

SUMMARY OF SOME FUNDING OPPORTUNITIES

Proposition 1 - \$7.5B

- Regional Water Reliability - \$810M
- Safe Drinking Water - \$520M
- Water Recycling - \$725M
- Groundwater Sustainability - \$900M
- Watershed Protection & Ecosystem Restoration, State Settlements - \$1.495B
- Storage - \$2.7B
- Statewide Flood Management - \$395M

Drought Emergency Legislation - +\$1B

- Accelerates \$267 million for safe drinking water and water recycling
- Accelerates drought-related expenditures by \$31 million in targeted additional expenditures (\$132 million total)
- \$4M dollars for emergency drinking water in disadvantaged communities
- \$1.4M to the DWR to increase advertising and public relations related to the Save Our Water campaign
- Accelerates \$660 million for flood protection in urban and rural areas to make the state's infrastructure more resilient to climate change and flood events
- Accelerates \$30 million from the Governor's January budget proposal of cap-and-trade auction revenue for programs that provide a reduction of GHG emissions and also deliver state and local water use efficiency and agricultural water use efficiency

Proposition 84 IRWM

- Funding Remaining:
 - North Coast ~ \$11.M
 - San Francisco Bay ~\$41.3M
- Competitive project proposals through IRWM Groups
- Projects must help address statewide priorities on drought preparedness, use and reuse of water more efficiently, climate change response actions, environmental stewardship expansion, integrated flood management, surface water and groundwater quality protection, tribal water and natural resources improvement, equitable distribution of benefits.
- Projects must be submitted thru IRWMs by August 2015

Water Quality, Supply and Infrastructure Improvement Act of 2014 – \$7.545B

Regional Water Reliability - \$810M

- Integrated regional water management \$510M.
- Stormwater capture \$200M.
- Water conservation \$100M.

Safe Drinking Water - \$520M

- Provide clean, safe and reliable drinking water to all Californians. With minimum to leverage federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program \$260M.
- Drinking water public infrastructure \$260M.

Water Recycling - \$725M

- Statewide water recycling projects and activities.

Groundwater Sustainability - \$900M

- Prevent and reduce groundwater contaminants \$800M.
- Provide sustainable groundwater management planning and implementation \$100M.

Watershed Protection, Watershed Ecosystem Restoration, State Settlements - \$1.495B

- Conservancies \$327.5M.
- Wildlife Conservation Board \$200M (restoration of flows.)
- Department of Fish and Wildlife \$285M (out of delta, no mitigation on Bay Delta Conservation Plan.)
- Department of Fish and Wildlife \$87.5M (in delta with constraints.)
- State settlement obligations including CVPIA \$475M.
- Rivers and creeks \$120M.

Storage - \$2.7B

- Continuous appropriation for water storage projects.

Statewide Flood Management - \$395M

- Statewide flood management projects and activities \$100M.
- Delta levee subvention programs and delta flood protection projects \$295M.

General Provisions

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.
- Assumes repurposing of \$105M from Prop. 84, \$95M from Prop. 50, \$86M from Prop. 13, \$25.5M from Prop. 204, \$13.5M from Prop. 44, \$100M from Prop. 1E and \$7.120B of new debt.



Governor's Proposal

Proposition 1 Bond Funds—Governor's 2015-16 Proposals

(Dollars in Millions)

