

PUBLIC WORKSHOP

Revised Draft 2008 Water Use Efficiency
Proposal Solicitation Package (PSP)
and
Urban AB 1420 Compliance Applications

Baryohay Davidoff
Office of Water Use Efficiency & Transfers
Department of Water Resources



Workshop Agenda

- Introductions
- Purpose of the Workshop
- Urban AB 1420 Compliance
- Revised Draft WUE PSP
 - Contents
 - Requirements
 - Funding
 - Process
- Q/A

2008 Draft PSP Materials

- Revised Draft 2008 WUE PSP & Exhibits
- Revised Draft WUE Exhibit VII AB 1420 Tables
- Revised PSP Frequently Asked Questions
- Reference 1- Targeted Benefits
- Reference 2- Monitoring Guidelines
- Reference 3- Accessing Census Data
- Application Attachment Templates for Steps 1&2
on DWR Web site at:

www.owue.water.ca.gov/finance/index.cfm

AB 1420 Compliance

- Chapter 628, Statutes of 2007 AB 1420 (Laird) requires DWR to condition a water management grant or loan made by DWR to an urban water supplier on implementation of the Demand Management Measures (DMMs) described in Section 10631.
- DWR intends to apply the provisions of this new law to grants awarded under the 2008 WUE PSP. Urban water suppliers entering into an agreement for a water management grant or loan on or after January 1, 2009 must be in compliance.
- DWR equates DMMs with BMPs as in the CUWCC MOU Please see Exhibit VII for information on the AB 1420 Eligibility Requirements.

AB 1420 Compliance

- Urban water suppliers that ARE already in compliance with BMP implementation requirements may apply only for the \$5 million part of the urban grant funds for Section A (implementation) and/or Section B (planning/research) type of projects.

AB 1420 Compliance

- For AB 1420 Compliance, Urban Water Suppliers must complete AB 1420 Tables 1 and 2 (see p. 27 of Exhibit VII and AB 1420 Tables)
- If not in compliance with BMP implementation, Urban Water Suppliers must complete AB 1420 Tables 3, 4, 5, 6.
- 1st meet Foundational BMPs.
- May apply for Quantifiable BMPs if all Foundational BMPs are being implemented or scheduled at the water suppliers' cost.
- PSP funding eligibility is met only if in compliance with AB 1420 (i.e. determined by Tables 3, 4, 5, 6).
- Ag Water Suppliers are not affected by AB 1420

Urban Water Suppliers Not in Compliance with AB 1420

- Complete AB 1420 Tables 3, 4, 5, 6.
- 1st meet Foundational BMPs (Table 3).
- May apply for Quantifiable BMPs if all Foundational BMPs are being implemented or scheduled at the water suppliers cost.
- Includes BMPs where No Funds Are Requested. An Urban Water Supplier Must demonstrate that these remaining BMPs are exempt, already implemented, being implemented, or an Urban Water Supplier commits, at its OWN COST, to commence implementation within 12 months of signing of the contract. These costs may be included in AB 1420 Table 4 as the Urban Water Supplier's cost-share for each BMP (Table 5).

Contents of the PSP

- **Eligibility**
 - AB 1420 Compliance, Urban Water Suppliers must complete AB 1420 Tables 1 and 2 (see p. 27 of Exhibit VII and AB 1420 Tables)
 - Eligible Applicant
 - Eligible Project
 - State benefit
 - Cost Share
 - Intellectual Interest, Right to Privacy, Conflict of Interest
- **Funding Rules**
- **Project Priority**
- **Funding Programs**
- **Agreement Requirements**
- **Schedule**
- **Review, Selection, Award Process**
- **Proposal Submittal (what, where, when)**

Eligibility Requirements

- Must be an eligible applicant
- Must submit an eligible project
- Provide State benefit
- Provide local cost share (Section A only)
- Submitted application is public information
- Meet Urban Water Management Planning Act requirement, if applicable

Urban Water Management Planning Act

- If you intend to apply for the grant and are subject to AB 1420 and the UWMP Act contact DWR's

Dave Todd. (916) 651-7027.

- Must identify all co-applicants & cooperators in Step 1
- Subject to Requirements of AB 1420
(see PSP page 10)

Prop 50 PSP Eligible applicants

Entities involved with water management including:

- Cities, counties, cities and counties, joint power authorities, public water districts
- Non Profit Organizations
- Tribes
- Universities, Colleges, State and Federal Agencies (Section B Projects Only)
- Investor owned utilities and incorporated mutual water companies
- Other Political Subdivisions of the State

Eligible project categories

- **Section A:**

 - Local and Regional Agricultural and Urban Water Use Efficiency Implementation Projects

- **Section B:**

 - Technical assistance
 - Feasibility Studies, Pilot/Demonstration
 - Research & Development
 - Training, Education & Outreach

