

Section F: Project Review Process

The projects included in this IRWM Plan are meant to implement the Plan and achieve Plan objectives. All projects submitted for inclusion in the IRWM Plan must undergo a review process. The IRWM Grant Program Guidelines require that certain factors be used in the review process. These factors include (per the 2016 Proposition 1 IRWM Program Guidelines):

- ❑ How the project contributes to IRWM Plan objectives
- ❑ How the project is related to resource management strategies selected for use in the IRWM Plan
- ❑ Technical feasibility of the project
- ❑ Special benefits to critical disadvantaged community water issues
- ❑ Special benefits to critical water issues for Native American Tribal communities (Note: While members of the Ohlone Costanoan Esselen Tribal Nation inhabit the region, there are no federally recognized Tribes or California Tribal Trust Lands within the region.)
- ❑ Environmental justice considerations
- ❑ Project costs and financing
- ❑ Economic feasibility, including water quality and water supply benefits and other expected benefits and costs
- ❑ Project status
- ❑ Strategic considerations for IRWM Plan implementation
- ❑ Contribution of the project in adapting to the effects of climate change in the region
- ❑ Contribution of the project in reducing greenhouse gas emissions as compared to project alternatives
- ❑ Whether the project proponent has adopted or will adopt 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 certain 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 project review process has undergone several changes since the IRWM Plan was first adopted in April 2013. In 2017, as part of a plan update to ensure compliance with the 2016 Proposition 1 IRWM Grant Program requirements, the project review process was significantly revised. The revised process attempts to make it easier for project proponents to submit projects to the IRWM Plan, while ensuring the RWMG will be provided the information it needs to decide which projects to put forward in an IRWM application. The following sections describe the project review process as approved by vote of the RWMG at a regularly scheduled RWMG meeting in July 2017.

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

Projects are solicited from stakeholders for inclusion in the IRWM Plan typically once every year or every other year, depending on the IRWM Grant Program cycle. 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 expected release of an IRWM Implementation Grant application solicitation (called a “Proposal Solicitation Package,” or PSP) from the Department of Water Resources (DWR). 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 may be 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. In 2017, as stakeholders have become more familiar with the process, just one workshop was held in Salinas.

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

F.2.1 Initial Project Review

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 be an “eligible project” per Proposition 1 IRWM Grant Program Guidelines. 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

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 the Monterey County Water Resources Agency, and is an important water supply and groundwater recharge source for the region.

- 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)

According to Proposition 1 IRWM Program Guidelines, eligible projects must also:

- Provide multiple benefits
- 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
- Be consistent with Division 7, commencing with Section 13000 of the Water Code (Water Quality) and Section 13100 of the Government Code (Infrastructure Plan)
- Promote State planning priorities and sustainable community strategies, consistent with Government Code §65041.1 and §65080 (Water Code §79707 (i))
- Wherever possible, preserve California's working agricultural and forested landscapes (Water Code §79707 (j))

3. The project must address IRWM Plan objectives.

After projects are reviewed for minimum standards, the Project Review Committee conducts a more thorough review 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. The following section describes the process for prioritizing projects in the IRWM Plan.

F.2.2 Project Ranking Process

The 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.

An initial project ranking process for the Greater Monterey County IRWM region was approved by the RWMG by vote in September 2011. Since then, significant revisions have been made in order to both simplify the initial project application process for project proponents and to tie the project ranking more closely to how well a project addresses IRWM Plan objectives. The following describes the project ranking process as approved by the RWMG in July 2017. The project ranking criteria may continue to be revised with subsequent project solicitations as deemed appropriate, 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 in 2011 (via a 30-day public comment period) and invited again to provide input when the process was revised in 2018, via a public comment period for the full plan update.

Note, all implementation projects included in the Greater Monterey County IRWM Plan are ranked. 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 the Greater Monterey County IRWM region.

