

California Department of Water Resources
 Water Use and Efficiency Branch
 Water Recycling and Desalination Section

**FINAL 2014 WATER DESALINATION PROPOSAL SOLICITATION PACKAGE
 FREQUENTLY ASKED QUESTIONS**

APPLICATION PROCESS

1. *The hard copy submittal may not be the most recent version of the application/proposal because of the travel delay. Can applicants mail a corrected/updated version of the application/proposal after the due date?*

Applicants will be granted 4 days after the due date to get the revised hard copy which matches the GRanTS final application submittal into DWR.

INTRODUCTION (SECTION 1)

2. *Can you explain about the additional Proposition 50 funds which may become available?*

This third cycle of funding is made up of funds which have been freed up by projects from the previous two cycles which were either completed under budget or cancelled. There may be a small amount of additional funds made available in a similar manner in the future.

PSP BACKGROUND, GOALS, PRIORITIES, AND OBJECTIVES (SECTION 2)

3. *What if the project environmental documents (e.g. CEQA) are not complete at the time of the application?*

“Ready-to-proceed” projects within each of the five project categories may be ranked higher during the prioritization process for grant funding. This would include projects with completed or nearly completed environmental documents (e.g. CEQA) necessary for implementation and construction projects. If the applicant has identified the necessary project documents and has begun to prepare them, but they will take more than 6 months to complete, the applicant is still able to achieve the minimum required points for question 4 in Exhibit G, Review and Scoring Criteria, to be eligible for funding. Note that the applicant will report the status of completion of environmental documents via GRanTS – the online submittal tool in questions 11 – 14 and also in Attachment 15. DWR must receive all necessary project documents prior to execution of a grant agreement with an applicant. Regardless, if an applicant is awarded a grant, significant delays in completion of environmental documents could result in DWR withdrawing the grant award. CEQA documentation will be submitted as part of Attachment 15.

4. *What if the applicant resolution is not complete at the time of the application?*

The resolution is one of the necessary project documents which communicates to DWR that the agency intends to move forward with the grant project. The applicant must provide a resolution adopted by the applicant’s governing body to apply for the grant. The PSP contains a resolution template that the applicant can use which serves multiple purposes proactively designating an authorized representative to submit the application, execute an agreement and any amendments, and certify funding disbursements with the State of California.

5. *In the case of a project involving several entities, are all partners required to have resolution signed by each of their respective boards?*

Only the eligible applicant will have contractual responsibility with DWR and needs to present the resolution signed by the respective board with the application/proposal. However, as a part of funding match documentation (Attachment 5), the applicant will be required to submit documents from funding partners demonstrating commitment of contributions for the funding match.

6. *What documentation is acceptable for multiple agency participation in funding?*

As part of Attachment 5, applicants must submit documents from funding partners signed by representatives with authority to commit funds from their organizations. However, the applicant has the legal responsibility for fulfilling grant requirements and must decide for itself what form of commitments it needs from its funding partners, as well as other project participants, to fulfill its responsibilities. Commitments can take several forms: commitment letter, MOU, JPA, agreement, resolution, etc.

ELIGIBILITY AND BENEFIT (SECTION 3)

7. *Are facility expansions and upgrades eligible under the construction category?*

Yes, expansions and upgrades of full-scale permanent desalination facilities and related infrastructure to result in an operable municipal water supply project are eligible when the changes increase the production of new potable water and meet the eligibility criteria.

8. *Define what is inland brackish water. Does inland brackish water include water in the Delta?*

Inland brackish water is water with a salinity between 1,000 – 30,000 TDS found inland and is generally typified by surface or ground water not connected to the ocean or its major bays and estuaries, but may be connected to open saline surface water found inland such as the Salton Sea.

No, inland brackish water does not include the Delta as the Delta is significantly influenced by the ocean, as well as bays and estuaries.

9. *Can investor-owned utilities be added to the eligible applicant list?*

Yes, the category of investor-owned utilities which are regulated by the Public Utilities Commission and which provide a public benefit has been added to the eligible applicant list. These utilities are prohibited from receiving a profit off the grant.

10. *Are private entities/individuals eligible to receive funding under this program?*

Private entities are not eligible for the desalination grants under this program with the exception of CPUC regulated utilities and nonprofit organizations. As outlined in Section 2, Eligible Applicants include public entities involved with water management activities including: cities, counties, joint power authorities, investor-owned utilities, public special districts (i.e. water or irrigation water districts), tribes, non-profit organizations (including watershed management groups)*, universities and colleges, state agencies, federal agencies, and other political subdivisions of the State. However, eligible applicants may form cooperative relationships with other entities, including private companies, but only eligible applicants can enter into and administer a contract/agreement with the State.