Eligible projects

- **Eligible projects:**
 - **Urban BMPs**
 - **Landscape Task Force Recommendations**
 - **Agricultural EWMPs**
 - **Projects linked to Targeted Benefits**
See Exhibit I of the PSP for details

Ineligible Projects- Sections A and B

- Wellhead rehabilitation
- New storage tanks providing expanded capacity
- Water supply development
- Water treatment
- Wastewater treatment
- Flood control
- Conjunctive use
- Recycled water
- Groundwater banking

Ineligible Projects- Sections A and B

- Replace existing funding sources for on-going projects
- Political advocacy
- Purchase of water
- Establishment of a reserve fund
- Applicant's litigation costs
- Projects that do not achieve water savings, improve in-stream flow and timing, improved water quantity, or water quality and energy conservation benefits to the State
- Projects required by regulation, law, or contract
- Visitor centers

Ineligible projects- Section A

- **Projects with life span of less than 10 years**
- **New construction weather-based evapotranspiration controller projects, other irrigation system devices, or software**
- **Water meter replacement, water meter for new construction (existing non-metered buildings are eligible), new landscape, and new irrigation systems**

Eligibility-State Benefits

- Section A project must provide State Benefit
- Section B projects must have potential to create State Benefit
- State Benefits defined as
 - Water saving and/or in-stream flow improvements; water quality improvement and energy conservation

Project Priority

- **First Priority:**
 - Projects that address multi-benefits such as water conservation, improvement in water quality, flow & timing, and energy
 - Projects that result in a greater water quantity being available to the Bay Delta Watershed through a reduction in either current or future diversions
 - Projects that address high priority stream-flow TBs (see Reference 1)

Project Priority-continued

- **Second Priority**
 - Projects that address medium or low priority stream-flow TBs
 - Projects that address one or more of the water quality TBs
 - Urban projects that expedite or improve landscape-related BMPs recommended by the Landscape Task Force Report, Water Smart Landscape for California

Project Priority- continued

■ **Third Priority**

- **Projects not in the Bay-Delta Watershed that will result in improved local water supply reliability**
- **Water conservation practices and projects that will conserve energy**

Eligibility- Cost share

- Section A applicants must provide local cost share
- Cost share is proportionate to the split between applicant benefits and State Benefits
- Section B applicants are not required but encouraged to provide cost share

Eligibility-Cost share

- **Locally Not Cost Effective projects:**
 - **Maximum State Share of project costs**
$$= [\text{project costs}] - [\text{local monetary benefits}] + [0.10] \times [\text{costs}]$$
- **Locally Cost Effective projects are eligible for up to 10% of project costs as State share.**

-continued

■ Cost Share Example-

- A project demonstrates state benefit by saving water
- Project costs \$100,000
- Present value of local monetary benefits is \$30,000

$$\begin{aligned}\text{Maximum State Share} &= (100,000 - 30,000) + \\ &\quad (0.1)(100,000) \\ &= \mathbf{\$80,000}\end{aligned}$$

$$\text{Minimum Local Share} = \mathbf{\$20,000}$$

Cost share-disadvantaged community

- **Disadvantaged Community may provide less local cost share:**
 - **The population served by the water from the proposed project must meet the Medium Household Income of less than \$38,000**
 - **Successful Step 1 applicants will be asked to provide documentation in Step 2**

Disadvantaged Com.-continued

- **Locally Not Cost Effective:**
 - **Maximum State share = cost – project local monetary benefits + 25% of project costs**
 - **Minimum local share = cost – State share**
- **Locally cost effective:**
 - **Maximum State share = 25% of project cost**
 - **Minimum local share = cost – State share**

Cost Share- modification

- Applicants may offer greater than calculated minimum local cost share

Other requirements

- Labor code (Agreement)
- No conflict of interest (eligibility)
- Intellectual interest (eligibility)
- Right to privacy (eligibility)
- Environmental Documentation

Geographic Scope & Duration of Projects

- Geographic Scope
 - Local, Regional, and Statewide projects contributing to water use efficiency goals
- Projects Duration
 - 1-3 years contract duration

Conflict of Interest & Confidentiality

■ Conflict of Interest

All applicants and reviewers are subject to State and Federal conflict of interest laws

■ Confidentiality

- Applicant waives any right to privacy and confidentiality once the application is signed and submitted to DWR
- Project's intellectual property belongs to the State

Labor Code Compliance

- Entities awarded grants must ensure compliance with Labor Code Compliance programs for public works projects and limitations on use of volunteer labor

Agreement requirements

- Standard terms and conditions
- Report requirements
- Resolution
- Environmental Documentation

Fund Programs

The WUE grant is structured into four Funding Programs:

