

State of California  
California Department of Water Resources  
Division of Flood Management

# Coastal Watershed Flood Risk Reduction Program Guidelines

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## Contents

Section 1	Program Description and Funding Authority .....	1
Section 2	Eligible Funding Recipients.....	1
Section 3	Project Eligibility Criteria .....	2
3.1	Project Objectives .....	2
3.2	Geographic Criteria .....	4
3.3	Conservation/Preservation.....	4
3.4	Assurances .....	4
3.5	Restricted Project Features and Activities.....	5
Section 4	Additional Project Considerations .....	5
4.1	Additional Project Benefits .....	5
4.2	Additional Project Features .....	6
4.3	Special Considerations .....	6
Section 5	Program Directed Activities.....	7
Section 6	Grant Awards.....	7
6.1	Local Cost Share.....	7
Section 7	Funding Agreement Requirements.....	8
7.1	Eligible Project Costs .....	8
7.2	Conflict of Interest and Confidentiality.....	9
7.3	Indemnify and Hold Harmless .....	9
7.4	Labor Code Compliance .....	10
7.5	California Environmental Quality Act (CEQA) .....	10
7.6	Income Restrictions.....	10
Section 8	Guideline Amendments.....	10
Appendix A	Definitions.....	11
Appendix B	Application Solicitation Process.....	14
Appendix C	Grant Evaluation and Scoring.....	15
Appendix D	Application Ranking Process.....	17
Appendix E	Local Cost Share Calculations.....	18

## **Section 1      Program Description and Funding Authority**

These Guidelines govern the Coastal Watershed Flood Risk Reduction Program (Program) established in the Budget Act of 2017 (Assembly Bill [AB] 97, Item 3860-004-6083) and funded by the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1; Wat. Code, § 79700 et seq.). The following excerpts from Assembly Bill 97 (2017) item 3860-004-6083 describe the Program framework:

Provision 4: “Eligible project types shall include levee setbacks, repairs or enhancements to existing levees and other flood management infrastructure, creation or enhancement of floodplains and bypasses, groundwater recharge projects in floodplains, and land acquisition and necessary easements for these projects.”

Provision 6: “The amounts appropriated for the Coastal Watershed program may be awarded as competitive grants or through direct expenditure.”

Provision 7 (b): “The Coastal Watershed program...will be focused on multi-benefit projects in coastal areas concentrating on multi-benefit flood risk reduction projects.”

Program will fund multi-benefit flood risk reduction projects which will:

- A. Primarily address coastal flood risk and public safety,
- B. Secondarily enhance coastal ecosystems, including fish and wildlife habitat enhancement, and
- C. Secondarily promote natural resources stewardship and public access corridors.

Eligible projects must be located in California Coastal Watersheds, including the North Coast, San Francisco Bay, Central Coast, and South Coast watersheds. However, projects in the Sacramento-San Joaquin River Delta (Delta) are excluded from this grant program as there are other DWR grant programs specifically for projects in the Delta.<sup>1</sup> Priority will be given to projects in the Federal Emergency Management Agency’s (FEMA)’s Coastal VE, AE and A zones and FEMA’s Special Flood Hazard Areas (SFHAs).

## **Section 2      Eligible Funding Recipients**

Eligible funding recipients include any California public agency, nonprofit organization, public utility agency, federally recognized Indian tribe, State Indian tribe listed on the Native American Heritage Commission’s California Tribal Consultation List, or mutual water company.

- A. Applications submitted by Public Utilities and Mutual Water Companies shall include a detailed statement to demonstrate how the proposed project has a clear and definite

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<sup>1</sup> As defined by Water Code, section 12220.

public purpose and shall benefit the customers of the water system and not the investors.

- B. Any applicant that is also an urban water supplier must adopt and submit an urban water management plan in accordance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.) and in compliance with the Sustainable Water Use and Demand Reduction Act (Wat. Code, § 10608, et seq.) in order to be an eligible funding recipient.
- C. Any applicant that is also an agricultural water supplier must adopt and submit an agricultural water management plan in accordance with the Agricultural Water Management Planning Act (Wat. Code, § 10800 et seq.) and in compliance with the Sustainable Water Use and Demand Reduction Act (Wat. Code, § 10608, et seq.) in order to be an eligible funding recipient.

## **Section 3      Project Eligibility Criteria**

Projects funded under the Program must meet the criteria described in following sections.

### **3.1    Project Objectives**

- A. Projects eligible for funding under this Program must address flood risk reduction and include fish and wildlife habitat enhancement benefits. Water quality enhancements are included in fish and wildlife benefits. (see Appendix C – Grant Evaluation and Scoring).

Examples of coastal flood risk reduction projects include shoreline stabilization and other protection projects that reduce risk in low-lying coastal areas from flooding caused by storm surges and that are projected to intensify with sea level rise. Other flood risk reduction projects include, but are not limited to levee setbacks, repairs or enhancements to existing levees and other flood management infrastructure, creation or enhancement of floodplains and bypasses, and land acquisition and necessary easements for these types of projects.

Eligible fish and wildlife benefits include but are not limited to improving water quality, protecting or enhancing wildlife habitat, implementing adaptive measures to reduce the impacts of climate change on ecosystems, protecting or restoring coastal watersheds or aquatic, wetland, or migratory bird ecosystems, removing barriers to fish passage, or fulfilling the obligations of the state of California in complying with the terms of multiparty settlement agreements related to water resources.

If real estate acquisition is required for a project, it must be from a willing seller and must have at least 50 percent of its area within the FEMA coastal VE and/or coastal AE or A zones or Special Flood Hazard Area.

The project must also provide substantial flood risk reduction benefits to a FEMA SFHA, which is determined by using the detailed methods identified in the current FEMA

Guidelines and Standards for Flood Risk Analysis and Mapping, or FEMA's Coastal Flood Risk Mapping Process.

Reference to FEMA flood designation zones is for geographic and eligibility purposes only. Funding projects to achieve FEMA certification is not a goal of the Program.

- B. California's working agricultural and forested landscapes shall be preserved wherever possible. To the extent feasible, this objective should be achieved using conservation easements<sup>2</sup> and voluntary landowner participation, including but not limited to voluntary habitat credit exchange mechanisms.
- C. Projects must also be consistent with the California Five-Year Infrastructure Plan to achieve its identified programmatic objectives.<sup>3</sup>
- D. Projects must also be consistent with the California Coastal Commission and its Local Coastal Programs<sup>4</sup>.
- E. Projects must promote State planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the State, including in urban, suburban, and rural communities, as detailed in Government Code section 65041.
- F. Projects are required<sup>5</sup> to incorporate measures that support the Department's efforts to address risks arising from climate change<sup>6</sup>. These efforts include, but are not limited to, using decision support tools to minimize risks of and adapt to climate change hydrology and sea level rise<sup>7</sup>.
- G. Applicant may propose a project that has completed its design but has not initiated construction. All projects must include a capital asset acquisition or construction component; design only or study only projects are not eligible for grants from this program.
- H. Additional consideration will be given to projects in communities eligible for and registered in the National Flood Insurance Program (NFIP) Community Rating System (CRS).

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<sup>2</sup> Civil Code, section 815 et. seq.

<sup>3</sup> Water Code section 79707(h) and Government Code section 13100 et. seq.

<sup>4</sup> <https://www.coastal.ca.gov/lcps.html>

<sup>5</sup> California Governor's Executive Order B-30-15, April 29, 2015

<sup>6</sup> DWR's climate change policy, FAQ, Local and Regional resources, and guidance for grant applicants are available on DWR's Climate Change website: <http://water.ca.gov/Programs/All-Programs/Climate-change-Program>.

