

Draft Dam Safety and Climate Resilience Local Assistance Program Guidelines



State of California
California Natural Resources Agency
Department of Water Resources
Division of Flood Operations
Floodplain Management Branch

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Acronyms and Abbreviations

CEQA	California Environmental Quality Act
CNRA	California Natural Resources Agency
DAC	Disadvantaged Community
DSCR	Dam Safety and Climate Resilience Local Assistance Program
DSOD	Division of Safety of Dams
DWR	Department of Water Resources
FAB	Financial Assistance Branch
FIRO	Forecast-Informed Reservoir Operations
GRanTS	Grants Review and Tracking System
PAR	Population at Risk
PSP	Proposal Solicitation Package
SB	Senate Bill
SDAC	Severely Disadvantaged Community
(SDAC)	Disadvantaged or Severely Disadvantaged Community

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The Department of Water Resources (DWR) has prepared these Program Guidelines to assist applicants in understanding the DSCR Program's objectives, eligibility requirements, compliance obligations, and the application process for the Dam Safety and Climate Resilience Local Assistance Program (DSCR). Please read the document in its entirety including all appendices, before preparing a proposal.

Section 1 Program Description and Funding Authority

These Guidelines govern the DSCR solicitation using funds authorized by the California Budget Act of 2025 (Stats. 2025, Ch. 6, Sec. 144.) (Budget Act) and funded by the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4; Public Resources Code, § 90000 et seq.).

The Dam Safety and Climate Resilience Local Assistance Program (Program) was established within the Department of Water Resources (DWR) by Senate Bill 122 added Part 4, Section 6700 to the Water Code to create a new program, the Dam Safety and Climate Resilience Local Assistance Program, within DWR for the purpose of providing state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities that were in service prior to January 1, 2023.

Approximately 10 percent of the 1,236 State jurisdictional dams regulated by DWR's Division of Safety of Dams (DSOD) have been assigned a condition assessment classification of less than "Satisfactory" (e.g., they have noted deficiencies that need remediation). In many cases, these dams pose a significant threat to communities downstream. As an interim risk reduction measure, more than 40 of these dams have had reservoir restrictions imposed. The loss of water storage from these reservoir restrictions is about 350,000 acre-feet annually. Many dam owners, even those with sources of funding, do not have the ability to secure funding for dam remediation or improvement projects.

This program will provide much-needed grant funding for the repair, retrofit, and rehabilitation of these critical infrastructure facilities, reduce the unacceptable risks to the public, and regain lost storage capacity that is needed to face California's climate-related water shortages.

Section 2 Eligible Funding Recipients

Eligible applicants are public agencies, local agencies, nonprofit organizations, special districts, joint powers authorities, tribes (to the extent they own a state jurisdictional dam), public utilities, local publicly owned utilities, mutual water companies that own a state jurisdictional dam and associated facilities that were in service prior to January 1, 2023.

Section 3 Project Types and Eligibility Criteria

Projects funded under the Program must meet the criteria described in the following sections. Applicants are responsible for quantifying the public benefits and providing substantiated data as part of the proposal package.

3.1 Eligible Dams

To be eligible for DSCR funds, the following conditions must be met:

- A. The dam must be a California State Jurisdictional Dam.
- B. The dam must have a downstream hazard classification, as determined by DSOD, of Significant, High, or Extremely High.
- C. The dam owner must not be under DSOD enforcement.
- D. The dam owner must not have any delinquent annual DSOD fees.

3.2 Eligible Project Types

Dam safety and climate resilience projects eligible to receive funding under the program include the following:

- A. Dam repairs to allow water storage to full capacity.
- B. New spillway and spillway repair projects at existing dams.
- C. Dam and reservoir seismic retrofit projects.
- D. Enhancement of water supply and downstream flood risk reduction such as implementation of Forecast-Informed Reservoir Operations.
- E. One-time projects to remove sediment resulting from wildfires or extraordinary storm events.
- F. Improvements to dam appurtenances to address dam safety-related deficiencies identified by the department.

The Department shall not award any funds under this section for raising dams, increasing reservoir space, or otherwise increasing water impoundment.

3.3 Project Benefits

Dam safety and climate resilience projects must provide one or more of the following public benefits, in order of priority:

- A. Protection of public safety.
- B. Restoration of water storage.

