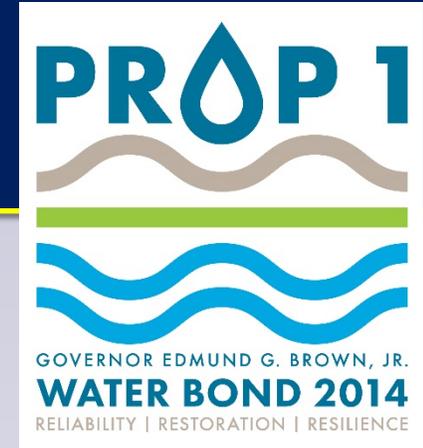


JUNE 2015



California Water Commission Water Storage Investment Program Working Session: Grant Program

Topics to be covered

- Outline of Guidelines and Proposal Solicitation Package
 - Overview of anticipated content
- Grant Program Constraints
 - Limitations on Funding Agencies
 - Funding considerations
 - Joint versus separate applications
- Funding for environmental documentation and permits
 - Available funding
 - Distribution

Outline of Guidelines and PSP

Maybe one combined document

Guidelines:

- Foreword
- Purpose and Use
- Introduction and Overview
- Eligibility Requirements
- General Program Requirements
- Proposal Selection
- Appendices

Proposal Solicitation Package:

- Introduction
- Following items for both pre-applications and full application packages
 - Application Instructions
 - Attachment Instructions
 - Review and Scoring Criteria
- Exhibits

Outline of Guidelines

Purpose and Use

- Section provides overarching description of the WSIP and related authorizing statutes and regulations

Introduction and Overview

- Provides a general overview of the program and guidance on topics such as:
 - Available Funding
 - Maximum State Cost Share
 - Program Preferences

Outline of Guidelines

Eligibility Requirements – A listing of the various eligibility requirements including descriptions of:

- Eligible Applicants
- Eligibility Criteria
- Eligible Project Types

General Program Requirements – Outlines other non-eligibility requirements, such as:

- Conflict of Interest
- Confidentiality
 - Waiver – applications are public information
- CEQA Compliance
- Monitoring Requirements
- Plus any other relevant requirements

Outline of Guidelines

Proposal Selection – Details the overall solicitation, review, evaluation, and award process including the following example topics:

- Solicitation Notice
- Applicant Case Worker
- Applicant Assistance Workshops
- Proposal Submittal
- Completeness Review
- Eligibility Review
- Review Process
- Applicant Notification and Commission Meeting
- Funding Awards
- Grant Agreement
- Eligible Costs

Outline of Guidelines

Appendices – Used to provide guidance materials or related useful information. Possible appendices, include but are not limited to:

- Useful Web Links
- Definitions
- Native American Tribe Notification
- Guidelines For Grantees – Record keeping requirements for auditing purposes

Outline of PSP

Introduction – This section would not be included, if the Guidelines and PSP are combined into one single document. Possible content includes the following:

- Eligibility requirements
- Available funding
- Cost Sharing requirements
- Schedule
- Etc.

Outline of PSP

Application Instructions – Provides direction and guidance to potential applicants on:

- What to submit – required application attachments
- How to submit – electronic and/or hardcopy submission

Instructions needed for both the Pre-application and Full application

Electronic Submittal

Grant Application Checklist – to help ensure submittal of complete proposal

Outline of PSP

Use attachments to provide necessary components of grant application

List will vary for Pre- and Full applications

Attachment Instructions – Directions to applicants on what should be included in the various attachments. Attachments may include:

- Authorization and Eligibility Requirements
- Project Feasibility Assessment
- Project Costs
- Benefits Analysis
- Ecosystem Improvements
- Water Quality Improvements
- Environmental Impacts
- Non-public Benefits Contracts
- Public Benefits Contracts
- Schedule
- Budget
- Technical, Managerial, Financial Capacity

Outline of PSP

Review and Ranking Criteria

- Pre-application
- Full application
- Provide specific detail on how the applications will be review and ranked
 - Must be consistent with WSIP Regulations

Exhibits

- Budget format
- Self-certification forms
- Economical Analysis
- Cost Allocation
- Benefits presentation
- Etc.

