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Agenda Item: 14-6C
Meeting Dates: April 13 and 14, 2005

JOINT MEETING WITH BAY-DELTA PUBLIC ADVISORY COMMITTEE

CONSIDERATION OF A RESOLUTION RECOMMENDING TO THE DEPARTMENT OF WATER RESOURCES THAT IT PROCEED WITH THE PROPOSITION 50 WATER DESALINATION GRANT- 2005 CYCLE RECOMMENDED PROJECTS

Summary: This resolution would recommend to the Department of Water Resources that it proceed with awarding Proposition 50 funds to the recommended water desalination projects.

Recommended Action: The Authority adopt the attached Resolution 05-04-07, recommending to the Department of Water Resources to approve the Water Desalination Grant Projects as shown in Attachment 2.

Background

In November 2002, California voters passed Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. Prop. 50 makes \$100 million available for appropriation to fund desalination projects through Water Code Chapter 6 (a), Section 79545 (a). There is \$25 million appropriated in this year's state budget to fund brackish water and seawater desalination projects.

After going through a public process to develop and review grant proposals, the Department of Water Resources staff is recommending that the available \$25 million under this desalination grant cycle be used to fund 25 different projects: three construction projects; six pilot and demonstration projects; seven research and development projects; and nine feasibility studies. This funding recommendation provides 54 percent of the fund to brackish water desalination projects and 46 percent to ocean desalination projects with a statewide geographically balanced distribution.

These projects were selected as the result of a process that began on July 8, 2004, when a draft Proposal Solicitation Package (PSP) was released for public comment by the DWR Office of Water Use Efficiency and Transfers. DWR held two public workshops on August 12, 2004 in Northern California and on August 17, 2004 in Southern California. The public-comment period ended August 23, 2004.

On September 9, 2004 the PSP was presented to the Bay-Delta Public Advisory Committee (BDPAC); and on October 14, 2004 the PSP was endorsed by the California Bay-Delta Authority. On October 25, the Final PSP was released on websites and in

hard copy to accept proposals. On November 15, 2004, DWR conducted a public workshop for the Final PSP. By January 13, 2005, the due date to submit applications, DWR had received 42 eligible applications requesting a total of \$71.3 million.

A Desalination Review Panel comprised of members representing local, State and Federal agencies as well as other stakeholders, was formed to help the State review the applications based on the criteria set forth in the PSP.

The Panel evaluated the proposals in relation to seven criteria established in the PSP. Scoring sheets were provided to the reviewers wherein each criterion is further detailed to depict details of the criterion as outlined in the PSP. Panel members submitted individual draft scores and comments for the proposals they reviewed. On March 24, 2005, the Desalination Review Panel met and ranked eligible projects for the different project categories: research and development; feasibility study; pilot and demonstration; and construction.

On March 25, 2005, a Desalination Funding State Agency Team reviewed the scores and the consensus ranking list recommended by the Desalination Review Panel and made its recommendation to DWR.

By approving this recommendation, the State would be funding well-documented desalination construction projects with a high potential for success. The recommendation funds all the sound construction projects as they were ranked by the Desalination Review Panel and recommended by the Proposition 50 Desalination Funding State Agency Team.

Through these grants, the State will participate in creating new water from the ocean and unusable brackish groundwater to help local agencies meet their current or future water shortages through feasible desalination projects, in turn, create regional and statewide benefits.

Through these grants, the State will collaborate as a partner to ensure that all applicable laws and concerns are addressed before the implementation of the awarded projects. This implements Proposition 50 provisions that authorize the construction projects to benefit from this grant funding, allowing the State to have access to data, knowledge, and experience gained as a result of implementing the awarded projects and make knowledge available to other potential projects.

Through these grants, the State is supporting feasible desalination projects while working toward meeting water supply benefits projected by the California Desalination Task Force and the 2005 California Water Plan Update. The number of funded projects was increased by lowering the level of funding for construction projects, resulting in the funding of two additional pilot projects (brackish water and ocean water desalination pilots) that are expected to provide locals and the State with valuable information for informed decision. These recommendations are consistent with principles outlined in

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the PSP process of encouraging the development of all practical desalination technologies and both brackish and ocean desalination feedwater sources.

In the case that an applicant declines the award for any reason, DWR reserves the right to reallocate the fund to other projects in the consensus ranking list of applications (Attachment 4) or not use the fund in this funding cycle.

Fiscal Information

Funding Source: Water Code, Chapter 6 (a) Section 79545 (a) of Proposition 50

Term: First Year: July 1, 2004 to June 30, 2005.

Total Amount: \$25,000,000.00

List of Attachments

Attachment 1 – 2004 Water Desalination Proposal Solicitation Package

Attachment 2 – Draft Funding Recommendation

Attachment 3 – California Map Showing Recommended Projects' Geographic Distribution

Attachment 4 – Review Panel Consensus Ranking List of Applications

Resolution 05-04-07

Contact

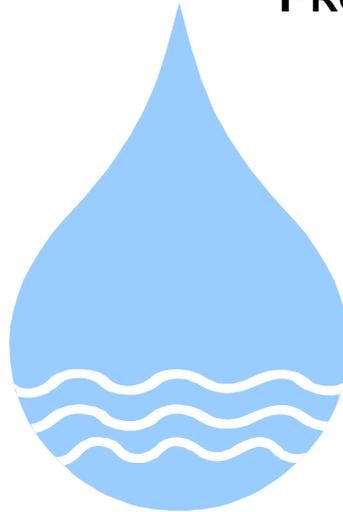
Fawzi Karajeh
Recycling and Desalination Branch
Office of Water Use Efficiency and Transfers
Department of Water Resources

Phone: (916) 651-9669



California Department of Water Resources
Office of Water Use Efficiency
P.O. Box 942836
Sacramento, CA 94236-0001