- C. Flood risk reduction.
- D. Enhancement of water supply reliability.
- E. Enhancement, protection, or restoration of habitat for fish and wildlife.
- F. Protection of water quality.

3.4 Eligible Project Activities

The following categories define the types of projects eligible for funding. Within each category, eligible activities include, but are not limited to, the examples provided:

- A. Planning and Pre-Construction: Feasibility studies, technical reports, and specialized data collection, including but not limited to geotechnical investigations, monitoring instrumentation, hydrologic and hydraulic modeling, forecast modeling, or development of operational protocols.
- B. Engineering Design: Final design, plans, and specifications for structural repairs or modifications.
- C. Construction: Direct labor and material costs for dam repairs, spillway enhancements, seismic retrofits, and structural repairs and modifications.
- D. Construction Oversight: Professional engineering and project management services performed during the construction phase to ensure compliance with approved safety plans and DSOD requirements.

3.4.1 Capital Asset Requirements

Planning and design projects must articulate how the proposed scope will directly lead to the successful implementation of a physical capital asset authorized under these Guidelines. For larger or more complex projects, the Department will consider a phased approach. While the scope of work funded by a specific grant must be completed within the agreement's performance period, the project itself does not need to reach final completion within that timeframe. Applicants must, however, demonstrate that the funded phase is a critical step in a viable path toward the construction of the capital asset.

3.4.2 Future Eligibility

Approval of a grant for a specific project phase (e.g., planning or design) does not disqualify a dam from eligibility in future funding cycles. Dam owners may apply for subsequent funding to support additional project phases or separate safety deficiencies, provided all other program requirements are met.

3.5 General Eligibility Criteria

- A. Projects at dams or associated facilities with deficiencies identified by DSOD should address those identified dam safety related deficiencies and deficiencies that have resulted in reservoir restrictions being implemented.

- B. Funding recipients must act in accordance with the state's dam safety program.
- C. Projects must take into account the current and future impacts of climate change, including the economic damages and financial liabilities associated with those impacts, when planning, designing, building, operating, maintaining, and investing in state infrastructure, per Public Resources Code section 71155.
- D. Inclusion of services by the California Conservation Corps or certified community conservation corps, as defined in Public Resources Code Section 14507.5, where determined feasible by the applicant.
- E. To the extent practicable, a project is to provide workforce education and training, contractor, and job opportunities for vulnerable populations, per Public Resources Code section 90610.

Section 4 Additional Project Considerations

This section describes additional considerations that align with the Department's priorities. While projects are not strictly required to include every consideration listed below to be eligible for funding, these factors significantly influence the competitive ranking and selection of proposals.

4.1 Climate Resilience

Projects should demonstrate that their design and operational objectives are resilient to a changing climate. Applicants are required to provide a climate resilience narrative as part of their proposal. This narrative should illustrate how the project moves beyond historical hydrologic records to account for future climate stressors. A qualifying project should demonstrate how the proposed study, design, or operation addresses the following:

- A. Climate Hazard Identification: A description of how climate change hazards, including, but not limited to, changes in inflow hydrology, increased wildfire hazards/sedimentation, and extreme heat, could impact dam safety and operational integrity at the facility.
- B. Resilience Enhancement: A description of how the project improves the resilience of the facility to the identified climate change impacts.

Project evaluations will prioritize applications that demonstrate a significant advancement in resilience through one of the following approaches:

- A. Climate-Informed Integration: The project design or study explicitly accounts for climate change hazards. This may include, but is not limited to, the use of future

conditions hydrology to inform project design or operation, or infrastructure hardening against wildfire-driven debris inflows or extreme heat effects on mechanical systems.

- B. Adaptive Management: The project is designed to accommodate future changes through an adaptive management framework. This includes the identification of "adaptation pathways" or specific trigger points that allow for future structural or operational modifications as climate conditions evolve.

4.2 Disadvantaged, Severely Disadvantaged and Vulnerable Communities

At least 40 percent of the total funds available shall be allocated for projects that provide meaningful and direct benefits to vulnerable populations or disadvantaged communities (DAC). Additionally, at least 10 percent of the total funds shall be allocated for projects that provide meaningful and direct benefits to severely disadvantaged communities (SDAC).

