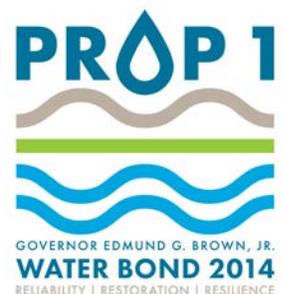




Proposition 1 Sustainable Groundwater Planning Grant Program Draft Guidelines



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Foreword

This document contains the California Department of Water Resources' (DWR) Sustainable Groundwater Planning (SGWP) Grant Program Guidelines. The document establishes the general process, procedures, and criteria that DWR will use to implement the SGWP Grant Program, funded by the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1).

Grant Program Website

DWR will use the SGWP website as a communication tool to notify interested parties of the status of the grant solicitations and to convey pertinent information. Information will be posted at the following website: <http://water.ca.gov/irwm/grants/sgwp>. See [Appendix A](#) for other useful web links.

Mailing List

In addition to the above-referenced website, DWR will distribute information via e-mail. If you wish to be placed on the SGWP e-mail distribution list, please sign-up at the following link: <http://water.ca.gov/irwm/grants/sgwp/subscription.cfm>.

Points of Contact

For questions about these Guidelines or other issues, please contact DWR's Financial Assistance Branch at (916) 651-9613 or by e-mail at SWGPA@water.ca.gov.

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ACRONYMS AND ABBREVIATIONS USED IN THESE GUIDELINES AND APPENDICES

AB	Assembly Bill
ACS	American Community Survey
AWMP	Agricultural Water Management Plan
BMP	Best Management Practices
CASGEM	California Statewide Groundwater Elevation Monitoring
CEDEN	California Environmental Data Exchange Network
CEQA	California Environmental Quality Act
CMU	Compliance Monitoring Unit
DAC	Disadvantaged Community
DWR	Department of Water Resources
EDA	Economically Distressed Area
EIR	Environmental Impact Report
EO	Executive Order
GIS	Geographic Information System
GRanTS	Grants Review and Tracking System
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
GWMP	Groundwater Management Plan
IRWM	Integrated Regional Water Management
MHI	Median Household Income
NAHC	Native American Heritage Commission
OPR	The Governor's Office of Planning and Research
PSP	Proposal Solicitation Package
SB	Senate Bill
SDAC	Severely Disadvantaged Community
SGMA	Sustainable Groundwater Management Act
SGWP	Sustainable Groundwater Planning
SWRCB	State Water Resources Control Board
USGS	United State Geologic Service
UWMP	Urban Water Management Plan

I. PURPOSE AND USE

These guidelines provide the process and general procedures that DWR will use to administer solicitations, submittal and review of grant applications, and award of grant funding for the SGWP Grant Program. Individual Proposal Solicitation Packages (PSPs) will contain detailed information on how to apply for each grant solicitation. The PSP for specific grant solicitation(s) can be downloaded from the DWR website listed in the Foreword.

II. INTRODUCTION AND OVERVIEW

The SGWP Grant Program is designed to provide funding for projects that develop and implement groundwater plans and projects consistent with groundwater planning. The following legislative efforts provide the basis of the guidelines and associated proposal solicitation packages:

- Public Resource Code §79700 *et seq.* Proposition 1 – The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) authorized the issuance of \$7,120,000,000 General Obligation Bonds to finance water quality, supply, and infrastructure improvement program.
- Water Code §10720 *et seq.* – Sustainable Groundwater Management Act (SGMA) directed DWR to complete the following activities in support of the SGMA: (1) develop regulations to revise groundwater basin boundaries; (2) adopt regulations for evaluating and implementing Groundwater Sustainability Plans (GSPs) and coordination agreements; (3) identify basins subject to critical conditions of overdraft; (4) identify water available for groundwater replenishment; and (5) publish best management practices for the sustainable management of groundwater. In addition SGMA specified actions for critically overdrafted groundwater basins, high and medium priority basins, and low and very low priority basins. SGMA also outlined the responsibility of the State Water Resource Control Board (SWRCB) with regard to groundwater basins that do not comply with SGMA.
- Water Code 10920 – California Statewide Groundwater Elevation Monitoring (CASGEM) – In 2009, the California Legislature amended the Water Code with Senate Bill (SB) x7-6. SBx7-6 mandates a statewide groundwater elevation monitoring program to track seasonal and long-term trends in groundwater elevations in California's groundwater basins. The amendment required collaboration between local monitoring entities and DWR to collect groundwater elevation data as an important fundamental step toward improving management of California's groundwater resources.
- Water Code §10753 *et seq.* – Groundwater Management Act – In 1992, legislation was passed to encourage local agencies to work cooperatively to manage groundwater resources. The Groundwater Management Act provided guidance on preparation of groundwater management plans (GWMPs) as a methodology for managing groundwater. Assembly Bill (AB) 359 amended the act, requiring agencies to submit GWMPs to DWR and requiring DWR to provide public access to the GWMPs.

