

**California Department of Water Resources
Flood Protection Corridor Program**

Grant Program Guidelines

**For the Allocation and Use of Proposition 84 Section 75032.5 Funds
From the Safe Drinking Water, Water Quality and Supply,
Flood Control, River and Coastal Protection Bond Act of 2006**

Text of Guidelines

Section 1. Scope.

- (a) These guidelines implement Section 75032.5 of Chapter 1 of Division 43 of the Public Resources Code, which is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Section 75032.5 provides \$40 million to continue the existing Flood Protection Corridor Program established by sections 79035 through 79044, and 79044.9 in Article 2.5 of Chapter 5 of Division 26 of the Water Code, which Division is the Costa-Machado Water Act of 2000. The guidelines define a process for funding acquisition of property rights from willing sellers and related activities for flood protection corridor projects undertaken by the Department of Water Resources directly or through grants to local public agencies or nonprofit organizations.

- (b) The Flood Protection Corridor Program is statewide in scope. Within the geographic scope of the CALFED Bay-Delta Program, funds in the subaccount for this program shall be used for projects that, to the greatest extent possible, are consistent with the CALFED long-term plan identified in the Programmatic Record of Decision of August 28, 2000.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9, 2000 Cal. Stat. Ch. 52, Item No. 3860-101-6005, 2001 Cal. Stat. Ch. 106, Item No. 3860-001-0001, Provision 3, and 2002 Cal. Stat. Ch. 379, Item No. 3860-101-6005.
Reference: Water Code Sections 79032.5, 79037, 79043, 79044, and 79044.9.

Section 2. Definitions.

The words used in this chapter have meanings set forth as follows:

- (a) "A List" means the preferred priority list of projects described in Section 6.
- (b) "Applicant" means an entity that is acting as the principal party making an application for funding under the provisions of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.
- (c) "B List" means the reserve priority list of projects described in Section 6.
- (d) "CEQA" means the California Environmental Quality Act, Public Resources Code Sections 21000 *et seq.*
- (e) "Community" means the specific geographic area that receives a direct reduction in flood risk from the proposed project.
- (f) "Department" means the California Department of Water Resources.
- (g) "Director" means the Director of the Department of Water Resources.
- (h) "Disadvantaged Community" means a community with an annual median household income that is less than 80% of the statewide annual median household income.
- (i) "FEMA" means the Federal Emergency Management Agency.
- (j) "Fully funded" with respect to a grant project means funded to the full amount of the requested funds or to the funding limit, whichever is less.
- (k) "Grant application form" means the Department's form entitled "Flood Protection Corridor Program Project Evaluation Criteria and Competitive Grant Application Form" dated August , 2007 and incorporated herein by this reference.
- (l) "Local public agency" means any political subdivision of the State of California, including but not limited to any county, city, city and county, district, joint powers agency, or council of governments.
- (m) "Median Household Income" means the median household income data reported in the most recently published U. S. Census.

- (n) "Milestone" means a time when a significant portion of a project is completed, as defined in the contract as a time for disbursement of grant funds.
- (o) "Nonprofit organization" means an organization that does not operate for profit and has no official governmental status, including but not limited to clubs, societies, neighborhood organizations, advisory councils, conservation organizations and privately run local community conservation corps.
- (p) "Program" means the Flood Protection Corridor Program established by Water Code Division 26, Chapter 5, Article 2.5.
- (q) "Property interest" means any right in real property, including easement, fee title, and any other kind of right acquired by legally binding means.
- (r) "Project" means all planning, engineering, acquisition of real property interests, construction and related activities undertaken to implement a discrete action undertaken under the program pursuant to Water Code Section 79037.
- (s) "Severely Disadvantaged Community" means a community with an annual Median Household Income that is less than 60% of the statewide annual Median Household Income.
- (t) "Sponsor" means an applicant who has received grant funding through the application process described in these regulations.
- (u) "Subaccount" means the Flood Protection Corridor Subaccount created by Water Code Section 79035(a).