<sup>7</sup> Some tools include NOAA's Digital Coast website <https://coast.noaa.gov/digitalcoast/>; FEMA's Coastal Flood Hazard analysis and mapping website [www.fema.gov/coastal-flood-hazard-analysis-and-mapping](http://www.fema.gov/coastal-flood-hazard-analysis-and-mapping); Ocean Protection Council [www.opc.ca.gov](http://www.opc.ca.gov); and Ocean Science Trust [www.oceansciencetrust.org](http://www.oceansciencetrust.org).

- I. Where possible applicants should also:
  - i. Provide inundation or floodplain maps showing the before project and after project conditions,
  - ii. Describe studies of alternatives that had been eliminated prior to deciding on the proposed project,
  - iii. Indicate if the proposed project is part of a Regional Flood Management Plan or Integrated Regional Water Management Plan,
  - iv. Describe the benefit to cost ratio and valuation methods used

### **3.2 Geographic Criteria**

- A. Eligible projects must be located in California Coastal Watersheds, including the North Coast, San Francisco Bay, Central Coast, and South Coast watersheds (See map in Appendix J). However, projects in the Sacramento-San Joaquin River Delta (Delta) are excluded.
- B. Applicant must also demonstrate whether the proposed project is located within a geographic area that may be changed significantly due to actions that could reasonably be expected to result from an adopted or approved State, local and/or federal planning effort. If the proposed project is within such a geographic area the applicant must:
  - i. Describe how the applicant is coordinating with the other planning effort(s);
  - ii. Demonstrate that the proposed project is generally consistent with the other planning effort(s) that affect the same geographic area; and
  - iii. Demonstrate that the benefits from the proposed project are not likely to be reduced significantly or eliminated due to likely changes that can be expected to result from the related long-term planning effort(s).
- C. Applicant's project must not be located in the Delta and the primary benefit area for the project must be at least 51 percent outside the Delta, as defined by Water Code section 12220.

### **3.3 Conservation/Preservation**

Applicant must be prepared to conserve in perpetuity any property improvements or property interests acquired pursuant to this Program, either by a recorded conservation easement, deed restriction, or similar limitation to fee title held and enforced by an identified third party. Any such limitation shall not be on parity or subordinate to any other limitation; there will be no exceptions to this requirement.

### **3.4 Assurances**

- A. Applicant must provide evidence that affected landowners are willing participants in any proposed real property transactions.
- B. Additional assurances will be required for projects that consist primarily of property acquisition or preliminary actions necessary for a future project, but which provide

minimal immediate flood protection and fish and wildlife benefits. The applicant must provide a strategy and financial plan with assurances that the future project will be implemented to achieve the specified flood benefits. Failure to implement future phase(s) of the project that provide flood, and fish and wildlife benefits may require the repayment of grant funds disbursed under the grant agreement. The application may be scored based on the combined benefits of the proposed project and the future project.

### **3.5 Restricted Project Features and Activities**

Proposition 1 funds cannot be used for the following actions:

- A. 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 section 79711(e));
- B. Acquisition of land through eminent domain (Water Code section 79711(g));
- C. Design, construction, operation, mitigation, or maintenance of Delta conveyance facilities (Water Code section 79710(a));
- D. Project work that was completed prior to execution of a grant agreement.

## **Section 4 Additional Project Considerations**

This section describes additional considerations that applicants may incorporate into their project proposals, in addition to the preceding project eligibility criteria. The following is a list of potential project benefits and features to be considered for meeting the multi-benefit objectives of the Department and the Proposition 1 funding. Additional details can be found in Appendix C, which identifies project proposal scoring criteria.

### **4.1 Additional Project Benefits**

- A. Consider options for carbon sequestration in establishing habitat;
- B. Preservation of working agriculture, rangeland, and forested landscapes using easements or credit exchanges;
- C. Enhance the resiliency of coastal communities and ecosystems to the impacts of climate change.
- D. Reduce pressure on existing flood control facilities;
- E. Provide habitat for California Endangered Species Act (CESA) or Endangered Species Act (ESA) listed salmonids; and
- F. Protect existing or provide new or enhanced natural habitats and other open space resources of regional importance, including providing public access and public recreational opportunities.

## **4.2 Additional Project Features**

- A. Enhance biological diversity and improve water quality, habitat and other natural resources within coastal watersheds.
- B. Improved flow and water quality in coastal watersheds;
- C. Projects which include setting back levees, constructing new levees necessary for the establishment of a bypass, or constructing ring levees to create a floodplain;
- D. Projects that restore natural fluvial and related biological processes, including protecting riparian habitats;
- E. Construction of earthen bottom basins either onsite or offsite that support native riparian, wetland vegetation, and groundwater infiltration;
- F. Removal of one or more narrow points in a natural channel to improve conveyance if the sides and bottom of the channel are vegetated with native vegetation and not lined with impervious surface or rip-rap, unless it is mixed with soil and supports vegetation;
- G. Laying back the banks of incised streams to support native vegetation and improve conveyance, and relocating or flood proofing structures;
- H. Diversion of floodwater flows onto agricultural lands for;
- I. Levee breaches to provide transitory storage of floodwater and create wildlife habitat;
- J. Levee setbacks to increase floodwater capacity and restore riparian habitat;
- K. Detention basins to capture floodwaters or restore riparian habitat;
- L. Land acquisition to establish a flood corridor to improve capacity during flood events and enhance existing habitat;
- M. For agricultural use of land, restrict agricultural soil management to non-greenhouse gas-producing methods and prohibit cattle grazing, rice cultivation, and burning of crop residues; and
- N. One-time costs to improve flood-related emergency notification and response procedures.

## **4.3 Special Considerations**

Special consideration will be given in the form of supplemental points to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple disciplines and public agencies impacting water management, including, but not limited to, water supply, flood control, land use, and sanitation.



## **Section 5      Program Directed Activities**

In addition to soliciting competitive grants, the Department may use Program funds for direct expenditures or directed activities that fulfill the intent of the legislation and Department priorities. Direct expenditure projects are projects proposed by the Department either in response to a solicitation from a stakeholder, another government entity, or on its own initiative. Direct expenditure projects must address an interest of the State and may be proposed and approved at any time. However, any direct expenditure project shall be evaluated by the same criteria as competitive grants.

## **Section 6      Grant Awards**

Applicants for competitive grant funding under the Program must file a complete grant application package with the Department during an open solicitation period. Application requirements will be prescribed in a Proposal Solicitation Package (PSP) released by the Department when funding is available. The Department will not revise the application requirements during any period in which competitive project proposals are being solicited. Applicants are required to refer to the Program website for current status of any proposal solicitations. Local cost share requirements for all projects funded under these Guidelines are described as follows, however the local cost share may be waived by the Department.

### **6.1    Local Cost Share**

- A. A local cost share of 50 percent of the total proposal cost is required, except as set forth in this section. Local cost share may include, but is not limited to, federal funds, local funding, or donated services from non-State sources.<sup>8</sup> Other State funds, if part of the funding package for the proposal, must be included in the total proposal cost but cannot be used as local cost share. Higher priority will be given to projects with federal and local fund matches beyond the minimum required.
  
- B. The local cost-sharing requirement will be reduced for projects that directly benefit an Economically Distressed Area (EDA), a Disadvantaged Area Community (DAC) or Severely Disadvantaged Area Community (SDAC). The State will decrease the local cost share in 1% increments. These communities must be benefitted by at least 51 percent to qualify for the reduced local share. This can be demonstrated if the flood risk after the project is implemented, removes at least 51% of the number of homes or land area or population of the distressed or disadvantaged area from the design storm floodplain. Other rationale may be proposed but must be demonstrated as satisfactory by the Department. Appendix A contains definitions of EDA, DAC and SDAC and a Department website link to assist with community status determination. Appendix E includes the formula and examples of how the local cost share reduction is calculated.

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<sup>8</sup> If the Applicant is a State agency, then the "local" cost share may include funds from State sources.