Additional changes to the guidelines may be necessary due to legislation or changes in State water management policy. If additional changes are necessary, these guidelines will be amended and subject to a public review process per Water Code §79706.(b).

A. Funding

The SGWP Grant Program is funded by Proposition 1. Proposition 1 amended the Water Code to add, among other articles, §79774 authorizing the Legislature to appropriate \$100 million for competitive grants for development of sustainable groundwater plans and projects consistent with groundwater planning requirements outlined in Division 6 of the California Water Code, commencing at §10000. DWR will make at least 10 percent (\$10 million) of these funds available for projects that serve severely disadvantaged communities (SDAC) (Water Code §79774.(d)). Additional information on Proposition 1 can be found at the following website: <http://bondaccountability.resources.ca.gov/p1.aspx>.

B. Minimum Local Cost Share Requirements

A local cost share of not less than 50% of the total project costs is required by Proposition 1 (Water Code Section 79774.(b)). The definition of “Local Cost Share” can be found in Appendix B. For proposals containing multiple projects, the local cost share is based on the total cost of the proposal. Other State funds can be included in the total project cost budget but cannot be used as local cost share. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community (DAC) or an economically distressed area (EDA), see Appendices E and F for guidance regarding determining DAC or EDA status.

C. Program Preferences and Statewide Priorities

DWR will provide a Program Preference for each proposal solicitation that meet the following preferences identified in Proposition 1:

- ❖ Leverage Funds – Priority needs to be given to projects that leverage private, federal, or local funding or produce the greatest public benefit (Water Code §79707.(b)).
- ❖ Include New and Innovative Practices – Special consideration needs to be given to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple jurisdictions, including, but not limited to, water supply, flood control, land use, and sanitation (Water Code §79707.(e)).
- ❖ Proposition 1, Chapter 10 (Water Code §79771.(b)(1-5)) specifies that projects shall be prioritized based upon the following criteria:
 - The threat posed by groundwater contamination to the affected community’s overall drinking water supplies, including an urgent need for treatment of alternative supplies or increased water imports if groundwater is not available due to contamination.
 - The potential for groundwater contamination to spread and impair drinking water supply and water storage for nearby population areas.
 - The potential of the project, if fully implemented, to enhance local water supply reliability.
 - The potential of the project to maximize opportunities to recharge vulnerable, high-use groundwater basins and optimize groundwater supplies.
 - The project addresses contamination at a site for which the courts or the appropriate regulatory authority has not yet identified responsible parties, or where the identified responsible parties are unwilling or unable to pay for the total cost of cleanup, including water supply reliability improvement for critical urban water supplies in designated superfund areas with groundwater contamination listed on the National Priorities List established pursuant to Section 105(a)(8)(B) of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9605(a)(8)(B)).

DWR will also give priority to proposals that meet one or more of the following Statewide Priorities:

- ❖ Proposals that directly benefit DAC or SDAC.
- ❖ Counties forming or participating in formation of Groundwater Sustainability Agencies (GSAs).
- ❖ Regional projects or programs that implement an adopted Integrated Regional Water Management (IRWM) Plan (Water Code §10544).

These Program Preferences and Statewide Priorities may be reflected in the individual PSP scoring criteria or may be taken into consideration during the review process. Individual PSPs will include additional information regarding both the Program Preferences and Statewide Priorities.

D. Competition

Grants will be awarded on a competitive basis based on application scores using specific criteria contained in each PSP (Water Code §79775).

III. ELIGIBILITY REQUIREMENTS

A. Eligible Grant Applicants

Eligible grant applicants are public agencies, non-profit organizations, public utilities, federally recognized Indian tribes, California Native American Tribes, and mutual water companies (Water Code §79712.(a-b)). See Appendix B for definitions of these terms.

B. Eligible Project Types

Projects that are eligible to receive funds through the SGWP Grant Program must advance sustainable management of groundwater by doing one or more of the following items:

- ❖ Advancing the purpose of Proposition 1 Chapter 10, Groundwater Sustainability.
- ❖ Being consistent with Division 7 (commencing with Section 13000) of the Water Code and Section 13100 of the Government Code (Water Code §79707.(h)).
- ❖ Promoting State planning priorities and sustainable community strategies (consistent with Section 65041.1 and 65080 of the Government Code) (Water Code §79707.(i)).

Projects proposed by a public utility regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors (Water Code §79712.(b)(1)).