*non profits are defined in Proposition 50 (see Water Code Section 79505)

11. *Can CEQA work be added to the eligible project categories list?*

Yes, the eligible project categories list now includes a category entitled Environmental Documentation. This category will apply to projects which have completed a basic feasibility study and that study must be submitted with the application to be considered for funding.

12. *Can a project which has a water source salinity less than 1,000 milligrams per liter be eligible for funding when the regulatory agency prohibits the potable use of the source water?*

No. To be eligible, a project must have a water source salinity of 1,000 milligrams per liter. Furthermore, if it is discovered during the course of the project that the water source salinity is less than 1,000 mg/L, the grantee must inform the DWR project manager and await DWR's direction before proceeding with the project work.

FUNDING (SECTION 4)

13. *What is the difference between the educational institution overhead allowed for universities (25%), and the maximum direct administrative costs allowed for all grantees (10%)?*

Educational institution overhead, also known as indirect costs, of research or as facilities and administrative costs, are expenses that are shared across externally sponsored research projects and include costs for administrative services, laboratories, equipment, libraries, and building maintenance, depreciation, and debt service to provide for modern research facilities. They are often a percentage of the total direct costs. Direct costs include salaries and benefits of researchers, materials and supplies, research equipment, and other costs directly identified with a research project.

Direct administrative costs are costs that are identified specifically with the grant project or that can be directly assigned for auditing purposes to the project. Examples of administrative costs are accounting, contract administration, and legal costs.

14. *How does the contingency budget category operate?*

A contingency is a possible future event or circumstance which cannot be predicted with certainty. In a budget, a contingency is a certain amount of money or a percentage of the budgeted costs which is included to provide for these possible financial expenses. For this grant program, a contingency of up to ten percent of total eligible project costs may be included in the project budget. Contingency costs are not eligible for grant reimbursement until they are expended on an eligible cost. If the contingency funds are accessed during the execution of the project, a thorough explanation must be provided to the DWR project manager when the invoice is submitted.

GRANTEE COMPLIANCE STATE LAWS AND REGULATIONS (SECTION 6)

15. *For projects that are not tied to a particular municipality, are urban water management plans required? What criteria determine if an applicant is subject to the urban water management plan requirement?*

The requirement will apply if the applicant is an urban water supplier. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. An UWMP is required, if the applicant is an "urban water supplier" providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. If an agency becomes an urban water supplier, it has one year to adopt an UWMP after it becomes an urban water supplier. Agencies that are not sure whether or not they are subject to the UWMP Act, should consult with Gwen Huff of DWR at (916) 651-9672. Also information on the UWMP can be found in the UWMP Guidebook at the following web address: <http://www.water.ca.gov/urbanwatermanagement/guidebook/>

FUNDED PROJECT REQUIREMENTS (SECTION 7)

16. *Will intellectual property rights acquired from previous work and incorporated into a grant project be subject to the Rights in Data provisions of the PSP?*

All work performed as part of a grant project is subject to the Rights in Data provisions in Section 7.3.d of the PSP. Intellectual property relied upon or incorporated into a grant project may become subject to these same provisions if the usefulness, understanding, or public benefit of the project is dependent on the public disclosure or access to the previously acquired intellectual property.

17. *Will this grant program allow intellectual property to be patented, licensed or sold?*

Yes. However, the grantee must agree that information produced in the performance of this project must be made available to the State and will be in the public domain. Grantees may disclose, disseminate and use in whole or in part, any final-form data and information received, collected and developed with this project, subject to appropriate acknowledgement of credit to State for financial support. However, grantee will not have exclusive rights to utilize the materials for any profit-making venture and cannot sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

18. *Will this grant program allow the use of grantee's contract language in place of the state contract language?*

No, only state contract language will be used for the grant contract. The granting agency may consider grantee requests to make minor changes to the basic agreement template.

DWR PSP FUNDING PROCESS (SECTION 8)

19. *What will be the composition of the review panels?*

The technical review team will consist of members from state, federal, outside stakeholder groups that do not have a conflict of interest. The technical team will provide DWR management and the Selection Panel with the recommended funding list.

20. *Will there be an economist on the review panel?*

Yes, a DWR economist will be included on the technical review team.

APPLICATION SUBMITTAL (SECTION 10)

21. *What is the procedure if the online application is finalized after the hardcopy application is mailed and the two versions are not identical?*

The grantee needs to notify DWR about the issue as soon as possible. DWR will use the online application as the final version and the grantee must mail a matching hardcopy version to arrive within 4 days.