

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION — DIVISION OF FINANCIAL ASSISTANCE  
MAY 20, 2008**

**ITEM 3**

**SUBJECT**

CONSIDERATION OF A RESOLUTION APPROVING PROJECTS, AND ADOPTION OF THE RECOMMENDED FUNDING LIST, AND AUTHORIZATION TO ISSUE GRANTS FOR THE 2007 AGRICULTURAL WATER QUALITY GRANT PROGRAM (AWQGP)

**DISCUSSION**

The State Water Resources Control Board (State Water Board) is authorized to administer \$29.5 million in bond funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) for the Agricultural Water Quality Grant Program (AWQGP). All but \$3 million of these funds have been awarded to AWQGP Projects that were solicited in 2005 and 2006.

The AWQGP provides grant fund to local agencies and nonprofit organizations to implement Projects that will improve agricultural water quality. Projects were solicited using the procedures and criteria established by the State Water Board in the 2005-06 Consolidated Grants Guidelines (Guidelines). On September 14, 2007, a solicitation notice for the 2007-2008 319(h) Nonpoint Source (NPS) Grant Program was released. The 2007-2008 319(h) NPS Grant Program funds agricultural water quality improvement projects in addition to other NPS projects.

The 2007-2008 319(h) NPS Grant Program solicitation consisted of a two-step process. In the first step, applicants submitted brief Concept Proposals (CP) using the State Water Board's on-line Financial Assistance Application Submittal Tool. Applicants with the highest-ranking CPs were invited to submit a Full Proposal by January 31, 2008. Included among the highest-ranking proposals were seven that were determined to be eligible for funding under Proposition 50 AWQGP. These seven applicants were asked to submit full proposals under Proposition 50 AWQGP due to limited funding available under the 319(h) NPS Grant Program.

Technical reviewers and a final selection panel consisting of staff from the State Water Board, the Regional Water Quality Control Boards (Regional Water Boards), and the California Department of Food and Agriculture reviewed and ranked the seven proposals received in response to the solicitation notice. The Selection Panel convened in April 2008 and developed the Recommended Funding List, which is presented as Exhibit 1.

The projects in Exhibit 1 are listed in order of their funding preference and projects above the funding line, are recommended for funding at this time. The projects recommended for funding represent the most competitive proposals that address the criteria adopted in the Guidelines for the AWQGP.

Non-responsiveness to executing Grant Agreements has been an issue with a handful of past grant recipients. In several cases, non-responsiveness has resulted in grant funds being left unused for a substantial and unwarranted amount of time and has caused the termination of Grant Agreements. For this reason, the Guidelines state that lack of responsiveness prior to finalizing and executing a Grant Agreement may result in withdrawal of the grant award. If grant awards are withdrawn, the funds will be made available to other eligible proposals presented on the Recommended Funding List, which are below the funding line at the time of the State Water Board awards.

## **POLICY ISSUE**

Should the State Water Board:

1. Approve the funding for Projects on the Recommended Funding List above the funding line for the 2007 AWQGP?
2. Authorize the issuance of grants and amendments to implement the Projects?
3. Authorize the Deputy Director of the Division of Financial Assistance (Division) to withdraw Grant Agreements if applicants are non-responsive?
4. Authorize the Deputy Director of the Division to issue grants to Projects below the funding line in the event that funds are withdrawn for non-responsiveness or terminated Projects?

## **FISCAL IMPACT**

Local assistance appropriations authorized for State funding are sufficient to fund the recommended Projects.

## **REGIONAL WATER BOARD IMPACT**

Yes. All Regional Water Boards.

## **STAFF RECOMMENDATION**

The State Water Board should:

1. Approve the funding for Projects on the Recommended Funding List above the funding line for 2007 AWQGP;
2. Authorize the issuance of grants and amendments to implement the Projects;
3. Authorize the Deputy Director of the Division to withdraw Grant Agreements if applicants are non-responsive; and
4. Authorize the Deputy Director of the Division to issue grants to Projects below the funding line in the event that funds are withdrawn for non-responsiveness or terminated Projects.

