

Section L: Finance

The intent of the Finance standard in the Proposition 84/IE Integrated Regional Water Management (IRWM) Program Guidelines is to ensure that financing of the IRWM Plan has been considered at a programmatic level by the Regional Water Management Group (RWMG), and that a strategy for financing the IRWM Plan is documented for stakeholders.

From the Proposition 50 IRWM Grant Program, it has become clear that the need for funding substantially exceeds the grant funding available through recent bond measures. Most of the cost of developing, maintaining, and implementing an IRWM Plan must be borne by local entities with State grant funding providing a necessary, but relatively small, supplement in funds. With potentially multiple sources of funding being accessed to formulate, maintain, and implement an IRWM Plan, documentation of how the funding pieces fit together is necessary for the RWMG and stakeholders to understand how the Plan will be implemented. This section provides that information.

L.1 ONGOING FUNDING OF THE IRWM PLAN

To date, the Greater Monterey County IRWM planning effort has been funded through a combination of private foundation grant funds, State IRWM Planning Grant funds, monetary contributions from RWMG entities, and in-kind staff time contributed by members of the RWMG. As noted in the Governance section, the Greater Monterey County RWMG has been developed to be a “working group,” with its members expected to actively participate in all aspects of the IRWM planning process. During the development of this IRWM Plan, RWMG members have attended monthly RWMG meetings, helped lead public workshops, reviewed drafts of the IRWM Plan, and participated on various committees to develop elements of the Plan, including the following:

- *Issues and Conflicts Committee:* To identify water resource issues in the region, as a first step in identifying goals and objectives for the IRWM Plan.
- *Goals and Objectives Committee:* To identify regional goals and objectives for the IRWM Plan. This committee was convened twice, first to develop goals and objectives, and later to review those goals and objectives in light of the new Proposition 84 IRWM Program Guidelines and to make the objectives “measurable.”
- *Project Ranking Committee:* To develop a system for ranking projects. This committee was convened in 2010, prior to the first IRWM Plan project solicitation.
- *Project Review Committee:* This committee was convened twice, in 2010 and in 2011, to review and rank projects from both IRWM Plan project solicitations.
- *Project Review—DAC/Environmental Justice Committee:* This committee, convened for both the 2010 and 2011 project solicitations, worked alongside the Project Review Committee to review all project proposals for potential environmental justice impacts or impacts to disadvantaged communities (DACs).
- *Integration Committee:* A special committee convened in 2010, as part of the Project Review process.
- *Water Resource Project Coordination Committee:* To coordinate the Water Resource Project Coordination (WRPC) process – a “fact-finding” process – for project proponents and other stakeholders in the lower Gabilan Creek Watershed region.
- *Data Management Committee:* To develop a data management system for IRWM Plan projects.
- *Draft IRWM Plan Review Committee:* A core group of dedicated reviewers.

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- *Funding Committee:* A “permanent” committee convened to identify sources of funding for IRWM Plan projects and programs, and to develop a strategy for funding the ongoing IRWM planning process.

All of this work has been accomplished by means of donated staff time, or in some cases volunteered time, on the part of all of the RWMG members. It is also important to recognize the many hours contributed by stakeholders and community members who have volunteered their time to review IRWM Plan milestones and the draft IRWM Plan, to provide comments, and to offer technical advice and expertise. Leading this effort—and responsible for drafting this IRWM Plan—is the IRWM Plan Coordinator, a consultant and non-voting member of the RWMG whose time has been funded thus far through a combination of private foundation grant funds, State grant funds from the Proposition 84 IRWM Planning Grant Program, and RWMG monetary contributions.

With the completion and final approval of this IRWM Plan, the time and resources required to support the Greater Monterey County IRWM planning effort are expected to diminish. While the RWMG has met on a monthly basis during the initial development of this Plan, it is anticipated that the continuing IRWM planning process will require fewer (e.g., quarterly) meetings and considerably less time spent on subcommittees. A Funding Committee has been convened to estimate the level of support that will be required to continue the IRWM planning process at a sustainable pace, and to develop a strategy for obtaining those funds.