- C. The local share can also be decreased as follows. See Appendix E for additional details.
- i. The local share will be decreased for protection of State Facilities, up to 20% in 5% increments per facility protected.
  - ii. The State will also cover 100 percent of the cost of open space and recreation features that are beyond what is required for the project, up to a maximum of 10% of the total project cost.

The combination of these local cost share decreases is capped at a 20% reduction in aggregate; cost share reduction calculations that exceed 20% of the total project cost based on these criteria will be truncated at 20%.

- D. The Applicant proposing a project must provide sufficient supporting documents and calculations in its application and indicate what cost share it believes is merited for the proposed project. The documents should include a scope of work, schedule and a work plan that explains how the Applicant intends to accomplish the objectives that would enhance its cost share. The State cost share will be estimated at the time of execution of a project agreement, but the final State cost share will be subject to adjustment based on actual project implementation, and is subject to a post-construction audit to confirm.

## **Section 7 Funding Agreement Requirements**

Regardless of whether a project is awarded funding through the competitive selection process or through direct expenditure by the Department, the funding recipient will need to execute a funding agreement with the State. A funding agreement template is available on the program website and is attached as Appendix I. The following is a partial list of requirements that will be contained within any funding agreement.

### **7.1 Eligible Project Costs**

State funding may only be used for eligible project costs. These include the reasonable costs of environmental evaluation, project management, studies, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, land acquisitions, monitoring, project construction and construction management.

Reimbursable administrative expenses are the necessary costs incidentally but directly related to the funded project, including the portion of overhead and administrative expenses that are directly related to the project.

Eligible project costs include those eligible costs incurred after the date a funding recipient has entered into a funding agreement with the Department. Note that only incurred project costs are reimbursed by the Department.

Costs that are not eligible include:

- A. Feasibility study costs

- B. Operation and maintenance costs
- C. Routine maintenance
- D. Vegetation / habitat maintenance costs
- E. Purchase of equipment that is not an integral part of the funded project
- F. Establishment of a reserve fund
- G. Support of existing agency requirements and mandates
- H. Payment of principal or interest on existing indebtedness, any interest payments, or costs associated with project financing
- I. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law
- J. Duplicate work to obtain new data that the State already has available, unless previously approved by the State or waived by the State
- K. Any indirect costs. Indirect Costs means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Funding Recipient; non-project-specific accounting and personnel services performed within the Funding Recipient's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. This prohibition applies to the Funding Recipient and any subcontract or sub-agreement for work on the funded project that will be reimbursed with grant funds from DWR.

## **7.2 Conflict of Interest and Confidentiality**

All participants are subject to State conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the proposal being rejected and any agreement being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411.

As part of the conflict of interest requirements, individuals working on behalf of a Funding Recipient may be required by the State to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

Applicants should be aware that when submitting a proposal to the State, they will waive their rights to the confidentiality of the contents of the proposal. Once final awards have been announced by the Department, all proposals are subject to disclosure pursuant to the California Public Records Act (Gov. Code, § 6250 et seq.).

## **7.3 Indemnify and Hold Harmless**

As part of the funding agreement, applicants shall indemnify and hold harmless the State, its officers, agents, and employees from any and all liability from any claims and damages

(including inverse condemnation) arising from the planning, design, construction, repair, replacement, rehabilitation, maintenance, and operation of the project, and any breach of the funding agreement.

#### **7.4 Labor Code Compliance**

As part of the funding agreement, the funding recipient shall agree to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from the funding agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The funding recipient will also affirm that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance.

#### **7.5 California Environmental Quality Act (CEQA)**

All activities funded pursuant to the Program must comply with CEQA (Pub. Resources Code, § 21000 et seq.). Any work that is subject to CEQA and funded under a funding agreement shall not proceed until documents that satisfy the CEQA process are received by the Department and the Department has completed its CEQA compliance. Any work funded under the Program that is subject to CEQA shall not proceed until and unless approved by the Department; such approval is fully discretionary. If CEQA compliance by the funding recipient is not complete at the time a funding agreement is executed by the parties, once the Department has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, the funding agreement shall be terminated.

#### **7.6 Income Restrictions**

Any capital asset acquired or constructed in any part with grant funds may not be used to generate income of any kind. The funding recipient shall agree that any refunds, rebates, credits, or other amounts (including any interest) accruing to or received by the funding recipient pursuant to this Program shall be paid by the funding recipient to the State, to the extent that they are properly allocable to costs for which the funding recipient has been reimbursed by the State pursuant to a funding agreement.

## **Section 8 Guideline Amendments**

These Guidelines may be amended after completion of the initial proposal solicitation. Amendments to the Guidelines will be publicly posted and made available for comment for at least 45 days.

## Appendix A. Definitions

In interpreting and applying these Guidelines, the following definitions and acronyms will apply:

**“Acquisition:”** Obtaining a real property interest, including easements, fee title, leases, water, water rights, or interest in water obtained for the purposes of instream flows and development rights.

**“California Endangered Species Act (CESA):”** The California Endangered Species Act (Fish & G. Code, § 2050 et seq.).

**“California Environmental Quality Act (CEQA):”** Statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts.

**“Climate Change:”** Climate refers to conditions, such as temperature and precipitation, measured over an extended period of time.

**“Conservation Easement<sup>9</sup>:”** Any limitation in a deed, will, or other instrument in the form of a restriction, covenant, or condition, which is or has been executed by or on behalf of the owner of the land subject to such easement and is binding upon successive owners of such land, and the purpose of which is to retain land predominantly in its natural, scenic, historical, agricultural, forested, or open-space condition.

**“Delta:”** The Sacramento-San Joaquin Delta, as defined in Water Code section 12220.

**“Department” or “DWR:”** The California Department of Water Resources.

**“Director:”** The Director of the Department of Water Resources.

**“Disadvantaged Community (DAC):”** A community with an annual median household income that is less than 80 percent of the statewide annual median household.<sup>10</sup>

**“Economically Distressed Area (EDA):”** 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.

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<sup>9</sup> Civil Code, § 815, et seq.

<sup>10</sup> The Department has developed and posted for public use a GIS-based tool to help applicants determine disadvantaged status for grant applications: [http://www.water.ca.gov/irwm/grants/resources\\_dac.cfm](http://www.water.ca.gov/irwm/grants/resources_dac.cfm) which is consistent with the definition in Water Code section 79505.5(a)

**“Eligible Applicant:”** A California public agency, nonprofit organization, public utility agency, federally recognized Indian tribe, State Indian tribe listed on the Native American Heritage Commission’s California Tribal Consultation List, and mutual water company.

**“Endangered Species Act (ESA):”** Federal law enacted in 1973 (16 U.S.C. § 1531 et seq.), the purpose of which is to protect and recover imperiled species and the ecosystems upon which they depend.

**“FEMA:”** The Federal Emergency Management Agency

**“FEMA Coastal Zones VE, AE and A:”** Special Flood Hazard Areas subject to flooding from the 100-year flood. Zone VE is a coastal area with an additional hazard associated with storm waves and has base flood elevations identified. Zones AE and A are floodplains with and without base flood elevations, respectively.

**“Funding Agreement” or “Agreement:”** An agreement entered into by a successful applicant and the State to provide funds for a project pursuant to the Program.

**“Funding Recipient:”** An eligible applicant or entity selected to receive funding and is the signatory to a funding agreement providing funds pursuant to the Program.

**“Induce Population Growth:”** Tendency for population increase and/or intensity in a floodplain following construction of flood management improvements. The State does not promote flood management improvements that would induce urban development and associated population growth in rural floodplains. Flood improvements can be made to accommodate some level of future growth while avoiding broader urban development leading to risk intensification and potential increases in aggregate economic and life safety risk.

**“Median Household Income:”** The median household income data reported in the most recently published U. S. Census as updated by the California Department of Finance, Population Research Unit, for the year in which a project proposal is submitted to the Department.