4.2.1 DSCR Direct and Meaningful Benefits Priorities

Applicants must document how their project provides meaningful and direct benefits to DAC, SDAC, or vulnerable populations. The Department evaluates these benefits based on the following priorities:

- A. Public Safety and Risk Reduction: The extent to which the project reduces the potential life-loss risk and economic damage within the dam inundation area.
- B. Expressed Community Need: Evidence that the project directly responds to a need or desired benefit identified by the affected community.
- C. Workforce and Economic Co-Benefits: The extent to which the project creates local pathways to high-quality jobs and utilizes conservation corps services.

Projects could provide other types of meaningful and direct benefits to S(DAC) and vulnerable populations. Applicants are responsible for justifying that these benefits are direct, tangible, and substantial.

4.2.2 Determination of Public Safety and Risk Reduction

Projects should reduce the risk of life loss and/or economic damage within the dam inundation area downstream of the dam. To assist with determining public safety and risk reduction to S(DAC) and vulnerable populations, DWR has developed the DSCR Web Application, which is available at [this link](#). This interactive tool is the preferred resource for identifying S(DAC) communities within a specific dam inundation area.

Applicants must provide a population impact map and a calculation summary prepared in accordance with the Technical Guidance for (S)DAC Analysis provided in the applicable Proposal Solicitation Package (PSP). The submittal must clearly report the

metrics derived from the analysis, including the (S)DAC Ratio, (S)DAC PAR, and the final Population Impact Weight.

For areas where U.S. Census data may not accurately reflect local conditions (e.g., tribal lands or remote rural clusters), or to support a vulnerability justification, applicants may provide alternative verifiable data to demonstrate the community's status (e.g., local income surveys). If an applicant uses alternative methods, the data sources and methods must be described in the application.

4.2.3 Vulnerable Communities Justification

For populations that face disproportionately heightened risk or increased sensitivity to dam-related hazards but do not reside within a census-defined (S)DAC, applicants may provide a vulnerability justification. This narrative must demonstrate that the affected subgroup lacks adequate resources to cope, adapt, or recover from dam-related emergencies. To be considered for funding credit, the justification must include the following:

- A. **Vulnerability Data:** Applicants must provide verifiable evidence of the population's heightened risk. To ensure consistency with state standards, identification must utilize the tools and data resources provided in Step 2 of the CNRA Benefits Assessment guidance, which is available at [this link](#).
- B. **Narrative:** A description of how the project provides a direct and substantial benefit specifically to the identified vulnerable subgroup.

4.2.4 Expressed Community Need

The Department prioritizes projects that directly respond to an expressed need or desired benefit identified by a (S)DAC or vulnerable population. Applicants must demonstrate this alignment through one or more of the following:

- A. **Integrated Project Design:** Documentation that the project is inherently designed to meet specific needs identified by the communities.
- B. **Stakeholder Engagement:** Evidence that project scoping, development, and implementation integrated input from the affected populations to the maximum extent feasible.
- C. **Community Support Documentation:** Relevant documentation such as meeting minutes, workshop summaries, public comment letters, letters of support from Tribal leadership, or adopted community-based plans.

4.2.5 Workforce and Economic Co-Benefits

The Department encourages projects that provide local economic benefits and workforce development opportunities. Applicants should describe the following:

- A. Job Creation and Training: Efforts to create local jobs with fair wages and provide job training specifically for members of the (S)DAC or vulnerable populations.
- B. Conservation Corps Utilization: The extent to which the project utilizes the services of the California Conservation Corps or a certified community conservation corps. Applicants should provide documentation of a partnership or a plan to utilize these services.

4.2.6 Other Meaningful and Direct Benefits

Projects may provide additional types of meaningful and direct benefits to (S)DAC or vulnerable populations. To qualify for consideration under this category, the applicants must substantiate the benefits using the following:

- A. Identification of Additional Benefits: Applicants must identify specific secondary benefits provided by the project. These may include, but are not limited to, benefits previously identified in the Project Benefits section (Section 3.3) or those listed in the CNRA Meaningful and Direct Benefits Assessment guidance.
- B. Identification of Benefiting Populations: Applicants must specify the discrete vulnerable populations or (S)DAC geographies that will accrue these benefits.
 - 1. The DSCR Web Application may be used to identify (S)DAC areas within a project's service or benefiting area.
 - 2. Applicants may also utilize tools and data resources provided in the CNRA Meaningful and Direct Benefits Assessment (Step 2). All data sources and methodologies used to identify these populations must be described in the application.
 - 3. Where feasible, applicants should quantify the beneficiary population and provide a map of the service area in which the benefits will accrue.
- C. Justification of Benefit Standards: Applicants are responsible for demonstrating that the identified benefits meet the following statutory standards:
 - 1. Direct: A clear causal link exists between specific project activities and the realized benefits to the protected population.
 - 2. Tangible: Project activities clearly and measurably affect a discrete vulnerable population or (S)DAC geography.
 - 3. Substantial: The benefits are reasonably proportional to the scale of the project. Benefits that accrue primarily to parties other than the (S)DAC or vulnerable population are considered "incidental" and do not satisfy the criteria for substantial benefit. A variety of indicators may be used for this justification, including fiscal investment, households served, individuals engaged, or acreage affected.