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
 Reference: Water Code Sections 79035, 70937, 79038(a), and 79043;
 Public Resources Code Sections 21000 *et seq.*

Section 3. Program Management Process.

The Department selects, approves, funds, and monitors projects funded by grants under the program. The process of managing the program includes these steps:

- (a) The Department shall appoint and maintain a Project Evaluation Team comprised of Department staff and other consulting governmental agencies. The Department may request consultation with any appropriate government agency, including but not limited to the Department of Conservation, the Department of Fish and Game, the Department of Food and Agriculture, the Office of Emergency Services, and the CALFED Bay-Delta Authority.

- (b) Local public agencies or nonprofit organizations which meet the qualifications set forth in Section 4 may apply for program grants for projects at such times as the Department may designate. Applications for proposed projects shall be submitted in response to a solicitation issued by the Department. As long as uncommitted funds remain available to fund new projects, the Department shall solicit proposals at least once per calendar year. The time period for submitting applications shall be at least 30 days from the date notice is given by the Department that project proposals are being solicited. Notices shall be provided to cities, counties, flood control districts, reclamation districts, and other local government entities that manage flood plains and flood control projects. The Department shall also provide notice to nonprofit organizations with interest in flood management issues, and shall send notice to all individuals and organizations that have requested notice of the opportunity to submit applications. Notices may be given by mail, electronic mail, website posting, or any other method that provides easy access and prompt availability. To be eligible for funding, projects must meet the requirements of Section 5. Applications must meet the requirements set forth in Section 7 before they may be considered for review.
- (c) The Project Evaluation Team shall review each application and evaluate the subject project within 60 days of the close of the specified submittal period, or within 60 days of receipt of requested additional information, whichever is later.
- (d) The Project Evaluation Team shall notify the Department to request the applicant to provide additional information within 30 days of the Department's request if:
 - (1) The project appears potentially eligible but is missing information needed to evaluate the merits of the project, or
 - (2) Additional information is needed to evaluate the merits of the project in comparison to others received.
- (e) If the requested additional information cannot be provided in 30 days, the applicant may refile its application with the additional information at the Department's next solicitation of proposals.
- (f) When a proposal that meets minimum qualifications is complete and all requested additional information has been supplied, the Project Evaluation Team shall complete the evaluation of the project including recommending its place on a priority list as described in Section 6.

- (g) After each solicitation of proposals, Department staff, using the evaluations and recommended priorities of the Project Evaluation Team, shall recommend projects, priority, and amounts per project to be funded and submit the recommendations to the Director for approval of the priority lists. Department staff may recommend:
- (1) Allocating any portion of the available funds to projects managed and funded directly by the Department.
 - (2) Allocating any or all of the remaining available funds to grants for projects on the A List, until all A List projects are fully funded.
 - (3) Allocating the remaining available funds to grants for projects on the B List, provided all A List projects are fully funded, or holding over the remaining available funds for allocation in the subsequent funding cycle.
 - (4) Allocating partial funding to one or more of the projects on the priority list currently being funded.
- (h) Department staff will apply a maximum funding guideline of \$5,000,000 per project in its recommendations to the Director, although the staff may recommend funding above the guideline and the Director may increase the amounts for individual projects if necessary to achieve the goals of the program.
- (i) The Director will determine the final content and priority order of the lists and the amount of funding for each project. The total FPCP grant funding need of all projects on the Director-approved priority lists may be less than or more than the funding available.
- (j) If the total FPCP grant funding requirement for all projects on the Director-approved A-list is more than available funds, staff may work with applicants to determine which projects could be constructed with reduced funding and recommend such projects be funded at a reduced level, or the applicants could wait until the next solicitation of proposals to resubmit unfunded projects in addition to new projects submitted to the Director for listing.
- (k) After the establishment of Director-approved priority lists, the Department shall hold public hearings, if required by Section 8 or the Department deems advisable, on the projects to be funded. After consideration of the results of the public hearing, if the unfunded project first in priority order still meets the requirements of Section 5, if program funds remain, and if the applicant desires to pursue the project, Department staff will recommend the Director award a grant to the applicant. When the Director approves grant funding for the project, the applicant becomes the project sponsor.