**“Multi-benefit:”** Projects are designed to reduce flood risk and enhance fish and wildlife habitat, as well as create additional public benefits such as sustaining agricultural production, improving water quality and water supply reliability, increasing groundwater recharge, supporting commercial fisheries, and providing public recreation and educational opportunities, or any combination thereof.

**“Nonprofit organization:”** means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

**“Project:”** All planning, engineering, acquisition of real property interests, construction and related activities undertaken to implement a discrete action to be funded under the Program.

**“Project Description:”** The document each applicant must provide with their application that describes the proposed project in detail.

**“Public Agency:”** A state agency or department, special district, joint powers authority, any county, city, city and county, or other political subdivision of the state. For purposes of this Program, a public agency must have authority to implement flood management projects.

**“Public Safety:”** In the context of flood management, includes minimizing the number of people within the floodplain, reducing human vulnerability when flooding occurs and increases performance of public safety infrastructure in populous areas.

**“Public utility agency (water):”** is a public agency where services are performed for or delivers water to the public, and is subject to the jurisdiction and regulation of the Public Utilities Commission.

**“Restoration:”** The application of ecological principles to restore a degraded or fragmented ecosystem and return it to a condition in which its biological and structural components achieve a close approximation of its natural potential, taking into consideration the physical changes that have occurred in the past, climate preparedness for the future, and greenhouse gas reductions.

**“Ring Levee:”** A levee which by itself or by connecting to existing levees will encircle a particular asset or set of assets and provide them protection from flood risk.

**“Setback Levee:”** A new levee constructed completely separate (except for the “tie-ins”) from an existing levee which allows for removal of the existing levee and creation of additional floodplain connected to the stream.

**“Severely Disadvantaged Community (SDAC):”** A community with an annual median household income that is less than 60 percent of the statewide annual median household.

**“State:”** The State of California, acting by and through the Department of Water Resources.

**“Voluntary Habitat Credit Exchange Mechanism:”** Publicly available programs to generate financial opportunities for farmers and ranchers to conserve and restore habitat for at-risk wildlife.

## **Appendix B. Application Solicitation Process**

Solicitation of applications for grants will be posted on the DWR website and announced via the DWR Flood Management email listservs, which has more than 2,000 subscribers. Specific dates and deadlines will be announced when solicitations are circulated. Timing of grant solicitations depends on budget allocations, and other department priorities, however approximately \$25 million is currently available from Proposition 1 for competitive awards or direct expenditure.

For questions:

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## Appendix C. Grant Evaluation and Scoring

The application review team will use the criteria in this appendix to evaluate the benefits of proposed projects. The highest points will be assigned to proposals that fulfill the purposes of the Program and that list important details about the proposed project. Points will be assigned on a pro rata basis within each criterium as identified. Projects must receive a minimum of 20 points to be eligible for a grant award.

<b>Criteria</b>	<b>Maximum Points</b>
A) The extent to which the project achieves public safety via flood risk reduction (10 points). Is the project in FEMA's Coastal VE, AE or A zone or Coastal Special Flood Hazard Area? (Yes = 2 points)	12
B) The extent to which the project achieves fish and wildlife habitat enhancement.	5
C) The extent to which the project achieves additional benefits (1 point each) including: i) public safety via flood risk reduction for a disadvantaged community (consistent with paragraph 6.1.B), ii) protection of open space, iii) develops or enhances recreation opportunities, iv) provides or enhances public access to the shoreline and along the coast, and v) increases the level of flood protection for state transportation or state water supply facilities.	5
D) The extent to which the project: i) Provides the greatest public benefit as demonstrated by the Benefit to Cost Ratio (BCR): a) BCR < 1.0                      (0 points) b) BCR ≥ 1.0 and < 3         (2 points) c) BCR ≥ 3                       (4 points)	4
E) The extent to which the applicant demonstrates the project is consistent with best available science: i) Contains relevant up to date technical merit                      (1 point) ii) Project effectiveness is easily predicted, and is likely to meet stated goals                      (1 point) iv) Employs new or innovative technology or practices               (1 point) v) Aligns with California's climate policies                           (1 point)	4
F) The extent to which the proposal includes a complete, reasonable and well thought out scope of work (1 point), budget (1 point) and schedule (1 point).	3

<b>Criteria</b>	<b>Maximum Points</b>
G) The extent to which the project leverages the resources of private, federal or local funding sources by exceeding the minimum required local cost share: i) minimum local cost share exceeded by at least 5% (1 point) ii) minimum local cost share exceeded by at least 10% (2 points) iii) minimum local cost share exceeded by at least 15% (3 points)	3
H) The extent to which the applicant demonstrates experience successfully implementing similar projects or demonstrates appropriate and necessary partnerships to complete the project.	1
I) The extent to which the project will deliver sustainable outcomes in the long-term (e.g. non-structural measures, utilizing green infrastructure, natural systems or systems that mimic natural systems, minimal to no long-term operation and maintenance costs).	1
J) The extent to which the applicant demonstrates that project goals have community support.	1
K) A community receiving project benefits is eligible for and registered in the National Flood Insurance Program's Community Rating System.	1
<b>TOTAL POSSIBLE POINTS</b>	<b>40</b>

## **Appendix D. Application Ranking Process**

The Department will review all timely submittals for completeness within two weeks of receipt. A complete review and ranking of the project will take approximately 90 days. This includes detailed proposal review, management review, and management approval of proposed awards. Proposed awards will be publicly posted for 15 days, and final awards will be determined after that period. Funded and non-funded project applicants will be notified, and the grant agreement execution process will begin for funded projects. The template grant agreement is provided in Appendix I.

## Appendix E. Local Cost Share Calculations

### Distressed / Disadvantaged Area Calculation

$$Z = X/Y - 85\%$$

X is the Median Annual Household Income for the Benefitted Area

Y is the California Median Annual Household Income

X/Y is the Relative Median Annual Household Income percentage or the Benefitted Area's Median Annual Household Income relative to the California Median Annual Household Income. If the X/Y value is greater than 100%, then the Benefitted Area is not a Distressed / Disadvantaged Area.

85% is the threshold percentage of the California Median Annual Household Income that a Benefitted Area community would need to qualify as a Distressed / Disadvantaged Area.

$Z = X/Y - 85\%$  is the percentage that a Benefitted Area is considered to be Distressed. If the Z value is positive, then the Benefitted Area is not a Distressed Area. If the Z value is negative, then the Benefitted Area is a Distressed Area.

### Some examples as follows:

The exact amount of the decrease in the Local cost share will depend on the degree to which the Benefitted Area is economically disadvantaged at the time the project agreement is executed. The reduction is equal to the difference between the Benefitted Area's Median Annual Household Income and the Distressed / Disadvantaged Household Income, measured as percentages of the California Median Annual Household Income (rounded to the nearest whole percentage). Three examples illustrate this approach, assuming \$61,000 California Median Annual Household Income:

**A. Benefitted Area "A"** has a Median Annual Household Income of \$51,800, which is 84.9% of the California Median Annual Household Income ( $\$51,800 / \$61,000 = 84.9\%$ ). The Relative Median Annual Household Income percentage (84.9%) equals the Distressed / Disadvantaged Household Income percentage (85%). Thus, the Benefitted Area would not be eligible for a local cost share decrease.

$$X = \$51,800$$

$$Y = \$61,000$$

$$X/Y = 84.9\%$$

$$Z = 84.9\% - 85\% = -0.1\%, \text{ rounded to } 0\%$$

The Z value is zero, so the Benefitted Area is not a Distressed / Disadvantaged Area.

