



Participatory Budgeting Workshop No. 4

August 24, 2022

Prop 1 Round 2 Integrated Regional
Water Management (IRWM) Grant Funding

One Water One Watershed - Santa Ana Funding Area

Agenda

1. Introductions
2. SAWPA – Recap of August 10th Workshop No. 3
3. Projects Able to Move Forward with Grant Awarded
4. SAWPA - Rating and Ranking Changes Since August 10th Workshop No. 3
 - Feedback from Stakeholders?
5. Determine “Required Cost Share”
6. Next Steps

Prop 1 Round 2 (R2) Process



*Best estimate currently. Dates may change based on DWR's time needed to review applications.

Workshop No 3. Recap

- Discussed project rankings and grant funding formula for two competition pools:
 - DAC
 - General Implementation
- Discussed need for “back up” projects (one for DAC, one for General)
- Major Comments -
 - a) Lack of “benefit per capita” scoring metric in ranking formula,
 - b) Outliers in DAC Implementation pool skews funding, and
 - c) Question on greenhouse gas (GHG) normalization.
- SAWPA initiated the question – can your project proceed with the funding awarded?

Questions/Comments Received After Workshop No. 3

- Question about including Economically Distressed Areas (EDAs), in addition to Disadvantaged Community (DAC) areas, in the scoring.
 - SAWPA staff followed up with DWR on this item. **Still awaiting feedback from DWR.**
- SBVMWD edit to benefit area (additional HUC-12 watershed that was not captured)
 - **Minor affect on scores. This did not adjust top ranked projects.**
- Rialto adjusted water quality MGD value based on stakeholder comment.
 - **This affected scores as their MGD value is/was the highest.**
- LESJWA ensured benefit area used for DAC-related cost share waiver was changed to reflect a higher DAC percentage value.
 - **This does not affect the ranking. Original DAC percentage still used in ranking.**

Recommended Round 2 Competition Pools (Not including North OC)

Competition Pools	Grant Amount
DAC	\$4,095,000
General Implementation	\$14,435,100
Upper Watershed*	\$12,372,943
Watershed Wide*	\$2,062,157
DAC and General Total	\$18,530,100

*Not a competition pool, funding gets distributed after projects are submitted and highest scoring projects are determined.

Projects Seeking Grant Funding by Category

Category	Projects	Grant Requested	Grant Available*
Disadvantaged Community	6	\$13,116,020	\$4,095,000
General Implementation	18	\$54,700,206	\$14,435,100
Total	24	\$67,816,226	\$18,530,100**

26 projects also submitted applicants in order to be included in the Santa Ana River Watershed IRWM OWOW Plan. Entities often take this action in order to be eligible for other State grant opportunities.

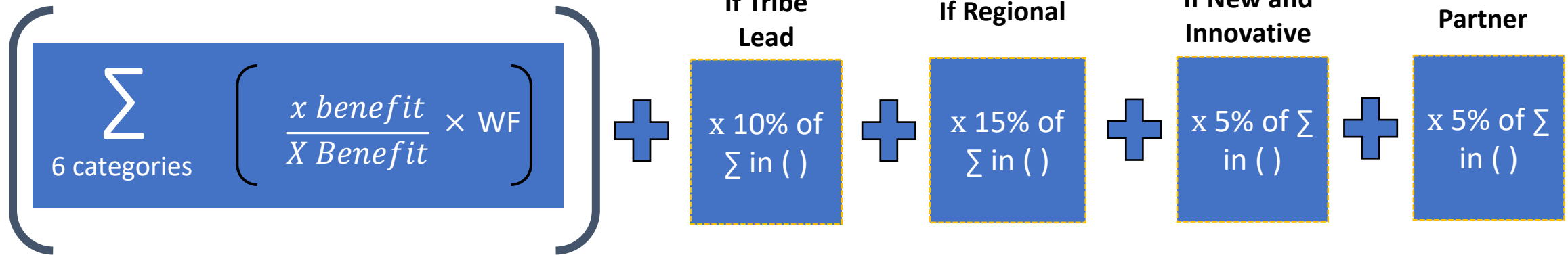
*There is also \$7,175,543 available through the North Orange County IRWM group for projects received through their process. Projects received by their lead administering agency, Orange County Public Works, are not shown in the above table or in this presentation.