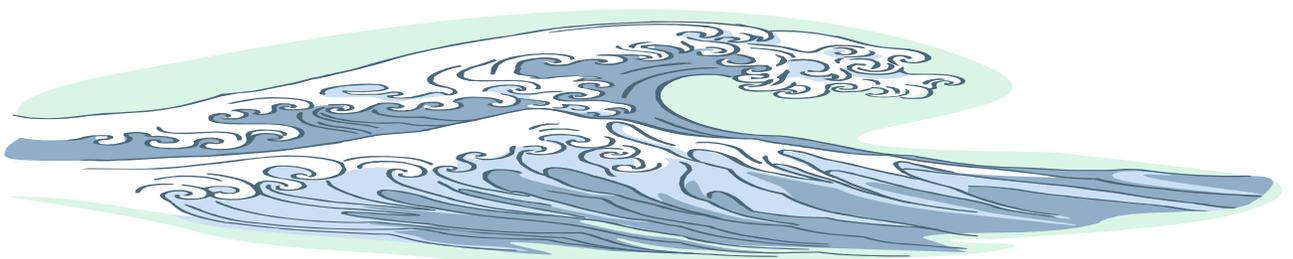
2004 WATER DESALINATION PROPOSAL SOLICITATION PACKAGE



**Brackish Water and Seawater Desalination Construction Projects;
Research and Development; Feasibility Studies;
Pilots and Demonstration Projects**



October 25, 2004



2004 Water Desalination PSP, 10/25/2004

2004 WATER DESALINATION PROPOSAL SOLICITATION PACKAGE

Brackish Water and Seawater Desalination Construction Projects; Research and Development; Feasibility Studies; Pilots and Demonstration Projects

October 25, 2004

The California Department of Water Resources (DWR) invites you to submit a proposal for funding of a Water Desalination Project

PROPOSAL DUE DATE

3:00 p.m., January 18, 2005
Must be received, not postmarked, by this time and date.

PROPOSAL SUBMITTAL

Submit one original, eight photocopies, and one electronic copy for each proposal, on 3.5 inch diskettes or CD-ROM (preferably in a PDF format, or in MS Word and/or Excel compatible format) to:

**Attention: Debra Gonzalez
Office of Water Use Efficiency
California Department of Water Resources
P.O. Box 942836, Sacramento, CA 94236-0001**

or overnight carrier or hand deliver to:

**Attention: Debra Gonzalez
Office of Water Use Efficiency
California Department of Water Resources
1416 Ninth Street, Room 338, Sacramento, CA 95814**

QUESTIONS? NEED ASSISTANCE? CONTACT:

Technical:
Fawzi Karajeh
(916) 651-9669
fkarajeh@water.ca.gov

Grant application and process:
Debra Gonzalez
(916) 651-7026
debrag@water.ca.gov

For an electronic copy of this Proposal Solicitation Package, please go to this website: www.owue.water.ca.gov

**2004 WATER DESALINATION
PROPOSAL SOLICITATION PACKAGE**

**Brackish Water and Seawater Desalination
Construction Projects; Research and Development; Feasibility Studies;
Pilots and Demonstration Projects**

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2004 WATER DESALINATION PROPOSAL SOLICITATION PACKAGE

1. BACKGROUND, GOALS AND OBJECTIVES

In November 2002, California voters passed Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. This grant program implements Chapter 6(a) of Proposition 50 (Water Code Section 79545(a)), which authorizes the California Department of Water Resources to administer a \$50 million desalination program. The program provides grants for construction projects, as well as research and development, feasibility studies, and pilots and demonstration projects. This grant program aims to assist local public agencies with the development of local potable water supplies through brackish water and seawater desalination.

2. ELIGIBLE APPLICANTS

To be eligible to receive a grant, at least fifty percent (50%) of the total cost of the project shall be met by matching funds or donated services from non-state sources.

Eligible applicants include entities involved with water management activities including:

- **Cities**
- **Counties**
- **Cities and counties**
- **Joint power authorities**
- **Public water districts**
- **Tribes**
- **Non-profit organizations, including watershed management groups***
- **Universities and colleges**
- **State agencies**
- **Federal agencies**
- **Other political subdivisions of the state**

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

Applicants who wish to collaborate on a project may elect to use a contractor-subcontractor relationship, a joint venture, a joint powers authority or other appropriate mechanism. Contracts shall be executed with one entity only. The proposal shall clearly indicate who will sign the contract, and who will thereby be responsible for payments, reporting, and accounting. The proposal must describe the nature of the agreement between the other participants including the allocation of decision-making authority and liability, as well as the tasks to be performed by the different entities and the costs associated with the tasks.

Agencies and their cooperators subject to the Urban Water Management Planning Act must have adopted a complete plan that meets the requirements of the law and submitted it to DWR to be eligible for this program. If you have questions regarding compliance with the Urban Water Management Planning Act, please contact David Todd at (916) 651-7027 or dtodd@water.ca.gov.

3. PROJECT ELIGIBILITY

Eligible projects include brackish water and seawater desalination construction projects, as well as research and development, feasibility studies, pilots and demonstration projects for the development of local **potable** water supplies. As outlined in Assembly Bill (AB) 1747¹ (Statute of 2003, Water Code Section 79547.2(c)), "desalination project" includes construction, planning, engineering, design, environmental assessments, or related work necessary for the construction of a desalination facility, or the construction of a pilot or demonstration facility.

Based on the Desalination Task Force findings, issues for applied research and development, feasibility studies, pilots and demonstration projects for brackish water and seawater desalination of particular interest include:

- 1) Better feedwater pretreatment processes and strategies
- 2) Value and limitations of beach wells for feedwater intake
- 3) Technologies to reduce entrainment and impingement impacts
- 4) Strategies for brine/concentrate management
- 5) Opportunities for energy efficiencies and application of alternative energy sources and combined energy and desalination technologies
- 6) Improved membranes with high salt rejection and less susceptible to scaling and fouling
- 7) Improved desalination process design, to include but not limited to: membrane processes and thermal processes
- 8) Other applied research investigations aiming at refining/advancing desalination technology

Water treatment, wastewater treatment, and the treatment of impaired waters and agricultural drainage water **are not eligible** for funding (unless the purpose is to create new potable water supplies) even if the technology employed is one that is commonly used for water desalination. Since this grant program intends to advance oceanwater and brackish water desalination and to create new or alternative² potable water³ supplies to the State, only brackish water that is not currently being beneficially used will be considered for funding. Brackish water is water with a salinity that exceeds normally acceptable standards for municipal, domestic, and irrigation uses but less than that of seawater. For the purpose of

¹ http://info.sen.ca.gov/pub/bill/asm/ab_1701-1750/ab_1747_bill_20030813_chaptered.pdf

² Alternative potable water is water created by a desalination project to realize identified environmental benefits by replacing the same amount of freshwater withdrawn from a natural water body.