4.2.7 Calculating S(DAC) and Vulnerable Communities Credit

The Department determines the portion of a grant award that contributes to the program's statutory funding mandates by applying a weighted benefit share. This share is calculated based on the ratio of the (S)DAC or verified vulnerable population at risk within the inundation zone relative to the total population at risk. Projects that demonstrate high levels of community support, respond to expressed needs, or have other meaningful and direct benefits may receive a higher benefit weighting. This calculation ensures that funding is accurately tracked against the 40 percent DAC and 10 percent SDAC targets established by Proposition 4.

Section 5 Financial Assistance and Cost-Share Requirements

This section outlines the financial framework for grants awarded under the Program, including local cost-share obligations, provisions for financial hardship, and the mechanisms for fund distribution.

5.1 Local Cost-Share

A minimum match of 50 percent (%) of local cost-share (matching funds) is required. Local cost-share may include, but is not limited to federal funds, local funds, or donated services from non-State sources. Other State funds, if part of the funding package for the proposal, must be included in the total proposal cost but cannot be applied to satisfy the required 50% local cost-share match.

5.2 Local Cost Share Reduction

Applicants may propose a reduced local cost-share of up to 100% of the required match (resulting in a 0% local cost-share) if the project would cause extreme financial hardship to the grant recipient and the dam poses an unacceptable public safety risk.

- A. Determination of Extreme Financial Hardship: The Department will determine extreme financial hardship by considering the information provided:
 - 1. Financial Position: An overview of the dam owner's current assets, liabilities, annual income, and expenses.
 - 2. O&M Capacity: The average amount collected annually for dam operations and maintenance in comparison to the proposed project costs.
 - 3. Financing Constraints: A statement regarding the applicant's inability to secure alternative funding or qualify for a loan to cover the local match.
- B. Determination of Unacceptable Public Safety Risk: The Department will assess risk levels by considering official data from the Division of Safety of Dams

(DSOD), including:

1. Current condition assessment classification.
2. Downstream hazard classification.
3. Documented structural or operational deficiencies.
4. Existing reservoir storage restrictions or operating orders.

5.2.1 Indirect Cost Reimbursement

If your project qualifies for a Local Cost-Share Reduction under the criteria above, you are also automatically eligible to request Indirect Cost Reimbursement (Section 6.9). These dual incentives are designed to reduce the financial and administrative burden on agencies serving disadvantaged communities and vulnerable populations. Applicants are encouraged to review both sections to maximize available funding for project implementation and management.

5.3 Advance Funding

The Department may provide an advance payment of up to 25 percent of the total grant award to ensure the timely implementation of projects where a lack of upfront capital would cause a substantial delay in addressing critical dam safety or climate resilience deficiencies. Approved advances shall be administered in accordance with the Department's Financial Assistance Policy and Procedure in Appendix B.

5.4 Direct Expenditures for State Priorities

In cases of immediate necessity, the Department may authorize direct emergency expenditures to protect life and property. The Department may propose direct expenditure projects in response to a solicitation from a stakeholder, another government entity, or on its own initiative. These may be approved at any time and are specifically triggered by:

- Sudden Structural Decline: Evidence of rapid deterioration or a catastrophic event that poses an imminent danger to downstream populations.
- New DSOD Restrictions: A recent DSOD inspection resulting in a condition downgrade to "Unsatisfactory" or the implementation of new, urgent reservoir storage restrictions.
- Scope: Funding is generally limited to the minimum scope of work required to stabilize the facility and mitigate immediate hazards until a permanent engineering solution can be implemented.