Additional factors that may affect eligible project types include funding obligations and the economic status of community(ies) that projects benefit. Individual PSPs will be used to provide clarification on the specific project eligibility requirements. Prospective applicants should also be aware that Proposition 1 funds cannot be used for the following items:

- ❖ Any project that could adversely impact a wild and scenic river or any river afforded protection under the California or Federal Wild and Scenic Rivers Act (Water Code §79711.(e)).
- ❖ Acquisition of land through eminent domain (Water Code §79711.(g)).
- ❖ Design, construction, operation, mitigation, or maintenance of Delta conveyance facilities (Water Code §79710).
- ❖ Acquisition of water except for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations in effect at the time the funds are made available for the project (Water Code §79709.(c)).
- ❖ To pay any share of the costs of remediation recovered from parties responsible for the contamination of a groundwater storage aquifer, but may be used to pay costs that cannot be recovered from responsible parties (Water Code §79771.(c)).

Additionally, Proposition 1 SGWP funds will not be made available for projects or groundwater planning activities associated with adjudicated groundwater basins.

C. Eligibility Criteria

Applications for grants must meet all relevant eligibility criteria, listed below, in order to be considered for funding. Additional eligibility criteria may be applicable to specific appropriations of funding. Such appropriation specific elements will be found in the relevant PSP. To be eligible for funding:

- ❖ **GWMP Compliance.** For groundwater projects or for other projects that directly affect groundwater levels or quality, the applicant or the project proponent responsible for such projects must self-certify that one of the following applies:
 - They have prepared and implemented a GWMP in compliance with Water Code §10753.7. Projects located in a high or medium priority groundwater basin without an adopted GWMP before January 1, 2015 are not eligible to receive funding (Water Code §10750.1.(a)).

- They participate or consent to be subject to a GWMP, basin-wide management plan, or other IRWM program or plan that meets the requirements of Water Code §10753.7(a).
 - Their project is located in a low or very low priority groundwater basin and the Proposal includes the development of a GWMP that meets the requirements of Water Code §10753.7 and will be completed within 1-year of the grant application submittal date.
- ❖ **Water Code §10920 Compliance.** Water Code §10920 *et seq.* establishes a groundwater monitoring program designed to monitor and report groundwater elevations in all or part of a basin or sub-basin. Information on the requirements of the CASGEM Program can be found at the CASGEM link listed in Appendix A. DWR has established high, medium, low, and very low priority groundwater basins, as well as CASGEM monitoring entities. Water Code §10927 identifies potential CASGEM monitoring entities. Applicants who match the list for potential CASGEM monitoring entities, and whose jurisdictional boundaries include high or medium priority basins with no CASGEM monitoring entity, will not be eligible for a SGWP grant award pursuant to Water Code §10933.7(a). Consistent with Water Code §10933.7(b), if the entire service area of the grant applicant is demonstrated to be a DAC, as defined in Appendix B, the project will be considered eligible for grant funding notwithstanding CASGEM compliance.
 - ❖ **Agricultural Water Suppliers.** An agricultural water supplier shall adopt and submit an agricultural water management plan (AWMP) in accordance with the Agricultural Water Management Planning Act (Part 2.8 (commencing with §10800) of Division 6 of the Water Code). *The 2015 AWMPs are due to DWR by December 31, 2015.* In addition, per the Governors' April 2015 Executive Order (EO B29-15), agricultural water suppliers that supply water to more than 25,000 acres shall include in their required 2015 AWMPs a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. DWR requires those plans to include quantification of water supplies and demands for 2013, 2014, and 2015 to the extent the data is available. DWR will provide technical assistance to water suppliers in preparing the plans. For additional information regarding AWMP and to request technical assistance, please visit the Water Use and Efficiency website listed in Appendix A.
 - ❖ **Urban Water Suppliers.** An urban water supplier shall adopt and submit an Urban Water Management Plan (UWMP) in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with §10610) of Division 6 of the Water Code) to DWR to be eligible for SGWP Grant Program funding. Eligible Urban Water Suppliers must have a 2010 UWMP that has been verified as complete by DWR before a grant agreement will be executed. *The 2015 UWMPs are due to DWR by July 1, 2016.* In addition, per EO B29-15, urban water suppliers must provide the State Water Resources Control Board (SWRCB) with monthly information on water usage, conservation, and enforcement on a permanent basis.
 - ❖ **Surface Water Diversion Reporting Compliance.** A diverter of surface water is not eligible for a water grant or loan awarded or administered by the State unless it complies with surface water diversion reporting requirements outlined in Part 5.1 (commencing with §5100) of Division 2 of the Water Code.
 - ❖ **AB 1420 Compliance.** AB 1420 (Stats. 2007, Chapter 628) conditions the receipt of a water management grant or loan, for urban water suppliers, on the implementation of water demand management measures described in CWC §10631. DWR has determined that implementation of the California Urban Water Conservation Council best management practices (BMPs) will fulfill the requirements of AB 1420. An urban water supplier may be eligible for a water management grant or loan if it demonstrates that it has implemented or scheduled, or is in the process of implementing or scheduling the implementation of BMPs. Urban water suppliers applying to use grant funds for implementation of BMPs must ensure they have submitted all the necessary information. Therefore, urban water suppliers who are applicants or project proponents in a grant application must supply additional information which can found at the Water Use and Efficiency website listed in Appendix A.
 - ❖ **SBx7-7 Compliance.** Sustainable Water Use and Demand Reduction (Water Code §10608 *et seq.*). SBx7-7 conditions the receipt of a water management grant or loan for urban water suppliers on Gallons per Capita per Day reduction targets with the end goal of a 20% reduction by 2020.

