-Proposal condition and should be counted. For example, land already purchased for use in a project could be used for other purposes; therefore, a reasonable estimate of the market value of that land should be included as a cost. Note that any expenditure paid for an asset before March 20, 2007, cannot be included in Table 2-1 presented in Attachment 4, because it is not eligible for reimbursement. However, the current value of the asset should be included here as an economic cost.
- *Discount Rate* – Because costs and benefits are evaluated over the life of the Proposal, they must be discounted to reflect the value of money over time. All applicants must use a 6% discount rate. Table 3-1 provides the discount factors that must be used.

Table 3-1 - Discount Factors									
Year	Discount Factor	Year	Discount Factor	Year	Discount Factor	Year	Discount Factor	Year	Discount Factor
2007	1.06	2017	1.90	2027	3.40	2037	6.09	2047	10.90
2008	1.12	2018	2.01	2028	3.60	2038	6.45	2048	11.56
2009	1.19	2019	2.13	2029	3.82	2039	6.84	2049	12.25
2010	1.26	2020	2.26	2030	4.05	2040	7.25	2050	12.99
2011	1.34	2021	2.40	2031	4.29	2041	7.69	2051	13.76
2012	1.42	2022	2.54	2032	4.55	2042	8.15	2052	14.59
2013	1.50	2023	2.69	2033	4.82	2043	8.64	2053	15.47
2014	1.59	2024	2.85	2034	5.11	2044	9.15	2054	16.39
2015	1.69	2025	3.03	2035	5.42	2045	9.70	2055	17.38
2016	1.79	2026	3.21	2036	5.74	2046	10.29	2056	18.42

- *Dollar Value Base Year* – All costs and benefits will be expressed in 2006 dollars. When using economic data from past years, costs should be escalated to account for inflation. The update factors shown in Table 3-2 can be used to update economic data to 2006 dollars. If the applicant needs to update costs from years preceding 2000, please see the Foreword of the PSP for the DWR contact person. Other, more specific indices (such as the Engineering News-Record Construction Cost Index) can be used if justified by the applicant.

Table 3-2 - Update Factors	
Year	Update Factor
2000	1.16
2001	1.13
2002	1.11
2003	1.09
2004	1.06
2005	1.03
2006	1.00

TABLE 3-3

The Proposal costs presented in this section must be consistent with Table 2-1 presented in Attachment 4 (Exhibit 2) of the grant application. Table 3-3 may augment initial costs from Table 2-1 if there are costs, such as opportunity costs, that are not eligible for reimbursement under this grant program. Note that cost savings realized as a result of the Proposal should be included as a benefit and not subtracted from the costs. To complete Table 3-3, the applicant should use the following steps:

- Modify the number of rows to match the estimated Proposal life, i.e. how long are the projects intended to operate and provide benefits.
- Columns (a) through (g): Enter costs for each applicable cost category in each year of the Proposal's lifecycle. Enter costs beginning in the first year of expenditure, not the first year of operation.
- Column (h): Enter the sum of all costs for the year (Columns (a) through (g)).
- Column (i): These are the discount factors provided in Table 3-1.
- Column (j): Enter the result of dividing Column (h) by the discount factor in Column (i) for each year (each row).
- Bottom of Column (j): Total Present Value of Discounted Costs: Enter the sum of the Column (j) entries in the last row at the bottom of the table. This is the total present value of all costs discounted at 6%.
- Comment Box: Enter any sources and references; include page numbers, supporting the numbers used in this table.

Table 3-3 – Annual Cost of Proposal
(All costs should be in 2006 Dollars)

	Initial Costs		Operations and Maintenance Costs						Discounting Calculations	
YEAR	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Capital and Other Initial Costs from Table 2-1	Capital and Other Initial Costs Not Included in Table 2-1	Admin	Operation	Maintenance	Replacement	Other	Total Costs (a+b+…g)	Discount Factor	Discounted Costs (h÷i)
2007									1.06	
20078									1.12	
20088									1.19	
…									…	
…									…	
…									…	
Proposal Life									…	
Total Present Value of Discounted Costs (Sum of Column (j))										
Comment Box										

PROPOSAL BENEFITS

This section provides guidance for displaying and describing the physical and economic water supply and water quality benefits of the Proposal.

BENEFITS ANALYSIS

At a minimum, each water supply or water quality benefit must be described. If possible, each benefit should be quantified in physical terms. For each water supply or water quality physical benefit, the applicant should determine if a monetary value could be placed on each unit of benefit. For benefits that could not be quantified in physical terms, the applicant should still determine if an estimate of economic benefits is possible. In particular, avoided costs of other projects may be counted as a benefit even if the benefit cannot be physically quantified. A description of economic benefits should be provided even if monetary value cannot be quantified. The applicant must describe how economic benefits for the water supply or water quality benefits were calculated to allow the reviewers to assess the accuracy and reasonableness of the analysis. For benefits that can be quantified in dollars, applicants should present results in 2006 dollars. The applicant must avoid double-counting economic benefits.

The applicant should provide a description of economic factors that may affect or qualify the amount of economic benefits to be realized. The application should also include a discussion of any uncertainty about the future that might affect the level of benefits received.

WATER QUALITY BENEFITS FOR IMPAIRED WATER BODIES AND SENSITIVE HABITATS:

One of the IRWM Grant Program Preferences (Guidelines, Section II.E) is to eliminate or significantly reduce pollution in impaired water bodies and sensitive habitats. Impaired water bodies are identified by the State Water Board and also referred to as "303(d) listed impaired water bodies." The 303(d) impaired water body list is posted on the State Water Board website at:

http://www.waterboards.ca.gov/tmdl/303d_lists.html.

Proposals that restore, enhance, or protect beneficial uses of water consistent with the Regional Water Board's Basin Plans for each of the nine regions in the state may provide significant water quality benefits. However, it may be difficult in some instances to quantify benefits. To capture and characterize benefits from these projects, the applicant should specifically address where and how the water quality benefits will be achieved in the water body; what significant water quality improvements will be achieved; and the beneficial uses of that water body. For such water quality benefits, applicants should provide the information shown below to allow reviewers to assess the benefits claimed in the Proposal.