Section 6 Funding Agreement Requirements

For all projects awarded funding by DWR, the funding recipient will need to execute a funding agreement with the State. A funding agreement template is attached as Appendix C. The following is a partial list of requirements that will be contained within any funding agreement.

6.1 Eligible Project Costs

State funding may only be used for eligible project costs. These include the reasonable costs of environmental evaluation/permitting, project management, studies, design, land and easement acquisition, preparation of environmental documentation, environmental mitigations, 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 only those eligible costs incurred after the date of the notice of award from DWR. Only costs that have been incurred during the grant implementation period are eligible for reimbursement by DWR.

Costs that are not eligible include:

- A. Routine operation and maintenance costs.
- B. Purchase of equipment that is not an integral part of the funded project.
- C. Establishment of a reserve fund.
- D. Support of existing agency requirements and mandates by enforcement action by DSOD.
- E. Payment of principal or interest on existing indebtedness, any interest payments, or costs associated with project financing.
- F. 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 the execution of the grant agreement.
- G. 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.
- H. Any federal or state taxes.

- I. Expenses incurred in preparation of the proposal or an application for another program.
- J. 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; conference fees; and generic overhead or markup. This prohibition applies to the grantee and any subcontracts or sub-agreements for work on the funded project that will be reimbursed with grant funds from DWR.

6.2 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 DWR, all proposals are subject to disclosure pursuant to the California Public Records Act (Gov. Code, § 6250 et seq.).

6.3 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.

6.4 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 [this link](#). For more information, please refer to DIR's Public Works Manual, which can be found at [this link](#). The funding recipient shall also affirm adherence to the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance.

6.5 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 DWR, and DWR has completed its CEQA compliance review. Any work funded under the Program that is subject to CEQA shall not proceed until and unless approved by DWR; 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 DWR 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.

6.6 Competitive Bidding and Procurement

A funding recipient's contracts with other entities for the acquisition of goods, services, and construction of public works with funds provided by the State must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If a funding recipient does not have a written policy to award contracts through a competitive bidding or sole source process, DWR of General Services' State Contracting Manual rules must be followed and are available at [this link](#).

6.7 Signage or Acknowledgement of Credit

To the extent practicable, a project supported by funds from the DSCR Program will include signage and other relevant forms of acknowledgement informing the public that the project received funds from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4). Specific verbiage will be included in the final grant agreement.

6.8 Income Restrictions

Any capital asset acquired or constructed in any part with GO Bond 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. Additionally, all disbursements from the State to the funding recipient must be deposited in a non-interest-bearing account.

6.9 General Overhead and Indirect Costs

Indirect costs are expenses that are incurred for a common or joint purpose benefiting more than one objective and are not readily assignable to the funded project (i.e., expenses 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 by the funding recipient; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition; conference fees; and generic overhead or markup. Food and beverages, fundraising, lobbying and entertainment may not be included as indirect costs. Indirect costs are also called overhead.

While most general obligation bonds prohibit reimbursement of indirect costs, Proposition 4 makes some allowances. The Program will allow for indirect cost reimbursement for projects that provide direct and meaningful benefits to disadvantaged or vulnerable populations. The funding recipient must state the requested indirect cost rate and may only select one method for the Program's consideration.

The recipient may use one of the four methods below to determine which indirect costs may be reimbursed. The method is selected at the sole discretion of the funding recipient. The options for indirect cost methods and documentation requirements are as follows:

- A. Negotiated federal indirect cost rate: At the rate set forth in the funding recipient's negotiated federal indirect cost rate pursuant to its negotiated cost rate agreement. The funding recipient must submit a copy of the rate agreement. The rate agreement must be current and effective at the time the application is submitted and signed by both the funding recipient and the applicable federal agency.
- B. The federal de minimis indirect cost rate: This rate is currently up to 15%. The funding recipient may request a rate pursuant to this provision without submitting any information or documentation regarding indirect cost rates.
- C. Rate negotiated by another State agency: This is a rate that was negotiated by the funding recipient with another State agency within the last five years. The funding recipient must submit a copy of the rate agreement. The rate agreement

should be current and effective at the time the application is submitted. If it is no longer in effect, the funding recipient will need to certify that the agreement submitted is the most recent version and state the reason(s) that the rate agreement is no longer in effect/was not renewed. The rate agreement, whether current or not, must be signed by both the funding recipient and the applicable State agency.

