

PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013

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|-----------------------|--|----------------------------|--------------|
| Applicant | Merced Irrigation District | Amount Requested | \$ 3,190,335 |
| Proposal Title | Merced Integrated Regional Water Management (IRWM) Implementation Grant Proposal | Total Proposal Cost | \$ 3,372,671 |

PROJECT SUMMARY

The proposal includes 4 projects: (1) Black Rascal Flood Control Project; (2) Planada Community Services District Water Conservation Project; (3) El Nido Area Recharge Project; and (4) Merced River Education and Enhancement Program.

PROPOSAL SCORE

| Criteria | Score/ Max. Possible | Criteria | Score/ Max. Possible |
|--|-------------------------|----------------------------|-------------------------|
| Work Plan | 12/15 | Technical Justification | 6/10 |
| Budget | 3/5 | | |
| Schedule | 5/5 | Benefits and Cost Analysis | 21/30 |
| Monitoring, Assessment, and Performance Measures | 3/5 | Program Preferences | 10/10 |
| Total Score (max. possible = 80) | | | 60 |

EVALUATION SUMMARY

WORK PLAN

The criterion is fully addressed but is not supported by thorough documentation or sufficient rationale. A demonstration of need is lacking for some projects, and some projects do not adequately characterize how the project will function, Project 3 in particular. The discussion of Project 1 in the workplan lacks detail. Without reading the attached feasibility study it is difficult to understand the project alternatives being discussed or the rationale for the project. This information should be summarized in the workplan. Finally, given that the applicant is requesting funds to complete CEQA and begin design for Project 1, discussion of financing to complete construction should be included. Finally, clear deliverables are not presented for Project 1.

BUDGET

The Budgets for more than half of the projects in the proposal have detailed cost information but not all costs appear reasonable or supporting information is lacking for a majority of the budget categories. Project 1 budget provides no justification for design or environmental documentation costs (represented by two lump sums of \$250,000 and \$750,000, respectively). Justification for County personnel hours is based upon “past experience” without referencing

any particular project. Not all costs appear to be reasonable for project 3. Estimates for permitting do not appear to have been included. Projected costs for environmental documentation (Mitigated Negative Declaration), and reporting seem inadequate. Labor costs and hourly rates for project 4 are discussed but no information is provided describing how these estimates are derived. In some cases costs for labor and equipment or multiple pieces of equipment are lumped together with no explanation (see page 4-27 for \$80,000 “labor/equipment and materials for weir installation and associated elements” and page 4-26 for “Kayaks w/gear, kayak trailer, GPS for citizen mapping”).

SCHEDULE

The schedule is consistent with the Work Plan and Budget. Milestones and linkages between tasks are provided. All projects will begin implementation by October 2014.

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is less than fully addressed and documentation or rationales are incomplete. Some project goals/benefits claimed in portions of the application such as water quality and habitat restoration (see attachments 7, 8, and 10) are not discussed and numeric targets are not provided. For example, protect and enhance water quality is one of the primary objectives of projects 1, 3, and 4. No matrix for evaluating water quality impacts is provided for any of these projects. Project 4 identifies appropriate measurement tools but measureable numeric targets are generally not linked to the tools.

TECHNICAL JUSTIFICATION

The proposal appears to be technically justified to achieve the claimed benefits but lacks documentation that demonstrates the technical adequacy of the projects and physical benefits are not well described. For example, information provided for project 3 to support the benefits claimed consists primarily of raw data. A table of water level data is presented without any reference map for the well locations or interpretation of the data. Tables of recharge data are attached without a map or any useful narrative. Two draft studies were completed for project 3 and are listed in the Work Completed section (see page 3-11). Unfortunately, these studies are not referenced elsewhere, summarized or submitted with the application. These studies are critical for determining the feasibility of and evaluating the technical justification for the project. The technical justification for project 4 focuses on water safety without providing sufficient discussion of the habitat restoration benefits or water quality benefits. The only physical benefits quantified are increased boating user-days, avoided water deaths, and avoided emergency response.

BENEFITS AND COST ANALYSIS

Collectively the proposal is likely to provide a high level of benefits in relationship to cost, but the quality of the analysis or clear and complete documentation is lacking. One flood damage reduction project (project 1) requests funds for planning and design only. Analysis was reasonable and possibly conservatively low, and apportioned benefits according to that cost relative to full cost to completion. Water conservation from meter installation is tied to implementation of volumetric water rates.

A groundwater recharge project (project 3) would provide flood water to farmers in lieu of their pumping groundwater. However, it is unclear if the water has an opportunity cost and if growers will be able to use the water at the time it is available. A regional education and river enhancement project (project 4) provides a range of benefits, although the assumptions used to quantify some of them are not well documented.

Some important non-monetized benefits are identified and described, notably avoided legal conflicts, health and safety, water quality, and improving the long term quality and sustainability of groundwater.

PROGRAM PREFERENCES

Applicant claims that six program preferences and seven statewide priorities will be met with project implementation. However, applicant demonstrates high degree of certainty, and adequate documentation for nine of the preferences claimed: (1) Include regional projects or programs; (2) Effectively integrate water management programs and projects within hydrologic region; (3) Address critical water supply or water quality needs of disadvantaged communities within the region; (4) Drought Preparedness; (5) Use and Reuse Water More Efficiently; (6) Climate Change Response Actions; (7) Expand Environmental Stewardship; (8) Practice Integrated Flood Management; and (9) Ensure Equitable Distribution of Benefits.