

Section F: Project Review Process

The projects included in this Integrated Regional Water Management (IRWM) Plan are meant to implement the Plan and achieve Plan objectives. All projects must undergo a thorough review process before they can be formally included in the IRWM Plan. The Proposition 84/1E IRWM Grant Program Guidelines require that certain factors be used in the review process. These factors include:

- ❑ How the project contributes to plan objectives
- ❑ How the project is related to resource management strategies
- ❑ Technical feasibility of the project
- ❑ Special benefits to critical disadvantaged community (DAC) water issues
- ❑ Special benefits to critical water issues for Native American tribal communities (Note: This factor is not applicable in the Greater Monterey County IRWM region. While Native American tribes inhabit the area, there are no designated tribal lands or “communities” within the region.)
- ❑ Environmental justice considerations
- ❑ Project costs and financing
- ❑ Economic feasibility
- ❑ Project status
- ❑ Strategic considerations for plan implementation
- ❑ Contribution of the project in adapting to the effects of climate change
- ❑ Contribution of the project in reducing greenhouse gas emissions as compared to project alternatives
- ❑ Whether the project proponent has adopted (or has committed to adopting) the IRWM Plan

With each new project solicitation for the IRWM Plan, a Project Review Committee, comprised of Regional Water Management Group (RWMG) members, is convened to review each of the projects. The committee: 1) ensures that projects meet “minimum standards” for inclusion in the Plan, 2) seeks opportunities for integration, and 3) prioritizes the projects according to how well they meet the IRWM Plan objectives, as well as how well they meet objectives and priorities of the IRWM Grant Program. The result of this process is a ranked project list, vetted and approved by the RWMG. All projects on the project list are eligible for IRWM grant funds.

The following sections describe the project review process, per the Proposition 84/1E IRWM Grant Program requirements outlined above.

F.1 PROCEDURES FOR SUBMITTING A PROJECT FOR INCLUSION IN THE IRWM PLAN

Projects are solicited from stakeholders for inclusion in the IRWM Plan once every year or every other year, depending on IRWM Grant Program solicitations. Project solicitations for the IRWM Plan are planned to anticipate the IRWM Implementation Grant Program schedule, in order to ensure that the project list included in the Plan is as current as possible prior to an IRWM Implementation Grant solicitation.

Both implementation projects and concept proposals are accepted. Concept proposals are accepted for several reasons: to encourage stakeholders to come up with new projects that will address IRWM Plan objectives; to enable all water resource managers and planners in the region to see what ideas are “out there”; and to help project proponents bring their concept proposals to implementation by providing

information for alternative funding sources. The submission of concept proposals is also encouraged to enhance project integration, enabling certain concept proposals (or components thereof) to be “added on” to an existing implementation project. This may not only provide “multiple benefits” to the existing implementation project but may help that concept proposal get implemented. One example of this is a concept proposal submitted by The Return of the Natives at California State University Monterey Bay (CSUMB) to add native plant restoration to any implementation project, as appropriate. Note that concept proposals are not ranked along with the implementation projects, and are not eligible for submission to the State for IRWM grant funding.

An email notification is sent to all stakeholders announcing each new project solicitation for the IRWM Plan approximately two months prior to the application deadline. Application forms for implementation projects and concept proposals are forwarded with the email and are also available on the Greater Monterey County IRWM website (in both English and Spanish; see Appendix F1 for an example of the application forms). Public workshops to explain the project submission process and to answer any questions are also conducted around the time the project solicitation is announced. In 2010, for example, three public workshops were held at different times of day and in different locations (Salinas, Big Sur, and King City, with Spanish language translation available at the latter workshop). In 2011, two public workshops were held, in Salinas and King City.