The Funding Committee estimates that after the initial IRWM Plan development, ongoing IRWM planning and “maintenance” for the Plan will most likely entail:

- Approximately 4-8 RWMG meetings a year, which will focus on alternative sources of funding for IRWM Plan projects and programs, ongoing water resource issues in the region, integration of projects, the Water Resource Project Coordination process, ongoing outreach and assistance to DACs, and opportunities for collaboration between RWMG members.
- Project solicitations for the IRWM Plan, which will occur about every 18 months.
- Committee work associated with the project solicitations (e.g., project ranking and project review).
- Project monitoring and Plan performance evaluation, which is expected to occur bi-annually.

It is expected that RWMG members will continue to donate their staff time toward the ongoing planning effort, and that stakeholders will continue to participate actively in the process. Additional funds will be needed, however, to continue to support the IRWM Plan Coordinator position. With such positive momentum created during development of the new Greater Monterey County IRWM Plan, the IRWM Plan Coordinator need to keep the process driving forward—organizing meetings, overseeing project solicitations, coordinating the continued planning process, keeping stakeholders (and RWMG members) engaged, and ensuring that IRWM Plan objectives are being met. Since the private foundation grant funds that had supported the IRWM Plan Coordinator position have been expended and State Planning Grant funds are limited, the Funding Committee is exploring various means for securing long-term funding for this position (which is expected to cost on the order of \$40K - \$50K annually).

The Funding Committee is sensitive to the fact that the Greater Monterey County RWMG includes non-profit organizations with limited discretionary funds, disadvantaged communities, and public agencies that are over-burdened and under-funded. The founding of the RWMG has been based on the principle and understanding that each RWMG organization would have an equal vote regardless of the organization’s ability to contribute financially to the Plan or to other RWMG activities. Therefore, while financial contributions are not required of RWMG members, the Funding Committee is requesting each

RWMG entity to contribute annually, on a sliding scale, toward the ongoing IRWM planning process, primarily to support the IRWM Plan Coordinator but also for other planning activities as needed. The Funding Committee is also investigating other potential means of long-term support, including:

- Collaboration with other agencies and organizations, external to the RWMG, that share similar goals and that might benefit from IRWM Plan implementation, for donation of financial contributions or other resources toward the IRWM planning effort.
- Potentially, grant funds from America's Great Outdoors (AGO) Initiative. The IRWM Plan goals and objectives support most of the priority themes for the AGO.

L.2 POTENTIAL FUNDING SOURCES FOR IRWM PLAN PROJECTS AND PROGRAMS

In addition to seeking financial support for the ongoing IRWM planning process, the Funding Committee is also tasked with identifying alternative, non-IRWM sources of grant funds and other means to help implement projects and programs in the IRWM Plan. Potential funding sources include (where appropriate):

- *Federal grant programs*, e.g., US Fish and Wildlife Service grants (such as Coastal Wetlands Conservation grants, Cooperative Endangered Species Conservation grants, Partners for Fish and Wildlife grants), National Fish and Wildlife Federation grants, Economic Development Administration grants, American Recovery and Reinvestment Act of 2009 (ARRA) funds, US Department of Agriculture grant programs (such as the Agricultural Water Enhancement Program), Bureau of Reclamation Title XVI funds, USDA Natural Resources Conservation Service Environmental Quality Incentives Program (EQIP) grants.
- *State grant programs*, e.g., Department of Fish and Game Fisheries Restoration Grant Program funds for watersheds with salmonids present, State Coastal Conservancy funds, State Water Resources Control Board Cleanup and Abatement Account grants, Supplemental Environmental Protection (SEP) grants (from Regional Water Quality Control Board fines).
- *Local funds*, e.g., Transportation Agency for Monterey County (TAMC) grants.
- *Private grants*, including grants from foundations associated with federal/state programs (such as California State Parks Foundation, Elkhorn Slough Foundation, Monterey Bay Sanctuary Foundation), other private foundations (such as the Monterey County Agricultural and Historical Land Trust), corporate gifts.
- *Ratepayer fees*, e.g., water use fees.
- *Special taxes, assessments, and fees*, e.g., Monterey County and municipal taxes, Fort Ord Reuse Authority Community Facilities District (CFD) fees, assessment district fees, water district or community services district fees.
- *Loans*, e.g., Clean Water State Revolving Fund loan.