Purpose	Implementing Departments	Bond Allocation	Proposed in 2015-16	
			Amount	Percent of Total Allocation
Water Storage		\$2,700	\$3	—
Water storage projects	CWC ^a	2,700	3	—
Watershed Protection and Restoration		\$1,495	\$178	12%
Various state obligations and agreements	CNRA	475	—	—
Watershed restoration benefiting state and Delta	DFW	373	37	10
Conservancy restoration projects	Conservancies	328	84	25
Enhanced stream flows	WCB	200	39	19
Los Angeles River restoration	Conservancies	100	19	19
Urban watersheds	CNRA	20	<1	1
Groundwater Sustainability		\$900	\$22	2%
Groundwater cleanup projects	SWRCB	800	1	—
Groundwater sustainability plans and projects	DWR	100	22	22
Regional Water Management		\$810	\$57	7%
Integrated Regional Water Management	DWR	510	33	6
Stormwater management	SWRCB	200	1	—
Water use efficiency	DWR	100	23	23
Water Recycling and Desalination		\$725	\$137	19%
Water recycling and desalination	DWR and SWRCB	725	137	19
Drinking Water Quality		\$520	\$136	26%
Drinking water for disadvantaged communities	SWRCB	260	69	27
Wastewater treatment in small communities	SWRCB	260	66	26
Flood Protection		\$395	—	—
Delta flood protection	DWR and CVFPB	295	—	—
Statewide flood protection	DWR and CVFPB	100	—	—
Administration and Oversight		—	\$1	N/A
Administration ^b	DWR and CNRA	—	1	N/A
Totals		\$7,545	\$533	7%

^a With staff support from DWR.

^b Bond does not provide specific allocation for bond administration and oversight. It allows the use of other allocations for this purpose.

CWC = California Water Commission; CNRA = California Natural Resources Agency; DFW = Department of Fish and Wildlife; WCB = Wildlife Conservation Board; DWR = Department of Water Resources; SWRCB = State Water Resources Control Board; and CVFPB = Central Valley Flood Protection Board.



LAO Recommendations on Specific Proposals

Summary of Recommendations on Governor's Proposals

Issue	Governor's Proposal	LAO Recommendation
Water Storage		
Water storage—DWR	\$3 million and 12 positions for DWR to provide administrative support to CWC for its water storage program.	<ul style="list-style-type: none"> Require CWC to report to the Legislature on how it will determine what are state-level public benefits.
Watershed Restoration and Protection		
Conservancy restoration projects	\$84 million and 13 positions for ten state conservancies and for the Ocean Protection Council to conduct restoration and habitat conservation work. Includes budget bill language (BBL) to allow SDC to transfer funds among purposes.	<ul style="list-style-type: none"> Reject BBL and require the SDC to specify amounts to be spent on state operations versus other purposes. Require CNRA to report at budget hearings on conservancies' project selection process and guidelines.
Enhanced stream flow—WCB	\$39 million and 4.5 positions for WCB to increase stream flow, such as by purchasing long-term water transfers (at least 20 years) and implementing irrigation efficiency improvements.	<ul style="list-style-type: none"> Ensure that under WCB grant guidelines (1) the state pays a reasonable price for purchasing water, (2) the reductions in water use would be additional to what would have happened otherwise, and (3) WCB's purchases of water or other activities do not duplicate regulations. Utilize outside technical experts (such as water lawyers) in developing guidelines.
Groundwater Sustainability		
Groundwater sustainability plans and projects—DWR	\$22 million and 5.5 positions for DWR to fund the development of local groundwater sustainability plans and the installation of groundwater monitoring wells.	<ul style="list-style-type: none"> Require funds for developing groundwater management plans only be available to disadvantaged communities.
Regional Water Management		
Water use efficiency—DWR	\$23 million and 9 positions to DWR for agricultural and urban water use efficiency projects.	<ul style="list-style-type: none"> Require use of Water Plan definition of "net water savings" when calculating benefits. Utilize outside technical experts (such as academic researchers) to implement and evaluate water use efficiency projects.
Water Recycling and Desalination		
Water recycling—SWRCB	\$132 million and 7 positions to expand SWRCB's existing water recycling grant program.	<ul style="list-style-type: none"> Prohibit funding the costs of water recycling projects that are associated with treatment already required. Require SWRCB to report at budget hearings on how new, innovative technologies will be prioritized.
Desalination—DWR	\$6 million and 2 positions for DWR to fund the development of desalination projects.	<ul style="list-style-type: none"> Require DWR to report at budget hearings on how new, innovative technologies will be prioritized.
<p>DWR = Department of Water Resources; CWC = California Water Commission; SDC = San Diego Conservancy; CNRA = California Natural Resources Agency; WCB = Wildlife Conservation Board; and SWRCB = State Water Resources Control Board.</p>		

