Exhibit 1

Clean Water Act (CWA) Section 319(H) Nonpoint Source (NPS) 2010 Grant Program Guidelines

OVERVIEW.....2

I. GUIDELINES 3

A. PROGRAM AND PROJECT ELIGIBILITY REQUIREMENTS 3

TABLE 1A 2010 CWA 319 NPS Grant Program Eligibility Requirements Implementation Projects..... 4

TABLE 1B 2010 CWA 319 NPS Grant Program Eligibility Requirements Planning/Assessment Projects 5

B. FUNDING MATCH REQUIREMENT 6

TABLE 2 Match Requirement Example 6

C. FUNDING MATCH WAIVER/REDUCTION REQUIREMENTS 6

II. NPS PROGRAM PREFERENCES 7

TABLE 3 Regional Water Board Program Preferences..... 7

A. IMPLEMENTATION PROJECTS 17

B. PLANNING/ASSESSMENT PROJECTS 17

III. PROPOSAL SOLICITATION, REVIEW, AND SELECTION PROCESS 18

A. SOLICITATION, SUBMITTAL, AND REVIEW OF THE CONCEPT PROPOSALS……19

B. SOLICITATION, SUBMITTAL, AND REVIEW OF THE FULL PROPOSALS……..20

C. GRANT AGREEMENT……21

D. REIMBURSEMENT OF COSTS……21

IV. GENERAL REQUIREMENTS……..22

Exhibit 1

Clean Water Act (CWA) Section 319(H) Nonpoint Source (NPS) 2010 Grant Program Guidelines

Overview

The California NPS Program is making approximately $4.5 million of CWA Section 319 grant funds available to support the restoration of waters impaired by NPS pollution. Funds under this announcement are available for projects that:

- Implement activities that contribute to the restoration of NPS impaired waters through reduced pollutant loads as called for in an existing total maximum daily load (TMDL), or a TMDL that is substantially under development as identified in Section II.
- Implementation and/or planning/assessment activities that are consistent with watershed plans that address the U.S. Environmental Protection Agency's (USEPA) nine required watershed-based plan elements. Guidance on the Required Elements for Watershed-Based Plans, per CWA Section 319, is provided in Appendix A. (Specific terms are defined in Appendix B).
- Meet the requirement for non-State match of 25% (for total project cost) or be eligible for a waiver or reduction of the match requirement.

The California NPS Program is specifically seeking Concept Proposals that address the watersheds and impairments identified in the Program Preferences (Table 3) of this announcement. Applicants are encouraged to contact their Regional Water Quality Control Boards (Regional Water Boards) to discuss project ideas and determine conformance with the Program Preferences.

Funding is available for two types of projects:

1. Implementation Projects that implement actions to restore impaired surface waters by controlling NPS pollution. Implementation Projects include on-the ground NPS pollutant reduction projects that achieve quantifiable water quality benefits identified in TMDLs and that are identified in comprehensive watershed plans. Maximum grant project period is three years.

2. Planning and Assessment Projects to improve watershed plans by carrying out targeted planning/assessment efforts to better focus future implementation efforts to achieve water quality goals. Planning and Assessment Projects include activities called for by TMDLs to direct and improve existing watershed planning efforts to be effective guides toward achieving water quality results. Maximum grant period is two years.

There are two phases of the 2010 solicitation process. The first phase is the submittal of Concept Proposals. The Concept Proposal (CP) will be evaluated by a review panel according to the criteria identified in this announcement. CPs that most appropriately address the criteria and program preferences will be invited back to submit a Full Proposal (FP). FPs are required to fully describe the proposed project and anticipated environmental results in more detail. The review and selection process will be the same as the CP.

There is a different application for each Project Type. Applicants should review the Program Preferences, submission requirements and selection criteria for the category to which they are applying. The number of CPs and types of projects any one applicant may submit is not limited.