Table L-1 below summarizes the anticipated and potential sources of funding that will support the projects and programs included in this IRWM Plan, including financing for operations and maintenance (O&M), which is not eligible for grant reimbursement by State grant programs. The table lists, in alphabetical order according to project proponent, both the implementation projects proposed in this Plan and projects that are currently being implemented through Round 1 IRWM Implementation Grant funds. The table shows the approximate total project cost, the anticipated funding sources, the certainty of obtaining those funds, the O&M finance source, and the certainty of obtaining O&M financing.

Table L-1: Financing Projects and Programs in the IRWM Plan

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
California State Parks: Big Sur River Steelhead Enhancement Project		\$400,800	California State Parks Foundation and Cal State Parks: 10%	Secure – part of current and ongoing Natural Resources funding source	California State Parks Natural Resources Program	Secure – part of current and ongoing Natural Resources Program funding
			Prop 84 Grant: 90%	Application submitted	NA	NA
Castroville Community Services District: Well 2B Treatment Project		\$610,000	Castroville CSD: 30%	Secure – Castroville CSD capital improvement budget	Castroville CSD budget	Secure – 2011 O&M budget
			Prop 84 Grant: 70%	Awarded, grant secure	NA	NA
Central Coast Wetlands Group: Coastal Wetland Erosion Control and Dune Restoration		\$1,400,000	Prop 84 Grant: 75%	Application will be submitted FY 11/12	State Parks operational budget, CCWG ongoing program	Secure – O& M costs minimal
			Matching Funds: 25%	Potential sources include project partners, USFWS, Coastal Conservancy, NOAA, private foundations, etc.	State Parks operational budget, CCWG ongoing program	Secure – O& M costs minimal
Central Coast Wetlands Group: Development and Evaluation of Climate Change Response Strategies in the Elkhorn Slough, Gabilan and Salinas River Watersheds		\$498, 750	Prop 84 Grant: 73%	Application will be submitted FY 12/13	CCWG operational budget	Secure, rates covered through line item O&M for current grant programs
			Ocean Protection Council LiDAR Project: 25%	Certain, part of current funding		
			CCWG Program Resources: 2%	Certain, part of current funding		
Central Coast Wetlands Group: Ecosystem Condition Profile for the Lower Salinas River Watershed using Level 1-2-3 Framework		\$690,500	Prop 84 Grant: 75%	Application will be submitted FY 11/12	NA	NA
			Federal Grant: 25%	Tentative award, contingent on State funding	NA	NA

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
Central Coast Wetlands Group, MBNMS, Monterey Bay Aquarium Research Institute, Elkhorn Slough Reserve: Expansion of a Coastal Confluence Water Monitoring System to support the Greater Monterey IRWMP	\$600,557		Prop 84 Grant: 75%	Application will be submitted FY 12/13	CCR and San Jose State University Foundation operational budget	Secure, rates covered through line item O&M for current grants
			Current LOBO budget: 23%	Certain, part of current funding		
			CCWG / CCR program resources: 4%	Certain, part of current funding		
Central Coast Wetlands Group: Northern Gabilan Mountain Watershed Management Project		\$557,025	Prop 84 Grant: 75% TBD: 25%	Application will be submitted FY 12/13	City and County agencies, operational budget; CCWG, program funds	Secure – depends on project type
Central Coast Wetlands Group: Implementation of the Moro Cojo Slough Management and Enhancement Plan – Restoration of the Upper Slough		\$1,934,181	Prop 84 Grant: 75%	Application will be submitted FY 11/12	NA	NA
			Federal Grant, USFWS, Coastal Conservancy, Private funds: 25%	Tentative award, contingent on State funding	NA	NA
Central Coast Wetlands Group: Study of Environmental Services from Nutrient Reducing BMPs		\$496,000	Prop 84 Grant: 75% TBD: 25%	Application will be submitted FY 12/13	No O&M for Tasks 1,2,4,5; CCWG program funds, CSUMB grant funds Task 3	Secure
Central Coast Wetlands Group: Tembladero Restoration and Castroville Community Public Access (Phase I)		\$455,479	Prop 84 Grant: 75%	Awarded, grant secure	NA	NA
			Federal Grant: 14.2%	secure	NA	NA
			SJSU Research Foundation: 10.8%	secure	NA	NA
Central Coast Wetlands Group: Water Quality Enhancement of the Tembladero Slough Phase II		\$812,700	Prop 84 Grant: 100%	Some long-term maintenance will be provided as match and integrated with County maintenance	City and County agencies, operational budget; CCWG program funds	Secure – depends on project type, landowner and county maintenance agreements