³ New potable water is water that without desalination treatment cannot be used for potable purposes.

this grant program, brackish water is water containing Total Dissolved Solids (TDS) concentration exceeding 1,000 milligrams of salt per liter.

Groundwater desalination projects shall be consistent with the **Groundwater Quality Monitoring Act of 2001** (AB 599, Water Code Section 10780 et seq.)⁴

4. GEOGRAPHIC SCOPE

Projects from throughout the State will be considered for funding through this program.

5. AVAILABLE FUNDS

The plan is to administer the funds through 2 cycles. This first cycle will grant \$25 million for the Fiscal Year 04/05. The maximum funding limits for each project type are:

- ◆ Feasibility Studies (\$250,000 per project)
- ◆ Research and Development (\$1.0 million per project)
- ◆ Pilots or Demonstration Projects (\$2.5 million per project)
- ◆ Water Desalination Construction Projects (\$5.0 million per project)

Contract execution and disbursements are subject to the availability of funds.

6. MATCHING FUNDS

The applicant is responsible for providing at least fifty percent (50%) matching funds or donated services from non-state sources⁵.

With respect to the foregoing, applicant is responsible for ascertaining and complying with all applicable legal requirements concerning such matching funds or donated services.

Only work performed after the effective date of the contract will be eligible for reimbursement. Costs incurred after November 5, 2002 but prior to the effective date of the grant contract are not eligible for reimbursement, but may be considered, at DWR's discretion, as a part of the applicant's local match. Reimbursement is subject to contract execution. Therefore, applicants wishing to start work before contract execution should do so at their own risk. Advance funds cannot be provided.

Disadvantaged Communities and Matching Fund

Cost share is not required of those portions of projects that serve communities with annual median household incomes less than 80 percent of the statewide annual median household income (eighty percent of the statewide annual median household income for 2002 is \$38,000). The applicant shall provide the source of information documenting project geographic scope and annual median household income for the specific disadvantaged community.

⁴ http://info.sen.ca.gov/pub/01-02/bill/asm/ab_0551-0600/ab_599_bill_20011005_chaptered.pdf

⁵ Water Code Section 79545(a)

7. DURATION OF PROJECTS

Funds shall be expended within three years of the award of the grant. If the project exceeds one year in duration, a budget with discrete 12-month periods shall be provided.

Projects may be multi-year efforts if necessary and appropriate, but proposal timelines and budgets that will be incorporated into the contract shall not exceed three years. In addition, since funding may be awarded for only a portion of each submitted project, the applicant should clearly show which tasks could be funded separately. When a portion of a project is funded, there is no guarantee that the remaining portions or future phases of that project will be funded. Future funding will depend on the progress of the project, the nature and extent of competing proposals, priorities, program authorization and funding availability. However, if unexpected delays cause a grantee to need more than the three-year agreement period to complete the project tasks, the applicant may apply for an extension before the end of the initial agreement period at no additional cost to the State beyond the initial grant amount. The extension is subject to DWR approval.

8. AGREEMENT REQUIREMENTS

a. Standard Terms and Conditions. Projects selected for funding will be subject to standard terms and conditions as specified by authorizing legislation and DWR procedures. The recipient must sign an agreement containing standard terms and conditions with DWR before work may begin under the contract and the State can disburse funds. Funds will be delivered in accordance with the executed agreement. Only work performed after the contract execution date will be eligible for reimbursement.

b. Intellectual and Proprietary Rights. Applicants awarded grants will be required to waive any copyright, intellectual or proprietary rights for deliverables, designs and patents emanating from the contracted work.

c. Reports. Successful applicants will be required to submit as often as quarterly fiscal and programmatic reports throughout the project. A comprehensive final report at the end of the project will also be required. All data and information obtained under the contract will be made available in the public domain.

The applicant will be required to provide the following items, (d) and (e) of this section, only if the proposal is selected for funding. The applicant need not submit these items with the proposal.

d. Matching Funds Commitment Letter. The applicant shall provide an institutional cost-sharing agreement (letter) signed by an official authorized to commit the applicant to all or part of the matching share or a letter authorizing third party, in-kind contribution signed by an official authorized to commit the third party.

e. Resolution. Prior to the execution of the contract, the applicant shall provide a resolution from their governing board accepting the funds and designating a representative authorized to execute the contract and sign requests for disbursement.

9. LABOR CODE COMPLIANCE

Applicants awarded grants shall keep informed of and take all measures necessary to ensure compliance with Labor Code requirements, including but not limited to Section 1720 *et seq.* of the Labor Code regarding public works.

10. CONFLICT OF INTEREST, CONFIDENTIALITY, AND INTELLECTUAL AND PROPRIETARY RIGHTS

All participants, including applicants and reviewers, are subject to State conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the proposal being rejected and/or any subsequent contract being declared void. Applicable statutes include, but are not limited to, Government Code section 1090, Public Contract Code sections 10410 and 10411.

All proposals will become public information upon submittal to DWR. Once the proposal is signed and submitted to DWR, the applicant waives any rights to privacy and the confidentiality of the proposal.

As indicated in section 8(b), applicants awarded grants will be required to waive any copyright, intellectual or proprietary rights for deliverables, designs and patents emanating from the contracted work.

11. PROPOSAL REVIEW, SELECTION, AND AWARD PROCESS

1. Proposals are received by DWR.
2. Proposals are screened for eligibility.
3. Proposals are reviewed by a Desalination Review Panel composed of State agencies, stakeholders, and subject matter experts.
4. The Desalination Review Panel members submit preliminary ratings to DWR, based on criteria established in this Proposal Solicitation Package.
5. The Desalination Review Panel convenes to discuss their reviews of the proposals and finalize their scores.
6. A State Agency Team formed by DWR produces a draft list on projects recommended for funding based on the Desalination Review Panel ratings and the availability of funds.
7. A public workshop is held to release the draft funding recommendations and to receive public comments.
8. Final funding recommendations are presented to the Director of DWR.
9. The Director of DWR makes the final funding decision.
10. Projects selected for funding will be posted on the DWR website at www.owue.water.ca.gov.

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11. Contract negotiations begin.
12. Final contracts are executed.
13. Projects begin.