**Exhibit 1**  
**2007 Agricultural Water Quality Grant Program (AWQGP)**  
**Proposition 50**

**RECOMMENDED FUNDING LIST<sup>1</sup>**

<b>PIN</b>	<b>PROJECT</b>	<b>NATIVE REGION</b>	<b>RECOMMENDED AMOUNT<sup>2</sup></b>	<b>TOTAL</b>
10996	Nutrient, Pathogen and Sediment Pollution Reduction from Livestock Facilities	3	\$999,689	\$999,689
13034	Implementing the Fish Friendly Farming Program on Rangelands to Improve Water Quality and Stream Habitats	2	\$500,000	\$1,499,689
10976	Pajaro Watershed Agricultural Irrigation and Nutrient Management Project	3	\$750,000	\$2,249,689
11016	Imperial Irrigation District's Precision Drain Cleaning BMP Plan	7	\$726,778 <sup>3</sup>	\$2,976,467
13008	Laguna de Santa Rosa Cooperative NPS Pollution Reduction Program	1	\$418,008	
11010	Firebaugh Canal Water District 2 <sup>nd</sup> Lift Canal Lining Project	5	\$1,000,000	
13022	Addressing Technical and Institutional Impediments to Implementation of Real-time Agricultural and Wetland Water Quality Management in the San Joaquin River Basin	5	\$640,000	

1. Applicants must address technical reviewer comments during the development of their grant agreement.
2. There is \$1,061,367 from FY 07-08 appropriations which is available now for encumbrance. An additional \$1,915,100 is in the FY 08-09 Budget and will become available upon enactment of the Budget. Funding is contingent upon adequate State Water Board appropriations.
3. The original request for the PIN 11016 project was for \$990,000. The applicant will be offered the lesser amount and will be allowed to reduce the scope of the project accordingly. If additional Proposition 50 AWQGP funding becomes available the applicant will be offered additional funding up to their original request.

# DRAFT

## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-

### APPROVING PROJECTS, AND ADOPTION OF THE RECOMMENDED FUNDING LIST, AND AUTHORIZATION TO ISSUE GRANTS FOR THE 2007 AGRICULTURAL WATER QUALITY GRANT PROGRAM (AWQGP)

#### WHEREAS:

1. The State Water Resources Control Board (State Water Board) is authorized to administer \$29.5 million in bond funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) for the Agricultural Water Quality Grant Program (AWQGP) and \$3 million of these funds are available for Projects under the 2007 AWQGP;
2. The 2007 AWQGP provides grants to local agencies and nonprofit organizations to implement Projects that will improve agricultural water quality;
3. The 2007-2008 319(h) NPS Grant Program used the procedures and criteria established by the State Water Board in the 2005-06 Consolidated Grants Guidelines (Guidelines) to solicit applications, evaluate proposals, and award grants;
4. Applications submitted under the 2007-2008 319(h) NPS Grant Program solicitation process included Projects that were also eligible for funding under Proposition 50 AWQGP;
5. The procedures and criteria established by the Guidelines were used to evaluate and award grants for the 2007 AWQGP Projects that were solicited under the 2007-2008 319(h) NPS Grant Program;
6. The Guidelines allow withdrawal of the grant awards to non-responsive applicants, and issuance of grant awards to other competitive proposals that are below the funding line.

#### THEREFORE BE IT RESOLVED THAT:

##### The State Water Board:

1. Approves the funding for Projects on the Recommended Funding List from the 2007 AWQGP;
2. Authorizes the issuance of grants and amendments to implement the Projects;
3. Authorizes the Deputy Director of the Division of Financial Assistance (Division) to withdraw grant awards if applicants are non-responsive; and

# **D R A F T**

4. Authorizes the Deputy Director of the Division to issue grants to Projects below the funding line in the event that funds are withdrawn for non-responsive or terminated Projects.

## **CERTIFICATION**

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on May 20, 2008.

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Jeanine Townsend  
Clerk to the Board