- Number of downstream water bodies affected.
- Water body names and water volumes.
- The fraction of each water body affected by the Proposal (if possible).
- Beneficial uses identified for the water bodies affected by the Proposal.
- Pollutants present in the affected water body.
- Concentrations of each pollutant in the affected water body.
- Sources of the pollutants.
- Beneficial use activities affected by each pollutant.
- The total load reduction of pollutants in the affected water body. Benefits determination for Proposals that, once implemented, lead to load reductions in impaired water bodies must focus on the expected load reductions.
- The change in pollutant concentrations in the affected water body.

- The change in the beneficial-use activity for the affected portion of the water body.
- Any other aspects of the Proposal that have a reasonable probability of affecting significant improvements in water quality – restoring beneficial uses.

TABLE 3-4

Table 3-4 should be used to present *Physically Quantifiable Benefits*, whether they are quantifiable in either physical or economic terms. To present only physically quantified benefits, the applicant should complete Columns (b) through (d) of Table 3-4. If the applicant also wishes to claim economic benefits based on unit dollar value, then also complete columns (e) through (i). To complete Table 3-4, the applicant should use the following steps:

- Format a table that will display the various water supply and water quality benefits that are claimed in the Proposal. For each individual benefit, repeat a full block of row for each year of the project lifecycle, including the column headings.
- Identify the benefit and measure (e.g., units) of that benefit in the boxes provided. This must be completed for each benefit claimed.
- Once the table has been appropriately formatted, the applicant should provide the following information for each year of the Proposals life:
  - Column (b): identify the level (units) of the water supply or water quality benefit for the without-Proposal condition.
  - Column (c): identify the level (units) of the water supply or water quality benefit for the with-Proposal condition.
  - Column (d): enter the result of subtracting Column (b) from Column (c) to determine the change in the water supply or water quality resource resulting from the Proposal.
  - Columns (e) through (i): complete these columns only if the applicant has identified a monetary value for the benefit.
  - Column (e): enter the per unit monetary value for the benefit claimed.
  - Column (f): enter the result of multiplying the value in Column (d) by the value in Column (e).
  - Column (g): enter the sum of the individual "Annual $ Values" listed in Column (f) for each benefit claimed. For example, if the Proposal has monetary values for water supply benefits and two different types of water quality benefits, the sum of the three values would be entered into Column (g).
  - Column (h): these are the discount factors provided in Table 3-1.
  - Column (i): enter the result of dividing each value in Column (g) by the discount factor in Column (h).
  - Column (i) Bottom of the Table: enter the total of all Column (i) values in the "Total Present Value of Discounted Benefits" row
  - Comment Box: enter any sources and references, including page numbers, supporting the numbers used in this table.

Table 3-4 - Annual Benefits of Water Supply and Water Quality Benefits (All benefits should be in 2006 dollars)								
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
YEAR	Benefit: _____ *Replicate columns and headers for full range of year rows for each benefit.*			*Complete these columns if claiming economic benefits based on dollar value.*				
	Measure of Benefit:_____ (Identify units for each water supply or water quality benefit to be measured)			Complete these 2 columns if claiming $ Value for the Benefit		Discounting Calculations for Economic Benefits (If claiming $ Value for the Benefit)		
	Without Proposal	With Proposal	Change Resulting from Proposal (c - b)	Unit $ Value	Annual $ Value (d x e)	Total Benefits (Sum of Annual $ Value for each benefit)	Discount Factor	Discounted Benefits (g ÷ h)
2007							1.06	
2008							1.12	
2009							1.19	
...							...	
...							...	
...							...	
Proposal Life							...	
						Total Present Value of Discounted Benefits Based on Unit Value (Sum of the values in Column (i) for all Benefits shown in Table)		
Comment Box								

TABLE 3-5

Table 3-5 should be used if the applicant wishes to present *Benefits from Avoided Costs of Future Projects*. This type of benefit applies to the extent to which the Proposal will cause other water supply or water quality projects to be avoided, delayed, or scaled down. This table should also be used to present the avoided cost of water shortages or the avoided cost of future operations, such as treatment costs. To claim this type of benefit, the applicant should provide documentation that the avoided cost would actually be incurred in the absence of the Proposal. To estimate a benefit from avoided costs of future projects, shortages, or operations complete Table 3-5. While this is a benefit, the estimate will require a cost estimate for the avoided project. Estimates from existing studies, updated to 2006 dollars, can be used to complete Table 3-5. The applicant should show that those cost estimates are reasonably comparable to the standards and procedures described in the cost section of this exhibit.

Below, the project(s) that would be avoided because of the Proposal are called alternative(s). Note that a precise quantification of physical benefits is not required to claim costs of alternative(s) as a benefit; however, the alternative(s) should provide approximately the same types and levels of benefits as the Proposal. An applicant should compare the amount and timing of physical benefits from the Proposal with the alternative to make sure they are comparable. If an alternative provides a physical benefit larger than that of the Proposal, the applicant must make adjustments to the alternative to make it similar to the Proposal. Without an adjustment, only a portion of the cost of the alternative can be claimed as a measure of benefit. If the alternative provides an amount of physical benefit smaller than that of the Proposal, an additional benefit might be claimed (see Table 3-5, 2nd to last row – "% Avoided Cost Claimed by Proposal"). If the alternative provides physical benefits at times (e.g. year types or season) different from those of the Proposal, additional adjustments may be needed or the alternative may simply not be a reasonable alternative to the Proposal. If the alternative would delay action until a future time within the

planning horizon, enter the delayed costs when they are avoided as a benefit, and enter them again as a cost at the time they would be paid with the Proposal.