- (l) Prior to expending any funds, the Department and the sponsor shall enter into a grant contract as specified in Section 9.
- (m) Although grant funds shall be disbursed as provided in the contract to reimburse costs incurred by the sponsor or to make payments directly into escrow as provided in Section 9(k), certain costs shall not be reimbursed or paid until the following conditions are met:
 - :
 - (1) For project activities that could affect the environment, until the sponsor complies with all applicable requirements of CEQA and other environmental laws, and
 - (2) For project activities requiring permits, until the permits are obtained.
 - (3) For acquisition of property rights for which a public hearing is required under Section 8, until such hearing has been held.
- (n) Except for property acquisition disbursements, the Department may withhold up to 10 percent of each disbursement, as specified in the contract, to ensure completion of the project.
- (o) When the project is completed to the satisfaction of the Department and the sponsor has provided a completion report as described in Section 10 and a maintenance plan as described in Section 11, the Department will notify the sponsor that the project is accepted and will pay any withheld funds.
- (p) The sponsor shall provide for permanent maintenance of the project until the Department determines that maintenance is no longer necessary. The Department will monitor and enforce project maintenance as described in Section 11.
- (q) In rare cases, the need for project maintenance may end. The sponsor may present evidence in writing that maintenance will no longer be necessary after a certain date or after certain conditions occur. The Department, at its sole discretion, may determine in advance that maintenance will no longer be necessary after the specified date or after the occurrence of the specified conditions.
- (r) If the Department determines that maintenance is no longer necessary or will no longer be necessary after a certain future date, the sponsor, after such determination or such future date, shall return to the State the principal and unused proceeds of any maintenance trust funds originating from a grant under this program.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Sections 79038(a), 79042, 79044(a), and 79044(b); California Code of Regulations, Title 1, Section 15004(b).

Section 4. Qualifications of Applicants; Disbursement of Program Funds.

- (a) An applicant for grant funds for a project may be a local public agency, a nonprofit organization, or an organization representing more than one local public agency or nonprofit organization. On approval of the application and granting of funds, such organization may remain a sponsor, or may transfer such approval to another eligible organization to sponsor the project, subject to concurrence from the Department.
- (b) The Department may perform projects using program funds, or may transfer program funds to other State agencies to perform projects pursuant to an interagency agreement.
- (c) The Department may participate with local agencies, nonprofit organizations, other State agencies, and federal agencies in performing projects. The Department shall not award grants to participants in such projects, but shall contribute program funds directly for payment of its share of the costs.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Section 79037(a).

Section 5. Eligible Projects and Priorities for Grant Funding.

- (a) Grant funding will be available for projects that:
 - (1) Meet or will meet statutory requirements, as follows:
 - (A) For restoration, enhancement, and protection projects, the California Conservation Corps or community conservation corps is used whenever feasible (Water Code Section 79038(b)).
 - (B) If the proposal involves acquiring property interests for the purpose of protecting or enhancing flood protection corridors while preserving or enhancing agricultural use, the proposal shall not be for acquiring a property interest in fee unless the Department has considered all practical alternatives (Water Code Section 79039(a)).