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
				agreements		
City of Salinas: Integrated Industrial Wastewater Conveyance and Treatment Facility Improvements	Segments 1 and 2	\$8,250,000	Non-State match funding: 58% Prop 84 Grant: 42%	City has received an EDA grant for partial funding (\$3.48 M) and will use rates for other matching funds	City operational budget	Secured through existing rates and planned rate increases
	Industrial Wastewater Treatment Facility	\$9,660,000	Non-State match funding: 25% Prop 84 Grant: 75%	City will use rates for matching funds	City operational budget	Secured through existing rates and planned rate increases
City of Salinas and Monterey Regional Water Pollution Control Agency: Dry Weather Runoff Diversion Program		\$590,000	Non-state-match funding: 31% Prop 84 Grant: 69%	City and MRWPCA funding planned from existing resources	City operational budget	Secured through existing rates and planned rate increases
City of Soledad: Soledad Recycled Water Project		\$1,155,000	Non-State match funding: 25% Prop 84 Grant: 75%	Match: City Water Capital Fund. Grant awarded – secure	City operating Capital (currently unfunded)	Proposed rate increase could cover O & M costs
Delicato Family Vineyards: San Bernabe Lining Project		\$2,281,000	Prop 84 Grant: 75% San Bernabe Vineyard: 25%	Secure – part of SBV capital improvement budget	SBV operational budget	Secure – SBV operational budget
Ecology Action: Monterey Bay Green Gardener Training & Certification Program	10-week Bilingual Green Gardener Certification-Level Training	\$17,685	California Water Service Company: 31%	Pending approval	California Water Service Agency Conservation Budget	Pending approval
			Mission Trails ROP: 35%	Secure – funded by student attendance fees, ADA funds	Mission Trails ROP operating budget	Secure
			Prop 84 Grant: 34%	Application will be submitted	NA	NA
	Green Gardener Advanced Series (open to the public)	\$19,475	Mission Trails ROP: 5%	Secure, funded by student attendance fees, ADA funds	Mission Trails ROP operating budget	Secure
			Prop 84 Grant: 95%	Application will be submitted	NA	NA
Elkhorn Slough Foundation: Integrated Ecosystem Restoration in Elkhorn Slough		\$3,071,383	Prop 84 Grant: 31%	Funded, secure	Department of Fish and Game	Secure - land lease
			Federal Grant: 40%	Funded, secure	NA	NA
			State Grant, Coastal	Application will be	NA	NA