IV. GENERAL PROGRAM REQUIREMENTS

A. Conflict of Interest

All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent grant agreement being declared void. Other legal action may also be taken. Before submitting an application, applicants are urged to seek legal counsel regarding conflict of interest requirements. Applicable statutes include, but are not limited to, Government Code §1090 and Public Resources Code §10410 and §10411.

B. Confidentiality

Once the Proposal has been submitted to DWR, any privacy rights, as well as other confidentiality protections afforded by law with respect to the application package will be waived.

C. CEQA Compliance

Activities funded under the SGWP Grant program regardless of funding source must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 *et seq.*).

Public Resources Code §21080.3.1 requires the CEQA lead agency to consider project effects on tribal cultural resources and to conduct consultation with California Native American tribes. Appendix C contains additional information on tribal notification.

D. Labor Compliance

Funding recipients 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, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.3), and payment of prevailing wages for work done and funded pursuant to the SGWP Grant Program, including any payments to the Department of Industrial Relations under Labor Code Section 1771.3. The applicant must comply with all applicable laws when it hires private consultants to implement its project partially or fully.

Tribal governments may have other labor compliance requirements or obligations; tribes are encouraged to consult their legal counsel and the California Department of Industrial Relations to determine their specific labor compliance obligations.

For additional information on Labor Code compliance, please refer to the Department of Industrial Relations listed in the Appendix A. Before submitting an application, applicants are urged to seek legal counsel regarding California Labor Code compliance.

E. Monitoring Requirements

Projects that collect surface or groundwater water quality data shall collect and report the data in a manner consistent with the SWRCB database, the California Environmental Data Exchange Network (CEDEN). See Appendix A for web links to CEDEN. (Water Code §79704)

Projects that collect watershed monitoring data shall collect and report the data in a manner consistent with the Department of Conservation's statewide watershed monitoring program (Water Code §79704).

Water Code §10927 requires various entities, including local agencies that are managing all or part of a groundwater basin pursuant to Water Code §10750, to assume responsibilities for groundwater elevation monitoring and reporting, as required by Water Code §10920 *et seq.* See CASGEM link listed in Appendix A.

F. Signage or Acknowledgement of Credit

To the extent practicable, a project supported by funds made available through this program will include signage or other relevant forms of acknowledgement informing the public that the project received funds from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (§79707.(g)).

V. PROPOSAL SELECTION

A. Solicitation Notice

DWR will solicit grant Proposals with the release of a final PSP.

PSPs provide detailed instructions on the mechanics of submitting Proposals and specific information on submittal requirements. PSPs will be made available on the DWR website listed in the Foreword. A solicitation notice will be e-mailed to all interested parties on the SGWP mailing list and posted on the website listed in the Foreword.

B. Applicant Assistance Workshops

Informational workshops will be conducted to address applicant questions and to provide general assistance to applicants preparing grant applications. The date and locations of the workshops are provided via the SGWP Grant Program website, e-mail distribution list, and news release. In addition to these informational workshops, applicants are encouraged to seek assistance from DWR staff in understanding SGWP Grant Program requirements and completing grant applications.

C. Proposal Submittal

Grant application processes will utilize electronic submittals when possible. Submission of applications will be through DWR's Grant Review and Tracking System (GRanTS). The PSP for any given solicitation will contain specific instructions and links to the GRanTS system.

D. Completeness Review

All information requested in the PSP must be provided. Each application will first be evaluated in accordance with the PSP for completeness. **Applications not containing all required information will not be reviewed or considered for funding.**

E. Eligibility Review

Complete applications will be evaluated for compliance with the Eligibility Criteria, Section III.B. **Applications that are determined to be ineligible will not be reviewed or considered for funding.**

F. Review Process

The appropriate review process will be described in each PSP. Generally the review process will include the following steps:

- ❖ Technical reviewers will individually score Proposals in accordance with scoring criteria documented in PSP. Each funding cycle may have slight variations in scoring criteria; so, applicants should be sure to review the specific criteria during each funding cycle.
- ❖ A selection panel comprised of DWR senior and management staff will generate a preliminary ranking list of the Proposals and make the initial funding recommendations. When developing the ranking list, the selection panel will consider the following items
 - Amount of funds available
 - Proposal review and score
 - Program Preferences and Statewide Priorities (as outlined in individual PSPs)

The Selection Panel may recommend reducing grant amounts from that requested because of available funding limitations or other relevant factors.