I. GUIDELINES

A. PROGRAM AND PROJECT ELIGIBILITY REQUIREMENTS

Eligibility is based on whether the project fits within the NPS Program Preferences, program funding limits, project timing, and match requirements (Tables 1A and 1B). Proposals that do not meet the eligibility requirements will not be reviewed or considered for funding. It is critical that applicants contact the Regional Water Boards and/or USEPA representative (Appendix G) during proposal development to ensure the applicant meets eligibility requirements and that the project under consideration conforms to program preferences. The NPS Program Preferences are in Section II of this announcement. Tables 1A and 1B specify eligible applicants, project timing, maximum and minimum grant amounts, and minimum match requirement. Applicants and the proposed project must meet all the eligibility requirements in order to move forward in the project selection process.

TABLE 1A –PROJECT TIMING, MAXIMUM AND MINIMUM GRANT AMOUNTS, AND MATCH REQUIREMENTS FOR IMPLEMENTATION PROJECTS.

2010 CWA 319 NPS GRANT PROGRAM ELIGIBILITY REQUIREMENTS			
Project Objective	Eligible Applicants	Eligible Projects	Available Funding and Schedule
Implement on-the-ground activities that control NPS pollution to improve water quality and restore beneficial uses.	a. Local Public Agencies b. Public Agencies c. Nonprofit Organizations (501[c][3]) d. Federally Recognized Indian Tribes[2] e. State Agencies f. Public Colleges g. Federal Agencies	Eligible projects under the NPS Program (CWA section 319) are projects that must: 1. Implement activities that contribute to the restoration of NPS impaired waters through reduced pollutant loads as called for in an existing TMDL as identified in the Program Preferences (Table 3); 2. Implement activities that are part of a watershed plan consistent with the USEPA Nine Key Elements of a Watershed Plan (Appendix A); and 3. Meet the requirement for non-State match funding for 25% of the total project cost or be eligible for a waiver or reduction of the match requirement.	Approximate Total: $3.5 Million based on annual federal appropriation Grant Project Maximum: $1,000,000 Grant Project Minimum: $ 250,0000 Minimum Match Requirement[1]: 25% (total project cost) Grant Agreement finalized by: **No later than June 30, 2011*** Project Grant End Date: **No later than June 30, 2014** Final Project Report: **No later than June 1, 2014*** Final Invoicing: **No later than July 31, 2014***

[1] **THE MATCH REQUIREMENT MAY BE WAIVED OR REDUCED FOR PROJECTS THAT DIRECTLY BENEFIT A DISADVANTAGED COMMUNITY(IES) AS OUTLINED IN Appendix D.**
[2] **LIMITED TO FEDERALLY RECOGNIZED TRIBES. TO RECEIVE GRANT FUNDING FOR THE PROJECT AND WITH THE GRANT AGREEMENT, TRIBES MUST WAIVE THEIR SOVEREIGN IMMUNITY.**
*** THESE DATES ARE SUBJECT TO CHANGE.**
APPLICANTS NOT ELIGIBLE ARE FOR PROFIT ORGANIZATIONS, PRIVATE ORGANIZATIONS, 501(C)(4) LOBBY ORGANIZATIONS.

TABLE 1B–PROJECT TIMING, MAXIMUM AND MINIMUM GRANT AMOUNTS, AND MATCH REQUIREMENTS FOR PLANNING/ASSESSMENT PROJECTS.

2010 CWA 319 NPS GRANT PROGRAM ELIGIBILITY REQUIREMENTS			
Project Objective	Eligible Applicants	Eligible Projects	Available Funding and Schedule
Identify and specify planning/ assessment activities that will identify and target implementation measures necessary for restoring water quality in a specific watershed.	a. Local Public Agencies b. Public Agencies c. Nonprofit Organizations (501[c][3]) d. Federally Recognized Indian Tribes[2] e. State Agencies f. Public Colleges g. Federal Agencies	Eligible projects under the NPS Program (CWA section 319) are projects that must: 1. Result in, or significantly contribute to comprehensive watershed planning identified in the Program Preferences (Table 3); 2. Consist of planning/assessment activities that are consistent with the USEPA Nine Key Elements of a Watershed Plan (Appendix A); and 3. Meet the requirement for non-State match funding for 25% of the total project cost or be eligible for a waiver or reduction of the match requirement.	Approximate Total: $1.0 Million based on annual federal appropriation Grant Project Maximum: $125,000 Grant Project Minimum: $ 75,000 Minimum Match Requirement[1:] 25% (total project cost) Grant Agreement finalized by: **No later than June 30, 2011** Project Grant End Date: **No later than June 30, 2013** Final Project Report: **No later than June 1, 2013*** Final Invoicing: **No later than July 31, 2013***