**This amount may increase by \$2,000,000 due to roll over of funding from Prop 1 Round 1. Still awaiting approval by Department of Water Resources before it is officially increased.

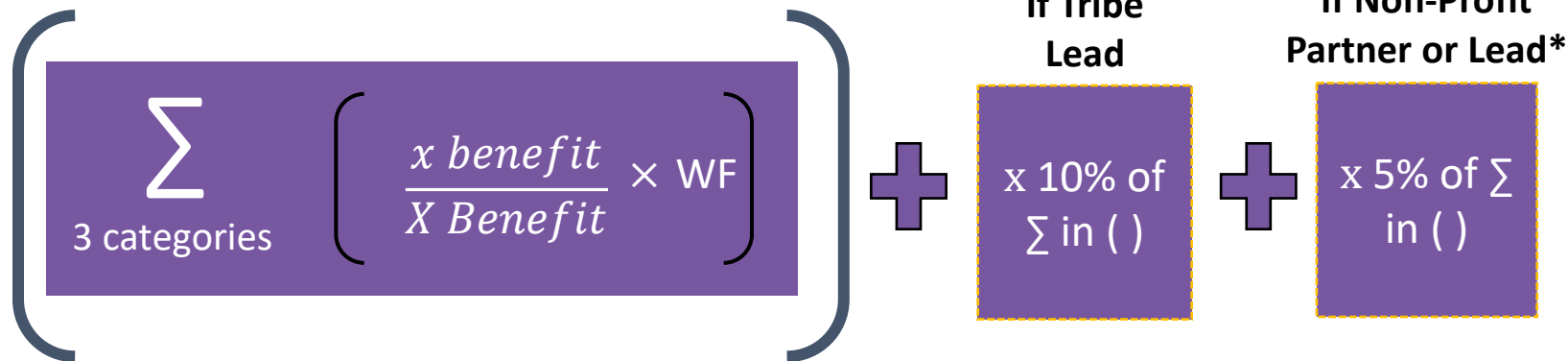
This \$2 million will be discussed later in the presentation

Ranking Formulas

General Implementation:



DAC:



WF = Weighting Factor

*If Non-Profit is the lead, the percentage increases to 10%

Grant Funding Allocation Formula

- Purpose is to allocate funding to those top projects based on those top projects share of the sum of the weighted scores, and
- Include any State priority projects near threshold (if applicable).

Top project threshold.

Project ID	Weighted Score
1	699.90
2	643.89
3	526.26
4	424.44
5	401.53
6	298.39
7	246.87
8	244.25
9	170.26
10	143.83
11	101.49
12	93.87

Grant Allocation Formula for Round 2*

Before Running Formula
Each Project is "Capped" at
Their Grant Request



$$\left(\frac{x \text{ Weighted Score of Your Top Project}}{X \text{ Total Weighted Score of Top Projects}} \times \text{Grant Available} \right) + \left(\text{Add More Grant To Your Project Via Formula in first } () \right)$$



Additional Stages of Allocation Formula Done if
There is Left-Over Grant Due to Project Request
"Caps"

*Same formula used in last Prop 1 round.

After Workshop No. 3 - Projects Asked if They are able to Still Implement with Grant Awarded

- Box Springs Mutual Water Company Well Improvement Project (in DAC Implementation competition pool) not able to move forward due to low grant allocation.
- To solve issue, SAWPA moved \$1.5 Million (from the \$2 Million roll over from Prop 1 Round 1) to Box Springs.
- The other \$500,000 (of the \$2 Million roll over) was allocated to the top General Implementation projects using the ranking formula.
- This math is factored into the “Project Benefits Spreadsheet” dated 8/24/2022.