**B. Benefited Area “B”** has a Median Annual Household Income of \$42,900, which is 70.3% of the California Median Annual Household Income (\$42,900/ \$61,000 = 70.3%). The difference between the Relative Median Annual Household Income percentage (70.3%) and the Distressed / Disadvantaged Household Income percentage (85%) is -14.7% (70.3% - 85% = -14.7%). Thus, the Benefitted Area would be eligible for a Distressed / Disadvantaged Area Local cost share decrease of 14.7%, which would be rounded to 15%.

$$X = \$42,900$$

$$Y = \$61,000$$

$$X/Y = 70.3\%$$

$$Z = 70.3\% - 85\% = -14.7\%$$

**C. Benefited Area “C”** has a Median Annual Household Income of \$33,500, which is 54.9% of the California Median Annual Household Income (\$33,500/ \$61,000 = 54.9%). The difference between the Relative Median Annual Household Income percentage (54.9%) and the Distressed / Disadvantaged Household Income percentage (85%) is -30.1% (54.9% - 85% = -30.1%). Thus, the Benefitted Area would be eligible for a Distressed / Disadvantaged Area Local cost share decrease of 30.1%, which would be rounded to 30%.

$$X = \$33,500$$

$$Y = \$61,000$$

$$X/Y = 54.9\%$$

$$Z = 54.9\% - 85\% = -30.1\%$$

### **Protection of State Facilities**

The State will decrease the local cost share by up to 20% in 5% increments per facility for protection of State Facilities. The State will decrease the local cost share of the Project for significant contributions to the objective of providing flood benefits to a State Transportation Facility or State Water Supply Facility (Exhibit 1). A significant contribution for the State Facilities objective requires that state transportation facilities or State water supply facilities receive at least a 10% increase in flood protection e.g. in flood frequency or areal extent or depth).

### **Open Space and Recreation**

The State will cover 100% of the cost for Open Space and Recreation features that are beyond the minimum required for the project, up to 10% of the total project cost. This includes land or easement acquisition, improvement and preservation of open space and recreation beyond what is required for the project. Such lands may be acquired in fee or acquired subject to restrictions, such as open space or conservation easements that permanently restrict the land to open space uses and secure the rights necessary for flood management operations and maintenance. Recreational opportunities include developing and maintaining trails for pedestrians, bicycles, and/or equestrians; modifying the operation of flood protection facilities to increase the diversity and duration of recreational opportunities; enhancing the condition and quality of existing recreational facilities; providing facilities for rafting, canoeing, boating, fishing, viewing wildlife, swimming, or other water-dependent activities; providing interpretive facilities and services that enhance visitor appreciation of natural, historical, and cultural resources; relocating major trails to avoid flooding so that they may remain open all year; and enhancing public beach areas including providing or enhancing public access facilities to public coastlines.

**Appendix F: Local Public Agency Authorizing Resolution**

**Resolution No. \_\_\_\_\_**

A Resolution by the (Local Governing Body Name) of the (Agency Name) Authorizing a Proposal for funding from the Department of Water Resources and Designating a Representative to Execute the Agreement and any Amendments thereto, for the (Project Name) Project

WHEREAS, the (agency name) is a (agency type) with responsibility for and authority over (e.g. flood management, ecosystem management, water quality management) in the area proposed for the project and is willing to participate in, coordinate, and collaborate with other interested parties that are participating in the development of the (agency name) project;

WHEREAS, the (agency name) is authorized to enter into an agreement with the Department of Water Resources and the State of California;

THEREFORE, BE IT RESOLVED by the (Local Governing Body Name) of the (agency name) as follows:

1. That pursuant and subject to all of the terms and conditions of the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1; Wat. Code, § 79700 et seq.), the (agency name) shall submit a proposal to obtain funding for the (project name) Project from the Department of Water Resources.
2. That the (Local Governing Body Name) authorizes the (title of authorized representative), or designee, to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. That the (title of authorized representative), or designee, shall prepare the necessary data, make investigations, and take other such actions as necessary and appropriate to execute the (project name) Project.

**CERTIFICATION**

I hereby certify that the foregoing Resolution (#) was duly and regularly adopted by the (Local Governing Body Name) of the (agency name) at the meeting held on (date), motion by (member name) and seconded by (member name), motion passed by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Chair, (Local Governing Body Name)

Attest:

\_\_\_\_\_  
Name and Title

## Appendix G: Attorney's Certification

*(The applicant's attorney shall answer the following questions regarding this proposal and where indicated, shall cite statutory authority or other references.)*

- Is the Applicant a political subdivision of the State of California?      ( )Yes ( )No

Citation: \_\_\_\_\_

- Does the Applicant have legal authority to enter into a funding agreement with the State of California? ( )Yes      ( )No

Citation: \_\_\_\_\_

- What steps are required by law for the Applicant to contract with the State?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Citation: \_\_\_\_\_

- What is the statutory authority under which the Applicant may obtain funds for the purpose, amount, and duration requested?

Citation: \_\_\_\_\_

- What is the statutory authority under which the Applicant was formed and is authorized to operate?

Citation: \_\_\_\_\_

- Is the Applicant required to hold an election before entering into a funding contract with the State? ( )Yes      ( )No

Citation: \_\_\_\_\_

- Will a funding agreement between the Applicant and the State be subject to review and approval by other governmental agencies? ( )Yes ( )No

Identify all such agencies: \_\_\_\_\_

Citation: \_\_\_\_\_

- Describe any pending litigation that impacts the financial condition of the Applicant or the operation of flood management facilities. If none is pending, so state.

\_\_\_\_\_  
\_\_\_\_\_

- Does the Applicant have legal authority and jurisdiction to implement a flood control program and the authority to make land use decisions at the Project site and in the protected area? ( )Yes ( )No

Citation: \_\_\_\_\_

I certify that I am a duly qualified and licensed attorney in California representing the applicant agency and that I have answered the questions on this page and the preceding page to the best of my knowledge.

By \_\_\_\_\_ Date

*(Signature of Applicant Agency's Attorney)*

\_\_\_\_\_

*(Printed Name of Applicant Agency's Attorney)*

*(Title) (Bar No.)*

\_\_\_\_\_

*(Name of Applicant Agency)*



**ENVIRONMENTAL INFORMATION FORM**

Grantees are responsible for complying with all applicable laws and regulations for their projects, including the California Environmental Quality Act (CEQA). Work that is subject to the California Environmental Quality Act (CEQA) shall not proceed under this Agreement until documents that satisfy the CEQA process are received by the Department of Water Resources (Department) and the Department has completed its CEQA compliance. Work that is subject to a CEQA shall not proceed until and unless approved by the Department. 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, the Department will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation.

Grant Recipient: \_\_\_\_\_

Project Manager: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Agreement #: \_\_\_\_\_

Address: \_\_\_\_\_

- 1. List the source of any other grants or funds received from the Department of Water Resources to implement a portion of this project.

\_\_\_\_\_  
\_\_\_\_\_

- 2. Is this a project as defined by CEQA? Yes  No  (if "yes", skip to #3) If "no", please explain below then skip to #8.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 3. Is this project exempt from CEQA compliance? Yes  No  (if "no", skip to #4) If "yes", provide reasons for exemption. Cite the CEQA Article, Section and Title of the CEQA exemption, if appropriate. A partial list of the statutory exemptions is found in Cal. Code Regs., tit.14, art. 18 (sections 15260 – 15285) and a list of categorical exemptions is found in Cal. Code Regs., tit. 14, art. 19 (sections 15300 – 15332). A copy of CEQA and the applicable regulations may be found at: [http://resources.ca.gov/ceqa/docs/2016\\_CEQA\\_Statutes\\_and\\_Guidelines.pdf](http://resources.ca.gov/ceqa/docs/2016_CEQA_Statutes_and_Guidelines.pdf)

Check appropriate box below:

- Lead Agency has already filed a Notice of Exemption (NOE) with the State Clearinghouse and/or County Clerk. Attach copy of NOE and, if applicable, a copy of Board Resolution.
- Lead Agency will file a NOE with the State Clearinghouse and/or County Clerk. Provide estimated date: \_\_\_\_\_
- Lead Agency will NOT file a NOE with the State Clearinghouse and/or County Clerk.