G. Grant Awards

Based on the Proposal evaluations, and the recommendation of the selection panel, DWR's Director will approve a final funding list and the associated funding commitments. Following approval by the Director, the selected grant recipients will receive a commitment letter officially notifying them of their selection, the grant amount, and funding source(s).

H. Grant Agreement

Following funding commitment, DWR will execute a grant agreement with the grant recipient. Grant agreements are not executed until signed by the authorized representative of the grant recipient and DWR. Grant recipients will need to provide a resolution from their governing board accepting the funds and designating a representative authorized to execute the contract and sign requests for disbursement.

For each project(s), both conditions of the following conditions must be met prior to disbursement of grant funds:

- ❖ **Financial Statements:** To help demonstrate that sufficient funds are available to complete the grant-funded project, the Grantee must submit copies of their most recent audited financial statements or documentation that supports the financial status of the grantee.
- ❖ **CEQA:** The Grantee must demonstrate that it has a plan to comply with all applicable requirements of CEQA and the National Environmental Policy Act and a schedule that outlines when the appropriate environmental documents will be completed. DWR staff will review the CEQA documentation available at the time of the grant agreement execution for each project contained within the proposal. Each project with work subject to CEQA shall not proceed until documents that satisfy the CEQA process are received by DWR and DWR has completed its CEQA compliance review. Work that is subject to a CEQA document shall not proceed until and unless approved by DWR. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, DWR will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations, or other mitigation.

As part of the grant agreement, the Grantee will be required to provide routine progress reports and information regarding their projects for Bond Accountability reporting. Appendix D provides applicants with a summary of the minimum documentation that will need to be maintained for State auditing purposes. A template for the agreement will be posted later on the SGWP Grant program website.

I. Eligible Costs

For costs to be eligible for reimbursement, the costs must be consistent with the "reimbursable costs" definition contained in Appendix B and must be incurred after the effective date listed in the PSP and prior to termination of the grant agreement.

For costs to be eligible for consideration as local cost share, the costs must be consistent with the "local cost share" definition in Appendix B and incurred after the date specified in each individual PSP.

Travel costs incurred on SGWP Grant Program grants are not eligible as local cost share or for reimbursement unless the proposed project directly benefits a DAC or SDAC and DWR concurs with the Grantees request.

Advance funds will not be provided.

APPENDIX A

USEFUL WEB LINKS

DWR

Homepage:	www.water.ca.gov/
Groundwater Information Center:	www.water.ca.gov/groundwater/
Sustainable Groundwater Management:	http://www.water.ca.gov/groundwater/sgm/index.cfm
CASGEM Program:	http://www.water.ca.gov/groundwater/casgem/
Bulletin 118 California's Groundwater:	http://www.water.ca.gov/groundwater/bulletin118/index.cfm
IRWM Grant Program:	http://www.water.ca.gov/irwm/grants/
California Water Plan:	www.waterplan.water.ca.gov
DAC Mapping Tool and Data:	http://www.water.ca.gov/irwm/grants/resources_dac.cfm
Grants & Loans:	http://www.water.ca.gov/funding/
Water Use and Efficiency:	http://www.water.ca.gov/wateruseefficiency/

California Native American Heritage Commission

Homepage:	http://www.nahc.ca.gov/
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State Water Board Information and Programs

Homepage:	www.waterboards.ca.gov
Groundwater site:	http://www.waterboards.ca.gov/water_issues/programs/gmp/
Financial Assistance:	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/
CE DEN:	http://www.ceden.org/

CEQA Information

Environmental Information:	http://resources.ca.gov/ceqa/
California State Clearinghouse Handbook:	http://opr.ca.gov/docs/SCH_Handbook_2012.pdf
California Climate Adaptation Strategy:	climatechange.ca.gov/adaptation/index.html

Department of Industrial Relations (DIR)

Labor Compliance Programs:	www.dir.ca.gov/lcp.asp
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U.S. Census Bureau