Drought Emergency Legislation – AB91 & 92

The legislation includes more than \$1 billion for local drought relief and infrastructure projects to make the state's water infrastructure more resilient to extreme weather events. Specifically, the legislation does the following:

1. Accelerates \$267 million from Proposition 1 of 2014, Water Bond funding for safe drinking water and water recycling from the Governor's January budget proposal.
2. Accelerates drought-related expenditures from the Governor's January budget proposal augmented by \$31 million in targeted additional expenditures (\$132 million total), including efforts to implement the Water Action Plan and provide direct assistance to workers and communities impacted by drought.
3. The additional \$31 million in new targeted expenditure items which were not included in the Governor's January budget proposal include the following:
 - a. Seventeen million dollars in additional funding to support emergency food aid to 29 counties most impacted by the drought;
 - b. Four million dollars for emergency drinking water in disadvantaged communities;
 - c. Five million dollars to the DWR to provide emergency drinking water support for small communities, including addressing private wells;
 - d. One million four hundred thousand dollars to the DWR to increase advertising and public relations related to the Save Our Water campaign;
 - e. Two million eight hundred thousand dollars to the DWR and CDFW for additional modeling support and species tracking in the Delta and greater Central Valley to support efficient management of the state's water system; and
 - f. One million dollars to address critical infrastructure deficiencies at remote fire stations that have run out of water.
4. Accelerates \$660 million from the Governor's January budget proposal of Proposition 1E of 2006, bond monies for flood protection in urban and rural areas to make the state's infrastructure more resilient to climate change and flood events. Expenditures of these bond funds will be allocated to program categories that are consistent with the resource allocation recommendations of the Central Valley Flood Protection Plan for prioritizing flood management projects. Specifies that funds shall be available for encumbrance and expenditure until June 30, 2020, and June 30, 2023, respectively.
5. Accelerates \$30 million from the Governor's January budget proposal of cap-and-trade auction revenue to DWR (\$20 million) and CDFA (\$10 million) for programs that provide a reduction of GHG emissions and also deliver state and local water use efficiency and agricultural water use efficiency. Both proposals were part of last year's agreement on cap-and-trade expenditures.

Accelerates drought-related expenditures from the Governor's January budget proposal augmented by \$31 million in targeted additional expenditures (\$132 million total), including efforts to implement the Water Action Plan and provide direct assistance to workers and communities impacted by drought.

this Policy, DWR is making additional points available to proposals with projects that address clean, affordable, and accessible water for human consumption, cooking, and sanitary purposes (see Attachment 6).

III. FUNDING

DWR has administered multiple rounds of solicitations for Proposition 84 IRWM Implementation Grants. This PSP is applicable to the 2015 IRWM Grant solicitation only. This solicitation is intended to be the final solicitation of the Proposition 84 Implementation Grant Program. Approximately \$231.5 million will be available for grant awards. It is DWR's intent to award not less than 10% of the available funding (approximately \$23 million) to projects that provide direct water-related benefits to a DAC.

Table 1 provides a listing of the Funding Areas, the Proposition 84 Allocations Schedule, and the Remaining Balance of funds by Funding Area. The maximum amount of funds awarded through the 2015 IRWM Grant Solicitation for any single Funding Area cannot exceed the amount listed in Column C for that Funding Area.

Because of the limited amount of funding available, it is possible that individual applicants may receive less than the full amount requested. IRWM regions within a funding area are encouraged to coordinate grant requests prior to grant application submittal.