12. ANTICIPATED SCHEDULE

The anticipated schedule for this process is as follows:

August 17, 2004	Public workshops for public input on the draft PSP conducted.
October 25, 2004	Final Proposal Solicitation Package released.
November 15, 2004	Public workshop
January 18, 2005	Proposals due (must be received by 3:00 p.m.)
March 28, 2005	Review process completed, workshops conducted, recommendations presented to DWR Management.
May 13, 2005	DWR makes final funding decision and Contract negotiations begin.

13. SELECTION CRITERIA

Proposals will be reviewed and evaluated according to the following criteria:

Criteria (*)		Points
I	Relevance and Importance	20
II	Innovation and Technological Advancement	20
III	Technical/Scientific Merit, Feasibility, and Project Readiness	20
IV	Monitoring / Assessment and Assurances	10
V	Outreach, Information Sharing, Environmental Benefits, and Environmental Justice	10
VI	Qualifications of the Applicants & Cooperators	10
VII	Costs and Benefits	10

(*) Criteria are further detailed in the following section

For projects with similar scores, preference will be given to disadvantaged communities: those with an annual median household income that is less than 80 percent of the statewide annual median household income.

No project with an average total score of less than 70 points shall be funded.

14. PROPOSAL CONTENTS

A complete proposal consists of the following:

- A. Project Information Form (Appendix A)
- B. Signature Page (Appendix B)
- C. Statement of Work, Section One: Relevance and Importance
- D. Statement of Work, Section Two: Innovation and Technological Advancement
- E. Statement of Work, Section Three: Technical / Scientific Merit, Feasibility, and Project Readiness
- F. Statement of Work, Section Four: Monitoring/Assessment and Assurances
- G. Outreach, Information Sharing, Environmental Benefits, and Environmental Justice
- H. Qualifications of the Applicants and Cooperators
- I. Costs and Benefits

A. Project Information Form: Complete Appendix A.

B. Signature Page: Complete Appendix B.

C. Statement of Work, Section 1: Relevance and Importance – Selection Criterion I (20 Pts)

Describe the goals and objectives of the project. Include an explanation of the need for the project as related to critical local, regional, Bay-Delta, State or federal water issues. Describe how this project would be consistent with local or regional water management plans or other integrated resource management plans. Show that all conservation and recycling programs have been implemented to the maximum extent practicable before considering desalination. Describe project readiness and how it avoids or mitigates adverse environmental impacts.

Consistent with provisions of AB 1747 and the recommendations of the California Water Desalination Task Force⁶, eligible projects shall be selected based on a demonstrated need for new or alternative water supplies, project readiness, and the degree to which the project avoids or mitigates adverse environmental impacts. Describe demonstrated need, project readiness, and environmental mitigation.

⁶ <http://www.owue.water.ca.gov/recycle/desal/Docs/Findings-Recommendations.pdf>

D. Statement of Work, Section 2: Innovation and Technological Advancement – Selection Criterion II (20 Pts)

Describe innovative technologies or methodologies to be employed in the project that could contribute towards cost-effective, technologically sound, and implementable methods of water desalination in projects throughout the State.

E. Statement of Work, Section 3: Technical/Scientific Merit, Feasibility, and Project Readiness – Selection Criterion III (20 Pts)

Describe methods, procedures, equipment, and facilities. Provide enough information to permit evaluation of the feasibility and technical adequacy of the approach to satisfy the project objectives.

Provide a project plan and work schedule with tasks, deliverable items, anticipated start and end dates, and projected costs for each task. This plan will form the basis of the required quarterly and annual project fiscal and programmatic reports. Should a project be selected, these items will be used in development of the contract and used for project tracking purposes.

Preliminary Plans and Specifications and Certification Statements (for construction projects only). Submit Final Plans and Specifications, or Preliminary Plans and Specifications for the proposed project if Final Plans and Specifications are not available. The Preliminary Plans should indicate, at a minimum, types and quantities of materials, dimensions, and location. Certification Statements verify that the project is feasible.

A California registered civil engineer must prepare the Plans and Specifications and Certification Statements.

Environmental Documentation / Permitting and Health and Safety Requirements

Include a plan for compliance with all applicable environmental requirements. The plan should address all the potential environmental, social and economic impacts of the proposed project, including mitigation, required under the California Environmental Quality Act (CEQA) and, if applicable, the National Environmental Policy Act (NEPA). The plan should also address compliance with local, county, State, and federal permitting requirements including but not limited to health and safety requirements to serve potable water to the public (for projects intending to produce and distribute desalinated potable water).

Submit the following items:

- A detailed plan for compliance with all applicable environmental laws and public health requirements.
- A schedule for completion of all appropriate environmental documentation and acquisition of necessary permits.

If an Initial Study has been prepared for the project, provide a copy of the checklist accompanying that document.

If this is not a "project" as defined by CEQA, so state in this section. A "project" as defined by CEQA, CCR, Title 14, Division 6, Chapter 3, section 15378 is:

"... the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment...."

Compliance with NEPA must also be demonstrated if NEPA requirements apply to the project.

For general information about environmental compliance, refer to this website: <http://ceres.ca.gov/ceqa>.

F. Statement of Work, Section 4: Monitoring/Assessment and Assurances – Selection Criterion IV (10 Pts)

Provide a plan for project monitoring and evaluation that will be used to document water supply/quality benefits, technology advancements, and other benefits; to mark progress; and to determine the success of the project. Also provide a description of how the proposed project improves local and regional water quality and water supply reliability. Monitoring plans should include:

- A description of how pre-project conditions and data baselines will be determined, the basic assumptions being used, and the anticipated accuracy of the data to be produced;
- An explanation of the monitoring methodologies that will be used and the project monitoring data that will be collected to assess project results;
- An explanation of how the above data will be used to evaluate success in relation to project goals and objectives;
- A description of how external factors such as changes in hydrological and hydrogeological conditions (when applicable), energy cost and availability, technology advancements, or social conditions will be taken into account; and
- Information about how the data and other information will be handled, stored, and reported and made accessible to DWR and others.

G. Outreach, Information Sharing, Environmental Benefits, and Environmental Justice – Selection Criterion V (10 Pts)

Applicants are encouraged to involve the public and coordinate prior to submitting a proposal with local governments, and other local entities such as community based organizations and watershed and other interested groups. The proposal shall describe a plan for public outreach to the groups or individuals that may be affected by the project. Identify which local groups or other interested

organizations are aware of the project and their level of support or opposition. Identify any potential third party impacts. Estimate the number of people or organizations that are expected to receive training, employment, or other social or economic benefits from the project. Describe any opposition to the proposed project.