[1] **THE MATCH REQUIREMENT MAY BE WAIVED OR REDUCED FOR PROJECTS THAT DIRECTLY BENEFIT A DISADVANTAGED COMMUNITY(IES) AS OUTLINED IN APPENDIX D .**
[2] **LIMITED TO FEDERALLY RECOGNIZED TRIBES. TO RECEIVE GRANT FUNDING FOR THE PROJECT AND WITH THE GRANT AGREEMENT, TRIBES MUST WAIVE THEIR SOVEREIGN IMMUNITY.**
***THESE DATES ARE SUBJECT TO CHANGE.**
APPLICANTS NOT ELIGIBLE ARE; FOR PROFIT ORGANIZATIONS, PRIVATE ORGANIZATIONS, 501(C)(4) LOBBY ORGANIZATIONS

B. FUNDING MATCH REQUIREMENT

The applicant must provide a funding match. "Funding match" means funds made available by the applicant from non-State sources. The funding match may include, but is not limited to, Federal funds, local funding, or donated, volunteer and in-kind services from non-State sources. A State agency **may** use State funds and services for the funding match. The funding match is calculated based on total project cost for which funding is requested. Table 2 is an example of the calculated funding match for a project.

The funding match requirement may be waived or reduced for projects directly benefiting a Disadvantaged Community(ies). A Disadvantaged Community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income (California Water Code § 79505.5 (a)). The requirements for funding match waivers and reductions are given in Section C below.
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TABLE 2. MATCH REQUIREMENT EXAMPLE

Example Grant Match: Agency A is submitting a proposal with a total project cost of $1,000,000 and is required to meet the 25% match for the total cost of the project ($1,000,000).		
Total Project Cost	Grant and fund Match Using the Minimum Funding Match Requirement (25% of total)	
	Funding Match	Grant Funds
$1,000,000	0.25 X 1,000,000 = $250,000	1,000,000 - 250,000 = $750,000

The State Water Resources Control Board reserves the discretion to review and approve funding match expenditures.

C. FUNDING MATCH WAIVER/REDUCTION REQUIREMENT

Proposals submitted by a disadvantaged community or an organization that is based within and serves a disadvantaged community may be eligible for a funding match **waiver**. Proposals that directly benefit a disadvantaged community may be eligible for a funding match **reduction**. Reductions in the required funding match percentage will be in proportion to the percentage of the disadvantaged community population directly benefiting from the project relative to the entire population in the project/planning area.

Information needed to substantiate a request for match waiver/reduction is not required in the CP application, but will be required for the FP. The applicant will be required to identify representatives of the disadvantaged community who have been or will be involved in the planning and/or implementation process. While applicants are asked to identify the intent to apply for a waiver, they are not required to do so when submitting a CP. Match waiver/reduction is required when submitting a FP. State Water Board staff will review and make the final determination on funding match waiver or reduction eligibility.

II. NPS PROGRAM PREFERENCES

The State Water Board is making CWA Section 319 funds available through this 2010 Solicitation for projects that:

- Implement actions to restore impaired surface waters by controlling NPS pollution or;
- Improve watershed plans by conducting targeted planning/assessment efforts to improve and focus future implementation efforts in NPS Program Preference watersheds to better achieve water quality benefits.

This solicitation seeks CP or projects designed to achieve the water quality goals for watersheds and pollutants identified in the **NPS Program Preferences** (Table 3), below. Projects that do not address the identified Program Preferences will not be competitive in this solicitation.

The most competitive projects will demonstrate the use of various funding sources to achieve water quality improvements while building sustainable watershed partnerships for ongoing stewardship. Coordination among stakeholders in the watershed is strongly encouraged; water quality goals will most likely be achieved through multiple diverse efforts rather than through a single grant funded project.

The NPS Program Preferences are targeted TMDL watersheds that the NPS and TMDL Programs have identified as preferences for Implementation and Planning/Assessment projects for 2010 CWA 319(h) Grant funding. The target watersheds are in Table 3 below. Unless otherwise specified, all projects that address any source for the NPS load allocations for the identified constituent may be considered.