F.2 PROCEDURES FOR REVIEW OF PROJECTS TO IMPLEMENT THE IRWM PLAN

F.2.1 Project Review Process

The first step in the project review process is ensuring that projects (including concept proposals) meet the minimum standards to be included in the IRWM Plan. Minimum standards consist of the following:

1. The project must be located within the boundaries of the Greater Monterey County IRWM region, or otherwise directly benefit the region.¹
2. The project must include one or more of the following elements (as outlined in PRC §75026(a)):
 - Water supply reliability, water conservation and water use efficiency.
 - Stormwater capture, storage, clean-up, treatment, and management.
 - Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.
 - Non-point source pollution reduction, management and monitoring.
 - Groundwater recharge and management projects.
 - Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users.
 - Water banking, exchange, reclamation and improvement of water quality.
 - Planning and implementation of multipurpose flood management programs.
 - Watershed protection and management.
 - Drinking water treatment and distribution.
 - Ecosystem and fisheries restoration and protection.

¹ An example of eligible projects located outside of the Greater Monterey County IRWM regional boundaries is projects located at Lake Nacimiento and along the Nacimiento River from the reservoir to the Salinas River. The Nacimiento reservoir is located in San Luis Obispo County, but is owned and operated by MCWRA and is an important water supply and groundwater recharge source for the region.

3. The project has the support and approval of the landowner(s) for the property(ies) on which the project is located (i.e., the project proponent must be able to provide assurance of landowner support before a project can be submitted for IRWM grant funds).
4. The project must address IRWM Plan objectives.

After projects are reviewed for minimum standards, the Project Review Committee conducts a more thorough review to ensure consistency with laws, regulations, permit requirements, and local plans, to identify potential problems or conflicts (either with IRWM Plan objectives or with other projects), to identify possibilities for integration with other projects, and finally, to assess each project according to the project ranking criteria (see below). In addition, all projects, including concept proposals, are screened for potential environmental justice impacts or impacts to disadvantaged communities (DACs). The following section describes the process for prioritizing projects in the IRWM Plan.

F.2.2 Project Ranking Process

The Proposition 84/1E IRWM Grant Program Guidelines stipulate that RWMGs must prioritize the projects included within their IRWM Plans. This is not an easy process, and different IRWM regions throughout the state have come up with different systems for prioritizing their projects. The idea is to develop a project ranking system that is objective and fair, and that can be systematically applied with the end result being an objectively ranked numerical listing of projects.

This section describes the project ranking process used to prioritize projects in the Greater Monterey County IRWM region. This process was approved by the RWMG by vote in September 2011 (with amendments added through March 2014). The project ranking criteria may be revised with subsequent project solicitations if needed, with the approval of the RWMG. Note that stakeholders were given an opportunity to provide input into the project ranking process when the process was first developed, via a 30-day public comment period.

All implementation projects included in the Greater Monterey County IRWM Plan are ranked relative to one another through this project ranking system. Concept proposals are not ranked (and are not eligible for grant funding). It is important to keep in mind that *the final ranked project list does not necessarily dictate which projects get submitted for funding through the IRWM Grant Program or through other funding sources* but is merely a tool to help the RWMG and the State evaluate the many projects within our region. At the top of that list will be the projects that 1) best meet the region's goals and objectives, and that 2) best meet the objectives of the State's IRWM Grant Program. Those are the projects that will be most competitive for State IRWM grant funds.

The project ranking process takes into consideration the following factors:

1. *Objectives*: How well a project addresses the Greater Monterey County IRWM Region's goals/objectives
2. *Integration*: How well a project incorporates "integration"
3. *Project Need*: Recognition of special or urgent need
4. *Overall Strength of Project*: Strength of project in terms of its technical feasibility, project costs and financing, and work plan
5. *DACs/Environmental Justice*: The extent to which a project addresses a critical need of a DAC and/or environmental justice concerns

Each of these factors is weighted. The following table shows the relative weighting of each of the five factors, and the maximum number of points that a project can achieve for the various criteria within each category (with 100 being the total maximum number of points possible):