Feasibility studies, research and development, pilots, and demonstration projects such as the investigation of new technologies, methodologies, approaches, institutional frameworks; quantification of existing water desalination projects; or market transformation studies conducted exclusively in a laboratory or office do not need to address all of the items mentioned above, but should describe how information and project results will be disseminated.

Describe how the proposed project will achieve multiple benefits including ecosystem restoration, water quality benefits and public benefits such as:

- 1) serve areas implementing all conservation and recycling programs to the maximum extent practicable;
- 2) demonstrate long-term environmental benefits;
- 3) avoid or reduce environmental impacts to the extent possible;
- 4) improve local and regional water supply reliability;
- 5) reduce health risks by improving water quality and contribute to the long-term attainment and maintenance of water quality standards; and
- 6) ensure equitable access to benefits from desalination projects and include feasible mitigation for any environmental justice impacts.

Describe how the project avoids or mitigates adverse environmental impacts and how such issues are addressed including growth-inducing and cumulative impacts. Applicants should also include a description of how claimed environmental benefits will be realized.

To demonstrate that all conservation and recycling programs have been undertaken to the maximum extent practicable, applicants are required to briefly describe their conservation and recycling efforts and, where applicable, refer to sections of their UWMPs already submitted to DWR. When applicable, applicants are encouraged to submit supporting documentation along with the proposal as evidence of maximum recycling and conservation implementation. For example, an application could include:

- description of how conservation and recycling programs will work concurrently with the proposed desalination project, and how the project will benefit the region as a whole
- current and future budgets indicating the priority of conservation and water recycling programs,
- summary status showing progress in implementing elements of urban water management plan, conservation programs and water recycling projects, and other applicable work, and
- any other supporting documentation to assist the reviewers with the evaluation.

H. Qualifications of the Applicants and Cooperators – Selection Criterion VI (10 Pts)

1. Include a resume(s) of the project manager(s). Resumes may be attached to the end of the proposal and shall not exceed two pages.
2. Identify and describe the role of any external cooperators that will be used for this project.

I. Costs and Benefits – Selection Criterion VII (10 Pts)

- ◆ Complete Appendix C: Project Costs (Budget).
- ◆ Provide a brief explanation for the labor costs (including consultants), equipment, supplies, and travel included in the budget. Provide information about the amount of cost sharing for each element, as well as direct and indirect costs.
- ◆ Describe the potential benefits and information to be gained that the project will explore in terms of advancing water desalination.
- ◆ Compare the potential benefits and anticipated information to be gained to the anticipated costs.

Proposal Submittal

The proposal, including one original, eight photocopies and one electronic copy on 3.5 inch diskettes or CD-ROM (preferably in a PDF format or in MS Word and/or Excel compatible format) must be received by 3:00 p.m., January 18, 2005 at:

**Attention: Debra Gonzalez,
Office of Water Use Efficiency
California Department of Water Resources
P.O. Box 942836, Sacramento, CA 94236-0001,**

or by overnight carrier or hand delivered to:

**Attention: Debra Gonzalez, (916) 651-7026
Office of Water Use Efficiency
California Department of Water Resources
1416 Ninth Street, Room 338, Sacramento, CA 95814**

The entire proposal shall be in 12-point font or larger on 8 ½-11 inch paper. Applicants are encouraged to submit proposals not to exceed 20 single-spaced, consecutively numbered pages. Maps, photographs, figures, tables, or resumes attached to the Proposal are not included in the page limit.

**APPENDIX A:
PROJECT INFORMATION FORM**

- 1. Applying for (select one):
 - Feasibility Study**
 - Research and Development project**
 - Pilot or Demonstration Project**
 - Construction Project**

- 2. Principal Applicant
(Organization or Affiliation):

- 3. Project Title:

- 4. Person authorized to sign and submit proposal and contract:
 - Name, Title: _____
 - Mailing address: _____
 - _____
 - _____
 - Telephone: _____
 - Fax: _____
 - E-mail: _____

- 5. Contact Person (if different):
 - Name, Title: _____
 - _____
 - Mailing address: _____
 - _____
 - Telephone: _____
 - Fax: _____
 - E-mail: _____
 - _____

- 6. Funds requested (dollar amount):

- 7. Applicant funds pledged (dollar amount):

- 8. Total project costs (dollar amount):

- 9. Life of the project:

- 10. Estimated annual amount of water to be produced (in acre-feet) if applicable: _____
- 11. State Assembly District where the project is to be conducted: _____
- 12. State Senate District where the project is to be conducted: _____
- 13. Congressional district(s) where the project is to be conducted: _____
- 14. County where the project is to be conducted: _____
- 15. Location of project (longitude and latitude) _____

16. Type of applicant (select one):
- (a) public entity, specify _____
 - (b) other, specify _____

17. Project related to:
- (a) Construction of a brackish water desalination project
 - (b) Construction of a seawater desalination project
 - (c) Brackish water desalination research & development; feasibility studies; pilots and demonstration projects
 - (d) Seawater desalination research & development; feasibility studies; pilots and demonstration projects

**APPENDIX B:
SIGNATURE PAGE**

By signing below, the official declares the following:

The truthfulness of all representations in the proposal;

The individual signing the form has the legal authority to submit the proposal on behalf of the applicant;

There is no pending litigation that may impact the financial condition of the applicant or its ability to complete the proposed project;

The individual signing the form read and understood the Conflict of Interest, Confidentiality, and Intellectual and Proprietary Rights section and waives any and all rights to privacy and confidentiality of the proposal on behalf of the applicant;

The applicant will comply with all terms and conditions identified in this PSP if selected for funding; and

The applicant has legal authority to enter into a contract with the State.

Signature	Name and Title	Date
-----------	----------------	------

**APPENDIX C:
 PROJECT COSTS (BUDGET)**

Provide a brief explanation for the labor costs (including consultants), equipment, supplies, and travel included in the budget. Complete only the lines that are applicable for that particular project. Provide information about the amount of cost sharing for each element as well as direct and indirect costs. This Table will be used as the contract budget for the project, if selected for funding.