TABLE 3. PROGRAM PREFERENCE TABLE

Region 1 – North Coast Regional Water Board Preferences

TMDL Watershed *	TMDL Constituent(s)
Scott River	Sediment, temperature
Shasta River	Temperature, dissolved oxygen
Lost River	Nutrients, temperature, pH
Klamath River	Temp, DO, nutrients, microcystin
Salmon River	Temperature
Stemple Creek and Estero de San Antonio	Sediment and nutrients
Garcia River	Sediment, temperature
Mattole River	Sediment, temperature
Noyo River	Sediment

TMDL Watershed *	TMDL Constituent(s)
Redwood Creek	Sediment, temperature
Ten Mile River	Sediment, temperature
Albion River	Sediment
Big River	Sediment, temperature
Eel River - North Fork, Middle Fork, and South Fork	Sediment, temperature
Gualala River - Upper, Middle, and Lower Main Stem	Sediment, temperature
Trinity River - South fork	Sediment, temperature
Van Duzen River – Main Stem	Sediment

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* Projects in these watersheds are exclusively implementation, although they may contain a *minor* component of project planning.

Region 2 – San Francisco Bay Regional Water Board Preferences

TMDL Watershed	TMDL Constituent(s) – Implementation Projects (Source)	TMDL Constituent(s)- Specific Planning Projects
Tomales Bay (including tributaries)	Pathogens: implement Management Practices (MPs) according to ranch water quality plans (RWQPs) (grazing and dairy waiver requirements)	
Walker Creek	Mercury: implement MPs according to RWQPs (grazing and dairy waiver requirements)	Mercury: evaluate effectiveness of previously completed mercury-reduction projects.
Sonoma Creek	Sediment: implement vineyard management plans Sediment: implement reach-scale habitat and sediment reduction projects	Sediment: develop prioritization criteria for reach-scale habitat enhancement and incision/erosion projects.
	Pathogens, Sediment: develop RWQPs and implement MPs for grazing lands and dairies	
Napa River	Sediment: implement sediment control and habitat enhancement actions Sediment: reach-scale stream habitat and fine sediment reduction projects Sediment: implement restoration of fish passage at Zinfandel Lane Crossing Sediment: implement vineyard management plans Sediment, Pathogens - develop RWQPs and implement MPs for grazing lands	Sediment: salmonid population monitoring and modeling Sediment: baseflow monitoring.
Guadalupe River (including tributaries)	Mercury: mining waste erosion control Mercury: streambank stabilization Mercury: restoration in Alamitos Creek	

Region 3 – Central Coast Regional Water Board Preferences

TMDL Watershed	(Constituent) Implementation Project	(Constituent) Planning Project
Salinas River	(Nutrients) Develop and help implement irrigation efficiency and nutrient management. This will require irrigation evaluations and corresponding actions designed to address pollutant loading from tailwater. (Pesticides) Develop and help implement irrigation efficiency and sediment control management. This will require irrigation and sediment evaluations with corresponding actions designed to address pollutant loading from tailwater. (Bacteria) Help develop and assist implementation of Ranch Water Quality Plans	
Santa Maria River and Oso Flaco Lake	(Nutrients) Develop and help implement irrigation efficiency and nutrient management. This will require irrigation evaluations and corresponding actions designed to address pollutant loading from tailwater. (Pesticides) Develop and help implement irrigation efficiency and sediment control management. This will require irrigation and sediment evaluations with corresponding actions designed to address pollutant loading from tailwater. (Bacteria) Help develop and assist implementation of Ranch Water Quality Plans	

TMDL Watershed	(Constituent) Implementation Project	(Constituent) Planning Project
Pajaro River (including Llagas Creek)	(Nitrate) Develop and help implement irrigation efficiency and nutrient management. This will require irrigation evaluations and corresponding actions designed to address pollutant loading from tailwater.	
Pinto Lake		(Cyanobacteria hepatotoxic microcystins) Identify sources and potential implementation solutions to eradicate/reduce cyanobacteria and toxicity in this closed system.
Morro Bay (including Chorro and Los Osos Creeks)	(Nutrients) Develop and help implement irrigation efficiency and nutrient management. This will require irrigation evaluations and corresponding actions designed to address pollutant loading from tailwater. (Pathogens) Develop and implement Ranch Water Quality Plans. The plan should also incorporate robust bacteria monitoring in the Bay aimed at evaluating effectiveness of current and future implementation measures as well as evaluation of the protection of shellfish harvesting and aquaculture beneficial uses.	