- (C) All proposed acquisitions of property interests are from willing sellers as provided for in Water Code Sections 79037 and 79040.
 - (D) If the project includes acquisitions of property interests, it also includes a plan to minimize the impact on adjacent landowners (Water Code Section 79041). The required elements of this plan are listed in Section 7 (g).
 - (E) If the project includes acquisitions of property interests, a public hearing has been held or will be held before acquiring the property interest (Water Code Section 79042).
 - (F) The applicant certifies that it can maintain the project, using a trust fund established with grant funds if necessary (Water Code Section 79044).
- (2) Are designed to do one or more of the following (Water Code Section 79037(b)):
- (A) Acquire property interests to protect or enhance a flood protection corridor or floodplain while preserving or enhancing agricultural use.
 - (B) Set back existing levees and strengthen or modify related levees.
 - (C) Acquire property interests in a floodplain that cannot reasonably be protected from floods.
 - (D) Acquire property interests to protect or enhance a flood protection corridor while preserving or enhancing wildlife value.
- (3) Are located at least partially in one or more of the following:
- (A) A FEMA Special Flood Hazard Area.
 - (B) An area that would be inundated if the project were completed and an adjacent FEMA Special Flood Hazard Area were inundated.
 - (C) A FEMA SFHA, which is determined by using the detailed methods identified in FEMA Guidelines and Specifications for Flood Hazard Mapping Partners issued April 2003, or

- (D) A floodway designated by The Reclamation Board under Water Code Section 8402(f).
 - (E) An area below the elevation of the 100-year recurring flood, shown on a locally adopted base flood elevation map based on a hydrologic and hydraulic analysis prepared by a civil engineer registered pursuant to California law or a Professional Hydrologist-Surface Water certified by the American Institute of Hydrology.
 - (F) An area demonstrated to the satisfaction of the Department of Water Resources to be hydrologically equivalent to one of those described in Subparagraphs (A), (B), (C) or (D).
- (b) Highest priority under the program shall be given to projects that meet the requirements of Subsection (a), that the Department has given high priority for purposes of flood protection, and that:
- (1) The Department of Conservation has given high priority for purposes of preserving agricultural land under the California Farmland Conservancy Program, or
 - (2) The Department of Fish and Game has given high priority for purposes of wildlife habitat protection or restoration.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
 Reference: Water Code Sections 8402(f), 79037(b), 79038(b), 79039(a), 79040, 79041, 79042, 79044(a), and 79044(b).

Section 6. Priority Lists and Criteria for Setting Project Priority.

- (a) The Department shall establish two priority lists of projects after each solicitation of proposals. The preferred list (A List) shall contain those projects qualifying for highest priority in Section 5(b), and the reserve list (B List) all other projects qualified under Section 5(a). Within those lists, the Department shall prioritize projects on a project value derived from a numeric evaluation of applications as set forth in the grant application form.
- (b) To assist in evaluating individual project applications, the Department may consult with the applicant, interested stakeholders, local agencies, State agencies or federal agencies with an interest in or jurisdiction over any of the items listed in Subsection (c).
- (c) In establishing the project value, the Department shall consider the criteria in Sections IV, V and VI of the grant application form, giving approximately equal weight to each section. The criteria shall be weighted to give some

degree of preference to disadvantaged and severely disadvantaged communities and to projects with the greatest readiness to proceed.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Section 79038(a).

Section 7. Application for Grant Funding.

Applicants for grant funding under the program shall file a complete grant application with the Department including a grant application form. The Department shall not revise the grant application form during any period in which project proposals are being solicited. A complete application shall contain the completed grant application form and at least the following information:

- (a) A description of the proposed project, including:
 - (1) A statement of the problem being addressed.
 - (2) A discussion of the ways that the project addresses the problem and satisfies the purposes described in Section 5(a)(2).
 - (3) A description of the project approach.
 - (4) A discussion of the expected outcome and benefits of the project including how the project will reduce potential taxpayer liability for future costs of repair of flood damages in areas that may flood in the future.
 - (5) A description of the geographic boundaries of the project.
 - (6) Verification that the project is located at least partially in one of the qualifying areas listed in Section 5(a)(3).
 - (7) A description and justification of any proposed use of program funds for flood control system or water system repairs performed as part of an easement program or a project developed or financed under the program (Water Code Section 79043).
 - (8) A demonstration that the project is technically feasible.
 - (9) A hydrologic and hydraulic analysis prepared by a civil engineer registered pursuant to California law or a Professional Hydrologist-Surface Water certified by the American Institute of Hydrology.
 - (10) A complete initial study environmental checklist as required by Section 15063(f), Title 14, California Code of Regulations, and if

available, a completed Environmental Impact Report or other environmental documentation as required by CEQA.