The project ranking process takes into consideration the following factors:

1. *Goals and Objectives*: How well a project addresses the goals/objectives of the Greater Monterey County IRWM Plan. The IRWM Plan has seven goal categories and a total of 60 objectives. A project can receive a total of four points for each goal category addressed, according to the number of objectives addressed and the extent to which the project addresses those objectives within that goal category. The maximum number of points possible is 28. Projects can receive points as follows:
 - 4 = strongly addresses that goal category
 - 2 = moderately addresses
 - 0 = slightly addresses, or does not address at all
2. *Resource Management Strategies (RMS)*: How well a project contributes to diversifying the region's portfolio of RMS. The maximum number of points possible in this category is 4. Projects can receive points as follows:
 - 4 points = addresses 11 or more RMS
 - 2 points = addresses 5 – 10 RMS
 - 0 points = addresses 0 – 4 RMS
3. *Climate Change Adaptation*: How well a project contributes to climate change adaptation. This includes consideration of the following:
 - To what extent does the project contribute to climate change adaptation?
 - Does the project specifically address adaptation strategies outlined in the Climate Change chapter (i.e., contribution of project to adapting to identified system vulnerabilities to climate change effects in the region)?
 - Does the project consider the effects of sea level rise on water supply conditions and identify suitable adaptation measures?
 - Does the project take into consideration changes in the amount, intensity, timing, quality and variability of runoff and recharge?

The maximum number of points possible in this category is 2. Projects can receive points as follows:

- 2 points = fully addresses
- 1 point = partially addresses

- 0 points = inadequate consideration of climate change impacts
4. *Greenhouse Gas (GHG) Emissions Reduction:* How well a project contributes to the reduction of GHG emissions. This includes consideration of the following:
- To what extent does the project help reduce GHGs, compared to project alternatives?
 - To what extent will it help the region reduce GHGs over the next 20 years?
 - To what extent does the project help reduce energy consumption, especially the energy embedded in water use, and ultimately reducing GHG emissions?

The maximum number of points possible in this category is 2. Projects can receive points as follows:

- 2 points = fully addresses
- 1 point = partially addresses
- 0 points = inadequate consideration of GHG emissions reduction

The following table summarizes the project ranking criteria and scoring (with 36 being the total maximum number of points possible):

Table F-1: Project Ranking - Summary of Points

Criteria	Explanation of Scoring	Maximum Potential Points
Addresses Goals and Objectives	For each goal category (there are 7 goals): 4 = strongly addresses that goal category 2 = moderately addresses 0 = slightly addresses or does not address	28
Addresses RMS	4 points = 11 or more RMS 2 points = 5 – 10 RMS 0 points = 0 – 4 RMS	4
Contributes to climate change adaptation	2 points = fully addresses 1 point = partially addresses 0 points = inadequate consideration	2
Contributes to reduction in GHG emissions, compared with project alternatives	2 points = fully addresses 1 point = partially addresses 0 points = inadequate consideration	2
TOTAL		36

The result of this process 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, the RWMG will re-evaluate the project ranking system to address the discrepancy. Any revisions made to the project ranking system will need 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 GHG emissions as compared to project alternatives

In 2012, IRWM Planning Grant funds were used to address the Proposition 84 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. In 2017-2018, IRWM Planning Grant funds were used again to update the Climate Change chapter according to 2016 Proposition 1 IRWM Program Guidelines, including climate change vulnerabilities in the Greater Monterey County IRWM region. Please see Section R of this IRWM Plan for an overview of anticipated climate change impacts for the Greater Monterey County region.

The extent to which a project contributes to climate change adaptation and GHG reduction is factored into the project ranking process both directly (as shown in Table F-1 above) and indirectly, by the extent to which the project addresses Climate Change objectives of the IRWM Plan. To assist project proponents in estimating GHG emissions, project proponents are encouraged to use the California Emissions Estimator Tool (CalEEMod), which can be accessed on the Greater Monterey County IRWM website: <http://www.greatermontereyirwmp.org/performance/>.