Homepage:	www.census.gov
American Community Survey:	http://www.census.gov/acs

APPENDIX B

DEFINITIONS

- Agricultural Water Supplier** – a water supplier, either publicly or privately owned, provided water to 10,000 or more irrigated acres, excluding the acreage that received recycled water; also include a supplier or contractor for water regardless of the basis of right that distributes or sells water for ultimate resale to customers (Water Code §10608.12.(a)).
- Applicant** – the entity that is formally submitting a grant application. This is the same entity that would enter into an agreement with the State should the grant application be funded.
- Application** – the electronic submission to DWR that requests grant funding for a Proposal that the applicant intends to implement.
- Basin** – a groundwater basin or subbasin identified and defined in Bulletin 118 or modified pursuant to Chapter 3 (commencing at Section 10722 of the Water Code).
- Bulletin 118** – means “California’s Groundwater: Bulletin 118” updated in 2003, as it may be subsequently update or revised in accordance with Section 12924 of the Water Code.
- California Native American Tribe** – the term “state Indian tribes” (Water Code Section 79712.(a)) means Indigenous Communities of California, which are on the contact list maintained by the Native American Heritage Commission, including those that are federally non-recognized and federally recognized, and those with allotment lands, regardless of whether they own those lands. Additionally, because some water bodies and Tribal boundaries cross State borders, this term may include Indigenous Communities in Oregon, Nevada, and Arizona that are impacted by water in California.
- Coordination Agreement** – refers to a legal agreement, adopted between two or more groundwater sustainability agencies, that provides the basis for coordinating multiple agencies or groundwater sustainability plans within a basin pursuant to this part.
- Disadvantaged Community** – a community with an annual median household income that is less than 80 percent of the Statewide annual median household income (Water Code §79702.(j) which cross references to Water Code §79505.5).
- Economically Distressed Area** – a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department: (1) financial hardship, (2) Unemployment rate at least 2 percent higher than the statewide average, or (3) low population density. (Water Code §79702.(k))
- Federally Recognized Indian Tribes** – means a federally recognized tribe is an American Indian or Alaska Native tribal entity that is recognized as having a government-to-government relationship with the United States, with the responsibilities, powers, limitations, and obligations attached to that designation, and is eligible for funding and services from the Bureau of Indian Affairs (Bureau of Indian Affairs).
- Governing Body** – means the legislative body of a groundwater sustainability agency.
- Grantee** – a grant recipient.
- Groundwater** - refers to water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water, but does not include water that flows in known and definite channels.
- Groundwater Recharge** - the augmentation of groundwater, by natural or artificial means.
- Groundwater Sustainability Agency** – means one or more local agencies that implement the provisions of this part. For purposes of imposing fees pursuant to Chapter 8 (commencing with Section 10730) or taking action to enforce a groundwater sustainability plan, “groundwater sustainability agency” also

means each local agency comprising the groundwater sustainability agency if the plan authorizes separate agency action (Water Code § 10721.(j)).

Groundwater Sustainability Plan - a plan of a groundwater sustainability agency proposed or adopted pursuant to this part (Water Code § 10721.(j)).

In-Kind Services – work performed by the grantee that furthers the scope of the grant, the cost of which is considered local cost share in-lieu of actual funds from the grantee.

Land Subsidence – Land subsidence is a gradual settling or sudden sinking of the Earth’s surface due to movement of earth materials. (*USGS Fact Sheet-165-00 December 2000*)

Local Cost Share – non-State fund portion of cost share made available by the applicant to assist in financing a project which can include in-kind-services directly related to the scope of work presented in the grant proposal. Local cost share expenses must meet the definition of reimbursable cost listed below and be incurred after the local costs share eligibility date specified in the individual PSPs. Local cost share may also include expenses, including in-kind services, incurred by a State agency, as long as the expenses are not otherwise funded by State funds.

Mutual Water Company – a private corporation or association organized for the purposes of delivering water to its stockholders and members at cost, including use of works for conserving, treating, and reclaiming water (Public Utilities Code §2725-2729).

Non-profit Organization – any non-profit corporation qualified to do business in California and qualified under §501(c)(3) of the Internal Revenue Code. (Water Code §79702.(p))

Overdraft – the condition of the groundwater basin or aquifer where the average annual amount of water extracted exceeds the average annual supply of water to a basin or aquifer.

Proposition 1 – “Water Quality, Supply, and Infrastructure Improvement Act of 2014” passed by California voters on November 4, 2014, and as set forth in Division 26.7 of the Water Code.

Public Agency – any state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the State (Water Code §79702.(s)).

Public Utility – as defined in Public Utilities Code §216.

Recharge Area - the area that supplies water to an aquifer in a groundwater basin.

Reimbursable Costs – costs that may be repaid by state grant funds. Reimbursable costs must be incurred after the effective date listed for the specific solicitation in the PSP, and may include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation including administrative costs and incidental costs.

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

- a. Costs for preparing and filing a grant application belonging to another solicitation
- b. Operation and maintenance costs, including post construction project performance and monitoring costs
- c. Purchase of equipment not an integral part of the project
- d. Establishing a reserve fund
- e. Purchase of water supplies
- f. Replacement of existing funding sources for ongoing programs
- g. Support of existing punitive regulatory agency requirements and/or mandates in response to negligent behavior

- h. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies or acquisition of land by eminent domain
- i. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after effective date of a grant award 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
- j. Overhead not directly related to project costs
- k. Meals, food items, or refreshments
- l. Costs associated with travel unless the project directly benefits a Disadvantaged Community or Severely Disadvantaged Community.

