From: Eric Osterling <eosterling@krcd.org>
Sent: Wednesday, October 08, 2014 4:14 PM
To: Eusuff, Muzaffar@DWR
Cc: Dhanota, Simarjit@DWR; Wallace, Keith@DWR
Subject: Kings Basin Water Authority Comments regarding the 2014 Drought Grant Solicitation Draft Funding Recommendations

Zaffar Eusuff
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
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RE: Kings Basin Water Authority Comments regarding the 2014 Drought Grant Solicitation Draft Funding Recommendations

Dear Mr. Eusuff,

Thank you for the opportunity to provide comments regarding the Drought Grant Solicitation Draft Funding Recommendations. The KBWA appreciates DWR staff efforts to provide a transparent and continually improving process for all involved. The KBWA has been successful in several prior rounds of funding, and will continue to strive to be successful in future solicitations.

On behalf of the project proponents for the 2014 Drought Grant Solicitation Draft Funding Recommendations, I provide the following comments and requests for clarification.

Comment:

1. The KBWA project proponents recognize that the recommendations are based on regional funding allocations and total scores of the applications. However, funding for the expedited 2014 solicitation was more narrowly focused than previous rounds for the distinct purpose of providing regional drought relief. With this in mind, it should be noted that the KBWA's application is the only application in the Funding Area that received a "Yes" score for every project under Question #10, *"Does the applicant clearly explain how the proposed project will help alleviate the identified drought impacts?"*, yet none of these projects will be funded.

Requests for Clarification:

2. Without written clarification similar to what DWR has provided in past funding rounds, it is not fully clear how scores were determined. Please provide a general explanation of the following:

    a. Within the Project Level evaluation clarify why in some cases scores are (or, without greater detail, appear to be) inconsistent with related scoring. For example, refer to our comments under Question $14, below.

b. In a review of the other applications within the region and a select review of a few applications from around the state that received a "Yes" answer for a specific question, language provided in the attachments appears very similar to what was submitted with our application, yet we found scores to be somewhat variable. Please clarify what would lead to this result.

3. The following are requests for clarification regarding scores we received. Understanding how our application was deficient is important to improving our chances of success in future funding rounds:

Question #1 Does the Proposal clearly demonstrate the regional water management impact(s) if the drought or dry year conditions continue onto 2015?
Please provide an explanation of the score of 2 for this question. In reviewing other applications in our funding area and other funding areas that received a score of 5, it appears our application provided similar responses to drought impacts including evidence of actual impacts.

Question #2 Did the Project Proponent identify the mandatory or voluntary water conservations measures/restrictions that have been implemented due to the 2014 drought or any planned or anticipated actions if drought or dry year conditions continue into 2015?
Please provide an explanation of the score of 4 out of 5 as to which of the project proponents was identified as not having implemented voluntary or mandatory water conservation measures.

Question #11 is each physical benefit annualized over the lifecycle of the project?
Each physical benefit is annualized over the lifecycle of Project #2, as shown in Table 3-4 (DWR Table 5) on page 3-12 of the application, and for Project #3 as shown in Table 3-6 (DWR Table 5) on page 3-17 of the application. A 50-year project life was included for Projects 1, 2 and 3 as shown in their respective tables (2015-2065).

Question #12 Are the anticipated primary and secondary physical benefits of the project described and quantified?
A description and quantification of the primary and secondary benefits was included for Projects 1 on pages 3-7 and 3-8, Project 2 on pages 3-12 and 3-13, and for Project 3 on page 3-18. The descriptions are consistent with the physical benefits described in each corresponding DWR Table 5, and include supporting documentation of the calculations and supporting technical studies and feasibility assessments. Please provide an explanation of why a "No" answer was recorded for these projects.

Question #13 Is the level of technical analysis reasonable considering the size of the project and the type of physical benefits?
The primary benefit for each project is groundwater recharge. The recharge benefits were calculated based on infiltration rates of other similar basins within the area. Please provide an explanation of the "No" answer for Projects 2 and 3.

Question #14 Does the technical analysis support the claimed physical benefits?
Please provide an explanation of the "No" answer received for Projects 1, 2 and 3. In particular, please explain why Project 1 received a Yes to Question 13, but a No under Question 14.

Question #16 Does the application discuss the necessary tasks that will result in a completed project?
Please provide an explanation of the "No" answer received for Projects 1, 3, 4 and 5. A detailed description of the tasks for each project included in Attachment 4, included a listing of deliverables. As

noted in the application, similar project task lists have been used by the project proponents (some through DWR funded projects) to successful complete similar projects. Project 2 has a very similar task list to Project 1, yet did not receive a Yes evaluation.

Question #20 Are the tasks shown in the Budget consistent with the tasks discussed in the Work Summary?
Please provide an explanation of the "No" answer for Project 2. The list of tasks described for Project 2 on pages 4-3 and 4-4 matches those listed in Attachment 5 for Project 2 on page 5-2, as well as those listed in Table 7 for Project 2 and itemized in Attachment 5d for Project 2.

Question #21 Are the costs presented in the budget reasonable for the project type and the current stage of the project?
Please provide an explanation as to why a "No" answer was provided for 4 of 5 projects. As noted in the application, the costs associated with Projects 1 and 2, and Projects 4 and 5, are similar to other recent similar projects performed within the region, some of which are leveraging DWR IRWM funding.

Question #23 Does the schedule demonstrate that it is reasonable to expect that the project will construction/implementation by April 2015?
The Tasks included in the schedule for Project 1 (Figure 6-2) and Project 3 (Figure 6-4) are consistent with those included in the Work Summary in Attachment 4. Additional detail was included in the schedule showing action items under the Tasks, but the Tasks listed do in fact match. It is presumed that this additional detail is not the reason for the No answer for those projects since similar additional detail was provided for Projects 2, 4 and 5. Please provide an explanation of the no answer for Projects 1 and 3.

Question #24 Does the application describe the steps necessary to ensure that the proposed schedule can be met?
As noted, the project timelines were prepared based on other similar projects completed within the region, and an explanation of efforts to date and project status reporting is included in the task list. Please provide an explanation as to why a "No" answer was received for each project.

Thank you for your consideration of our comments, and for your assistance with our requests for clarification. We look forward to hearing from you.

Sincerely,

Eric C. Osterling
Program Manager

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