F.2.3 Selecting Projects 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 help make this decision, the RWMG has established the following procedures.

Rules of the Game

1. *Project Selection Committee:* The entire RWMG will act as the “Project Selection Committee.” To avoid a conflict of interest, no project proponent who is also a RWMG member will be allowed to vote on their own project when selecting projects for an IRWM Grant application.
2. *Deadlines:* During the grant application process, internal deadlines will be established for submitting various pieces of the application (e.g., Work Plan, Budget, Schedule, Cost Effectiveness Analysis, Physical Benefits, etc.). If a project proponent does not meet a deadline, that project will be disqualified.
3. *Presentation of Projects to the RWMG:* All project proponents wishing to have their projects considered for inclusion in an IRWM grant application will be required to attend the RWMG meeting in which their project is discussed in order to answer questions and/or present additional information, as needed.

Call for Projects

When DWR releases a Draft PSP, the RWMG will ask project proponents whether they are interested in applying for IRWM grant funds in that round. Eligible projects include:

- Projects that are ready to proceed.

- Projects that are eligible for that particular funding opportunity.
- Projects whose project proponents have adopted, or have expressed a commitment to adopt, the IRWM Plan (the IRWM Program Guidelines stipulate that each project proponent named in an IRWM Grant application must adopt the IRWM Plan).

Project proponents will have 4-6 weeks to submit a detailed project proposal for the RWMG to review. The intent is to obtain this information ahead of the Final PSP being released. The application will include:

- Work plan
- Budget, with documented basis of cost estimates
- Schedule
- Project status, in terms of CEQA/NEPA, permitting, feasibility/engineering/design percent complete
- Annual physical benefits (quantified in table format)
- Whether the project has multiple benefits
- Whether or not the project addresses disadvantaged community needs, and/or the Human Right to Water Policy
- Whether or not the project addresses critical water issues for Native American Tribal communities
- Whether or not the project addresses nitrate, arsenic, hexavalent chromium, and/or perchlorate contamination (per AB 1249)
- Cost effectiveness analysis (or economic screening tool)
- How the project assists in meeting the IRWM Program and Statewide Priorities

In addition, project proponents will be asked to score themselves using the evaluation criteria provided in the Draft PSP.

Project Selection

As part of the project selection process, the RWMG will take into consideration the following criteria:

1. How well the project addresses statewide priorities and specific criteria/preferences of that particular funding opportunity
2. How well the project addresses IRWM Plan objectives, resource management strategies, and climate change (i.e., how it ranks in the IRWM Plan Project List)
3. Project cost, and how projects can be combined within the grant funding limit
4. Direct benefits to disadvantaged communities or Native American Tribes, or the extent to which a project addresses environmental justice concerns
5. The extent to which the project benefits are regional, or have broad impact (e.g., by population affected, geographic area restored, etc.)
6. Results of a cost effectiveness analysis
7. Project need/urgency
8. Amount of match available (unless waived due to disadvantaged community status, projects are required to have 50% non-State match)
9. How well a project scores against DWR's evaluation criteria

The RWMG will take all of these factors into consideration when selecting projects to put forward in the application package, though the exact method by which they do so will be decided at that time. The RWMG may opt to assign points to each of these criteria, or to weigh these factors in some other way. The end result will be a mix of projects that help carry out IRWM Plan objectives, provide multiple benefits, are cost effective and technically feasible, and that address IRWM Program preferences and statewide priorities.

F.2.3.a Preliminary Economic Analysis

The RWMG must consider the economic effects of a project 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, the RWMG has developed a “preliminary” economic analysis that may be used as a tool to help select projects for inclusion in an IRWM grant application.

To assist project proponents in preparing a preliminary economic analysis, the RWMG hired an economic consultant (with Proposition 84 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 the RWMG in a preliminary assessment of the benefits and costs each project is likely to generate. The RWMG can then use this information to help 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 an example. As described earlier, the IRWM Plan Project List will naturally evolve with each new project solicitation. Updating the Project List 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/>.