Column A	Column B	Column C
Funding Area	Proposition 84 Schedule	Funding Area Remaining Balances/Maximum Grant Award 2015 Solicitation
North Coast	\$37,000,000	\$11,047,939
San Francisco Bay	\$138,000,000	\$41,305,435
Central Coast	\$52,000,000	\$4,937,016
Los Angeles-Ventura	\$215,000,000	\$40,039,355
Santa Ana	\$114,000,000	\$64,267,686
San Diego	\$91,000,000	\$38,834,904
Sacramento River	\$73,000,000	\$10,129,278
San Joaquin River	\$57,000,000	\$6,674,438
Tulare/Kern	\$60,000,000	\$4,054,299
Lahontan	\$27,000,000	\$6,116,807
Colorado River	\$36,000,000	\$4,175,000
Total	\$900,000,000	\$231,582,158

Funding Match

The minimum funding match is 25% of the total proposal cost. Project costs must be incurred after January 1, 2011 to be considered as funding match. The funding match for DAC projects may be waived based on providing accurate and adequate information in Attachment 7 that confirms the DAC meets the MHI requirement and the project provides a direct water-related benefit to a DAC. See instructions for Attachment 7 for more information on applying for a funding match waiver. See the 2015 IRWM Guidelines, Section II.E, for additional information on Funding Match.

A. Reimbursement Date

For the 2015 IRWM Grant Solicitation, eligible costs incurred after January 1, 2015, will be eligible for reimbursement. Reimbursable costs are defined in 2015 IRWM Guidelines, Appendix B. This reimbursement date will allow applicants to seek reimbursement for costs associated with the preparation of the 2015 IRWM Grant Solicitation application.

IV. SCHEDULE

The schedule in Table 2 shows the program timeline from release of the Final 2015 IRWM Guidelines and PSP through approval of awards. Updates for the events listed in this schedule may be required. When finalized, an updated schedule will be posted on the DWR website listed in the Foreword. Updates may also be advertised through e-mail announcements and news releases. For parties that are not already on the IRWM mailing list and wish to receive updates on the IRWM Grant Program, please visit the website listed in the Foreword to sign up.

Table 2 – IRWM Implementation Grants Proposal Solicitation Process and Schedule	
Milestone or Activity	Schedule
Release Final Program 2015 Guidelines and PSP and on-line application available	<i>Late May 2015</i>
Applicant Workshops: Dates and locations to be provided in the final PSP	<i>July 2015</i>
Grant applications must be submitted via GRanTS by 5:00 p.m. Applications submitted after 5:00 p.m. on the due date will not be reviewed or considered for funding.	<i>August 2015</i>
Public meeting to discuss draft funding recommendations	<i>November 2015</i>
DWR approves final conditional grant awards	<i>December 2015</i>

1) *Italics denote approximate dates. Specific dates will be announced through the website and mailing list discussed in the Foreword.*

V. APPLICATION INSTRUCTIONS

This section provides instructions for preparing and submitting an application. The Application Instructions section consists of two subsections: A. *What to Submit* and B. *How to Submit*. It is important that the applicants follow the Application Instructions to ensure that their application will address all of the required elements. Applicants are reminded that once the application has been submitted to DWR, any privacy rights as well as other confidentiality protections afforded by law with respect to the application package will be waived.

A. What to Submit – Required Application Attachments

This section presents the required elements of an application for grants funded by the IRWM Implementation Grant Program. Applicants must submit a complete application by the deadline contained in the Schedule shown in Table 2. The grant application consists of four sections or “Tabs” as outlined in Table 3 (Grant Application Checklist), which is provided as a guide for the applicants to ensure that they have submitted the required information for a complete application, as follows:

- Applicant Information Tab
- Projects Tab
- Applicant and Information Tab (including Questions 1 through 8)
- Application Attachments Tab (including Attachments 1 through 8)

Failure to submit any required attachment will make the application incomplete. Incomplete applications will not be reviewed or considered for funding. The complete application must be submitted electronically.

ATTACHMENT 2. PROJECT JUSTIFICATION

For the “AttachmentName” in the naming convention of GRanTS, use “ProJust” for this attachment.

Attachment 2 is mandatory and includes a summary of the proposed project(s), including the purpose and how the Proposal meets the need(s) created by the drought. Attachment 2 also contains the estimated physical benefits of the project(s); justifies how the project is technically feasible; describes how the project can achieve the claimed level of benefits; and explain whether the benefits will be attained through the least cost alternative. Attachment 2 should be presented in the following sub-sections:

- Project Summary Table (use Table 4)
- Project Description
- Regional Map and Project Map
- Project Physical Benefits (use Table 5)
- Technical Analysis of Physical Benefits Claimed
- Project Performance Monitoring Plan (use Table 6)
- Cost Effectiveness Analysis (use Table 7)

The information contained in the sub-sections will be used by DWR reviewers to score questions #1 and 6 – 14, contained in Table 10.