To complete Table 3-5, the applicant must:

- Format a table that will display all alternatives that apply by copying Columns (b) through (e) of Table 3-5 for each individual alternative.
- Describe the alternative in the box provided. This must be completed for each alternative.
- Once the table has been appropriately formatted, the applicant should provide the following information for each year of the alternative life:
  - Column (b): enter capital costs for each year of the alternative life. Enter costs beginning in the first year of expenditure of any cost, not the first year of operation.
  - Column (c): enter replacement costs for each year of the alternative life. Enter costs beginning in the first year of expenditure of any cost, not the first year of operation.
  - Column (d): enter O&M costs for each year of the alternative. Enter costs beginning in the first year of expenditure of any cost, not the first year of operation.
  - Column (e): enter the sum of costs contained in Columns (b), (c), and (d).
  - Column (f): enter the sum of "Total Cost Avoided for Individual Alternatives" for each alternative.
  - Column (g): these are the discount factors provided in Table 3-1.
  - Column (h): enter the result of dividing the value in Column (f) by the number provided in Column (g) for each year (each row).
- Bottom of Column (h): to represent the net present value of all costs discounted at 6% and to take into account the percentage of the alternative claimed, do the following:
  - Enter the sum of all values in Column (h) in the row marked "Total Present Value of Discounted Costs." This represents the net present value of all costs discounted at 6%.
  - In the next row, enter the "% Claimed by Proposal." This is the percentage of the cost of the alternative that the applicant is claiming for the Proposal. If claiming the entire cost, enter 100%.
  - In the final row labeled "Total Present Value of Discounted Costs Claimed by Proposal," enter the result of multiplying the "Total Present Value of Discounted Costs by the % Annual Avoided Cost Claimed by Proposal."
- Comment box: enter any sources and references, including page numbers, supporting the numbers used in this table.

Table 3–5 - Annual Costs of Avoided Projects (All avoided costs should be in 2006 dollars)							
	Costs				Discounting Calculations		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
YEAR	Alternative (Avoided Project Name): _____ *Replicate this column block with headers for each avoided alternative*				Total Cost Avoided for All Alternatives (Sum of Total Cost Avoided for Individual Alternatives)	Discount Factor	Discounted Costs (f) ÷ (g)
	Avoided Capital Costs	Avoided Replacement Costs	Avoided Operations and Maintenance Costs	Total Cost Avoided for Individual Alternatives (b) + (c) + (d)			
2007						1.06	
2008						1.12	
2009						1.19	
...						...	
...						...	
...						...	
Proposal Life						...	
						Total Present Value of Discounted Costs (Sum of Column (h))	
						% Avoided Cost Claimed by Proposal	
						Total Present Value of Discounted Avoided Project Costs Claimed by Proposal (Total Present Value of Discounted Costs x % Avoided Cost Claimed by Proposal)	
Comment Box							

TABLE 3-6

Table 3-6 should be used if the applicant wishes to present *Other Water Supply or Water Quality Benefits*. Other Water Supply or Other Water Quality Benefits are those benefits that do not meet the criteria for Physically Quantifiable Benefits or Benefits from Avoided Costs of Future Projects. Because there is less tabular information for these benefits, it is important to provide sufficient documentation or narrative information to support the benefit estimates. To complete Table 3-6, applicants should use the following steps:

- Column (b) top: identify the type of Other Water Supply or Other Water Quality benefit claimed. If multiple benefits are anticipated, additional blocks of rows may be added (including headers) to Table 3-6 to document each benefit.
- Column (b) middle: describe the benefit in qualitative terms and the basis for associated monetary value of the benefits over the life of the Proposal.
- Column (b) bottom: enter the dollar value of the monetary benefit claimed for each year.
- Column (c): these are the discount factors provided in Table 3-1.
- Column (d): enter the result of dividing each value in Column (b) by the discount factor in Column (c).

- Column (d) Bottom: enter the total of all Column (d) values in the "Total Present Value of Discounted Other Benefits" Row (last row).
- Comment Box: provide citations and qualitative information to support the benefit claimed. Enter any sources or references, including page numbers, supporting the number used in this table.

Table 3-6 - Annual Benefits of Other Water Supply or Other Water Quality Benefits (In 2006 Dollars)

(a)	(b)	(c)	(d)
YEAR	Type of Benefit Claimed: _____ *Replicate headers and rows for each benefit type* Describe the Benefit Claimed: _____ Annual Benefit ($)	Discount Factor	Discounted Benefits (b ÷ c)
2007		1.06	
2008		1.12	
2009		1.19	
...		...	
...		...	
...		...	
Proposal Life		...	
		Total Present Value of Discounted Other Benefits (Sum of the values in Column (d))	
Comments:			

EXHIBIT 4
OTHER EXPECTED BENEFITS

This exhibit provides methods and formats for estimating and presenting, in Attachment 9, the Other Expected Benefits of the Proposal.

All Proposals that have Other Expected Benefits must describe those benefits in Attachment 9. If the Proposal does not have Other Expected Benefits; then simply state so in Attachment 9. For Proposals with Other Expected Benefits, applicants must describe such benefits. If possible, each such benefit should also be quantified and presented in physical or economic terms. If not possible to quantify the benefits, please include an explanation and justification of why it cannot be done. In addition to Table 4-1 below, the applicant should provide the following items:

- Narrative discussion of the estimates of without-project physical conditions.
- Narrative discussion of the estimates of with-project physical conditions.
- Description of methods used to estimate without- and with-project conditions.
- Description of the distribution of local, regional, and statewide benefits.
- Identification of beneficiaries.
- When the benefits will be received.
- Uncertainty of the benefits.
- Description of any adverse effects.

Applicants should attempt to make descriptions as clean, detailed, and quantitative as possible using existing information or reasonable effort. Computer models can be used to provide quantitative analyses of benefits but such detailed analysis is not required. For presenting analysis clear, concise tables and narrative descriptions are preferred.

The Other Expected Benefits may include, but are not limited to, the following benefit types:

- Ecosystem Restoration – Ecosystem restoration includes habitat restoration, ecosystem improvements and preservation, and fish and wildlife enhancement. If a Habitat Evaluation Procedure has been performed, enter information from that analysis. A Habitat Evaluation Procedure for ecosystem restoration is preferred but not required. For ecosystem restoration analysis, applicants may count benefits from both restoration and preservation of high-quality existing habitat. The ecosystem benefits analysis should take into account both structural and functional elements of the ecosystem being protected or restored. Without- and with-project conditions for ecosystem restoration could include the acreage of habitat, the quality of that habitat, and the special-status species considered in the analysis.
- Flood Control – For flood control benefits, the applicant should document historical flood damage and projected with-project flood risk. If the physical system has changed significantly since the last flood, without-project flood damage should also be estimated. Estimates may be determined though the use of computer software packages with the help of maps and information from the Federal Emergency Management Agency, local flood control agencies, and others.
- Recreation and Public Access – Recreation and public access benefits should be documented on a with- and without-project basis. With- and without-project conditions could include the types and quality of recreational activities, visitor days, and unit day values.
- Power Cost Savings and Production – Power cost savings and power production benefits should be based on market value of power. Document the quantity and the unit value of the power saved or produced. Include

information on when the savings or production would occur (time of year, time of day), change in capacity, or other factors that influence the cost savings or production benefit.