*If Lead Agency chooses not to file a NOE, sufficient documentation and information must be submitted to the Project Director, along with this form, to allow DWR to make its own determination that the project is exempt from CEQA.*

Reason for exemption:

\_\_\_\_\_  
\_\_\_\_\_

**ENVIRONMENTAL INFORMATION FORM**

4. If the project will require CEQA compliance, identify the Lead Agency.

CEQA Lead Agency: \_\_\_\_\_

5. Please check types of CEQA documents that have been or are to be prepared:

- Initial Study
- Negative Declaration / Mitigated Negative Declaration
- Environmental Impact Report

6. Please describe the status of the CEQA documents, expected date of completion, and estimated cost, if requesting DWR funds relating to CEQA compliance:

Status: \_\_\_\_\_

Date of Completion: \_\_\_\_\_

Estimated Costs: \_\_\_\_\_

7. If the CEQA document has been completed, please provide the name of the document and the State Clearinghouse number, if available. Submit two copies to the Program Manager.

\_\_\_\_\_

8. Please list all environmental permits you must obtain to complete the project: (attach additional pages, as necessary)

TYPE OF PERMIT REQUIRED

PERMITTING AGENCY

TYPE OF PERMIT REQUIRED	PERMITTING AGENCY
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

9. This form was completed by:

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please send the completed and signed form to DWR Project Manager.

*For DWR internal use:*

- DWR received environmental documents.
- DWR made findings.

**STATE OF CALIFORNIA  
CALIFORNIA NATURAL RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES**

**Agreement Number: 46000XXXXX**

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES  
AND  
<INSERT FUNDING RECIPIENT NAME>**

**FOR A <PROJECT TYPE>  
FOR THE < PROJECT NAME>**

**A PART OF THE CENTRAL VALLEY TRIBUTARIES PROGRAM  
UNDER  
THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014,  
WATER CODE, SECTION 79700 ET SEQ.**

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND****<FUNDING RECIPIENT NAME>****<SAP AGREEMENT NUMBER>****The Water Quality, Supply, and Infrastructure Improvement Act of 2014****Water Code, section 79700 et seq.**

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the <insert Funding Recipient Name>, a <select appropriate descriptor and delete others – public agency, non-profit, etc.> in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Funding Recipient," which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 to Funding Recipient to assist in financing the <insert project title> (Project) pursuant to Water Code, section 79780.
2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is executed by State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by <Insert date based on schedule> and no funds may be requested after <Insert date work completed + 6 months>. Execution date is the date the State signs this Funding Agreement indicated on page <number of the signature page>.
3. **PROJECT COST.** The reasonable cost of the Project is estimated to be \$<insert Project Cost>.
4. **FUNDING AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$<INSERT AMOUNT>.
5. **FUNDING RECIPIENT COST SHARE.** Funding Recipient agrees to fund the difference between the actual Total Project Cost, as estimated in Exhibit B, and the amount specified in Paragraph 4, if any. Cost Share consists of Funding Match, as documented in Exhibit B; see Exhibit H for guidance. Funding Recipient is required to provide a Funding Match of <if applicable, Insert percentage – must be at least the minimum mandated by the Program Guidelines/authorizing legislation> of the Total Project Cost. Funding Recipient's required funding match is estimated to be \$<INSERT AMOUNT>. Costs incurred or in-kind services performed after <insert date> may be counted as Funding Match.
6. **BASIC CONDITIONS.** State shall have no obligation to disburse money under this Funding Agreement until Funding Recipient has satisfied the following conditions:
  - A. Funding Recipient demonstrates the availability of sufficient funds to complete the Project, as stated in the **Award/Commitment Letter**, by submitting the most recent three (3) years of audited financial statements.
  - B. For the term of this Funding Agreement, Funding Recipient submits timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports."
  - C. Funding Recipient submits all deliverables as specified in Paragraph 13 of this Funding Agreement and in Exhibit A.
  - D. Prior to the commencement of construction or implementation activities, Funding Recipient shall submit the following to the State:
    - i. Final plans and specifications certified by a California Registered Civil Engineer as listed in Exhibit A of this Funding Agreement.
    - ii. Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Funding Agreement until the following actions are performed:

- a. Funding Recipient submits to the State all applicable environmental permits as indicated on the Environmental Information Form to the State, Appendix B-6,
- b. Documents that satisfy the CEQA process are received by the State,
- c. State has completed its CEQA compliance review as a Responsible Agency, and
- d. Funding Recipient receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the Project or to require changes, alterations or other mitigation. Funding Recipient must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

iii. A monitoring plan as required by Paragraph 15, "Project Monitoring Plan Requirements."

7. DISBURSEMENT OF FUNDS. State will disburse to Funding Recipient the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to Funding Recipient under this Funding Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.
8. ELIGIBLE PROJECT COST. Funding Recipient shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after <insert date> shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with State funds cannot be counted as Funding Match. Costs that are not eligible for reimbursement include but are not limited to the following items:

- A. Costs, other than those noted above, incurred prior to the execution of this Agreement.
- B. Operation and maintenance costs, including post construction performance and monitoring costs.
- C. Purchase of equipment not an integral part of the Project.
- D. Establishing a reserve fund.
- E. Purchase of water supply.
- F. Monitoring and assessment costs for efforts required after Project construction is complete.
- G. Replacement of existing funding sources for ongoing programs.
- H. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- I. 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 land purchased prior to execution of this Agreement.

- J. Overhead and indirect costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Funding Recipient; non-project-specific accounting and personnel services performed within the Funding Recipient's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. This prohibition applies to the Funding Recipient and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
9. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 6 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Funding Recipient, following receipt from Funding Recipient via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Funding Agreement number. State will notify Funding Recipient, in a timely manner, whenever, upon review of an Invoice, State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to State. Funding Recipient may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Funding Recipient fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by Funding Recipient shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
- C. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
- i. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
  - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
  - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
  - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 4, "Funding Amount" and those costs that represent Funding Recipient's costs, as applicable, in Paragraph 5, "Funding Recipient Cost Share."
  - v. Original signature and date (in ink) of Funding Recipient's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: Central Valley Tributaries Program, c/o Patrick Luzuriaga, Program Manager, 3464 El Camino Avenue, Suite 200, Sacramento, California 95821.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Funding Recipient shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Funding Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected

occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Standard Conditions Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

10. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that the Project is not being implemented in accordance with the provisions of this Funding Agreement, or that Funding Recipient has failed in any other respect to comply with the provisions of this Funding Agreement, and if Funding Recipient does not remedy any such failure to State's satisfaction, State may withhold from Funding Recipient all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Funding Recipient and State notifies Funding Recipient of its decision not to release funds that have been withheld pursuant to Paragraph 11, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Funding Recipient, as directed by State. State may consider Funding Recipient's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 11, "Default Provisions." If State notifies Funding Recipient of its decision to withhold the entire funding amount from Funding Recipient pursuant to this paragraph, this Funding Agreement shall terminate upon receipt of such notice by Funding Recipient and the State shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.