Region 4 – Los Angeles Regional Water Board Preferences

TMDL Watershed	TMDL Constituent(s) and Sources
Calleguas Creek	Constituents: Nutrients, salts, metals, pesticides and PCBs Sources: Irrigated agriculture Type of project: implementation
Santa Clara River	Constituents: Nutrients, salts, pesticides and PCBs Sources: Irrigated agriculture Type of project: implementation
Ventura River	Constituents: Nutrients Sources: Irrigated agriculture Type of project: implementation
Dominguez Channel	Constituents: Metals, pesticides and PCBs Sources: Irrigated agriculture, air deposition (potentially) Type of project: implementation and planning
San Gabriel River	Constituents: metals Sources: Irrigated agriculture, open space runoff Type of project: implementation and planning

Region 5 – Central Valley Regional Water Board Preferences

TMDL Watershed *	TMDL Constituent(s)
Cache Creek	Mercury
Sacramento-San Joaquin delta	Mercury, chlorpyrifos/diazinon, dissolved oxygen, salt
Lower San Joaquin River	Chlorpyrifos, diazinon, dissolved oxygen, selenium, salt
Clear Lake	Mercury and nutrients
Sacramento River	Chlorpyrifos and diazinon, metals
Feather River	Chlorpyrifos and diazinon
Grassland Marshes	Selenium
Salt Slough	Selenium

* Both implementation and planning/assessment projects will be considered for these watersheds for the indicated constituents.

Region 6 – Lahontan Regional Water Board Preferences

TMDL Watershed (listed alphabetically)	TMDL Constituent(s) and Potential Source(s)
Blackwood Creek	Implementation and Planning Constituents: sediment Sources: defunct gravel mining
Owens HU (includes Mammoth Creek, Crowley Lake, Pleasant Valley Reservoir)	Planning only Constituents: mercury, DO, ammonia, organic enrichment Sources: unknown sources, natural sources, nonpoint sources, flow modification
Squaw Creek	Implementation and Planning Constituents: sedimentation/siltation Sources: hydromodification/land development
Susanville HU (includes Susan River, Honey Lake, Eagle Lake)	Planning Only Constituents: Unknown toxicity, mercury, nitrogen, phosphorus, arsenic, salinity, TDS, chlorides, metals Sources: agriculture, grazing, silviculture, roads, marins/boating, septic tanks, recreation, urban runoff, unknown sources, geothermal
Tahoe, Lake	Implementation and Planning Constituents: nitrogen, phosphorus, fine sediment Sources: urban, forests, atmosphere, stream channel erosion, shoreline erosion
Truckee River	Implementation and Planning Constituents: sediment Sources: dirt roads, urban areas, legacy erosion sites
Walker River	Planning only Constituents: Pathogens Sources: grazing

Region 7 – Colorado River Regional Water Board Preferences

TMDL Watershed *	TMDL Constituent(s)
Alamo River	Sediment
New River	Sediment, bacteria, trash
Imperial Valley Drains	Sediment
Coachella Valley Stormwater Channel	Bacteria
Palo Verde Outfall Drain	Bacteria, DDT, toxaphene

* Both implementation and planning/assessment projects will be considered for these watersheds for the indicated constituents.