Table F-1: Project Ranking - Summary of Points

Category	Criteria	Maximum Potential Points
Objectives = 40%	Regional objectives (in the IRWM Plan)	40
Integration = 20%	Strength of benefits, and whether there are multiple benefits	10
	Resource management strategies	2
	Partnerships	4
	Regionalism	4
Project Need = 10%	Special/urgent need	10
Overall Strength of Project = 20%	Technical feasibility	8
	Project costs/financing	6
	Work Plan	6
DACs/EJ = 10%	Addresses critical need of DAC and/or environmental justice	10
TOTAL		100

The table below describes the scoring methodology in more detail:

Table F-2: How Projects are Scored

Category	Explanation of Scoring
Objectives	There are 7 goals and 57 regional objectives in the IRWM Plan. Projects are scored on a scale of 0-5 based on how many and how well the regional objectives are addressed, with 285 points being the maximum possible. Then, projects are ranked “on a curve”: projects are assigned points relative to each other, so that the project with the most objectives addressed gets the full amount of points possible (40), and a project with half those objectives gets half those points (20). ² Points are awarded for the relative number of objectives addressed.
Integration	Integration includes the following categories: <ul style="list-style-type: none"> - Project Benefits (max 10 points) - Resource Management Strategies (max 2 points) - Partnerships (max 4 points) - Regionalism (max 4 points) Points are awarded (on a sliding scale) as follows: <ul style="list-style-type: none"> - <u>Project Benefits</u>: A project can receive up to 10 extra points to the extent that it demonstrates water supply, water quality, flood reduction, and/or other benefits. No points if only “minimal” benefits are demonstrated. - <u>Resource Management Strategies</u>: A project can receive up to 2 extra points for using a diverse mix of strategies, or for using a resource management strategy

² Here’s the formula: Take the highest raw score for objectives and divide that number by 40 (e.g., for 2012 projects, the highest score for objectives for any one project was 127. That divided by 40 is 3.175. Then divide each project’s raw objectives score by 3.175).

	<p>that most other projects do not (i.e., contributing to the diversification of the region’s water management portfolio). No points for using just one strategy.</p> <ul style="list-style-type: none"> - <u>Partnerships</u>: A project can receive up to 4 extra points if it demonstrates multiple partnerships, based on diversity and number of partners. No points if there are no partners. - <u>Regionalism</u>: A project can receive up to 4 extra points if it demonstrates regional (vs. local) benefits: <ul style="list-style-type: none"> - 1 point: Benefits 8-digit HUC or smaller area - 2 points: Benefits 3-digit hydrologic unit code (HUC) area - 3 points: Benefits entire IRWM Plan region - 4 points: Benefits extend beyond the IRWM Plan region
Project Need	A project can receive up to 10 extra points (on a sliding scale) if there is a recognized special or urgent need. These are used as “bonus” points; i.e., projects with “average” need receive no points.
Overall Strength of Project	<p>This category recognizes the overall strength of a project in terms of its technical feasibility, project costs/financing, and work plan. Maximum potential score in this category is 20, as follows:</p> <ul style="list-style-type: none"> - Technical feasibility (0-8 points) - Project costs/financing (0-6 points) - Work plan (0-6 points)
DACs/ Environmental Justice	A project can receive up to 10 extra points if it addresses a critical water resource need of a DAC, or if a project addresses an environmental justice concern.

All implementation projects in the IRWM Plan are ranked according to this process. The result is a ranked Project List, which is then approved by the RWMG and officially incorporated into the IRWM Plan. The ranked project list for 2012 IRWM Plan projects is provided, as an example, in Section G. The most current ranked Project List is posted on the Greater Monterey County IRWM website: <http://www.greatermontereyirwmp.org/projects/proposed/>.

Finally, if the RWMG finds that the project ranking system falls short in achieving its ultimate purpose (i.e., if the projects/programs that should clearly float to the top, don’t), then the RWMG will re-evaluate the project ranking system to address the discrepancy. Any revisions made to the project ranking system would have to be formally approved by vote of the RWMG.