11. DEFAULT PROVISIONS. Funding Recipient will be in default under this Funding Agreement if any of the following occur:

- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Funding Recipient and State evidencing or securing Funding Recipient's obligations;
- B. Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain this Funding Agreement;
- C. Failure to operate or maintain the Project in accordance with this Funding Agreement.
- D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
- E. Failure to submit timely progress reports.
- F. Failure to routinely invoice State.
- G. Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

Should an event of default occur, State shall provide a notice of default to the Funding Recipient and shall give Funding Recipient at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Funding Recipient. If the Funding Recipient fails to cure the default within the time prescribed by the State, State may do any of the following:

- A. Declare the funding be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- B. Terminate any obligation to make future payments to Funding Recipient.
- C. Terminate the Funding Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Funding Agreement in the manner provided by law, Funding Recipient agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

12. CONTINUING ELIGIBILITY. Funding Recipient must meet the following ongoing requirement(s) to remain eligible to receive State funds:
- A. An urban water supplier shall have adopted and submitted an urban water management plan in accordance with the Urban Water Management Planning Act (Water Code commencing with section 10610) and shall update it as required during the term of this Agreement as required by the Water Code.
  - B. An Agricultural water supplier shall have adopted and submitted an agricultural water management plan in accordance with the Agricultural Water Management Planning Act (Water Code commencing with section 10800) and shall update it as required during the term of this agreement as required by the Water Code.
13. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS). If requested, Funding Recipient shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.
- A. Quarterly Progress Reports: Funding Recipient shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be shall be uploaded via GRanTS, and the State's Project Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, Funding Recipients activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Quarterly Progress Report should be submitted to the State no later than <insert a reasonable date, generally at least 1 quarter after the execution of the agreement> with future reports then due on successive three-month increments based on the invoicing schedule and this date.
  - B. Project Completion Report: Funding Recipient shall prepare and submit to State a Project Completion Report. Funding Recipient shall submit a Project Completion Report within ninety (90) calendar days of Project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of final project by a registered civil engineer, consistent with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.
  - C. Post-Performance Reports: Funding Recipient shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the Project begins operation.
14. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Funding Recipient agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and



replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Funding Recipient or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Funding Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Funding Recipient to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State, be considered a breach of this Funding Agreement and may be treated as default under Paragraph 11, "Default Provisions."

15. PROJECT MONITORING PLAN REQUIREMENTS. Exhibit A of this Funding Agreement shall contain activities to develop and submit to State a Project Monitoring Plan. Along with the Project Performance Measures Table requirements outlined in the Coastal Watershed Flood Risk Reduction Program Proposal Solicitation Package, the Project Monitoring Plan should also include:

- A. Baseline conditions.
- B. Brief discussion of monitoring systems to be used.
- C. Methodology of monitoring.
- D. Frequency of monitoring.
- E. Location of monitoring points.

A Project Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. See Exhibit G, "Requirements for Data Submittal", for web links and information regarding other State monitoring and data reporting requirements.

16. STATEWIDE MONITORING REQUIREMENTS. Funding Recipient shall ensure that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.

17. NOTIFICATION OF STATE. Funding Recipient shall promptly notify State, in writing, of the following items:

- A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Funding Recipient agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
- B. Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by State's representatives. Funding Recipient shall make such notification at least 14 calendar days prior to the event.
- C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Funding Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Funding Recipient agrees to implement appropriate actions as directed by the State.
- D. The initiation of any litigation or the threat of litigation against the Funding Recipient regarding the Project or that may affect the Project in any way.

- E. Final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Conditions D.18, "Final Inspections and Certification of Registered Civil Engineer." Funding Recipient shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
18. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
- By delivery in person.
  - By certified U.S. mail, return receipt requested, postage prepaid.
  - By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
  - By electronic means.
  - Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
19. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, Funding Recipient's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Funding Recipient.
20. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:
- |  |  |
|--|--|
| Department of Water Resources<br><Insert DWR Project Representative, title, name, mailing address and contact information> | <Insert Funding Recipient Project Representative title, name, mailing address and contact information> |
|--|--|
- Direct all inquiries to the Project Manager:
- |   |  |
|---|--|
| Department of Water Resources<br><Insert DWR Project Manager name, mailing address and contact information> | <Insert Funding Recipient Project Manager name, mailing address and contact information> |
|---|--|
- Either party may change its Project Representative or Project Manager upon written notice to the other party.
21. STANDARD PROVISIONS AND INTEGRATION. This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:
- Exhibit A – Work Plan
  - Exhibit B – Budget
  - Exhibit C – Schedule
  - Exhibit D – Standard Conditions
  - Exhibit E – Authorizing Resolution Accepting Funds
  - Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – State Audit Document Requirements and Funding Match Guidelines for Funding Recipients

Exhibit I – Monitoring and Maintenance Plan Components

Exhibit J – Project Location

Exhibit K – Information Needed for Escrow Process and Closure

Exhibit L – Appraisal Specifications

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement.

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

<Insert Funding Recipient name>

\_\_\_\_\_  
Jon Ericson, Chief  
Division of Flood Management  
Date \_\_\_\_\_

\_\_\_\_\_  
<Insert Funding Recipient Project Representative  
Name and title>  
Date \_\_\_\_\_

Approved as to Legal Form and Sufficiency

\_\_\_\_\_  
Robin Brewer, Assistant Chief Counsel  
Office of Chief Counsel  
Date \_\_\_\_\_

**Exhibit A**  
**WORK PLAN**

**Exhibit B**  
**BUDGET**

**Exhibit C**  
**SCHEDULE**

**Exhibit D****STANDARD CONDITIONS****D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Funding Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** Funding Recipient shall remit to State any unexpended funds that were disbursed to Funding Recipient under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Funding Recipient of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2. **ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** Funding Recipient shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources." The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. **AMENDMENT:** This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Funding Recipient for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.

D.4. **AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, Funding Recipient assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. **AUDITS:** State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final audit to State's specifications, at Funding Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests. The Funding Recipient agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Funding Recipient shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Funding Recipient or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the Funding Recipient's activities. (Wat. Code, § 79708, subd. (c).)

- D.6. **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Funding Recipient or to furnish any other considerations under this Funding Agreement and Funding Recipient shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Funding Recipient with a right of priority for payment over any other Funding Recipient. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State, or offer a Funding Agreement amendment to Funding Recipient to reflect the reduced amount.
- D.7. **CALIFORNIA CONSERVATION CORPS:** Funding Recipient may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. **CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Funding Recipient is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 11.
- D.9. **CHILD SUPPORT COMPLIANCE ACT:** The Funding Recipient acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Funding Recipient recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
  - B. The Funding Recipient, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.10. **CLAIMS DISPUTE:** Any claim that the Funding Recipient may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Funding Recipient's knowledge of the claim. State and Funding Recipient shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.



- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: Funding Recipient's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Funding Recipient does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.12. COMPUTER SOFTWARE: Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. 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 contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
  - B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
  - C. Employees of the Funding Recipient: Employees of the Funding Recipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
  - D. Employees and Consultants to the Funding Recipient: Individuals working on behalf of a Funding Recipient may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. DELIVERY OF INFORMATION, REPORTS, AND DATA: Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.15. DISPOSITION OF EQUIPMENT: Funding Recipient shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.

- D.16. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Funding Agreement, Funding Recipient, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
  - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
    - i. The dangers of drug abuse in the workplace,
    - ii. Funding Recipient's policy of maintaining a drug-free workplace,
    - iii. Any available counseling, rehabilitation, and employee assistance programs, and
    - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
  - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
    - i. Will receive a copy of Funding Recipient's drug-free policy statement, and
    - ii. Will agree to abide by terms of Funding Recipient's condition of employment, contract or subcontract.
- D.17. **EASEMENTS:** Where the Funding Recipient acquires property in fee title or funds improvements to real property already owned in fee by the Funding Recipient using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.
- Where the Funding Recipient acquires an easement under this Agreement, the Funding Recipient agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
- Failure to provide an easement acceptable to the State may result in termination of this Agreement.
- D.18. **FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER:** Upon completion of the Project, Funding Recipient shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.
- D.19. **FUNDING RECIPIENT'S RESPONSIBILITIES:** Funding Recipient and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).
  - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for funding.
  - C. Comply with all applicable California, federal, and local laws and regulations.