- D. At a rate proposed by the applicant: The funding recipient may submit an indirect cost rate proposal for consideration by DWR and certify that it does not have an existing indirect cost rate agreement with any federal or state agency. Failure to make the required certification will result in an automatic rejection of the funding recipient's proposed indirect cost rate. Funding recipients requesting reimbursement for indirect costs must calculate their indirect cost rate by adding together all of its indirect costs and dividing that amongst all of its existing projects from all sources. All of the costs and projects involved in this calculation must be documented. All of these documents must be maintained for a period of three years after the final payment is made on the funding agreement which utilized the indirect cost rate. In other words, if a funding recipient calculates, is awarded, and uses a rate for a project that is awarded funds in 2026 and the funding agreement, through various amendments, does not release retention until 2035 then the funding recipient must maintain those records until 2038.

If the funding recipient is approved for indirect costs, the rate will be listed as a separate line item in the funding agreement's budget and will be stated as a specific dollar amount. Any increases in funding will increase the indirect cost dollar amount at the same rate as the original award. Funds may not be "shifted" from other line items into the indirect costs line item of the budget.

During the life of the funding agreement, the funding recipient's indirect cost rate will remain the same, regardless of any changes in a funding recipient's indirect cost rate agreement(s) with other entities or a change in the federal de minimus rate.

Any indirect costs incurred by a funding recipient's partners, contractors, subcontractors, consultants, etc. shall be deducted from the funding recipient's indirect cost allocation set forth in the funding agreement's budget line item for indirect costs. Any indirect costs incurred by a funding recipient's partners, contractors, subcontractors, consultants, etc. will NOT be considered direct costs for purposes of reimbursement under the funding agreement. Any such indirect costs will be rejected and not be considered eligible costs.

6.9.1 Qualification for Reimbursement of Indirect Costs

To qualify for indirect cost reimbursement, a project must demonstrate a meaningful equity impact. Eligibility is met if the project satisfies either of the following:

- A. Match Waiver Eligibility: The project qualifies for a full or partial Local Cost-Share Reduction under Section 5.2.
- B. Benefit Threshold: The project demonstrates that at least 40% of the population at risk (PAR) or the project's direct benefits serve a Disadvantaged Community or Vulnerable Population.

Section 7 Guideline Amendments

These Guidelines may be amended after completion of the 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.

“Adaptation Pathways:” A strategic planning approach that identifies a sequence of manageable steps or decision points over time, allowing for flexible infrastructure or operational adjustments as climate conditions (such as hydrology or extreme heat) evolve.

“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.

“Capital Asset:” Tangible physical property with an expected useful life of 15 years or more. This includes major maintenance, reconstruction, seismic retrofitting, or demolition for the purposes of facility restoration that extends the useful life of the asset.

“Climate Change:” Climate refers to conditions, such as temperature and precipitation, measured over an extended period of time. Climate change describes a change in the average conditions — such as temperature and rainfall — in a region over an extended period of time.

“Dam Inundation Area:” Is the area downstream of the dam or critical appurtenant structure that would experience a rise of one foot or greater in water surface elevation as the result of a failure scenario as referred in Water Code Division 3 section 6161.

“DWR:” The California Department of Water Resources.

“Disadvantaged Community (DAC):” A community with a median household income of less than 80 percent of the area average or less than 80 percent of the statewide median household income consistent with Public Resources Code section 90100.

“Enforcement:” In cases where the Division of Safety of Dams’ Enforcement Branch has sent a Notice of Violation or an Administrative Complaint to a dam owner and the dam owner has not fully resolved the issues outlined in the Notice of Violation or Administrative Complaint.

“Eligible Funding Recipient:” California public agency, nonprofit organization, public utility agency, mutual water company or private entity that owns a state jurisdictional dam and associated facilities.

“Extreme Financial Hardship:” Is the condition under which the dam owner does not have sufficient financial means to cost-share or secure such cost-share from their rate payers.

“Funding Agreement” or “Agreement:” An agreement entered into by a successful applicant and the State, where the State provides funds for the applicant’s project pursuant to the Program.

“Funding Recipient:” An eligible applicant or entity selected to receive funding as a signatory pursuant to the Program.

“Multi-benefit:” Projects that provide more than one public benefit. For example, Projects that 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.

“Planning and monitoring:” To prepare an emergency action plan, perform a risk assessment of the facility, or perform an assessment on potential impacts.

“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.