PROJECT SUMMARY TABLE

Complete the following table by adding a column for each project contained in the Proposal and marking the applicable IRWM project element(s) in the table. Each project must match at least one project elements. This information will be used by DWR to assess project eligibility. The applicant must submit one Table 4 that includes one column for each proposed project.

Table 4 – 2015 IRWM Grant Solicitation Project Summary Table		
IRWM Project Element		Project Name/ID Add 1 column per Project
IR.1	Water supply reliability, water conservation, and water use efficiency	
IR.2	Stormwater capture, storage, clean-up, treatment, and management	
IR.3	Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands	
IR.4	Non-point source pollution reduction, management, and monitoring	
IR.5	Groundwater recharge and management projects	
IR.6	Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users	
IR.7	Water banking, exchange, reclamation, and improvement of water quality	
IR.8	Planning and implementation of multipurpose flood management programs	
IR.9	Watershed protection and management	
IR.10	Drinking water treatment and distribution	
IR.11	Ecosystem and fisheries restoration and protection	

PROJECT DESCRIPTION

The applicant must include both a brief description of each project (25 words or less for each project) contained in the Proposal and an expanded project description. Also include the name of the respective implementing agency/organization for each project. Additionally, for each proposed project, discuss how the project will address a current need of the region. The project description discussion must not exceed one page per project using a minimum 10-point type font.

Table 1 – Statewide Priorities

Statewide Priority	Description	Source
Drought Preparedness	<p>Proposals that contain projects that effectively address long-term drought preparedness by contributing to sustainable water supply and reliability during water shortages. Drought preparedness projects do not include drought emergency response actions, such as trucking of water or lowering well intakes. Desirable proposals will achieve one or more of the following:</p> <ul style="list-style-type: none"> • Promote water conservation, conjunctive use, reuse and recycling • Improve landscape and agricultural irrigation efficiencies • Achieve long term reduction of water use • Efficient groundwater basin management • Establish system interties 	<ul style="list-style-type: none"> • California Water Plan (CWP) Update 2013 • California Water Action Plan • Governor’s Drought Declaration, January 2014
Use and Reuse Water More Efficiently	<p>Proposals that include projects that implement water use efficiency, water conservation, recycling and reuse to help meet future water demands, increase water supply reliability, and adapt to climate change. Desirable proposals include those with projects that:</p> <ul style="list-style-type: none"> • Increase urban and agricultural water use efficiency measures such as conservation and recycling • Capture, store, treat, and use urban stormwater runoff (such as percolation to usable aquifers, underground storage beneath parks, small surface basins, domestic stormwater capture systems, or creation of catch basins or sumps downhill of development) or projects outlined in PRC §30916 (SB 790) • Incorporate and implement low impact development (LID) design features, techniques, and practices to reduce or eliminate stormwater runoff • Improve the water supply reliability of the Sacramento-San Joaquin Delta • Reduce reliance on the Sacramento-San Joaquin Delta in meeting water supply needs. • Implement an expanded water supply reliability element consistent with adopted urban or agriculture water management plans and the IRWM plan. 	<ul style="list-style-type: none"> • CWP Update 2013 • SWRCB Recycled Water Policy • DWR Sustainability Policy • CWC §10540, 10560 • California Water Action Plan • Delta Plan WR-R7
Climate Change Response Actions	<p>Water Management actions that will address the key Climate Change issues of:</p> <ul style="list-style-type: none"> • Assessment of Vulnerabilities as a Result of Climate Change • Adaptation to Climate Change • Reduction of Greenhouse Gas (GHG) Emissions • Reduce Energy Consumption <p>Proposals that contain projects that when implemented address adaptation to climate change effects in an IRWM region. Desirable proposals include those that:</p> <ul style="list-style-type: none"> • Advance and expand conjunctive management of multiple water supply sources • Use and reuse water more efficiently • Water management system modifications that address anticipated climate change impacts, such as rising sea-level, and which may include modifications or relocations of intakes or outfalls • Establish migration corridors, re-establish river-floodplain hydrologic continuity, re-introduce anadromous fish populations to upper watersheds, and enhance and protect upper watershed forests and meadow systems <p>Proposals that contain projects that reduce GHG emissions compared to alternate projects that achieve similar water management contributions toward IRWM objectives. Desirable proposals include those that:</p> <ul style="list-style-type: none"> • Reduce energy consumption of water systems and uses • Use cleaner energy sources to move and treat water <p>Proposals that contain projects that reduce not only water demand but wastewater loads as well, and can reduce energy demand and GHG emissions. Desirable proposals include:</p> <ul style="list-style-type: none"> • Water use efficiency • Water recycling • Water system energy efficiency • Reuse runoff 	<ul style="list-style-type: none"> • CWP Update 2013 • CHSC §38500 • Managing an Uncertain Future, DWR October 2008 • California Water Action Plan