- D. Implement the Project in accordance with applicable provisions of the law.
  - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
  - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Funding Recipient shall provide copies of permits and approvals to State.
  - G. Be solely responsible for design, construction, and operation and maintenance of the projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Agreement.
  - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Funding Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Funding Recipient and any other entity concerning responsibility for performance of work.
- D.20. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21. INCOME RESTRICTIONS: The Funding Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Funding Recipient under this Agreement shall be paid by the Funding Recipient to the State, to the extent that they are properly allocable to costs for which the Funding Recipient has been reimbursed by the State under this Agreement. The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.22. INDEMNIFICATION: Funding Recipient shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Funding Recipient shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.23. INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.
- D.25. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.

- D.26. **LABOR CODE COMPLIANCE:** The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met.
- D.27. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Funding Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Funding Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.28. **MODIFICATION OF OVERALL WORK PLAN:** At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget of no more than twenty percent (20%) of the total budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.29. **NONDISCRIMINATION:** During the performance of this Funding Agreement, Funding Recipient and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Funding Recipient and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Funding Recipient and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. Funding Recipient and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.
- D.30. **OPINIONS AND DETERMINATIONS:** Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.31. **PERFORMANCE BOND:** Where contractors are used, the Funding Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Funding Recipient in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.32. **PRIORITY HIRING CONSIDERATIONS:** If this Funding Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.

- D.33. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Funding Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Funding Recipient's service of water, without prior permission of State. Funding Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Funding Recipient to meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.34. PROJECT ACCESS: The Funding Recipient shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.35. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.36. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.37. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Funding Recipient for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Funding Recipient will be promptly disbursed to the Funding Recipient, without interest, upon completion of the Project.
- D.38. RIGHTS IN DATA: Funding Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Funding Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.39. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.40. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Funding Recipient, its contractors, or subcontractors have made a false certification, or
  - B. Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.41. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.42. TERMINATION BY FUNDING RECIPIENT: Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In

doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date.

- D.43. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 11, the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 11.
- D.44. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.45. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.46. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.47. TRAVEL: Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.
- D.48. UNION ORGANIZING: Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
  - B. Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
  - C. Funding Recipient shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
  - D. If Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.
- D.49. VENUE: The State and the Funding Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.50. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

**AUTHORIZING RESOLUTION ACCEPTING FUNDS**

## Exhibit F

### REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

#### 1. PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information.

##### PROJECT STATUS

For each project, describe the work performed during the time period covered by the report including but not limited to:

##### PROJECT INFORMATION

- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter
- Describe differences between the work performed and the work outlined in the Overall Work Plan, including change orders
- Demonstrate financial ability to pay local cost share of Eligible Project Costs required to complete the Project
- Estimate the percentage completion of the overall project
- Identify key issues that need to be resolved
- Photos documenting progress

##### COST INFORMATION

- Provide a list showing all project costs incurred during the time period covered by the report by the Funding Recipient and each contractor working on the project and which of these costs are Eligible Project Costs
- A discussion on how the actual budget is progressing in comparison to the project budget included in the Overall Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Overall Work Plan
- A discussion of whether there have been any changes to the Funding Recipient's finance plan for payment of the Funding Recipient's share of Eligible Project Costs

##### SCHEDULE INFORMATION

- A schedule showing actual progress verses planned progress



- A discussion on how the actual schedule is progressing in comparison to the original or last reported schedule
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule

## 2. PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Funding Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the funding agreement (e.g. 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

COSTS AND DISPOSITION OF FUNDS – A list of showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Funding Recipient for meeting its cost sharing obligations under this Funding Agreement.
- A summary of final funds disbursement including:
  - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
  - Evaluation cost information, shown by material, equipment, labor costs, and any change orders
  - Any other incurred cost detail
  - A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure;
  - Include all internal and external costs not previously disclosed; and

- A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

## Exhibit G

### REQUIREMENTS FOR DATA SUBMITTAL

#### Surface and Groundwater Quality Data:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit F.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/](https://www.waterboards.ca.gov/water_issues/programs/gama/). If further information is required, the Funding Recipient can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/contact.shtml](https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml).

#### Groundwater Level Data

For each project that collects groundwater level data, Funding Recipient will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit E. Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

In the near future, DWR's WDL will be replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Once this Program comes online Funding Recipient will then submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

## Exhibit H

### STATE AUDIT DOCUMENT REQUIREMENTS AND FUNDING MATCH GUIDELINES FOR FUNDING RECIPIENTS

The following provides a list of documents typically required by State Auditors and general guidelines for Funding Recipients. List of documents pertains to both State funding and Funding Recipient's Funding Match and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Funding Recipients should ensure that such records are maintained for each funded project.

#### State Audit Document Requirements

##### Internal Controls

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

##### State Funding:

1. Original Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions 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 State funded Program/Project.

##### Invoices:

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

##### 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 grants or loans.

4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding 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 Funding Agreement 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 State 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 Funding Agreement related correspondence.

### **Funding Match Guidelines**

Funding Match (often referred to as cost share) consists of non-State funds, including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Funding Recipient (and potentially other parties) directly related to the execution of the funded project. Examples include volunteer services, equipment use, and use of facilities. The cost of in-kind service can be counted as funding match in-lieu of actual funds (or revenue) provided by the Funding Recipient. Other funding match and in-kind service eligibility conditions may apply. Provided below is guidance for documenting funding match with and without in-kind services.

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Funding Recipient for its own employees. Such documentation should include the following:
  - a. Detailed description of the contributed item(s) or service(s)
  - b. Purpose for which the contribution was made (tied to project work plan)
  - c. Name of contributing organization and date of contribution
  - d. Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
  - e. Person's name and the function of the contributing person
  - f. Number of hours contributed
  - g. If multiple sources exist, these should be summarized on a table with summed charges
  - h. Source of contribution if it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Funding Recipient's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances, in which the required skills are not found in the recipient organization, rates shall be consistent

with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.

3. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Funding Agreement. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the project funded by the Funding Agreement.
4. Cash contributions made to a project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Funding Recipient's accounting system.

## Exhibit I

### MONITORING AND MAINTENANCE PLAN COMPONENTS

#### Introduction

- Goals and objectives of project
- Site location and history
- Improvements implemented

#### Monitoring and Maintenance Plan

- Monitoring Metrics (ex: Plant establishment, bank erosion, hydraulic characteristics, habitat expansion)
- Maintenance Metrics (ex: irrigation, pest management, weed abatement, continuous invasive species removal until natives established)
- Special Environmental Considerations (ex: resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)
- Performance Measures, or success/failure criteria monitoring results measured against (ex: percent canopy cover after 1, 5, 10 years, water temperature decrease, site specific sediment scour or retention)
- Method of Reporting (ex: paper reports, online databases, public meetings)
- Frequency of Duration Monitoring and Reporting (daily, weekly, monthly, yearly)
- Frequency and Duration of Maintenance Activities
- Responsible Party (who is conducting monitoring and/or maintenance) Implementing responsibility (i.e., who is responsible for monitoring and maintenance)
- Adaptive Management Strategies (i.e., what happens when routine monitoring or maintenance encounters a problem)

## **Exhibit J**

### **Project Location**

Project Location/Site/Vicinity Map – Provide a map and/or diagrams depicting the project location and site characteristics including the area and watershed encompassed by the project and disadvantaged communities within the project area (if applicable).

Project Drawings and Sketches – Provide drawings or sketches of project features in adequate detail to describe them.

If needed, provide a description of the project location including overlying jurisdiction (City, County, State, or Federal land), Assessor Parcel Numbers, property addresses, legal descriptions, and Latitude/Longitude of project site.



## **Exhibit K**

### **Information Needed for Escrow Processing and Closure**

The Funding Recipient must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Funding Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Purchase and Sale Agreement
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

## Exhibit L

### APPRAISAL SPECIFICATIONS

For property acquisitions funded by this Funding Agreement, the Funding Recipient must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the state. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants,

conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
  - a) For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
  - b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
  - c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use

restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.

27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.
34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
  - a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
  - b) An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

APPENDIX J



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Office of Floodplain Management

Figure: 1

CalWater2.2.1 Coastal Regions

By: Marli Jacobson  
April 2019