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
			Conservancy: 29%	submitted FY 11/12		
Elkhorn Slough Foundation: Ridgeline to Tideline – Water Resource Conservation in Elkhorn Slough	Phase I – North Marsh Restoration	\$2,028,216	Prop 84 Grant: 75%	Modified FY10/11 application and resubmitted in FY11/12	NA	NA
			ARRA: 24%	Funded 2009-2012	Annual Allocation from Department of Fish and Game and NOAA/NERR	Secure
			NO24: 0.7%	Funded 2011-2012	NA	NA
			MBA: less than 0.5%	Funded 2011-2012	NA	NA
			NFWF: 0.7%	Funded in 2011-2012	NA	NA
	Phase II – Land Acquisition	\$5,414,816	Prop 84 Grant: 75%	Modified FY10/11 application and resubmitted in FY11/12	NA	NA
			Private: 1.1%	Funded in 2009 and 2010	NA	NA
			Federal: 23.7%	Funded in 2009	NA	NA
	Phase III – Uplands Restoration	\$786,100	Prop 84 Grant: 75%	Modified FY10/11 application and resubmitted in FY11/12	NA	NA
			Private: 23.1%	Funded through individual and corporate gifts and private foundation grants	ESF Stewardship Budget (including major donors and endowments)	Secure
			NFWF: 1.9%	Funded in 2011-2012	NA	NA

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
Marina Coast Water District: Recycled Water Element of the Regional Urban Water Augmentation Project (RUWAP)		\$40,800,000	Title XVI funds (Bureau of Reclamation); Clean Water State Revolving Fund loan (State Water Resources Control Board); FORA CFD reimbursements; MCWD reserves; Prop 84 IRWM grant	Applications submitted, in review	MCWD Operational Budget	MCWD & FORA commitments secure; Title XVI funds and SRF loan in process
Monterey Bay Sanctuary Foundation: Making Monitoring Count		\$404,000	Prop 84 Grant: 75% NOAA: 0.6% EPA: 24.4%	Proposal submitted	NA	NA
Monterey Bay Sanctuary Foundation: Watershed Approach to Water Solutions		\$512,134	Prop 84 Grant: 73%	Awarded August 2011, secure	Landowner	Secure – only requires manual labor of community
			Federal, In-kind: 9% (\$46,750)	Secure, NOAA and USDA already committed	NA	NA
			Local, In-kind: 10.5% (\$55,000)	Secure, Monterey County Agriculture Trust	NA	NA
			Federal grant, In-kind: 7.4% (\$38,000)	Secure, AWEF, USDA funds already committed	NA	NA
Monterey County Public Works: Las Lomas Drive Storm Drain Improvements Project		\$1,054,421	Local Grant: 25%	Secure, local grant through TAMC and Road Fund	Local agency budget	Secure, O&M budget
			State Grant, DAC assistance, DWR: 75%	Tentative award contingent on project approval by IRWM and State funding	NA	NA
Monterey County Redevelopment & Housing Office: Well Replacement and Pipeline – San Lucas Water		\$543,149	Prop 84 Grant: 100%	Application submitted	San Lucas Water District operational budget	Secure, current rates cover O&M costs

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
District						
Monterey County Water Resources Agency: Aquatic Invasive Species Inspection Project		\$631,000	Prop 84 Grant: 75% Monterey County: 25%	Funded for FY 2011/2012	NA	NA
Monterey County Water Resources Agency: Coastal Dedicated Monitoring Well Drilling		\$921,600	Prop 84 Grant: 75% MCWRA: 25%	Application submitted	MCWRA Monitoring Budget	Secure, costs will be incorporated in the 2011-2012 Budget
Monterey County Water Resources Agency: Granite Ridge Regional Water Supply Project		\$26,500,000	Prop 84 Grant: 75% MCWRA: 25%	Application submitted	Monterey County	Secure 2012-2015 County Budget
Monterey County Water Resources Agency: Salinas River Fisheries Enhancement Project		\$1,157,000	Prop 84 Grant: 75% MCWRA: 25%	MCWRA 2010/11 Budget	NA	NA
Monterey County Water Resources Agency: Salinas River Flood Risk Reduction Project		\$560,000	MCWRA: 25%	Secure, part of MCWRA approved budget for FY 11-12	NA	NA
			Prop 84 Grant: 75%	Application will be submitted for FY 11-12	NA	NA
Monterey County Water Resources Agency: Test Well for Regional Desalination Project – Slant Well		\$4,000,000	Prop 84 Grant: 75% MCWRA: 25%	Application submitted	Monterey County Water Resources Agency	Secure 2012-2013 MCWRA Water Resources Planning & Management Operations Budget
Nacimiento Regional Water Management Advisory Committee: Interlake Tunnel between Lake Nacimiento and Lake San Antonio		\$11,000,000	Lake Nacimiento Community Service District: 40%	In development stage	NA	Part of project
			Prop 84 Grant: 20%	Application will be submitted FY 11/12	NA	NA
			MCWRA: 20%	Proposal phase	NA	NA
			San Luis Obispo County: 10%	Pending application	NA	NA
Pajaro/Sunny Mesa		\$3,000,000	Prop 84 Grant: 100%	Application will be	Water billing	Secure. Rate increase