Region 8 – Santa Ana Regional Water Board Preferences

TMDL Watershed	TMDL Constituent(s) – Implementation Projects (Source)	TMDL Constituent(s)-Specific Planning Projects **
San Jacinto / Canyon Lake	Nutrients – mgmt. of ag. and rural sources	*Plans and studies required by TMDL*
San Jacinto / Lake Elsinore	Nutrients – mgmt. of ag. and rural sources	*Plans and studies required by TMDL*
San Jacinto / Canyon Lake		**Assessment of wet weather pathogen indicator bacteria loadings into Canyon Lake from its northern tributaries*
Newport Bay (and tributaries)	Selenium (TMDL under development)	
Newport Bay (and tributaries)	Organochlorine compounds	
Newport Bay (and tributaries)	Diazinon, chlorpyrifos	
Newport Bay	Metals	**Sediment linkage study to determine metals loads in sediment from tributaries (also, Newport Bay Sediment TMDL)*
Newport Bay - Rhine Channel	Metals	**Assessments of Newport Bay sediment and sediment inputs for TMDL metals*
Newport Bay (and tributaries)	Sediment	

TMDL Watershed	TMDL Constituent(s) – Implementation Projects (Source)	TMDL Constituent(s)-Specific Planning Projects **
Newport Bay (and tributaries)	Nutrients	**Assessments of Newport Bay sediment and sediment inputs for nutrients*
Newport Bay (and tributaries)	Fecal coliform/Fecal indicator bacteria	**Assessments of Newport Bay sediment and sediment inputs for Fecal indicator bacteria (FIB) (entercoccus, E.coli) in coordination with OCHCA AB411 beach WQ monitoring, and/or for metals and nutrients *Assessment of Summer and Annual storm drain loadings of PIB (entercoccus,E.coli) and/or determination of FIB contribution from biofilms in storm drains*

**** IMPORTANT: Contact Santa Ana Regional Water Board staff for further information about planning program preferences for planning projects.***
***** Specific planning projects identified for this watershed are italicized.***

Region 9 – San Diego Regional Water Board Preferences

TMDL Watershed [1]	TMDL Constituent(s)
Rainbow Creek	Nutrients
Shelter Island Yacht Basin	Copper

1. Both implementation and planning/assessment projects will be considered for these watersheds for the indicated constituents.

A. IMPLEMENTATION PROJECTS

Implementation projects are those occurring on-the-ground in watersheds identified in the NPS Program Preferences, and must be designed to achieve or contribute to achieving compliance with TMDLs and water quality standards. Proposals should conform to the following:

- Projects must address the water quality goals of watersheds identified in Table 3
- Activities may include project-level planning, design, construction, construction management, implementation, and monitoring to implement full scale on-the-ground, management measures (MMs) and/or management practices (MPs). (Appendix I).
- Projects must be planned and designed to achieve the water quality goals as identified in TMDLs and watershed plans;
- All projects receiving CWA Section 319 funding must be identified in a watershed plan that addresses USEPA's Nine Key Elements (Appendix A);
- Must provide quantifiable water quality benefit information and characterizes pollutant load reduction expected by the project.

B. PLANNING/ASSESSMENT PROJECTS

Watershed Planning/Assessment projects must be associated with the targeted TMDL watersheds identified on the NPS Program Preferences (Table 3). Competitive projects are those which support planning/ assessment activities to more effectively identify and target implementation measures that are necessary for restoring water quality in a specific watershed. Planning work funded through these projects must also result in, or significantly contribute to, "comprehensive watershed planning." "Comprehensive watershed planning" is planning that is consistent with USEPA's Nine Key Elements of a Watershed Plan (Appendix A). Funding cannot be used to prepare new watershed plans. Qualifying proposals may include:

- Projects that fill recognized data gaps in existing watershed management plans. For example, projects that supplement previously prepared watershed planning documents with the additional information needed to determine

causes and sources of NPS pollution, and to identify the implementation measures necessary to control NPS pollutants and restore water quality.