- **Urban grants- \$5 M (Reduced from \$15M)**
 1. *Section A: Urban Water Use Efficiency Implementation*
\$ 3.87 M (77%)
 2. *Section B: Urban Water Use Efficiency* \$1.12 M (22%)
- **Agricultural grants- \$ 20.30 M**
 1. *Section A: Agricultural Water Use Efficiency Implementation* \$18.05 M (89%)
 2. *Section B: Agricultural Water Use Efficiency* \$2.25 M (11%)

Funding Cap

- \$3 million per project for Section A projects
- \$100,000 to \$200,000 for Section B
- \$10 million for AB 1420 BMPs
 - Total fund: \$35.3 million
 - 62% Section A Projects
 - 9% Section B Projects
 - 28% AB 1420

Funding rules

- Limit administration costs to 5 to 10%
- Vehicles are not eligible
- Buildings are not eligible for Section B
- Capital outlay must be exclusively tied to project benefits

PSP Process

- Two-step process
 - Step 1- Concept proposal
 - Step 2- Full proposal

TARGET DISTRIBUTION OF FUNDS

The funds are available in the following five categories: AB 1420 Compliance, Urban Section A, Agriculture Section A, Urban Section B, and Agriculture Section B.

	Section A Total Available Funding	Section B Total Available Funding	Total
Urban WUE Projects	\$3,875,000	\$1,125,000	\$5,000,000
Agricultural WUE Projects	\$18,050,000	\$2,250,000	*\$20,300,000
Subtotal	\$21,925,000	\$3,375,000	\$25,300,000
AB 1420 Compliance Projects	\$10,000,000		\$10,000,000
Total			\$35,300,000

Section A projects have a \$3.0 million funding cap per project

Section B Funding Allocation

	Urban Funding	Agricultural Funding	Funding Cap Per Project
Technical Assistance	\$400,000	\$800,000	\$200,000
Feasibility Studies, Pilot and Demonstration Projects	\$300,000	\$600,000	\$200,000
Research & Development	\$275,000	\$550,000	\$150,000
Training, Education & Outreach	\$150,000	\$300,000	\$100,000
Total	\$1,125,000	\$2,250,000	

Application Scoring (Maximum Points)

Proposal	Step/ Section	Benefit Points	Cost Points	Innovation Points
Concept Proposal	1/A	55	45	0
	1/B	55	40	5
Full Proposal	2/A	60	40	0
	2/B	55	40	5

Review and Selection Process

(* - Step 1&2 only)

Applications Received

Deadline Requirement-

Administrative Eligibility Review
(Legal and DWR Staff)

Conduct Eligibility Threshold Review

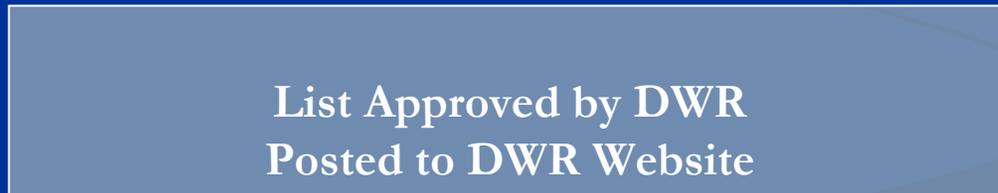
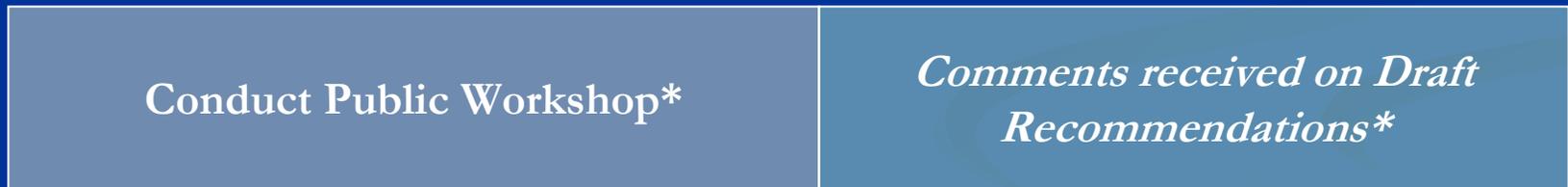
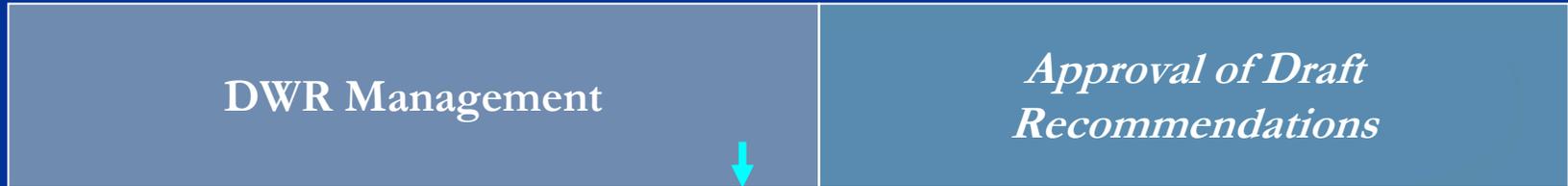
Water Use Efficiency Review Panel
(agency members, stakeholders*,
subject matter experts)