- (11) A list of required permits for the project and an implementation plan for their procurement.
- (b) Maps and drawings as necessary to describe the project, including:
- (1) A vicinity map.
 - (2) A map indicating location of project features and boundaries of affected property.
 - (3) Drawings or sketches of project features as necessary to describe them.
- (c) A financial summary including:
- (1) The estimated cost of the project broken down by task.
 - (2) The estimated dollar value of flood control benefits of the project in relation to anticipated right-of-way costs, construction costs, maintenance costs, and ongoing funding sources to pay for maintenance costs.
 - (3) The amount of the grant requested.
 - (4) The estimated amount to be funded by the applicant.
 - (5) Identification of any other parties contributing to the cost, and the amounts and activities to be funded by them.
- (d) A summary of proposed property acquisition rights including:
- (1) Identification of each property.
 - (2) Names, addresses and telephone numbers of the property owners and lessees or tenants.
 - (3) The type of property rights to be acquired (such as easement or fee title).
 - (4) Evidence that affected landowners are willing participants in any proposed real property transactions..

- (5) A justification of any proposed acquisition of fee interest in property to protect or enhance a flood protection corridor or floodplain while preserving or enhancing agricultural use (Water Code Section 79037(b)(1)) which includes:
 - (A) Reason for the fee title acquisition.
 - (B) Alternatives considered to fee title acquisition for each property.
 - (C) Proposed final disposition of the property.
 - (D) Effect on county property tax revenue.
- (e) A tentative work plan for the project, including:
 - (1) A timetable for execution of the project.
 - (2) A task breakdown for the project.
 - (3) A description of how services of the California Conservation Corps, or local community conservation corps will be used in the project, if applicable.
- (f) A list of names and addresses of owners of all property interests in parcels adjacent to those for which acquisition of property rights is proposed.
- (g) If property rights are to be acquired for the project, or if a need is indicated in environmental review documentation prepared for the project pursuant to CEQA, a plan to minimize the impact of the project on adjacent property owners, including but not limited to the following (Water Code Section 79041):
 - (1) An evaluation of the impact on floodwaters.
 - (2) The structural integrity of affected levees.
 - (3) Diversion facilities.
 - (4) Current and historic agricultural practices on the project site and in the vicinity.
 - (5) Timber extraction operations.
 - (6) An evaluation with regard to maintenance.

- (h) A description of the input and participation that local groups and affected parties provided in the preparation of the work plan and application.
- (i) A statement relative to the use of a trust fund for maintenance, or any proposed alternative, as specified in Water Code Section 79044.
- (j) Either or both of the following, depending on applicability:
 - (1) An analysis of the project benefits to wildlife habitat.
 - (2) A description of project actions to preserve agricultural land.
- (k) A statement of qualifications for the project team.
- (l) A written statement by an attorney certifying that the applicant is authorized to enter into a grant agreement with the State of California.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Sections 79037(b), 79038(b), 79039(a), 79040, 79041, 79043, 79044(a), and 79044(b); Public Resources Code Sections 21000 *et seq.*; California Code of Regulations, Title 14, Section 15063(f).

Section 8. Public Hearings.

Public hearings for projects shall conform to the following:

- (a) The Department shall hold public hearings for all projects requiring acquisition of property rights, prior to acquisition of those rights, and may hold public hearings for other projects as it deems advisable.
- (b) Hearings shall be held in the county or one of the counties where the project is located. If all or a portion of the project is in a municipality, the hearing shall be held in the municipality or one of the municipalities where the project is located.
- (c) The Department shall give notice of the hearing in accordance with the following:
 - (1) Notice shall be given by mail at least 10 days before the hearing to the Board of Supervisors of the affected county or counties, adjacent landowners, affected water districts, local municipalities, individuals and organizations that have requested notice, and other interested parties as determined by the Department.