- Other – If the Proposal has benefits not already accounted for, please describe them in detail. Some benefits, such as in-stream flow, may be difficult to categorize. In such cases, the applicant should attempt to place it in the most appropriate category or categories, or describe it as an "Other" benefit.

TABLE 4-1

An Excel spreadsheet version of Table 4-1 can be found at the links listed in the Foreword. Table 4-1 should be used to present *Other Expected Benefits*, whether they are quantifiable in either physical or economic terms. To present only physically quantified benefits, then the applicant should complete Columns (b) through (d) of Table 4-1. If the applicant also wants to claim economic benefits based on unit dollar value, then also complete columns (e) through (i). To complete Table 4-1, the applicant should use the following steps:

- Format a table that will display the various other expected benefits that are claimed in the Proposal. For each individual benefit, repeat a full block of rows, including column headings and the Proposal expected life.
- Identify the benefit and measure (e.g., units) of that benefit in the boxes provided. This must be completed for each benefit claimed.
- Once the table has been appropriately formatted, the applicant should provide the following information for each year of the Proposals life:
  - Column (b): identify the level (units) of the other expected benefit for the without-Proposal condition.
  - Column (c): identify the level (units) of the other expected benefit for the with-Proposal condition.
  - Column (d): enter the result of subtracting Column (b) from Column (c) to determine the change in the resource conditions resulting from the Proposal.
  - Columns (e) through (i): complete these columns only if the applicant has identified a monetary value for the benefit.
  - Column (e): enter the per unit monetary value for the benefit claimed.
  - Column (f): enter the result of multiplying the value in Column (d) by the value in Column (e).
  - Column (g): enter the sum of the individual "Annual $ Values" listed in Column (f) for each benefit claimed.
  - Column (h): these are the discount factors provided in Exhibit 3, Table 3-1.
  - Column (i): enter the result of dividing each value in Column (g) by the discount factor in Column (h).
  - Column (i) Bottom of the Table: enter the total of all Column (i) values in the "Total Present Value of Discounted Benefits" row.
  - Comment Box: enter any sources and references, including page numbers, supporting the numbers used in Table 4-1.

Table 4- 1 – Other Expected Benefits
(All benefits should be in 2006 dollars)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
YEAR	Benefit: _____ *Replicate columns and headers for full range of year rows for each benefit.*			*Complete these columns if claiming economic benefits based on dollar value.*				
	Measure of Benefit: _____ (Identify units for each Other Expected Benefit to be measured)			Complete these 2 columns if claiming $ Value for the Benefit		Discounting Calculations for Economic Benefits (If claiming $ Value for the Benefit)		
	Without Proposal	With Proposal	Change Resulting from Proposal (c - b)	Unit $ Value	Annual $ Value (d x e)	Total Benefits (Sum of Annual $ Value for each benefit)	Discount Factor	Discounted Benefits (g ÷ h)
2007							1.06	
2008							1.12	
2009							1.19	
...							...	
...							...	
...							...	
Proposal Life							...	
							Total Present Value of Discounted Benefits Based on Unit Value (Sum of the values in Column (i) for all Benefits shown in Table)	
Comments:								

EXHIBIT 5
CALFED ROD CONSISTENCY

The Bay-Delta Region and CALFED Solution Area are described in the CALFED Bay-Delta Program Final Programmatic EIS/EIR, Chapter 1.3 Program Description, available on the California Bay-Delta Authority website at:

http://calwater.ca.gov/CALFEDDocuments/Final_EIS_EIR.shtml

Complete the following form for each project within the Proposal that assists in meeting one or more of the CALFED Bay-Delta Program goals, is consistent with the CALFED Programmatic ROD, and can be implemented, to the maximum extent possible, through local and regional programs.

FORM 1
CALFED ROD CONSISTENCY

<Insert Project Title> is located in (check appropriate box):

- ☐ Sacramento–San Joaquin Bay-Delta Region or
- ☐ The CALFED Solution Area.

<Insert Project Title> will assist in meeting the following CALFED Bay-Delta Program Goals (Objectives) (select one or more goals, as appropriate):

- ☐ Provide good water quality for all beneficial uses;
- ☐ Improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay–Delta to support sustainable populations of diverse and valuable plant and animal species;
- ☐ Reduce the mismatch between Bay–Delta water supplies and current and projected beneficial uses dependent on the Bay–Delta system; or
- ☐ Reduce the risk to land use and associated economic activities, water supply, infrastructure, and the ecosystem from catastrophic breaching of Delta levees.

Include with Form 1 the following items:

- A description of how the Proposal assists in meeting one or more of the goals of the CALFED Bay-Delta Program;
- A description of how the project will be consistent with the CALFED ROD.
- A description of how the project will, to the maximum extent possible, be implemented through local and regional program.

EXHIBIT 6
REQUESTS FOR WAIVER OR REDUCTION OF FUNDING MATCH DISADVANTAGED COMMUNITIES – IMPLEMENTATION GRANTS

PURPOSE

The purpose of this Exhibit is to provide a method for requesting a waiver or reduction of the funding match for IRWM implementation grants. DWR and the State Water Board will review the information submitted by the applicant and decide, based on the information provided, whether to grant, amend, or deny, the request for the waiver or reduction. Applicants must demonstrate that a 10% funding match will be provided unless a waiver or reduction of the funding match Requirements has been requested.

For assistance on this topic, please contact the DWR point of contact listed in the foreword.