Scoring Criteria – set of requirements used by DWR to evaluate a proposal for a given program or for funding.

Selection Panel – group of DWR representatives at the supervisory or management level assembled to review and consider proposal evaluations and scores developed by the Technical Reviewers and to make initial funding recommendations. Other agencies, such as the SWRCB or RWQCB, representatives at the supervisory or management level may also be invited to participate on the Selection Panel.

Severely Disadvantaged Community – is a community with a median household income of less than 60 percent of the statewide average. (Water Code §79702.(v) which cross references to Health and Safety Code §116760.20)

Sustainable Groundwater Management - the management and use of groundwater, in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.

Technical Reviewers – a group of DWR representatives assembled to evaluate the technical competence of a proposed project and the feasibility of the project being successful if implemented. Other agencies, such as SWRCB or the regional water quality control boards, representatives may also be invited to participate as technical reviewers.

Undesirable Result - one or more of the following effects caused by groundwater conditions occurring throughout the basin (Water Code § 10721.(w)):

1. Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply if continued over the planning and implementation horizon. Overdraft during a period of drought is not sufficient to establish a chronic lowering of groundwater levels if extractions and recharge are managed as necessary to ensure that reductions in groundwater levels or storage during a period of drought are offset by increases in groundwater levels or storage during other periods.
2. Significant and unreasonable reduction of groundwater storage.
3. Significant and unreasonable seawater intrusion.
4. Significant and unreasonable degraded water quality, including the migration of contaminant plumes that impair water supplies.
5. Significant and unreasonable land subsidence that substantially interferes with surface land uses.
6. Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

Urban Water Supplier – supplier, either publicly or privately owned, that provides water for municipal purposes, either directly or indirectly, to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually (Water Code §10617).

APPENDIX C

NATIVE AMERICAN TRIBE NOTIFICATION

Public Resources Code §21080.3.1 requires the CEQA lead agency to consider project effects on tribal cultural resources and to conduct consultation with California Native American tribes. DWR recommends using the Office of Planning and Research's (OPR) procedures for tribal consultation for General Plans and Specific Plans as guidance to meeting the Native American Tribe Notification requirement. The notification process a lead agency uses may include the following steps:

- ❖ Determine if the proposed project is a project under CEQA.
- ❖ If the project will use a negative declaration or an Environmental Impact Report to comply with CEQA and the CEQA document was not adopted by March 1, 2009, tribal notification is required prior to adoption of the CEQA document.
- ❖ To determine which tribes may have traditional lands located within the project area, send a request to the Native American Heritage Commission (NAHC) using the NAHC request form which can be found at the following link: <http://nahc.ca.gov/resources/forms/>. Expect a reply within 30 days.
- ❖ Once tribal information from NAHC is received, notify tribes of the project nature and project location.
- ❖ Allow tribes 90 days to reply to the notification.
- ❖ Solicit input from tribes that respond to the notification.
- ❖ Consider tribal input to the project prior to adoption of a negative declaration or EIR.

The above notification process follows OPR's procedures for tribal consultation for General Plans and Specific Plans. Further information on tribal consultation can be found at the following link:

http://www.opr.ca.gov/s_localandtribalintergovernmentalconsultation.php

Contact information for the NAHC is as follows:

Tribal Advisor
Office of Governor Edmund G. Brown Jr.
Executive Secretary, Native American Heritage Commission
1550 Harbor Blvd. Suite 100
West Sacramento, California 95691
(916) 373-3710
(916) 373-5471
nahc@nahc.ca.gov
<http://nahc.ca.gov/>

APPENDIX D

GUIDELINES FOR GRANTEES

The lists below details the documents/records that State Auditors would need to review in the event of a grant being audited. Grantees should ensure that such records are maintained for each funded project for a minimum of three years after termination of the grant agreement.

Internal Controls

- 1) Organization chart (e.g. Agency's overall organization chart and organization chart for the grant funded Program/Project)
- 2) Written internal procedures and flowcharts for the following:
 - a) Receipts, deposits, and disbursements
 - b) State reimbursement requests
 - c) Grant expenditure tracking
 - d) Guidelines, policy, and procedures on grant funded Program/Project
- 3) Audit reports of the Agency's internal control structure and/or financial statements within the last three years
- 4) Prior audit reports on grant funded Program/Project

Grants

- 1) Original grant agreement, any amendment(s) and budget modification documents
- 2) A listing of all bond-funded grants received from the State
- 3) A listing of all other funding sources for each Program/Project

Contracts

- 1) All subcontractor and consultant contracts and related or partners documents, if applicable
- 2) Contracts between the Agency and member agencies as related to the grant funded Program/Project

Invoices

- 1) Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the grant
- 2) Documentation linking subcontractor invoices to State reimbursement, requests and related grant budget line items
- 3) Reimbursement requests submitted to the State for the grant