- (2) Notice of the hearing shall be given to the general public by publication in at least one newspaper of general circulation in the local community for at least once a week for two successive weeks.
 - (3) The notice shall set the time and place of the hearing which shall be not less than 10 days following the completion of publication. The notice shall state that the purpose of the hearing is to inform and obtain comment from the public on the proposed acquisition of property rights for the project or projects. The notice may include other specific subjects pertaining to the project.
 - (4) Additionally, notice may be circulated by electronic mail, web site posting or other methods that provide easy access and prompt availability.
- (d) Any owner of land in or adjacent to the project or other interested person may offer and the Department shall receive any relevant evidence or testimony concerning the proposed property acquisitions or other subject specified in the hearing notice or by the hearing officer.
 - (e) The Department shall prepare a summary of comments made at the hearing.
 - (f) Within 30 working days after the public hearing, the Department shall make the summary of comments available.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Section 79042.

Section 9. Grant Contract Requirements.

- (a) Before the Department enters into a grant contract, the sponsor shall develop a work plan satisfactory to the Department. To assist the sponsor in developing a work plan, the Department may visit the project site to assess its conditions and needs and may confer with the project sponsor, project supporters, and other local officials, agencies, and organizations with an interest in the project. The Department may convey recommendations and information obtained from these efforts to the sponsor. The work plan shall reflect the specific schedule and components of the project. The sponsor may revise the work plan from time to time during project execution with the approval of the Department.
- (b) The project sponsor, and all members of a joint sponsoring organization, shall provide copies of resolutions from their organizations authorizing submittal of a grant application, indicating their intent to accept the grant if

awarded, and authorizing specific individuals to sign the contract on behalf of each.

- (c) The Department may enter into a contract before the sponsor has obtained all applicable permits, but may not disburse any funds to be used for project construction until the sponsor has complied with all applicable federal, State, and local laws, rules and regulations, and obtained all required permits.
- (d) If a contract is not signed within six months of the date the grant is awarded, the grant may be withdrawn.
- (e) All contracts shall be signed by the sponsor, and, if the sponsor is a joint sponsoring organization, all the member organizations. If the sponsor is a nonprofit organization that is not incorporated, it must designate a fiscal agent satisfactory to the Department to act on its behalf, and provide evidence that the fiscal agent agrees to so act.
- (f) For public works projects, the contract shall require the sponsor to submit verification of a Labor Compliance Program acceptable to the State as required in subdivision (b) of Labor Code Section 1771.5 for application to that public works project.
- (g) The contract shall require the sponsor to make a progress report to the Department, as described in Section 10, as a prerequisite to each grant disbursement. The Department will monitor progress and may suspend all payments indefinitely if in the opinion of the Chief of the Division of Flood Management of the Department it appears the grantee is in breach of the agreement to such an extent that ultimate achievement of project objectives may be significantly compromised. If payments are suspended, the grantee shall be given six months to cure the breach or the funding agreement will automatically terminate. Decisions to suspend payments may be appealed to the Director of the Department.
- (h) The contract shall require the sponsor to submit a written completion report as described in Section 10.
- (i) The contract shall provide that during planning and construction the Department may inspect the project at any reasonable time to ensure it is being carried out in accordance with the work plan, and after completion to ensure that it is being properly maintained.
- (j) The contract shall specify the percentage of each payment, not to exceed 10 percent, to be withheld to ensure completion of the project. Such withholding shall generally not apply to property purchase payments except when multiple cost-shared property purchases occurring at different times

are necessary to ensure the success of the project and avoid stranded investment. In such cases, 10 percent of the DWR share will be withheld from each purchase except the final purchase until the final purchase is executed.