- Projects that lead to development of comprehensive watershed plans, and/or watershed plan implementation strategies in targeted watersheds. For example, a competitive project might be one that :1) systematically consolidates previously completed planning work in a watershed into a comprehensive watershed planning tool; and 2) uses the newly created watershed planning tool to identify, prioritize and manage the implementation of the NPS MMs/MPs (Appendix I) needed to restore water quality in the watershed.
- Projects that examine existing watershed management plans to determine what additional information is needed to make plans more effective in targeting specific implementation (MM, MPs, monitoring etc) to achieve and assess progress toward achieving water quality goals.
- Water quality assessments that identify, quantify, and prioritize NPS pollutant load sources for a targeted watershed.
- Watershed assessments that identify and/or characterize, prioritize and sequence appropriate MMs and/or MPs for implementation.
- Projects involving preparing plans, studies, strategies and similar items specified in Program Preferences (Table 3). These activities may include: monitoring strategies, water quality assessments, clarifying plans to improve their usefulness to watershed managers, provide information to grant writers, reviewers and stakeholders (e.g. include new narratives, figures, exhibits, digital tools and other display technologies, etc.,) to articulate and illustrate the basis for selection of, purpose of, and the need for chosen MMs/MPs, management plans, pollutant modeling, pollutant trading plans, adaptive management strategies, and similar work needed to identify, target and sequence implementation measures needed to meet with TMDL requirements.
- Develop and/or carry-out monitoring program designs and/or strategies that will effectively determine baseline conditions and assess progress toward achieving water quality standards, load reductions, or similar water quality goals. Monitoring programs and/or strategies that leverage existing data collection programs and databases will be favored.
- Develop a funding strategy for implementing the watershed plan – including funding from local, regional, state and federal government and non-government sources.

III. PROPOSAL SOLICITATION, REVIEW, AND SELECTION PROCESS

The CWA 319 NPS Grant Program will follow a two-step solicitation process: An initial "Concept Proposal" (CP); followed by a "Full Proposal "(FP). The solicitation process, review process, and selection process are described below.

A. SOLICITATION, SUBMITTAL, AND REVIEW OF THE CONCEPT PROPOSALS

i. Solicitation and Submittal Process

The CP application will consist of an on-line application submitted using the State Water Board's Financial Assistance Application Submittal Tool (FAAST) System. The on-line FAAST application for the CP can be found at the following secure link:

https://faast.waterboards.ca.gov/

There are two applications, one for each of the project types- Implementation and Planning/ Assessment Projects. The applicants must choose the appropriate application for their project. However, applicants may submit proposals and complete applications for both types of projects.

All applications, including attachments and supporting documentation, must be provided by the submittal deadline. Any material submitted after the deadline will not be reviewed or considered for funding.

ii. Review, Scoring and Ranking Process for the Concept Proposals

All CPs must be submitted in FAAST by the posted date and time deadline. As the CPs arrive in FAAST, the review panel will assess the CPs for completeness and eligibility. The review panel will consist of:

- Regional Water Board staff,
- State Water Board staff, and
- USEPA staff.

Each complete and eligible CP will be scored and ranked using the FAAST system. Scoring and ranking will be based on the applicant's ability to:

- Demonstrate measurable contribution towards achieving water quality goals in TMDLs;
- Demonstrate that the project is technically feasible and appropriate;
- How well the project meets the NPS Program Preferences;
- Show readiness to proceed;
- Specify an estimated measurable pollutant load reduction, if the project is an implementation project;
- Identify planning/assessment projects that contribute towards a comprehensive watershed plan to implement project that achieve the water quality goals of the TMDL in a watershed identified in the NPS Program Preferences.

State Water Board staff will group the eligible CPs on the list into two categories:

a. Applicants Invited Back to Submit FP; and
b. Applicants Not Invited to Submit FP.

Applicants who submitted the most competitive eligible CPs will be invited to submit FPs to a level of at least 125% of available grant funds. The list will be posted on the State Water Board's Division of Financial Assistance website (http://www.waterboards.ca.gov/water_issues/programs/grants_loans/319h/index.shtml) and notification e-mails will be sent to all applicants.

At the FP stage, proposals will be evaluated and scored based on the information provided in the FP and the expertise of the reviewers, without regard to the original CP score. The review panel will provide specific comments in FAAST when reviewing the CP. The applicant will be required to address these comments in the FP. The applicant will have the opportunity to discuss CP comments when developing the FP. However, the FPs will be evaluated for consistency with the information submitted in the CP, and major changes to the scope of work may disqualify the proposal.