APPLICANT: _____

	Budget Category (I)	Non State Share (II)	State Share (Grant) (III)	Total Project Costs (IV)= (II + III)
(a)	Administration			
	Salaries, wages			
	Fringe benefits			
	Supplies			
	Equipment			
	Consulting services			
	Travel			
(b)	Planning/Design/Engineering			
(c)	Equipment Purchases/Rentals/Rebates/Vouchers			
(d)	Materials/Installation/Implementation			
(e)	Implementation Verification			
(f)	Project Legal/License Fees			
(g)	Structures			
(h)	Land Purchase/Easement			
(i)	Environmental Compliance/Mitigation/Enhancement			
(j)	Construction			
(k)	Other (Specify)			
(l)	Monitoring and Assessment			
(m)	Report Preparation			
(n)	SUBTOTAL (a + ... + m)			
(o)	Overhead			
(p)	Contingency (specify % used)			
(q)	TOTAL (n + o + p)			

State of California
 Department of Water Resources

DRAFT FUNDING RECOMMENDATION (03/29/05)

Construction Projects (3 projects out of 8 projects)

DWR ID	Applicant	Project Title	Project Cost	\$ Requested	\$ Agency Team Recommend.
032	Marin Municipal Water District	MMWD Desalination Plant	\$77,172,043.00	\$5,000,000	\$3,330,744
037	Alameda County Water District	Phase 2 Brackish Groundwater Desalination Facility	\$10,141,000.00	\$5,000,000	\$2,800,000
034	Inland Empire Utilities Agency	Chino II Desalter Expansion	\$17,046,000.00	\$5,000,000	\$2,800,000
Total			\$104,359,043.00	\$15,000,000.00	\$8,930,744.00

Pilots and Demonstration Projects (6 projects out of 14 projects)

DWR ID	Applicant	Project Title	Project Cost	\$ Requested	\$ Agency Team Recommend.
029	City of Santa Cruz	Test Technology Innovations and Optimize Systems in the City of Santa Cruz Desalination Pilot Plant	\$3,971,007.00	\$1,982,601	\$1,982,601
005	Board of Water Commissioners of the City of Long Beach	Under Ocean Floor Seawater Intake and Discharge Demonstration Project	\$5,180,000.00	\$2,500,000	\$2,000,000
022	Eastern Municipal Water District	Desalination Recovery Enhancement and Concentrate Management Study	\$790,000.00	\$395,000	\$395,000
004*	Marin Municipal Water District	Seawater Desalination Pilot Plant Program	-	-	0
031	City of San Diego	San Pasqual Brackish Groundwater Desalination Project - Phase III	\$5,090,000.00	\$2,500,000	\$1,500,000
012	Coachella Valley Water District	Coachella Valley Groundwater Desalination Project	\$1,193,830.00	\$596,915	\$596,915
028	West Basin Municipal Water District	Demonstration of Integrated Membrane Seawater Desalination using Single-Pass RO for the Los Angeles Region	\$10,213,435.00	\$2,499,716	\$1,500,000
Total			\$26,438,272.00	\$10,474,232.00	\$7,974,516.00

* Agency Team and Review Panel suggested not to fund in case the applicant is awarded a construction grant.

Research and Development (7 projects out of 11 projects)

DWR ID	Applicant	Project Title	Project Cost	\$Requested	\$ Agency Team Recommend.
003	Professors Yoram Cohen and Eric M.V. Hoek University of California, Los Angeles	UCLA Desalination Research Innovation Project	\$2,678,853.00	\$1,000,000	\$1,000,000
014	Municipal Water District of Orange County	Horizontal Well Technology Application in Alluvial Marine Aquifers for Ocean Feedwater Supply and Pretreatment	\$2,336,903.00	\$1,000,000	\$1,000,000
020	Lawrence Livermore National Laboratory	Desalination Using Electrostatic Ion Pumping	\$1,991,390.00	\$995,695	\$995,695
001	Board of Water Commissioners of the City of Long Beach	Ultraviolet Light and Chlorine Dioxide Seawater Pretreatment Systems for Biogrowth Control and Pathogen Inactivation	\$2,000,000.00	\$1,000,000	\$1,000,000
013	Regents of the University of California	Developing a Tool to Guide State and local Desalination Planning	\$2,597,149.00	\$909,051	\$909,051
008	Calleguas Municipal Water District	Study of low Concentration Metals Removal from Brine	\$200,000.00	\$100,000	\$100,000
023	Joint Water Reuse & Desalination Task Force (JWR&DTF)	Joint DWR-JwR&DTF Seawater and Brackish Water Research and Development Program	\$2,000,000.00	\$1,000,000	\$1,000,000
Total			\$13,804,295.00	\$6,004,746.00	\$6,004,746.00