At a minimum, the following information must be included in Attachment 14 of the Step 2 application:

- Describe the methodology used in determining total population of the region and the total population of the disadvantaged communities in the region. The applicant must include what census geographies (i.e., census designated place, census tract, census block) were used, and how they were applied. Also, the applicant must explain how the disadvantaged communities were identified.
- Provide annual MHI data for disadvantaged communities in the region.
- Provide sample calculations showing how the proposed reduced funding match was derived.
- Provide information on amount and type of direct benefit(s) each project within the proposal provides to the disadvantaged community(ies).
- Include descriptions or information on disadvantaged communities' involvement, such as past, current, and future efforts to include disadvantaged community representatives in the future planning and implementation process.
- Letters of support from representatives of disadvantaged communities indicating their support for the portion of the proposal designed to provide direct benefits to the disadvantaged communities and acknowledging their inclusion in the planning and future implementation process.

The following data requirements must be met:

- MHI and population data sets must be from the 2000 Census or more recent;
- MHI data used in analysis must be from the same time period and geography as the population data.

ALLOWANCES

- Applicants may estimate total and disadvantaged community population numbers by whatever means that are accessible to them as long as the above requirements are met.
- In determining MHI and population for disadvantaged communities and the region, applicants may use a single type of census geography or combinations of 2000 Census geographies that best represent the region. However, the census geography used must be consistent for both MHI and population for a particular community. In general use of the geography of "place" is recommended. However, other official census geographies, such as census tract and block group, are also acceptable. The intent of allowing this flexibility is to afford applicants a choice, so that population and income data in the region can be accurately represented.

DEFINITIONS

Block Group – means a census geography used by the USCB that is a subdivision of a census tract. A block group is the smallest geographic unit for which the USCB tabulates sample data. A block group consists of all the blocks within a census tract with the same beginning (block) number.

Census Designated Place – means a census geography used by the USCB that is a statistical entity, defined for each decennial census according to USCB guidelines, comprising a densely settled concentration of population that is not within an incorporated place, but is locally identified by a name. Census designated places are delineated cooperatively by state and local officials and the USCB, following USCB guidelines.

Census Tract – means a census geography used by the USCB that is a small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Census tracts are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Community – for the purposes of this grant program, a community is a population of persons residing in the same locality under the same local governance.

Disadvantaged Community – a community with an annual MHI that is less than 80% of the statewide MHI (CWC § 79505.5 (a)). For example, using Census 2000 data, 80% of the statewide annual MHI is $37,994 and using USCB data for 2003, 80% of the statewide annual MHI is $38,752.

Place – A census geography used by the USCB that is a concentration of population either legally bounded as an incorporated place, or identified as a Census Designated Place.

Region – for the purposes of the IRWM Grant Program, means a geographic area.

STEP A. SCREENING BASED ON MAXIMUM GRANT AMOUNT:

The implementation grants awarded under this program have a maximum limit of $25,000,000 regardless of disadvantaged community status.

STEP B. DOCUMENTATION OF THE PRESENCE OF DISADVANTAGED COMMUNITIES:

Disadvantaged communities must be contained in the region. **If there are no disadvantaged communities in the region, please do not apply for a reduced funding match**. Disadvantaged communities should be identified in the description of the region contained in the IRWM Plan or equivalent document. The applicant can provide references to the IRWM Plan indicating where this information is located or include the information in Attachment 14. Applicants should ensure the description of the disadvantaged communities is adequate to determine whether the communities meet the definitions of this Exhibit. Disadvantaged communities should also be shown on maps of the region. In describing disadvantaged communities, include their relationship to the regional planning objectives. Include information that supports the determination of disadvantaged communities in the region.

STEP C. DOCUMENTATION OF DISADVANTAGED COMMUNITY REPRESENTATION AND PARTICIPATION:

The mere presence of disadvantaged communities in the region is not sufficient cause to grant a waiver or reduction of the funding match. Disadvantaged communities must be involved in the planning and implementation process. Supporting information that demonstrates how disadvantaged communities are, or will be, involved in the IRWM planning and implementation process must be included. Information must demonstrate how disadvantaged communities or their representatives are participating in the planning process. As indicated above, include letters of support from disadvantaged community representatives that verify support, inclusion, and participation in the process. **If an applicant cannot demonstrate disadvantaged community representation or participation in the planning process, please do not apply for a reduced funding match.**

STEP D. BENEFITS AND IMPACTS TO DISADVANTAGED COMMUNITIES:

Applicants should explain anticipated benefits and impacts to disadvantaged communities in their region from the specific project(s) in their proposal. The explanation should include the nature of the anticipated benefit(s), the certainty that benefit(s) will accrue if the project is implemented, and which disadvantaged communities in the region will benefit.

STEP E. CALCULATING A REDUCED FUNDING MATCH:

The required funding match for implementation grants is 10% of the total proposal cost. Where the project directly benefits a disadvantaged community, a reduction in the required funding match may be allowed. To reduce the required funding match, the applicant must determine the Disadvantaged Community Ratio (DCR), Benefit Factor (BF), and the Reduced Funding Match Factor (RFMF). The details of determining the DCR, BF, and RFMF, and example calculations are provided below.

DETERMINING THE DCR FOR THE REGION

Applicants can use any method that is reproducible and logical in determining populations in the region as long as the requirements of this Exhibit are met and the method is consistently applied. To calculate the DCR:

- Determine the total population of the region. The total population in the region = P_R
- Determine the total population of the disadvantaged communities (e.g. MHI greater than zero but less than 80% of the statewide annual MHI) in the region. The disadvantaged community population = P_D
- DCR = P_D/P_R

In determining populations and MHI for disadvantaged communities, applicants must ensure that population and MHI values of zero are appropriate for use in data sets. Text, data, and other information that supports selection of areas as disadvantaged communities must be provided. Include the method used for population determination, the population of the region, the population of disadvantaged communities in the region, MHI data for disadvantaged communities, and the calculation of the reduced funding match.

