

EXHIBIT 12-B

Proposition 1 Integrated Regional Water Management (IRWM) Round 1 Implementation Grant Project Solicitation Schedule 2018/2019

Department of Water Resources (DWR) Timeline for Round 1 Implementation Grants

- Oct 5, 2018: DWR released Draft Project Solicitation Package (PSP) and Guidelines; comments due December 14, 2018
- November – early December: Central Coast Funding Area (CCFA) preparing joint comments on Draft PSP
- Early 2019: DWR releases Final PSP released
- DWR will schedule **Pre-Application Workshops** with each Funding Area following release of PSP. The Central Coast IRWM regions are requesting a workshop in June 2019.
- RWMG must provide DWR with information on proposed projects *at least two weeks prior* to the workshop: A Proposal Summary, plus a “Project Information Form” for each project.
- DWR will get back to regions with comments within 4 weeks after the workshop.
- Application to DWR will be due 12 weeks after the workshop date.

Prop 1 IRWM Grant Funds Available to Central Coast Funding Area

Prop 1 Allocation to CCFA:	\$43,000,000
Minus State costs (10%):	<u>- \$4,300,000</u>
Remaining for CCFA:	\$38,700,000

Of that amount:

DAC Funds (20% total allocation):	\$8,600,000
General Implementation Grant Funding:	\$30,100,000

Prop 1 IRWM Grant Funds Available to the Monterey Peninsula, Carmel Bay and South Monterey Bay Region

Total Prop 1 funds available:

DAC Funds:	\$931,966
General Implementation:	\$3,261,882
TOTAL:	\$4,193,848

Prop 1 funds spent to date:

DAC Involvement (50% of total DAC):	\$465,983
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For Round 1, DWR is proposing that 35% of DAC Implementation funds and 50% of General Implementation funds be provided, leaving the rest for Round 2 in 2020.

Round 1: 50% of General Implementation allocation, 35% of remaining DAC allocation

DAC Implementation:	\$163,094
General Implementation:	\$1,630,941
TOTAL:	\$1,794,035

Round 2 (2020): 50% of Implementation allocation, 65% of remaining DAC allocation

DAC Implementation:	\$302,889
General Implementation:	\$1,630,941
TOTAL:	\$1,933,830

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Proposed Project Solicitation Schedule for IRWMP:

- October 5, 2018: Draft Project Solicitation Package (PSP) was released by DWR.
- December 6, 2018: Solicitation begins. The process will be reviewed at the December 6 RWMG meeting.

Those who are interested in having their projects put forward in Round 1 will also need to submit DWR's Project Information Form. The **Project Information Form** will be due Monday February 8, 2019. This deadline assumes DWR will release the final PSP with the form in early January, but the timeline may be delayed.

- January 14, 2019: Project Application Forms due. Subcommittee ranks projects.
- January 21, 2019: Prioritized project list prepared by TAC (prior to January 24 RWMG meeting).
- January 24 RWMG Meeting: Discuss project ranking with RWMG, and consider ranked Project List for Round 1. RWMG takes a first look at projects on the table for Round 1.
- February 8, 2019: Project Information Forms due.
- February, March and April RWMG Meetings: Project proponents present their projects to the RWMG. RWMG selects projects to put forward.
- April or May RWMG Meeting: Must decide which projects to put forward, in time for June Funding Area Pre-Application Workshop.
- June 2019 (tbd): Pre-Application Workshop with DWR. Proposal Summary and Project Information Forms are due to DWR two weeks *prior* to the workshop.

Local Cost Share

Proposition 1 requires a minimum cost share of 50% of the total project cost. Applicants must demonstrate that a minimum of 50 percent of the total proposal costs will be paid for with non-State funds (Water Code §79742(C)). Costs incurred after January 1, 2015 (the effective date of Proposition 1) can be used as local cost share; in-kind services may also be used for local cost share.

An applicant may request the local cost share requirement be waived or reduced for projects that directly benefit one or more DACs and/or Economically Distressed Areas (EDAs). The 2018 Guidelines, Appendices E and F provide details regarding what documentation must be submitted to support claimed benefits to DACs and/or EDAs. Project benefits may be claimed based on either by population or geographic area. If documentation submitted is reasonable, cost share waivers will be determined as follows:

DAC/EDA Benefit Cost Share Waiver

- 76% - 100%: 100 percent cost share waiver
- 51% - 75%: 75 percent cost share reduction waiver
- 25% - 50%: 50 percent cost share reduction waiver
- Less than 25%: No cost share reduction waiver

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Eligible Project Types

Subject to regional priorities, projects may include, *but are not limited to*, the following elements (Water Code §79743 (a - j)):

- Water reuse and recycling for non-potable reuse and direct and indirect potable reuse
- Water-use efficiency and water conservation
- Local and regional surface and underground water storage, including groundwater aquifer cleanup or recharge projects
- Regional water conveyance facilities that improve integration of separate water systems
- Watershed protection, restoration, and management projects, including projects that reduce the risk of wildfire or improve water supply reliability
- Stormwater resource management, including, but not limited to, the following:
 - Projects to reduce, manage, treat, or capture rainwater or stormwater
 - Projects that provide multiple benefits such as water quality, water supply, flood control, or open space
 - Decision support tools that evaluate the benefits and costs of multi-benefit stormwater projects
 - Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6 including Water Code § 10562 (b)(7)
- Conjunctive use of surface and groundwater storage facilities
- Water desalination projects
- Decision support tools to model regional water management strategies to account for climate change and other changes in regional demand and supply projections
- Improvement of water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff
- Regional projects or programs as defined by the IRWM Planning Act (Water Code §10537).

Eligible proposals must do the following. The following requirements may be applied at the project level depending on the individual PSP:

- Advance the purpose of Proposition 1 Chapter 7, Regional Water Security, Climate, and Drought Preparedness (Water Code §79707(c) and §79740) which are, as follows:
 - Assist water infrastructure systems adapt to climate change
 - Provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure

Eligible also projects must:

- Promote State planning priorities and sustainable community strategies, consistent with Government Code §65041.1 and §65080 (Water Code §79707 (i))
- Be included in a Stormwater Resource Plan that has been incorporated into and IRWM plan, unless exempt per Water Code §10563(c)(2)(B). (Applies only to stormwater and dry weather runoff capture projects.)
- Be supported by the local Groundwater Sustainability Agency. (Applies only to projects that affect Groundwater levels.) *If a groundwater project is located in the Seaside Groundwater Basin, it must be considered by the Seaside Groundwater Basin Watermaster Technical Advisory Committee and conform to the adjudication requirements.*