Cash Documents

- 1) Receipts (copies of warrants) showing payments received from the State
- 2) Deposit slips (or bank statements) showing deposit of the payments received from the State
- 3) Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grant
- 4) Bank statements showing the deposit of the receipts

Accounting Records

- 1) Ledgers showing entries for grant receipts and cash disbursements
- 2) Ledgers showing receipts and cash disbursement entries of other funding sources
- 3) Bridging documents that tie the general ledger to requests for grant reimbursement

Administration Costs

- 1) Supporting documents showing the calculation of administration costs

Personnel

- 1) List of all contractors and Agency staff that worked on the grant funded Program/Project
- 2) Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files

- 1) All supporting documentation maintained in the project files
- 2) All grant related correspondence

APPENDIX E

DISADVANTAGED COMMUNITIES AND SEVERELY DISADVANTAGED COMMUNITIES

The American Community Survey (ACS) of the U. S. Census provides a dataset that can be used as a source to estimate a community's MHI. The most recent and most comprehensive data available is for the 5-year period of 2009-2013. The ACS data gives estimates of MHI for different census geographies, such as for states, counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups. Using the ACS data for the years 2009-2013, 80% of the Statewide MHI is \$48,875 and 60% of the Statewide MHI is \$36,656. For additional information on the ACS at the link listed in Appendix A.

DWR has developed a tool which utilizes the most current ACS data (2009-2013 ACS) to show the location and boundaries of DACs and SDACs in the State, at the census place, tract, and block group level. The tool allows users to view different geographies or combinations of geographies, using different base maps and to zoom in to various scales. Appendix A provides a link to the DAC tool. For individuals with GIS capabilities, also provided at this link are GIS files representing the ACS data (and DAC status) for the three census geographies.

DWR will update the MHI values and the DAC tool as updated ACS data sets become available. Therefore, potential applicants should check the DAC website prior to submitting a grant application to verify that current information is being used.

The applicant may use ACS data at the census place, census tract, or census block group geography levels to show whether a project serves a DAC or SDAC, based on what geography is the most representative for that community. For DACs or SDACs, the allowable alternative geographies are, respectively:

Alternative Geography	DAC	SDAC
The project serves an area that is contained within a census place for which the MHI is less than	\$48,875	\$36,656
The project serves an area that is contained within one or more census tracts and the MHI of each census tract is less than		
The project serves an area that is inscribed within one or more census block groups and the MHI of each block group is less than		
The project serves an area that is inscribed in one or more census tracts or block groups and some (but not all) of the census tracts or block groups have an MHI of less than		

If a project serves a DAC or SDAC and is divided among several contiguous census tracts or block groups, and some of the project area tracts or block groups do not meet the DAC or SDAC criterion, the project will be considered a DAC project for the purpose of waiving cost share requirements in proportion to the population served that meets the DAC criterion. For some projects, it may be more appropriate to use the project cost or area served as the basis for proportioning the project into DAC/non-DAC or SDAC/non-SDAC segments, for instance, when there are differences in population density or in project costs to serve different segments of the project population. Similar rationales will be used for evaluating whether a project serves a SDAC for the purposes of ensure that at least 10% of the SGWP funding is made available to projects that serve SDACs (See Section II.A).

In cases where the ACS 5-year survey data do not support a community as a DAC or SDAC, DWR will consider use of other data that show the community is a DAC. For instance, use of third party survey data that supports the population served by the project has an MHI of less than DAC or SDAC MHI. In these instances, please contact DWR for a determination of how alternate data may be used to determine whether a community is a DAC.

APPENDIX F

ECONOMICALLY DISTRESSED AREA

DWR has developed the Economically Distressed Area Instructions and Mapping Tool to assist potential applicants in determining whether the project is located in or benefits an EDA. The Instructions that provide guidance on defining the relevant terms contained in the EDA definition and the current comprehensive data available for evaluating those terms; the Mapping Tool provides a user-friendly means to assess whether the area in question is an EDA.

The EDA Mapping Tool presents the different levels of geography, which include counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups and can be found at the following link: http://www.water.ca.gov/irwm/grants/resources_eda.cfm.

The applicant may use the data at the different geography levels to show whether a project serves an EDA, based on what geography is the most representative for the project location/benefit area. For individuals with GIS capabilities also provided at the above-referenced link are GIS files representing the data and EDA status for the provided geographies.

In cases where the outlined data does not adequately portray the project benefit area (such as census geography and the project area do not match), DWR will consider use of other data that shows the appropriate criteria of an EDA. For example, income survey data may be used to support the MHI of the project benefit area. In these instances, please contact DWR for a determination of how alternate data may be used to demonstrate whether a project benefit area is an EDA.

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DEPARTMENT OF WATER RESOURCES
DIVISION OF INTEGRATED REGIONAL WATER MANAGEMENT