DETERMINING THE BF FOR THE REGION

The BF is a function of the percentage of disadvantaged communities within the region receiving direct benefit from the proposal. As described above, applicants must discuss and document direct benefits to disadvantaged communities from specific proposal elements as part of Attachment 14. Select the BF that applies to your region from the following table for use in the RFMF calculation:

Percentage of Disadvantaged Communities in the Region Directly Benefited by the Proposal	Benefit Factor
More than 50%	1
25% - 50%	0.5
More than 0% but less than 25%	0.25

DETERMINING THE RFMF FOR THE REGION

The RFMF is a function of the DCR and BF and is calculated as follows:

- RFMF = $0.10 - (0.10 \times DCR \times BF)$

Where:

- 0.10 = the minimum funding match for implementation grants;
- DCR = P_D/P_R;
- BF = 1, 0.5, or 0.25 as presented in the table above; and
- Round the RFMF to the nearest 0.01.

The RFMF is then multiplied by the total proposal cost to determine the reduced funding match. The reduced funding match should be used in the budgets presented for the proposal. Example calculations are shown below.

Example: Agency A is requesting a reduced funding match for an implementation grant proposal that has a total cost of $26,000,000.

$P_R = 1{,}000{,}000$

$P_D = 750{,}000$

$DCR = 750{,}000/1{,}000{,}000 = 0.75$

$BF = 0.5$[1]

$RFMF = 0.10 - (0.10 \times 0.75 \times 0.5)$

$= 0.10 - (0.0375)$

$= 0.0625$ rounded to 0.06 (or 6%)

Total Project Cost	Grant and Fund Match Using the Minimum Funding Match Requirement (10% of total)		Grant and Funding Match Using a Reduced Funding Match (6% of total)	
	Funding Match	Grant Funds	Funding Match	Grant Funds
$52 Million	0.10 x $26 M = $2.6 M	$26 M – $2.6M = $23.4 M	0.06 x $26M = $1.56M	$26M – $1.56M = $24.44

[1] Assuming 25-50% of the disadvantages communities in the region directly benefit from the proposal.

Accessing And Using 2000 Census Data

Applicants are allowed to use whatever tools they have to access and use 2000 Census data. The procedures and suggestions presented here are meant to assist applicants. The use of these procedures is not mandatory and does not translate into any preference over any other method.

Determining Census Places in the Region

For the purposes of this supplement, a community is assumed to be represented as the census geography of "place." Places include populous incorporated and unincorporated areas. There is a variety of ways to determine what places are included in the region. Applicants can use other census geographies that better represent their region. Access to other census geographies is similar to what is presented here for place.

If an applicant's agency has GIS capability, it can access shapefiles for different census geographies including places at:

http://www.census.gov/geo/www/cob/bdy_files.html

Using GIS tools, the applicant can layer the region and the place shape files (or other geographies) to determine what places exist in the region.

Another way to determine census places or other geographies in the region is to use the mapping feature at the USCB website:

http://factfinder.census.gov/home/saff/main.html?_lang=en

APPENDIX D
DEFINITIONS

Adopted IRWM Plan – means an Integrated Regional Water Management Plan that has been formally accepted, as evidenced by a resolution or other written documentation, by:

- The governing body of the regional agency authorized to develop the Plan and has responsibility for implementation of the Plan; **or**
- The governing bodies of the agencies and organizations that participated in the development of the Plan and have responsibility for implementation of the Plan.

Applicant – means an entity that files an application for funding under the provisions of Proposition 50 with the Department of Water Resources and the State Water Resources Control Board.

Areas of Special Biological Significance – means areas designated by the State Water Resources Control Board as requiring protection of species or biological communities to the extent that alteration of natural water quality is undesirable. All areas of special biological significance are State Water Quality Protection Areas as defined in Public Resources Code § 36700(f). There are 34 designated areas of special biological significance, which are listed in the California Ocean Plan.

Bay-Delta – is as defined in § 79006 of the California Water Code.

CALFED Bay-Delta Program – refers to the collaborative State-federal program to address ecosystem restoration and water management issues in the San Francisco Bay/Sacrament-San Joaquin Delta system. The CALFED Program is being implemented under the guidance of the California Bay-Delta Authority, by a consortium of State and federal agencies with management and regulatory responsibilities in the Bay and Delta, pursuant to the CALFED Bay-Delta Program Record of Decision (August 28, 2000).

California Bay-Delta Authority – refers to the State agency that was established by legislation enacted in 2002 (CWC §79400 et seq.) to oversee implementation of the CALFED Bay-Delta Program.

Disadvantaged Community – means a community with an annual median household income that is less than 80 percent of the statewide annual median household income (CWC § 79505.5 (a)).

Environmental Justice – means the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies (California Government Code §65040.12(e)).

Granting Agency – means the agency that is funding a proposal, with which a grant recipient has a grant agreement, and will be either Department of Water Resources or State Water Resources Control Board.

Impaired Water Body – means surface waters identified by the Regional Water Board as impaired because water quality objectives are not being achieved or where the designated beneficial uses are not fully protected after application of technology-based controls. A list of impaired water bodies is compiled by the State Water Board pursuant to § 303(d) of the Clean Water Act.

Management Measures – means economically achievable measures for the control of the addition of pollutants from existing and new categories and classes of non-point sources of pollution, which reflect the greatest degrees of pollutant reduction achievable through the application of the best available non-point pollution control practices, technologies, processes, siting criteria, operating methods, or alternatives.

Non-point Source Pollution – means a diffuse discharge of pollutants throughout the natural environment.

Non-point Source Pollution Plan (NPS Plan) – means a State Water Board-adopted plan developed in collaboration with the Regional Water Quality Control Boards and the California Coastal Commission to meet the requirements of § 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 and § 319 of the Clean Water Act. The Plan addresses California's NPS pollution by assessing the State's NPS pollution problems/causes and implementing management programs.

Northern California – means those counties not listed below as "Southern California".

Proposition 50 – is the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002", as set forth in Division 26.5 of the California Water Code (commencing at § 79500).

Region – for the purposes of the IRWM Grant Program, means a geographic area. The physical area, efficacy, and benefits derived from a regional plan are impacted by many variables (physical, political, environmental, societal, and economic) therefore no physical size or dimension will be prescribed for this term. Rather an IRWM Plan and associated applicant must define its region and explain why the geographic area encompassed is appropriate and yields effective, synergistic, efficient water management planning.