B. SOLICITATION, SUBMITTAL AND REVIEW OF THE FULL PROPOSALS

i. Solicitation and Submittal Process of the Full Proposals

Solicitation for FPs will be by invitation only to applicants with the highest ranking CPs. FPs will be ranked based on their ability to either:

- Produce measurable load reduction in a TMDL watershed identified in the NPS Program Preferences (Section II); or

- Identify planning /assessment projects that contribute towards a comprehensive watershed plan to implement projects that achieve the water quality goals of the TMDL in a watershed identified in the NPS Program Preferences (Section II).

The FP review process will also be competitive, since the total amount of funding requested for the projects invited back to submit a FP will exceed the total available funding (approximately $4.5 million). The FP Solicitation Notice will include information on the due date and time for FP submittals, and will provide detailed instructions on the mechanics of submitting the FP.

The FP will allow the applicant to expand upon the information provided in the CP submitted previously, in order to provide the level of detail needed to make a final funding decision and to help expedite the grant agreement process. The more detailed, concise, and specific the scope of work in the FP, the more quickly and easily State and Regional Water Boards staff can develop the grant agreement, should the project be selected for funding.

Applications must include all required elements specified in the FP Solicitation Notice. All applications, including attachments and supporting documentation, must be provided by the submittal deadline. Any material submitted after the deadline will not be reviewed or considered for funding.

Applications may include attachments with supplemental materials such as watershed plans, design plans and specifications, detailed cost estimates, feasibility studies, pilot projects, additional maps, geographic information system (GIS) shape files, diagrams,

letters of support, copies of agreements, or other applicable items. All supporting documentation is required in an electronic format through FAAST, unless specified otherwise.

ii. Review, Scoring, and Ranking Process for the Full Proposals

FPs will consist of the same process outlined in the review of the CPs. Staff will review, evaluate and select projects based on the following criteria:

- Ability to improve water quality in an identified watershed in the NPS Program Preferences (Table 3);
- Applicant's ability to demonstrate that the project is technically feasible and appropriate,
- Measurable contribution towards achieving water quality goals in TMDLs;
- Completeness of the Scope of Work and Timeline to complete the work.
- In the case of an implementation project, the applicant's ability to specify an estimated pollutant load reduction; and a method for maintaining the project.
- In the case of a planning/assessment projects, the applicant's ability to create a comprehensive watershed plan and/or to fill gaps in information that lead to a comprehensive watershed plan that will more effectively direct implementation projects to achieve water quality goals; and
- Applicant's readiness to proceed.

The applicant's past grant performance and track record may be taken into consideration. The Panel may recommend reducing individual grant amounts from the requested amount. However, such reductions will be considered only if reviewers have indicated in their review comments that the budget is too high or some tasks are not necessary or eligible. A recommendation for reduction would also be weighed against whether the reduced funding would impede successful project implementation.

C. GRANT AGREEMENT

The applicants will work with the grant coordinators in the development of the grant agreements for their project. Procedures and rules for developing the grant agreement are located in the template on the Financial Assistance Program –Grant and Loans webpage (See Appendix H). See Information on the Grant Agreement for more details.

D. REIMBURSEMENT OF COSTS

Only direct costs related to the project are allowed. Only work performed within the terms of the grant agreement will be eligible for reimbursement. Education/outreach is an eligible reimbursable expense only if it is a secondary component of a project. Reimbursable costs include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation.

Costs that are not reimbursable with grant funding include, but are not limited to:

a. Costs, other than those noted above, incurred outside the terms of the grant agreement with the State;
b. Operation and maintenance costs;
c. Purchase of equipment not integral part of the project;
d. Establishing a reserve fund;
e. Replacement of existing funding sources for ongoing programs;
f. Expenses incurred in preparation of the Concept Proposal and FP;
g. Purchase of land (except in the case of the Integrated Watershed Management Program, where the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies, is reimbursable); and
h. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred within the terms of the grant agreement with the State, the granting agency agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise reimbursable project costs.

Advance funds will not be provided. Funding match requirements are discussed in Section I.B .

IV. GENERAL REQUIREMENTS

General requirements are located on the Financial Assistance Program –Grant and Loans webpage. General requirements include Conflict of Interest, Confidentiality, CEQA Compliance, Basin Plan Consistency, Related Litigation, Project Assessment and Evaluation Plans, Monitoring and Assessment, Data Management, and Grant Manager Notification. (General Requirements)