F.2.2.a A Note about Climate Change Review Factors

Two of the required project review factors contained in the IRWM Program Guidelines concern climate change:

- ❑ Contribution of the project in adapting to the effects of climate change
- ❑ Contribution of the project in reducing greenhouse gas (GHG) emissions as compared to project alternatives

Round 1 IRWM Planning Grant funds have been used to address the Proposition 84 and 1E IRWM program standards for climate change in this IRWM Plan, including three broad focuses: (1) analysis and assessment of regional vulnerabilities to climate change, (2) identification of adaptation strategies for the projected effects of climate change in the region, and (3) identification of mitigation strategies for GHG emissions. Please see Section R of this IRWM Plan for an overview of climate change and anticipated impacts for the Greater Monterey County region (including Sections R.4 Evaluating the Adaptability of

Water Management Systems in the Region to Climate Change, R.5 Initial Adaptation Strategy, and R.6 Climate Change Mitigation and GHG Emissions Reduction Strategy).

When submitting a project for inclusion in the Greater Monterey County IRWM Plan, project proponents are asked to describe how their project will contribute to mitigating the effects of climate change and/or to reducing GHG emissions, and/or how their project will help the region respond to climate change effects, such as sea level rise. To help project proponents estimate GHG emissions from their projects, the project application form directs project proponents to the California Emissions Estimator Tool (CalEEMod), which can be accessed on the Greater Monterey County IRWM website: <http://www.greatermontereyirwmp.org/performance/>.

Projects submitted to the IRWM Plan are scored according to how well they contribute toward mitigating and/or adapting to climate change impacts. The IRWM Plan contains seven “climate change” objectives; projects receive points according to how well they address each of these seven objectives (see Section D of this Plan for the Greater Monterey County regional objectives). Projects are thus given higher prioritization to the extent that they contribute to mitigating the effects of climate change, to helping the region adapt to the impacts of climate change, and/or to reducing GHG emissions.

F.2.3 Selecting Projects for IRWM Grant Funds

The final step in the project review process involves selecting projects for application to the State for IRWM grant funds. Whenever an IRWM grant solicitation is announced, the RWMG must decide which projects to put forward in a grant application package on behalf of the Greater Monterey County region. Only a limited number of projects can be submitted in any one round. To make this decision, the RWMG will begin with the ranked project list and select:

- Only those projects that are ready to proceed.
- Only those projects whose project proponents have adopted, or have expressed a commitment to adopt, the IRWM Plan (the Proposition 84/1E IRWM Program Guidelines stipulate that each project proponent named in an IRWM Grant application must adopt the IRWM Plan).
- Only those projects for which project proponents are able to provide certainty of landowner support.

With the resulting list of “eligible projects” from which to select for that IRWM grant solicitation round, the RWMG will then take into consideration the following factors:

- How well a project scored in the project ranking
- Economic effects of the project (based on a preliminary economic analysis – see below)
- How well a project addresses IRWM Program Preferences
- Project costs relative to the amount of IRWM funding available in that round
- How well the various projects can be integrated to address regional needs and provide the most benefit to the region.

The desired outcome is an application package comprised of several projects that, together, will help implement the objectives of the Plan, will provide multiple and regional benefits for the Greater Monterey County IRWM region, and that will be most competitive on a State level for IRWM (and other) grant funds.

F.2.3.a Preliminary Economic Analysis

The economic effects of a project are an important factor which the RWMG must take into consideration when selecting projects to put forward for any particular grant solicitation. Preparing a full benefit-cost analysis or cost-effectiveness analysis can be time consuming and prohibitively expensive, particularly for smaller organizations; so rather than requiring a full economic analysis from each project proponent prior to the grant application process, the RWMG has opted to require a “preliminary” economic analysis from those project proponents who wish to have their projects considered for any particular grant round. The RWMG will use the results of the preliminary economic analysis to help select which projects to put forward in that round.