Regional Agency – means public agencies with statutory authority over land-use or water management whose jurisdiction encompasses an area greater than the jurisdictional boundaries of any one local public agency.

Regional Water Management Group – for the purposes of the IRWM Grant Program, means a group that, at a minimum, includes three or more local public agencies, at least two of which have statutory authority over water management, which may include but is not limited to water supply, water quality, flood control, or storm water management. The Regional Water Management Group members may participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those public agencies. Other entities, including but not limited to tribal entities or privately owned water utilities regulated by the Public utilities Commission may also be part of a Regional Water Management Group.

Reimbursable Costs – means costs that may be funded under Proposition 50. Reimbursable costs include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation. Costs that are <u>not reimbursable with</u> grant funding include, but are not limited to:

a. Costs, other than those noted above, incurred prior to effective date of a grant agreement with the State;

b. Operation and maintenance costs, including post construction project performance and monitoring costs;

c. Purchase of equipment not an integral part of the project;

d. Establishing a reserve fund;

e. Purchase of water supplies;

f. Replacement of existing funding sources for ongoing programs;

g. Support of existing agency requirements and mandates;

h. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to effective date of a grant agreement with the State; and

i. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after effective date of a grant agreement with the State, the granting agency agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise reimbursable project costs.

Scoring Criteria – means the set of requirements used to choose a project for a given program or for funding; the specifications or criteria used for selecting or choosing a project based on available funding.

Selection Panel – means a group of Department of Water Resources and the State Water Board representatives at the supervisory or management level assembled to review and consider proposal evaluations and scores developed by the Technical Reviewers and to make initial funding recommendations.

Southern California – means the Counties of San Diego, Imperial, Riverside, Orange, Los Angeles, San Bernardino, Santa Barbara, and Ventura.

Stakeholder – is an individual, group, coalition, agency or others who are involved in, affected by, or have an interest in the implementation of a specific program or project.

Technical Reviewers – means a group of agency representatives assembled to evaluate the technical competence of a proposed project and the feasibility of the project being successful if implemented.

303(d) List – refers to Section 303(d) of the Clean Water Act that requires each state to periodically submit to the U.S. Environmental Protection Agency a list of impaired waters. Impaired waters are those that are not meeting the state's water quality standards. Once the impaired waters are identified and placed on the list, § 303(d) requires that the State establish Total Daily Maximum Loads that will meet water quality standards for each listed water body.

Total Maximum Daily Load – is generally a means for recommending controls needed to meet water quality standards for a particular water body. Establishing a Total Maximum Daily Load is an important step in watershed protection because it sets quantified goals for water quality that may then determine what actions are needed to restore or protect the health of the water body. More specifically, a Total Maximum Daily Load identifies the maximum quantity of a particular pollutant that can be discharged into a water body without violating a water quality standard, and allocates allowable loading amounts among the identified pollutant sources.

Urban Water Supplier – means a supplier, either publicly or privately owned, that provides water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. (CWC § 10617)

APPENDIX E
USEFUL WEB LINKS

Regional Water Board Program Priorities/Watershed Management Initiative Chapters

Region 1:	http://www.waterboards.ca.gov/northcoast/programs/watermanageinit.html
Region 2:	http://www.waterboards.ca.gov/sanfranciscobay/2004grants.doc
Region 3:	www.waterboards.ca.gov/centralcoast/WMI/WMI 2002, Final Document, Revised 1-22-02.pdf
Region 4:	http://www.waterboards.ca.gov/losangeles/html/fundings.html
Region 5:	http://www.waterboards.ca.gov/centralvalley/available_documents/watershed/R5_WMI_chapter.html
Region 6:	http://www.waterboards.ca.gov/lahontan/WMI/WMI_Index.htm
Region 7:	http://www.waterboards.ca.gov/coloradoriver/wmi.html
Region 8:	http://www.waterboards.ca.gov/santaana/html/wmi.html
Region 9:	http://www.waterboards.ca.gov/sandiego/programs/wmc.html

Regional Water Quality Control Plans (Basin Plans)

Region 1:	http://www.waterboards.ca.gov/northcoast/programs/basinplan/basin.html
Region 2:	http://www.waterboards.ca.gov/sanfranciscobay/basinplan.htm
Region 3:	http://www.waterboards.ca.gov/centralcoast/BasinPlan/Index.htm
Region 4:	http://www.waterboards.ca.gov/losangeles/html/meetings/tmdl/Basin_plan/basin_plan.html
Region 5:	http://www.waterboards.ca.gov/centralvalley/available_documents/index.html#anchor616381
Region 6:	http://www.waterboards.ca.gov/lahontan/BPlan/BPlan_Index.htm
Region 7:	http://www.waterboards.ca.gov/coloradoriver/documents/RB7Plan.pdf
Region 8:	http://www.waterboards.ca.gov/santaana/html/basin_plan.html
Region 9:	http://www.waterboards.ca.gov/sandiego/programs/basinplan.html

State Water Board Program Priorities:

303d List:	http://www.waterboards.ca.gov/tmdl/docs/2002_cwa_section_303d_list_wqls_020403.pdf
TMDL List:	http://www.waterboards.ca.gov/funding/docs/tmdllist.doc
NPS Program:	http://www.waterboards.ca.gov/nps/protecting.html
NPS Plan:	http://www.waterboards.ca.gov/nps/5yrplan.html
Critical Coastal Areas Program:	http://www.coastal.ca.gov/nps/cca-nps.html
Watershed Action Plan Outline	http://www.coastal.ca.gov/nps/cca-plan-outline.pdf
California's Ocean Plan:	http://www.waterboards.ca.gov/plnspols/oplans.html
USEPA Watershed Plan Elements:	http://www.epa.gov/owow/watershed/

State Water Board Statewide Data Management Programs

Surface Water Ambient Monitoring Program:	http://www.waterboards.ca.gov/swamp/index.html
Groundwater Ambient Monitoring Assessment:	http://www.waterboards.ca.gov/gama/