- (k) The contract shall either define project completion milestones, at which time payment of grant funds will be made for completed work, or state that payment will be made monthly or quarterly in arrears upon receipt of invoices. For property rights acquisitions, payment can be made at the time of purchase directly into escrow.
- (l) The contract shall require the sponsor to prepare a maintenance plan as described in Section 11.
- (m) The contract shall include, but not be limited to, the following provisions:
 - (1) The sponsor will assure that the project will be operated, maintained, repaired, replaced and rehabilitated until the Department determines that it is no longer necessary.
 - (2) The sponsor will perform the maintenance with its own forces, or will employ another agency or organization satisfactory to the Department.
 - (3) The sponsor will control encroachments on the project facilities and properties, whether unauthorized or permitted, and will not permit any encroachments that will adversely affect the function or maintenance of the project facilities and properties.
 - (4) The Department shall have access at all times to monitor the effectiveness of maintenance of the completed facilities and the properties for which interests were purchased.
 - (5) If the Department deems maintenance measures, repairs, replacements or rehabilitation necessary, and the sponsor does not, in the opinion of the Department, provide these services promptly, the Department may upon 30 days' written notice enter upon the property and perform the required work, and bill the sponsor and the sponsor will pay the cost of any work so performed.
 - (6) The sponsor will hold and save the State free and harmless from any and all claims or damages arising out of or in connection with the planning, design, construction, operation, maintenance, repair, replacement, or rehabilitation of the project facilities and properties.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Section 79044(a).

Section 10. Progress Reports.

- (a) The sponsor shall submit project progress reports to the Department that include the following:
 - (1) Records of expenditures.
 - (2) Description of project activities since the previous report.
 - (3) Status of the project relative to the progress schedule.
 - (4) Key issues that must be resolved.
 - (5) Results of project monitoring.
- (b) The first progress report shall be made three months after contract award or upon submittal of the first invoice, whichever comes first.
- (c) Intermediate progress reports shall be made quarterly or upon reaching a milestone, whichever the contract requires.
- (d) The sponsor shall submit a completion report that shall constitute the final progress report and must include:
 - (1) All items required in Subsections (a)(1) through (a)(3).
 - (2) Photographs of the before-project condition.
 - (3) Photographs of planning and restoration activities and techniques.
 - (4) Photographs of the completed condition.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.

Reference: Water Code Sections 79037 and 79043.

Section 11. Maintenance Plan.

The sponsor shall provide a maintenance plan satisfactory to the Department that shall include:

- (a) A description of the facilities and properties to be maintained.
- (b) The name of the maintaining agency.

- (c) A description of periodic maintenance activities that will be performed, and the frequency and timing of performance.
- (d) A statement about the source of funds for the maintenance. If a trust fund is established for maintenance under the provisions of Water Code Section 79044, the statement shall include information about the expected sufficiency of the trust fund proceeds and the need for and source of additional funding.
- (e) A certification under penalty of perjury that the sponsor can pay for maintenance of the land to be acquired and the project facilities from funds available to the sponsor, including any trust fund proceeds.
- (f) A provision requiring the sponsor to provide annual pictorial reports to the Department each year between July 1 and July 15, describing the maintenance activities performed during the year and any maintenance problems that currently exist.
- (g) A provision that the sponsor assures that the maintenance measures or repairs that the Department deems necessary will be promptly taken or made.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Sections 79044(a) and 79044(b).

Section 12. Audits and Record Keeping.

- (a) All sponsor records and documents pertaining to the grant shall be maintained by the sponsor until three years after the final payment of grant funds is made.
- (b) All sponsor records and documents pertinent to the grant shall be available for inspection and audit by the Department or the State Auditor during normal business hours.
- (c) The Department or the State Auditor may audit the records of the project at any time within three years after final payment of grant funds.

Note: Authority: Water Code Sections 8300, 12580, and 79044.9.
Reference: Water Code Sections 79037 and 79044(a).

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