Score Proposals

DWR

*Ranks and produces
Draft Recommendations*

Review and Selection Process (continued)



Anticipated Schedule

- May 9, 2008 Draft PSP released
- May 28, 2008 Public Workshop – Sacramento
- May 29, 2008 Public Workshop - Fresno
- May 30, 2008 Public Workshop - Oakland
- June 2, 2008 Public Workshop – Los Angeles
- June 10, 2008 Public Comments due on Draft PSP
- June 10, 2008 Public Comments due on UWMP/AB1420
- June 25, 2008 Final PSP released
- July 8, 2008 Public Workshop – Oakland
- July 9, 2008 Public Workshop – Sacramento
- August 20, 2008 Step 1 – Concept Proposals due
- August 20, 2008 AB 1420 Compliance Applications due
- October 1, 2008 Selected Step 1 proposals invited back
- November 20, 2008 Step 2 Full Proposals due
- December 18, 2008 Review process completed
- January 8, 2009 Announce AB 1420 award selection
- February 11, 2009 Announce Ag WUE final funding decision
- April 3, 2009 Announce Urban WUE final funding decision
- Statement-of-Work & contract development begin

Contents of Step 1 Concept Proposals

- On-line Application using FFAST
- Attachment 1- **Project Description & Benefits**
- Attachment 2- **Project Costs**

Step 1 Concept Proposal Submittal

- You may submit applications for each of the four Funding Programs on FFAST
- Separate applications are required for each project in each Funding Program

Step 1 Concept Proposal Submittal

- Complete FFAST Application online
- Attach two files using DWR templates
 - Attachment 1-Project Description
 - Attachment 2- Project Costs

For FFAST Application Instructions visit
DWR Web site:

<http://www.owue.water.ca.gov/finance/index.cfm>

FAAST Training Manual

- Introduction to FAAST
- How to start a FAAST application
- FAAST Application Instructions
- Application Questions

<http://www.owue.water.ca.gov/finance/index.cfm>

Contents of Step 2 Proposals

required of applicants invited in Step 2

- Updated FFAST Application online
- Attachment 1- Signature Page
- Attachment 2- ROD Consistency and Priority
- Attachment 3- Technical/Scientific Merit
- Attachment 4- Project Description
- Attachment 5- Monitoring Plan
- Attachment 6 and 7-Costs and Benefits
- Attachment 8- Disadvantaged Community reduction of local cost share
- Attachment 9- Qualifications of Applicants & Cooperators
- Attachment 10- Outreach, Community Involvement & Acceptance
- Attachment 11- Innovation

Hints

- Follow instructions in the PSP
- For each attachment, read the respective section of the PSP to provide complete and concise answer

Attachment templates at:

www.owue.water.ca.gov/finance/index.cfm

**Deadline for Written Comments on
Revised Draft PSP and
UWMP/AB1420 :**

5 PM on June 10, 2008

**Attention: Baryohay Davidoff
Office of Water Use Efficiency & Transfers
Department of Water Resources
P. O. Box 942836
Sacramento, CA 94236-0001**

or

WUE@water.ca.gov

(916) 651 – 9666

For More Information

For questions on the WUE Grant Program and the PSP contact:

Baryohay Davidoff, (916) 651-9666

Email: wue@water.ca.gov

For questions regarding AB 1420 funds and Urban Water Management Plans contact:

David Todd, (916) 651-7027

Email: dtodd@water.ca.gov

For More Information

For technical assistance to Disadvantaged Communities on development and preparation of Concept and Full Proposals:

Urban Projects

Jessi Snyder, Self Help Enterprises

(for San Joaquin Valley Counties)

(559) 651-1000, ext 693, jessis@selfhelpenterprises.org

Ag Projects

Dr. Stuart Style, Cal Poly San Luis Obispo

(statewide)

(805) 756-2434, sstyle@calpoly.edu

For More Information

For questions on FFAST only:

State Water Board FFAST Help Desk

1-866-434-1083,

FAAST_ADMIN@waterboards.ca.gov

Important Note: All e-mails MUST have the following identifier in the subject line:

DWR Water Use Efficiency

For More Information

For questions on Disadvantaged Communities:

David Rolph, (916) 651-9635, drolph@water.ca.gov

For questions on Tribal and Environmental Justice:

Barbara Cross, (916) 653-5150, bcross@water.ca.gov