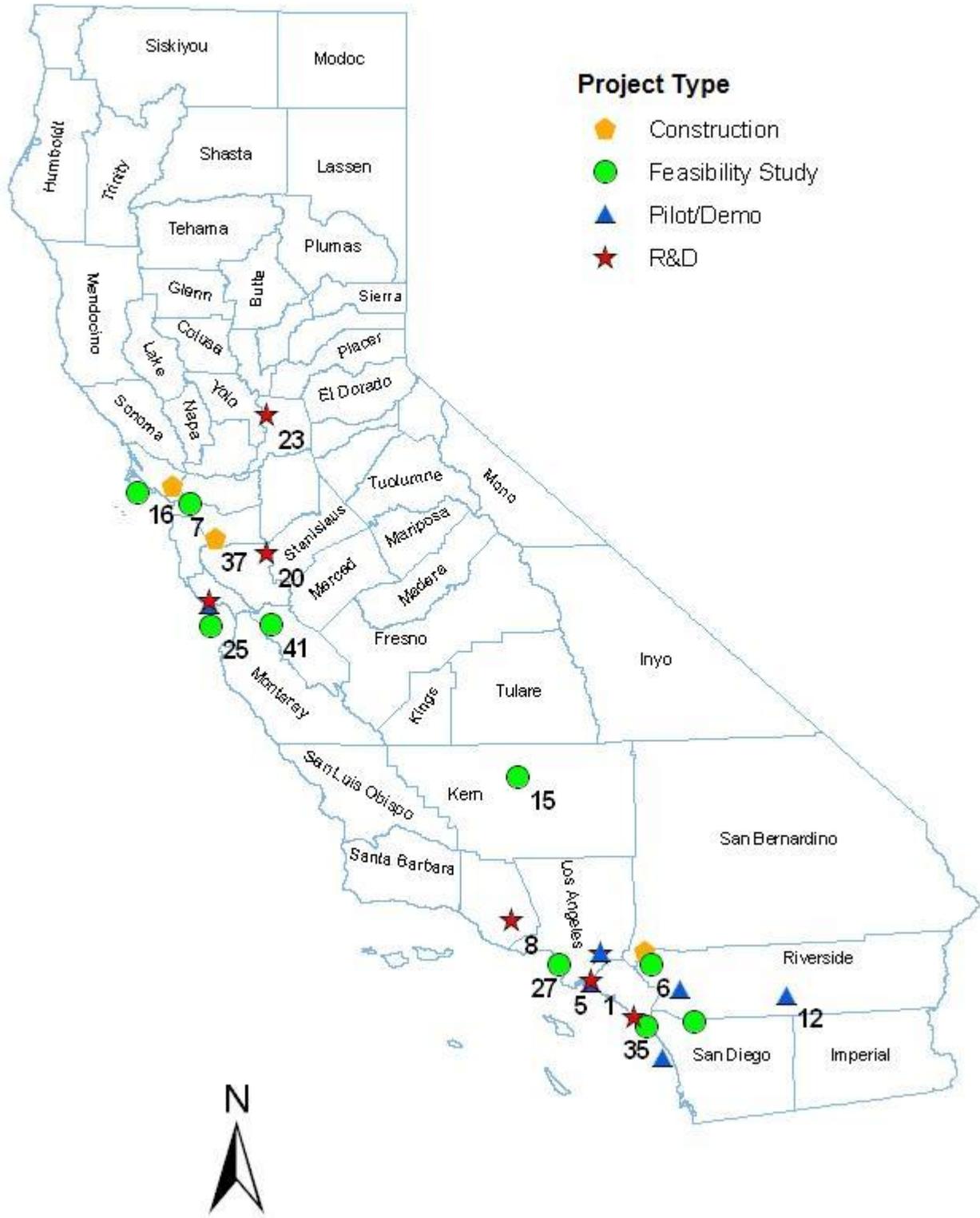
Feasibility Studies (9 projects out of 9 projects)

ID	Applicant	Project Title	Project Cost	\$Requested	\$ Agency Team Recommend.
041	San Benito County Water District	Pajaro Watershed Groundwater Desalination Feasibility Study	\$490,000.00	\$245,000	\$245,000
007	East Bay Municipal Water District, on behalf of the Bay Area Regional Desalination Partnership	Bay Area Regional Desalination Project	\$499,512.00	\$249,756	\$249,756
040	City of San Diego	San Diego Formation Brackish G.W. Desalination Project - Phase II	\$500,000.00	\$249,700	\$249,700
025	The Association of Monterey Bay Governments (AMBAG)	Desalination Feasibility Study in the Monterey Bay Region	\$211,970.00	\$100,000	\$100,000
027	West Basin Municipal Water District	Full Scale Seawater Desalination Facility Permitting Requirements in the Santa Monica Bay Area	\$590,820.00	\$246,005	\$246,005
035	San Diego County Water Authority	Feasibility Study for Seawater Desalination at the San Onofre Nuclear Generating Station	\$800,000.00	\$250,000	\$250,000
006	Western Municipal District	Feasibility Study for the Expansion of the Arlington Desalter	\$595,218.00	\$249,992	\$249,992
015	East Niles Community Services District	Saline Shallow Groundwater Recovery Project	\$249,541.00	\$249,541	\$249,541
016	Montara Water and Sanitary District	Feasibility Study of Brackish Water Desalination	\$500,000.00	\$250,000	\$250,000
Total			\$4,437,061.00	\$2,089,994.00	\$2,089,994.00

Grand Total: \$25,000,000

Attachment 3

California Map Showing Recommended Projects' Geographic Distribution



Desalination Review Panel Consensus Ranking List of Applications

(Highlighted are the projects recommended for funding)

CONSTRUCTION PROJECTS

Rank	DWR ID	Applicant	Project Title	Project Cost	\$Requested
1	032	Marin Municipal Water District	MMWD Desalination Plant	\$77,172,043.00	\$5,000,000
2	037	Alameda County Water District	Phase 2 Brackish Groundwater Desalination Facility	\$10,141,000.00	\$5,000,000
3	034	Inland Empire Utilities Agency	Chino II Desalter Expansion	\$17,046,000.00	\$5,000,000
4	036	City of Sand City	Sand City Water Supply Project (SCWSP)	\$11,989,000.00	\$5,000,000
5	018	Cambria Community Services District	Cambria Desalination Project	\$17,100,000.00	\$5,000,000
6	033	San Diego County Water Authority	Conveyance Facility Design for a Regional Seawater Desalination Project at the Encina Power Station	\$7,469,498.00	\$3,734,749
7	002	Carlsbad Municipal Water District	Carlsbad Desalination Project Phase I Distribution System	\$40,000,000.00	\$5,000,000
8	011	SDSU Foundation Center for Advanced Water Technologies	Construction Sweetwater Authority Hybrid Desalination Plant	\$9,719,000.00	\$4,859,500
Total				\$190,636,541.00	\$38,594,249.00

PILOTS AND DEMONSTRATIONS

Rank	DWR ID	Applicant	Project Title	Project Cost	\$Requested
1	029	City of Santa Cruz	Test Technology Innovations and Optimize Systems in the City of Santa Cruz Desalination Pilot Plant	\$3,971,007.00	\$1,982,601
2	005	Board of Water Commissioners of the City of Long Beach	Under Ocean Floor Seawater Intake and Discharge Demonstration Project	\$5,180,000.00	\$2,500,000
3	022	Eastern Municipal Water District	Desalination Recovery Enhancement and Concentrate Management Study	\$790,000.00	\$395,000
4	004*	Marin Municipal Water District	Seawater Desalination Pilot Plant Program	\$1,502,948.00	\$300,000
5	031	City of San Diego	San Pasqual Brackish Groundwater Desalination Project - Phase III	\$5,090,000.00	\$2,500,000
6	012	Coachella Valley Water District	Coachella Valley Groundwater Desalination Project	\$1,193,830.00	\$596,915
7	028	West Basin Municipal Water District	Demonstration of Integrated Membrane Seawater Desalination using Single-Pass RO for the Los Angeles Region	\$10,213,435.00	\$2,499,716
8	039	Los Angeles Department of Water and Power	Seawater Desalination Pilot Project	\$2,541,000.00	\$985,000
9	017	East Bay Municipal Water District (EBMUD)	C&H - EBMUD Desalination Demonstration Project	\$11,966,869.00	\$2,500,000
10	042	Pajaro / Sunny Mesa Community Services District	Pilot Plant Program for the North Monterey County Desalination Project	\$2,699,807.00	\$1,349,904
11	019	University of Nevada, Reno	A Novel Hybrid Membrane Desalination Process with Minimal Pretreatment and Concentrate	\$5,026,579.00	\$2,409,665
12	021	Lawrence Livermore National Laboratory	Field Induced Charged Membranes For Demineralization	\$3,500,000.00	\$1,750,000
13	009	SDSU Foundation Center for Advanced Water Technologies	Salton Sea Desalination Demonstration Project	\$1,542,205.00	\$821,600
14	010	SDSU Foundation Center for Advanced Water Technologies	Imperial County Aquifer Desalination Demonstration Project	\$1,643,225.00	\$769,405
Total				\$56,860,905.00	\$21,359,806.00