Grant Program Constraints Funding Considerations

How to balance funding decisions

- Provide a larger amount of funding to fewer proposals
- Provide smaller amounts of funding to more proposals

Consider program objectives and goals

Maximum return on investment based on magnitude of public benefits

- Consider this principle on the individual project level – comparative analysis
- Also consider the same principle on the collective level
 - Designing system to make a single funding decision
 - Run scenarios looking at different funding packages

Grant Program Constraints Funding Considerations

Potential guiding principles for making partial funding decisions

- Award sufficient funding so that project remains viable
- Award sufficient funding so that level of public benefit expected remains sufficient to justify investment
 - Maintain expected return on investment
- Award sufficient funding so that project does not need to be reformulated
 - Resulting in need to reevaluate funding decision

Ask applicant to provide maximum and minimum requested grant amount

- Pro – Up front knowledge of possible “acceptable” minimum funding levels for each project
- Con – Maximum and minimum amounts equal

Environmental Documentation and Permits

Relevant code citations:

§79755.(c) allows funding for completion of environmental documentation and permitting costs

Staff Working Draft 5/15/15 – For Discussion Purposes Only

F – Post Initial Commitment Activity



	1 Month	If funding Final Envi Doc and Permit	Variable - months to years	3 Months	Years	? Years
Time	1 Month		Variable - months to years	3 Months	Years	? Years
Activity	Soft Commitment	Hard Commitment for only limited costs (79755(c))	Complete 79755 (a) items	Hard Commitment. Encumber funding and execute agreement	Implementation of Agreement through Closeout	Post Construction Benefit Monitoring and Management
Includes	CWC tentative commitment of a not to exceed amount via letter. Establishes communication and necessary docs for hard commitment. Can include	Funding here would count against total funding cap. Develop agreement Execute Agreement Administer	No hard commitment until: <ul style="list-style-type: none"> Contractor Bidding complete. Final project costs determined. 100% Contracts for non-public benefit cost share obtained 	<ul style="list-style-type: none"> Encumbrance of funds by commission staff w/ assistance from DWR FAB. Sets up the vendor, specific funding, all codes necessary to track funds. GO Bond, project, tax certification, public 	Grant Administration by Commission Staff, payment of invoicing, progress reporting, Amending agreement as project is implemented and budget shifts.	Implementation of contracts between Grantee and Resources Agencies for obtaining public benefits of project. Any reporting to

Environmental Documentation and Permits – Option 1 (Preferred)

Decision to fund would be part of the soft commitment

- Limited to only those projects that the Commission will tentatively provide WSIP funding to

Funding would be part of overall maximum grant award

- Not additive

Separate hard commitment for this portion

Cost shared proportional to public/non-public benefit ratio

Example Award

Hypothetical scenario

- Maximum grant award \$100 Million
- Public to Non-Public Benefits Ratio = 40:60
- Assume 10% awarded for Environmental Documentation and Permitting funds = \$10 Million

Grantee Funding could be structured as follows:

- Environmental Documents and Permitting Grant = \$10M; Minimum total cost = \$25M
- Construction/Implementation Grant = \$90M; Minimum total cost = \$225M

Environmental Documentation and Permits – Alternative Options

Option 2.a Separate solicitation

- Award funds prior to soft commitment for overall WSIP funding
- Include projects that the Commission may not provide WSIP funding to
 - Higher risk

Option 2.b Funding would be not be part of overall maximum grant award

- Additive grants

Option 2.c Alternative cost share formulas

- No cost share required
- Mandate minimum 50% cost share

Option 3 – No action alternative – Do not provide such funding