

White Paper- Funding for Implementation Grant Development

(Imperial Water Forum Working Document, For Discussion Only)

The purpose of this White Paper is to support discussion of how to fund preparation of the Proposition 84 Implementation Grant application. A separate White Paper will address long-term funding for implementation of the Imperial IRWMP and how to support the ongoing operation of the Regional Water Management Group (RWMG) and Water Forum. Key funding questions to be discussed and decisions to be made are listed below.

How will grant application development be funded?

To date, Imperial Irrigation District (IID) has been the sole source of local funding. Per CDWR rules, the Proposition 84 Planning Grant cannot be used to prepare the Proposition 84 Implementation Grant application. IID has not budgeted or contracted for developing the grant application. It is proposed that the Imperial Region project sponsors share the costs for developing the Proposition 84 Implementation Grant application.¹

What are the specific cost areas?

Costs to be incurred by Imperial Region project sponsors to complete their projects and ensure that they are truly ready to proceed in terms of work plans, schedules, and budget include; defined funding and financing; approved agreements with project partners; and final designs, environmental clearance, and permits.

Costs to be shared by project sponsors include consolidating projects into one coherent program, completing work plans, schedules, and budgets; setting up a system for grant management and administration; obtaining commitments and agreements from project sponsors and their boards (e.g., staff time); collecting and integrating individual project documentation; aggregating project-specific economic analyses; and preparing required appendices and the submittals for the final application.

What is the range of cost to prepare the grant?

Cost could range from \$40K to \$200K depending on the number of projects, their complexity, whether agency staff or consultants prepare the application, and the amount and quality of project sponsor information. The final CDWR proposal solicitation package has not been released, so exactly what will be required is not know. This will affect the grant application budget.

Who will coordinate and manage the grant preparation?

The grant application could be prepared by consultants, agency staff, or a combination of the two. CDWR rules require a single application for the Imperial Region. The Water Forum must define who will coordinate and manage preparation of the Implementation Grant. In most regions, project sponsors seeking grant money jointly fund a consultant, reimburse the agency leading the grant preparation, and provide in-kind staff services (track staff time for cost match).

¹ IID is working to obtain a non-competitive grant under the CDWR Disadvantaged Community Pilot Outreach and Support Project Grant program support required economic analysis and to fund the economic analysis for a few projects.



It is proposed that the agency be selected to lead preparation of the grant; and that said agency lead in preparing the grant, including establishing the grant budget and obtaining funding commitments from project sponsors. The grant preparation budget can be better defined when the final list of grant projects has been determined by the Water Forum and the CDWR proposal solicitation package has been published. Other regions have used a range of methods to distribute grant preparation costs, including equal cost shares; cost shares proportional to total dollars sought, volume of water used, population, acreage of service area, and/or ability-to-pay. A Memorandum of Understanding or other agreement committing funding to prepare the grant is needed.

How will grant funds be managed?

If Implementation Grant funds are awarded to the Imperial Region a more formal governance structure will be required that contractually binds partners, defines the agreements and commitments, and ensures stable funding to sustain the RWMG, Water Forum and Imperial IRWMP implementation. CDWR rules require a single grant administrator for the Imperial Region, quarterly reports, submit invoices,, etc.

