

**Comments on the Draft Proposal Solicitation Package
For Integrated Regional Water Management Implementation Grants, Step 2
June 2005**

I. INTRODUCTION

This section states that the Step 2 application must be consistent with the Step 1 Proposal.

This statement should be refined to indicate that the Step 2 application must be consistent with the Step 1 Proposal, aside from changes indicated in Attachment 15 of the Draft PSP.

II. APPLICATION INSTRUCTIONS

Table 1 – FFAST Checklist

1. GENERAL INFORMATION

The Watershed field requires the name(s) of watershed(s) the region covers. If the region covers multiple watersheds, the primary watershed is to be listed first.

In Step 1, this entry did not allow for multiple watersheds to be listed in the field due to the limited number of available characters. If this is still the case for Step 2, then the PSP should specify how to enter information to indicate that there are multiple watersheds (i.e. "+ 6 others" after the primary watershed is entered if there are 7 watersheds).

6. APPLICATION QUESTIONNAIRE

Q6. IRWM Plan Adoption Date

Please clarify the definition of the plan adoption date. Is that the date that the plan is adopted by the entire region or by one of the agencies in the region?

Q7. Eligibility

Will the FFAST allow for multiple entries for the multiple regional water management group members that qualify as urban water suppliers? Please verify that there is no limit to the number of characters that can be entered.

IV. REQUIREMENTS FOR ATTACHMENTS

Attachment 1 Authorizing Documentation

This documentation is the same as was requested/provided in Step 1; therefore, the PSP should indicate that it may be the same as used in Step 1.

Attachment 2 Eligible Applicant Documentation

This documentation is the same as was requested/provided in Step 1; therefore, the PSP should indicate that it may be the same as used in Step 1.

Attachment 3 Work Plan

This section refers to Exhibit C for preparing this attachment. Exhibit C states that the work item section must contain a discussion of how the applicant will coordinate with its partner agencies who may receive funding from the grant.

Is there a preference as to how this coordination is to be established (i.e. letters of agreements, memorandum of understanding, etc.)?

Another requirement in the work item section is a discussion of standards.

Do these standards include quality assurance plans?

Attachment 4 Budget

This section states that applicants must consider the relevant labor code compliance requirements and the applicability of prevailing wage laws in developing the estimate of project costs.

Please clarify whether or not there are any standards set for when compliance must be completed for projects receiving funding, considering a labor compliance program may take several months to complete.

This section refers to Exhibit D for preparing this attachment. Exhibit D (Direct Project Administration Costs) states that back-up data shall be provided along with the details of direct project administration costs.

The PSP should explain what types of back-up data would be acceptable.

Exhibit D (Land Purchase/Easement) states that the purchase price for the portion of land to be dedicated to the Proposal may, in certain circumstances, be included in an applicant's funding match.

The PSP should explain the "certain circumstances" that would make the purchase price of the land eligible for a funding match.

Attachment 5 Schedule

This section states that the schedule should include a reasonable estimated end date that encompasses all aspects of the Proposal including time for any final reports and invoicing.

Since there is no set timeframe in which to complete the proposed projects, it is not clear as to what is considered a "reasonable estimated end date" for project implementation. Therefore, reasonableness of implementation time should be considered on a project-by-project basis and this should be specified in the PSP.

This section states that a financing plan should be included in the work items presented in the schedule for each project, as well as for the Proposal itself.

Please describe the requirements for the financing plan.

Attachment 6 Funding Match

This section refers to Exhibit E for preparing this attachment. Exhibit E only applies to applicants who in Step 1 submitted a request for waiver or reduction of the funding match.

The PSP should state that Attachment 6 is only required for proposals which included a request for a waiver or reduction in Step 1.

The requirements described on pages 14 and 15 are not consistent with Exhibit E; therefore, the information on those pages should be rewritten.

Attachment 7 Economic Analysis

This section refers to Exhibit F for preparing this attachment. Exhibit F (Analysis Guidelines and Assumptions), 2nd Bullet, states that the economic analysis should be based on a comparison of expected conditions with and without the Proposal over the period of analysis.

Please clarify what is to be included in the comparison. Is this an analysis of each project location assuming the project is implemented versus not?

Exhibit F (Analysis Guidelines and Assumptions), 5th Bullet, includes a statement regarding the passage of Proposition 50 taking place on November 5, 2004.

Proposition 50 was passed in 2002.

Attachment 8 Other Expected Benefits

This section states the following: The other expected benefits that should be presented in Attachment 8 include, but are not limited to, ecosystem restoration, flood management, recreation and public access benefits, and power cost savings and production. However, such other expected benefits must be primary and direct benefits that accrue from implementation of the IRWM Plan and this Proposal and not indirect benefits.

The phrase “primary and direct benefits” needs to be further defined as apart from “indirect benefits”, since these terms are somewhat open to interpretation. Also, the statement “accrue from implementation of the IRWM Plan and this Proposal and not indirect benefits” includes two separate thoughts, since the IRWM Plan includes additional projects in comparison to the Proposal projects. Therefore, it should be clarified if it is the State’s intent to receive discussion on primary and direct benefits from both the implementation of the IRWM Plan itself as well as the implementation of the Proposal.

This section refers to Exhibit G for preparing this attachment. The first four bullets of Exhibit G list a few benefit types.

Another bullet should be added for groundwater recharge.

Attachment 9 Scientific and Technical Merit

This section refers to Exhibit H for preparing this attachment. This exhibit states that the technical adequacy will be determined based on the application of currently accepted scientific and technical principles and proven technologies appropriate for the types of projects proposed for implementation.

Please clarify the meaning of “currently accepted scientific and technical principles and proven technologies.” Technologies that address storm water and urban runoff water quality are fairly new and evolving. Determining what principles are proven or accepted may be subjective.

Exhibit H requires that Attachment 9 provide a discussion on various items that are listed beginning on page 52 and continue to the middle of page 53.

Some of these items may not be applicable to all proposals; therefore, applicants should be allowed to address only those that are applicable.

The “Environmental Documentation and Permits” section of Exhibit H requires that Attachment 9 address all the potential environmental, social and economic impacts of the proposal.

Some projects in a proposal may not be at the stage where all the impacts and mitigation measures have been identified; therefore, this requirement should be modified to take this into consideration.

The “Certification of Feasibility” section of Exhibit H requires applicants to provide certification statements regarding feasibility of each project contained in the Proposal.

Some projects in proposals may have unknown conditions at the time the proposal is submitted for consideration that may impact the feasibility of constructing and operating the project to accomplish the purpose for which it is planned. Therefore, this section should be modified to take this into consideration.

Attachment 10 Monitoring, Assessment, and Performance Measures

This section refers to Exhibit I for preparing this attachment. This exhibit requires performance reports for up to 10 years after the completion of the project.

What is the basis for 10 years? Would five years be sufficient?

Attachment 13 Financial Statements

This section states the following: For each agency or organization that will receive grant funding under this Proposal, provide copies of audited financial statements for the last three fiscal years of operation.

Clarification should be included to identify that this does or does not include agencies within the regional group in addition to the applicant. In other words, this requirement should apply to each project proponent within the proposal.

Attachment 15 Changes to Proposal from Step 1 (If Applicable)

The fifth bullet of this section states that the application must include a discussion on any significant differences between the Step 2 budget and the cost estimate provided in Step 1.

Since most proposals will request up to \$50 million in grant funds with project costs totaling hundreds of millions of dollars, “significant differences” should be defined in magnitude of change by percentage or some margin that the State would consider significant.