Table 1 – Statewide Priorities

Statewide Priority	Description	Source
Expand Environmental Stewardship	Proposals that contain projects that practice, promote, improve, and expand environmental stewardship to protect and enhance the environment by improving watersheds, floodplains, and instream functions, and to sustain water and flood management ecosystems. Also, proposals that contain projects that protect, restore, and enhance the Delta ecosystem	<ul style="list-style-type: none"> • CWP Update 2013 • DWR Environmental Stewardship Policy • Delta Reform Act 2009 • California Water Action Plan
Practice Integrated Flood Management	Proposals that contain projects that promote and practice integrated flood management to provide multiple benefits including: <ul style="list-style-type: none"> • Better emergency preparedness and response • Improved flood protection • More sustainable flood and water management systems • Enhanced floodplain ecosystems • LID techniques that store and infiltrate runoff while protecting groundwater 	<ul style="list-style-type: none"> • CWP Update 2013 • California Water Action Plan
Protect Surface Water and Groundwater Quality	Proposals that include: <ul style="list-style-type: none"> • Protecting and restoring surface water and groundwater quality to safeguard public and environmental health and secure water supplies for beneficial uses • Salt/nutrient management planning as a component of an IRWM Plan • Access of safe drinking water to small DACs, for areas that have been identified as nitrate high risk areas. 	<ul style="list-style-type: none"> • SWRCB Recycled Water Policy • SWRCB Nitrate Report
Improve Tribal Water and Natural Resources	Proposals that include the development of Tribal consultation, collaboration, and access to funding for water programs and projects to better sustain Tribal water and natural resources.	<ul style="list-style-type: none"> • CWP Update 2013
Ensure Equitable Distribution of Benefits	Proposals that: <ul style="list-style-type: none"> • Increase the participation of small and disadvantaged communities in the IRWM process, including DAC capacity to identify, develop, and design projects critical to their communities. . • Develop multi-benefit projects with consideration of affected disadvantaged communities and vulnerable populations • Contain projects that address safe drinking water and wastewater treatment needs of DACs • Address and consider the Human Right to Water needs within the region • Address critical water supply or water quality needs of California Native American Tribes within the region • Provide access to safe, clean, and affordable water, adequate for human consumption, cooking and sanitary purposes. 	<ul style="list-style-type: none"> • CWP Update 2013 • CWC § 106.3 • California Water Action Plan

These program preferences are reflected in the scoring criteria and will be taken into consideration during the review process. Appendix A includes a listing of web links for accessing additional information on the Program Preferences.

G. Competition

IRWM Grants are awarded on a competitive basis using specific criteria contained in the PSP. For the 2015 Grant Solicitation, DWR will make funding decisions based on overall application scores and the statewide drought impacts and need. In order to ensure wise investments of State general obligation bond funds, minimum scores for various criteria may be implemented to ensure that quality proposals are awarded funding.