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
Community Services District: Springfield Water Project			(DAC Project)	submitted FY 12/13		covers O&M costs
RCD of Monterey County: Livestock and Land		\$1,192,852	Prop 84 Grant: 75% Landowner match: 10%	Secured with landowner agreements. Application submitted.	Landowner agreements secure O&M for life of BMP	Secure
			- NRCS technical assistance: 4% - USFWS technical assistance: 2% - USFWS Partners for Fish and Wildlife grants: 6% - NRCS/RCD equipment and vehicles: 3%	- Committed project partner - Committed project partner - Grant currently secured - Secured, available now from agencies	NA	NA
RCD of Monterey County: Monterey County Farm Water Quality Assistance Program		\$759,000	UCCE: 7% for staff time & equipment	Secure, part of shared efforts	NA	NA
			RCDMC: 1% for equipment			
			Prop 84 Grant: 75%	Application will be submitted FY 11/12	NA	NA
			USDA NRCS: 7% staff and vehicles	Secure	NA	NA
			USDA NRCS: 10% EQIP program grants and cooperative agreement w RCDMC	Pending annual renewal of agreements	NA	NA
RCD of Monterey County: Salinas River Watershed Invasive Non-native Plant Control and Restoration		\$1,634,500	RCDMC personnel & equipment: 5%	Secure	NA	NA
			Prop 84 Grant: 75%	Application will be submitted FY 11/12	NA	NA
			NRCS personnel & vehicles: 5%	Secure part of RCD-NRCS relationship	NA	NA
			Monterey County Ag	Mostly secure. Some	NA	NA

Project Proponent & Project Title	Project Phases (if applicable)	Approximate Total Cost	Funding Source & % of Total Cost	Funding: Certainty/ Longevity	O&M Finance Source	O&M Finance Certainty
			Dept.: 5%	pending approval of future county budgets		
			RON student volunteers: 0.5%	Secure	NA	NA
			Participating growers: 10%	Pending landowner agreements	NA	NA
Rural Community Assistance Corporation: Greater Monterey Bay DAC Wastewater Management Pilot Program		\$689,000	Prop 84 Grant: 98% In-Kind Match: 2%	2012 and 2013	Community. A fee-based O&M program will be established with rate payers from each household.	Moderate. Each resident will be required to cover their repairs/ replacement.
San Jerardo Cooperative: San Jerardo Wastewater Project		\$3,023,945	State Grant, Cleanup and Abatement Account, State Water Board: 65%	Awarded. Grant secure through 2014.	Cooperative, Operating budget	Secure
			State Grant, Prop 84, DAC assistance, DWR: 35%	Awarded	Cooperative, Operating budget	Secure
Save Our Shores: Watershed Protection Program – Annual Coastal Cleanup Day in Monterey County		\$24,000	Prop 84 Grant: 50%	Application will be submitted	NA	NA
			California Coastal Commission: 4%	Secure, will receive Fall 2012	NA	NA
			REI: 21%	Secure, will receive June 2012	50% Operations, 50% Programs	Secure- 2012 O&M budget
			Community Support: 25%	Secure, will receive May 2012	All Operations	Secure- 2012 O&M budget
UC Davis Marine Pollution Studies Lab: Evaluation of Potential for Stormwater Toxicity Reduction by LID Treatment Systems		\$246,100	Prop 84 Grant: 78% In-kind: 22%	Awarded. Grant secure.	NA	NA