DWR

Home Page:	http://www.water.ca.gov/
floodSAFE California	http://www.floodsafe.water.ca.gov/
California Water Plan	http://www.waterplan.water.ca.gov
Division of Planning & Local Assistance:	http://www.dpla2.water.ca.gov
Northern District:	http://www.nd.water.ca.gov/index.cfm
Central District:	http://www.cd.water.ca.gov/
San Joaquin District:	http://www.sjd.water.ca.gov/
Southern District:	http://wwwdpla.water.ca.gov/sd
Grants & Loans:	http://www.grantsloans.water.ca.gov/
Water Use and Planning:	http://www.water.ca.gov/nav.cfm?topic=Water_Use_and_Planning
Bulletin 118 California's Groundwater:	http://www.groundwater.water.ca.gov/bulletin118
Groundwater Information Center:	http://www.groundwater.water.ca.gov
Floodplain Management Task Force:	http://fpmtaskforce.water.ca.gov/
Desalination Task Force:	http://www.owue.water.ca.gov/recycle/desal/desal.cfm
Recycling Task Force:	http://www.owue.water.ca.gov/recycle/index.cfm

CEQA Information

Environmental Information: http://ceres.ca.gov/index.html
California State Clearinghouse Handbook: http://www.opr.ca.gov/planning/PDFs/sch_handbook.pdf

CALFED Bay-Delta Program

http://calwater.ca.gov/
http://calwater.ca.gov/Archives/GeneralArchive/RecordOfDecision2000.shtml

California Watershed Portal

http://cwp.casil.ucdavis.edu/index.pl

Department of Industrial Relations

http://www.dir.ca.gov/lcp.asp

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April 20, 2007 08:47 AM Eastern Daylight Time

DWR and State Water Board Announce Round 2 of Prop 50 Integrated Regional Water Management Grant Program

SACRAMENTO, Calif.--(BUSINESS WIRE)--The Department of Water Resources (DWR) and the State Water Resources Control Board (State Water Board) have scheduled one informational workshop and two public meetings to discuss and receive public comments on the Draft Revised Guidelines and the Proposal Solicitation Package (PSP) for Round 2, Proposition 50, Chapter 8, Integrated Regional Water Management (IRWM) Grant Program.

The Round 2, Draft Revised Guidelines and PSP are posted on the following websites:

http://www.grantsloans.water.ca.gov/grants/integregio.cfm

http://www.swrcb.ca.gov/funding/index.html#new

Workshop

An informational workshop is scheduled for 9:30 a.m. on Wednesday, April 25, 2007, at the Cal EPA Building, Byron Sher Auditorium, 2nd Floor, 1001 "I" Street, Sacramento.

DWR and State Water Board staff will provide an overview of the Draft Revised Guidelines, PSP, and schedule for Round 2 of the Proposition 50 IRWM Grant Program. The workshop will also be broadcast via the internet at the following website:

http://www.calepa.ca.gov/Broadcast/

Public Meetings and Comments

DWR and the State Water Board will solicit oral and written comments on the Round 2, Draft Revised Guidelines and PSP from interested parties, stakeholders and the public at two public meetings:

May 21, 2007 10:30 a.m.- Cal EPA Building, Byron Sher Auditorium, Sacramento. The Public Meeting will be broadcast via the internet at:http://www.calepa.ca.gov/Broadcast/

May 23, 2007 10:30 a.m.- California Tower Building, Suites 205 and 206, 2nd Floor, 3737 Main Street, Riverside, California 92501.

Written comments will also be accepted until 5 p.m. on May 24, 2007. E-mail comments to Tracie Billington, DWR at IRWM_GRANTS@water.ca.gov and Shahla Farahnak, State Water Board at sfarahnak@waterboards.ca.gov.

The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.

Contact the DWR Public Affairs Office for more information about DWR's water activities.

Contacts

Department of Water
Resources
Norman Shopay,
916-651-9218
(Conjunctive Water
Management Branch)
Don Strickland, 916-653-9515
(Information officer)
Ted Thomas, 916-653-9712
(Information Officer)

TO: **Water Resource Advisory Committee**

FROM: **Courtney Howard, SLO County Public Works**

VIA: **Paavo Ogren, Deputy Director of Public Works**

DATE: **May 2, 2007**

SUBJECT: **Agenda Item #12.e: Integrated Regional Water Management (IRWM)**

The Department of Water Resources and the State Water Board have recently released the draft guidelines to apply for Prop 50 Round 2 implementation grants under an expedited submittal process (applications are due August 1, 2007). Funding for all of Northern California, including San Luis Obispo County, is limited to approximately $21 million. The District has developed the following application approach based on a review of the currently adopted IRWM Plan, the draft guidelines and those projects that we believe will be best able to compete.

- Hold a public workshop on the proposed approach in mid-May
- Hold technical workshops to revise the IRWM Plan.
- Ask that all participating agencies hold a public review period to review the revised IRWM Plan and ask their Boards or other managing authorities to officially adopt the Plan (by late July!!!)
- Develop application proposal for a $12.5M grant for water supply, water quality, and flood control projects. As a result of the State's expedited timing for plan revisions and grant applications, and the limited Prop 50 grant funding available, Staff is introducing the following application proposal as "initial recommendations" for comparative analysis to other project alternatives during public and technical workshops. Consequently, the opportunity will exist for other project alternatives to be presented prior to Staff's development of final recommendations. Staff believes that the following application would be very competitive.
    - Los Osos Wastewater Project - $10M (Cornerstone Project)
    - Cambria CSD Desalinization Project - $500K (Water Supply)
    - Morro Bay Wastewater Treatment Plant Tertiary Upgrade - $1M (Water Quality)
    - Zone 1/1A Flood Control Levees - $1M (Flood Control)

In order to meet the minimum IRWM Plan standards and qualify for applying for implementation grants, the Plan must be formally adopted by "at least three local public agencies, [and] two of which [must] have statutory authority over water management". Formal adoption requires evidence in the form of a resolution or other written documentation from "the governing bodies of the agencies and organizations that participated in the development of the Plan and have responsibility for implementation of the Plan". **For full credit, the Plan must be publicly reviewed and adopted by August 1, 2007. Agencies with projects in the application must adopt the Plan.**