To assist project proponents in preparing a preliminary economic analysis, the RWMG hired an economic consultant (with Round 1 IRWM Planning Grant funds) to develop an “economic screening tool.” The economic screening tool is not intended to serve as a benefit-cost analysis, but is designed to solicit preliminary information about the types of benefits and costs the projects are likely to generate. The economic screening tool consists of a spreadsheet template that guides project proponents through identifying the effects of their project. The categories of effects include the following:

- *Water supply*, including: additional water produced, saved or recycled, distinguishing between impacts on groundwater and surface water; increased water supply reliability; increased storage or system capacity; or decreased variability in water supply.
- *Water quality*, including: a description of how the project will improve water quality; water quality constituents affected; reduced costs associated with improvements in water quality; reduced likelihood of water quality violations; or reduction, if any, in sediment deposition.
- *Environmental quality*, including: acres of habitat restored, protected, or enhanced; plants and animal species the project affects, with special attention on threatened or endangered species; or potential increases in carbon sequestration.
- *Flood reduction*, including: description of how the project will reduce risks of flooding; description and quantification of infrastructure, land uses, and/or lives protected from flooding; alteration of FEMA flood maps or reduction in flood insurance premiums.
- *Recreation*, including: improvements to existing recreational areas or facilities and/or quality of recreational opportunities; or increases in recreational use.
- *Energy*, including: increases in renewable energy production; or reduced energy use.
- *Other community and social benefits*, including: increased education or training opportunities, which may result in benefits not captured in the other benefit categories; new technology or new data produced; the avoidance, reduction, or resolution of an existing resource conflict; or promotion of social health or safety not otherwise captured in the other benefit categories.
- *Other sustainability benefits*, including: whether the project will improve the overall long-term management of California’s groundwater resources; or whether the project will provide a long-term solution in place of a short-time one.

Other questions in the economic screening tool intended to establish the project’s overall benefits include:

- *General project information*, including project alternatives proposed and whether the project serves a disadvantaged community.
- *Evidence of demand for the project’s effects*, including: whether the project will produce effects that address documented problems related to scarcity of a resource; whether the project is likely to create or enhance goods or services for which there are no nearby or adequate substitutes; whether the project is likely to result in reduced risk of loss of life or damage to property; or

whether the project is likely to result in reduced risk of disruption or restoration of critical services.

- *Distribution and equity considerations*, including whether the project will produce benefits for a disadvantaged community.

The economic screening tool also provides a cost worksheet, which includes: the cost estimate; whether the cost estimate includes operation and maintenance costs and if not, the average annual O&M costs; other costs required to generate the benefits described but not included in the cost estimate, including in-kind donations, land acquisitions, and volunteer time; potential costs for other individuals, not reflected in the total project cost; and whether the project might be controversial, or otherwise generate conflict.

Finally, the economic screening tool provides a summary page to assist RWMG Project Reviewers in a preliminary assessment of the benefits and costs each project is likely to generate. The RWMG will then use this information to help them select which projects to put forward in any grant solicitation round.

The economic screening tool is attached as Appendix F2 (Instructions for Project Proponents) and Appendix F3 (Economic Screening Tool Template), and can be downloaded from the Greater Monterey County IRWM website at: <http://www.greatermontereyirwmp.org/documents/solicitation/>.

F.3 PROCEDURES FOR COMMUNICATING THE IRWM PLAN PROJECT LIST

The ranked project list for 2012 IRWM Plan projects, along with a brief summary of each project, is provided in Section G. As described earlier, the IRWM Plan project list will evolve with each new project solicitation (anticipated to occur on an annual to bi-annual basis, contingent on the Proposition 84 and 1E IRWM grant solicitation schedules). Section G of this IRWM Plan will be updated whenever a new project list is generated. Updating this section will not entail formal re-adoption of the Plan, but just the approval (i.e., simple majority vote) of the RWMG. The project lists (and updates) will be announced to stakeholders via email, and will also be available for download on the Greater Monterey County IRWM website at: <http://www.greatermontereyirwmp.org/projects/>.