* Agency Team and Review Panel suggested not to fund in case the applicant is awarded a construction grant.

RESEARCH AND DEVELOPMENT

Rank	DWR ID	Applicant	Project Title	Project Cost	\$Requested
1	003	Professors Yoram Cohen and Eric M.V. Hoek University of California, Los Angeles	UCLA Desalination Research Innovation Project	\$2,678,853.00	\$1,000,000
2	014	Municipal Water District of Orange County	Horizontal Well Technology Application in Alluvial Marine Aquifers for Ocean Feedwater Supply and Pretreatment	\$2,336,903.00	\$1,000,000
3	020	Lawrence Livermore National Laboratory	Desalination Using Electrostatic Ion Pumping	\$1,991,390.00	\$995,695
4	001	Board of Water Commissioners of the City of Long Beach	Ultraviolet Light and Chlorine Dioxide Seawater Pretreatment Systems for Biogrowth Control and Pathogen Inactivation	\$2,000,000.00	\$1,000,000
5	013	Regents of the University of California	Developing a Tool to Guide State and local Desalination Planning	\$2,597,149.00	\$909,051
6	008	Calleguas Municipal Water District	Study of low Concentration Metals Removal from Brine	\$200,000.00	\$100,000
7	023	Joint Water Reuse & Desalination Task Force (JWR&DTF)	Joint DWR-JwR&DTF Seawater and Brackish Water Research and Development Program	\$2,000,000.00	\$1,000,000
8	038	City of San Diego	Mission Valley Brackish Groundwater Desalination Project	\$1,605,000.00	\$802,000
9	030	City of Santa Cruz	Compare Source Water Assessment Models and Investigate Emerging Contaminants	\$2,010,906.00	\$984,000
10	026	West Basin Municipal Water District	Advanced Treatability Issues Associated with Integrated Membrane Treatment for Seawater Desalination	\$2,457,912.00	\$989,652
11	024	U.S. Geological Survey	Research and Development of Solar Distillation Loop	\$990,800.00	\$481,500
Total				\$20,868,913.00	\$9,261,898.00

FEASIBILITY STUDIES

Rank	DWR ID	Applicant	Project Title	Project Cost	\$Requested
1	041	San Benito County Water District	Pajaro Watershed Groundwater Desalination Feasibility Study	\$490,000.00	\$245,000
2	007	East Bay Municipal Water District, on behalf of the Bay Area Regional Desalination Partnership	Bay Area Regional Desalination Project	\$499,512.00	\$249,756
3	040	City of San Diego	San Diego Formation Brackish G.W. Desalination Project - Phase II	\$500,000.00	\$249,700
4	025	The Association of Monterey Bay Governments (AMBAG)	Desalination Feasibility Study in the Monterey Bay Region	\$211,970.00	\$100,000
5	027	West Basin Municipal Water District	Full Scale Seawater Desalination Facility Permitting Requirements in the Santa Monica Bay Area	\$590,820.00	\$246,005
6	035	San Diego County Water Authority	Feasibility Study for Seawater Desalination at the San Onofre Nuclear Generating Station	\$800,000.00	\$250,000
7	006	Western Municipal District	Feasibility Study for the Expansion of the Arlington Desalter	\$595,218.00	\$249,992
8	015	East Niles Community Services District	Saline Shallow Groundwater Recovery Project	\$249,541.00	\$249,541
9	016	Montara Water and Sanitary District	Feasibility Study of Brackish Water Desalination	\$500,000.00	\$250,000
Total				\$4,437,061.00	\$2,089,994.00



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Agenda Item: 14-6C
Meeting Dates: April 13 and 14, 2005

CALIFORNIA BAY-DELTA AUTHORITY

RESOLUTION 05-04-07

RECOMMENDING TO THE DEPARTMENT OF WATER RESOURCES THAT IT PROCEED WITH THE PROPOSITION 50 WATER DESALINATION GRANT- 2005 CYCLE RECOMMENDED PROJECTS

WHEREAS, the Department of Water Resources (DWR) Proposition 50 Water Desalination Grants that will help contribute toward meeting the State water supply benefits at the same time help meet CALFED water use efficiency, CALFED cross-program goals and objectives, and advance desalination technologies.

WHEREAS, the selection process gave focused attention to assist local water agencies and research institutions to create new or alternate water sources through implementing feasible desalination projects and advancing water desalination technologies.

WHEREAS, the selection process provided funds to proposals that are consistent with Proposition 50 to create new water and attaining advancements in water desalination technology; and

WHEREAS, DWR Desalination Grant Program will increase the State support for desalination as part of a balanced water resources portfolio to help meet California's existing and future water supply and environmental needs ; and

WHEREAS, the Authority has endorsed DWR Proposition 50 Water Desalination Proposal Solicitation Package in October 2004.

WHEREAS, DWR has utilized a fair and impartial process in selecting the proposals;

NOW, THEREFORE, BE IT RESOLVED that the California Bay-Delta Authority recommends to the Department of Water Resources that it proceed with the Proposition 50 Desalination Grant recommended projects for the 2005 funding cycle as shown in attachment 2.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority 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 Authority held on April 13 and 14, 2005.

Dated: _____

Jamie Cameron-Harley
Assistant to the California Bay-Delta Authority