Further Information on Utilizing \$1.5 Million from Round 1

- Same question posed in Prop 1 Round 1, but all projects able to move forward in the past with initial amount due to inquiries by SAWPA as the Regional Water Management Group (RWMG),
 - We have a unique issue this round due to the low score with the 3rd top DAC project.
 - As stated prior, we are seeking to fund approximately 10 projects (between DAC and General).
- SAWPA/RWMG interested in projects able to move forward with grant provided.
- SAWPA wants to be responsive to comments received in last workshop regarding “per capita” benefits.
- Box Springs’s nitrate removal and water quality focused project is consistent with the Prop 1 PSP requirements and OWOW/IRWM Plan’s focus on small water systems.

Feedback from Stakeholders?

- Refer to “Project Benefits Spreadsheet” dated 8/24/2022 for updated scores and funding recommendations.
 - This version takes into account the Rialto update to their MGD water quality benefit value, and the \$1.5M /\$500K split for the Prop 1 Round 1 roll over.
- Question to now answer - Can your General Implementation project proceed with these updated amounts?
 - Refer to the “Delta” column to see the difference between the last version of the spreadsheet from Workshop 3 and these grant award amounts.

Determining “Required Cost Share”

- Note there are **two types** of cost share per the grant agreement with SAWPA/DWR:

AGREEMENT BUDGET SUMMARY

	Grant Amount	Required Cost Share: Non-State Fund Source	Other Cost Share	Total Cost	Percent Cost Share	
Grant Administration	\$1,157,000	N/A	\$0	\$1,157,000	N/A	
PROJECTS						
1	Enhancements to Watershed-Wide Water Budget Decision Support Tool	\$500,000	\$864,354	\$364,354	\$1,728,708	50%
2	Santa Ana Mountains Watershed Protection Project	\$497,998	\$0	\$732,144	\$1,230,142	0%
3	Groundwater Replenishment System Final Expansion	\$3,589,553	\$10,000,000	\$2,694,545	\$16,284,098	61%

Joint IFUA-ICSD Regional Water

From Prop 1 Round 1 (DWR table excerpt)

Thresholds for cost share waiver/reduction

DAC/EDA Benefit By Population/Geography:	Percent (%) Cost Share Required
75% - 100%:	0%
50% - 74%:	12.5%
25% - 49%:	25%
Less than 25%:	50%

Implementation Projects

Project Name	Applicant	DAC	Grant Request	Total Costs	Required Cost Share (Due to DAC %)	Required Non-State Cost Share	Non-Grant Costs to Be Covered by Applicant	Percent of Grant Request	Grant Percent of Total Project Costs
Santa Ana River Watershed Weather Modification Pilot Project	SAWPA	46%	\$861,400	\$1,722,800	25%	\$430,700	\$861,400	100%	50%
Etiwanda Intervalley Water Quality and Water Resiliency Project Phase-1A	JCSD	30%	\$6,000,000	\$28,505,400	25%	\$7,126,350	\$25,551,187	49%	10%
Wellhead Nitrate Treatment for Wells 4 & 27	MVWD	42%	\$6,950,000	\$6,950,000	25%	\$1,737,500	\$4,416,508	36%	36%
Cable Creek Basin (Upper)	SBCFCD	65%	\$3,250,000	\$20,000,000	12.5%	\$2,500,000	\$17,478,322	78%	13%
Phase 1 - Lake Elsinore Algae Harvesting and Nutrient Removal Project	LESJWA	42%	\$1,500,000	\$3,000,000	25%	\$750,000	\$1,500,000	100%	50%
Lake Rialto Habitat Management and Community Open Space Project	Rialto, City	51%	\$2,950,000	\$8,000,000	12.5%	\$1,000,000	\$5,850,252	73%	27%
Well 2 Replacement	MVWD	42%	\$8,675,000	\$8,675,000	25%	\$2,168,750	\$6,668,689	23%	23%

Calculated required cost share totals to only 18% of total OWOW proposal cost. 50% is required. Solution = need more required cost share from available “additional cost share”.

Note: Under Round 1, all DAC Implementation projects reported 0% “required cost share”

Next Steps

- SAWPA to work with top project proponents to determine required cost share amounts.

Questions

Ian Achimore

SAWPA Senior Watershed Manager

iachimore@sawpa.org

(951) 354-4233