“Population at Risk”: The number of people within an affected area that would be subject to inundation during a flood hazard event.

“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 the purposes of this Program, a public agency must have authority to implement flood management projects.

“Public utility agency (water):” 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.

“Severely Disadvantaged Community (SDAC):” A community with a median household income of less than 60 percent of statewide median household income consistent with Public Resources Code section 90100.

“Significant Hazard Potential:” No probable loss of human life but can cause economic loss, environmental damage, impacts to critical facilities, or other significant impacts

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

“Tribe:” Means a federally recognized Native American tribe or non-federally recognized Native American tribe listed on the California Tribal Consultation List maintained by the Native American Heritage Commission consistent with Public Resources Code section 90100.

“Vulnerable Population:” A subgroup of a population within a region or community that faces a disproportionately heightened risk or increased sensitivity to impacts from climate change and that lacks adequate resources to cope with, adapt to, or recover from such impacts consistent with Public Resources Code section 90100.

“Water Quality:” the chemical, physical, biological, bacteriological, radiological, and other properties and characteristics of water which affect its use.

“Water Storage:” the collection of water in a tank or reservoir during a time of higher stream flow which is held for use during a time of deficient stream flow.

Appendix B: Advance Payment Procedures

Advance payments under State funding agreements are prohibited unless authorized by statute. Under the Dam Safety and Climate Resilience Local Assistance Program, advance payments may be provided to projects where a lack of upfront capital would cause a substantial delay in addressing critical dam safety or climate resilience deficiencies. Below are the procedures by which an entity may apply for and receive advance pay of their award from the Department. Please be aware that access to and the use of advance payment is a privilege and not a right. As a recipient of advance payment, you have a fiduciary duty to the people of the State.

Application Process

Upon approval of the final award, the Department shall notify the awardee in writing of its award and the opportunity to apply for advance payment. The Notice of Award shall include an advance payment form. The awardee shall have up to 90 calendar days from the date of the Notice of Award to return the form and provide all applicable backup documentation. If the awardee fails to return all completed forms and backup documentation within 90 calendar days, **the awardee has forfeited the right to request advance payment for its award**. If documents are incomplete or inadequate, the Department shall reach out as soon as it is aware of the issue to notify the awardee of the issue. Failure of the awardee to respond to Department requests for clarification or further documentation shall result in a denial of the request for advance payment. The Department will notify the awardee within 90 calendar days of receipt of a **complete** advance payment request on its final decision. The Department's final decision is not appealable.

An awardee's application for advance pay must include its most recent financial documents that include sufficient detail to enable the Department to determine the financial and institutional capacity of the awardee, the details of the use of any authorized advance payment, and to determine the risk being taken by the Department on behalf of the taxpayers and/or bond holders providing the funds. Failure to provide adequate documentation shall result in the awardee being deemed ineligible for advance payment. To apply for advance payment, the awardee must:

- Submit a statement of need explaining its need for advance payment. The awardee must submit the most recent three years of verifiable documentation supporting its claim. These may include:
 - Most recent audited financial statements.
 - Revenue and cost statements.
 - Other financial statements, including bank statements.
 - Tax returns.

- Submit a statement explaining the awardee's ability to manage the approved project and its finances. The awardee must submit verifiable documentation supporting its claim. These may include:
 - Audit reports or other financial reviews completed within the last three years.
 - List of its other projects (current and past) including scope, duration, and funding partners.
 - Organization chart of employees responsible for approved project.
- Submit a detailed work plan, budget, and schedule showing how the advance payment will be used. These will need to break down activities and corresponding expenditures on a quarterly basis.
 - For habitat restoration projects, if not previously identified in the awardee's application, the awardee will need to list which threatened and/or endangered species under the federal Endangered Species Act (16 U.S.C. § 1531, et seq.) or California Endangered Species Act (Fish & G. Code, § 2050 et seq.), for which the project is providing habitat.
- For non-profit (private) awardees, demonstrate its good standing as a tax-exempt organization.
- For non-profit (private) awardees, submit verification that all advanced State funds provided shall be deposited into a separate federally insured bank account that either tracks interest earned, or is non-interest-bearing, as required by the Department.

Some of these documents (e.g., detailed work plan, budget, and schedule) may have been included in your initial application for funding. It is not necessary to resubmit these documents, but if there have been changes since the initial application, please document those changes when submitting your request for advance payment.

Approval Process

Once the Department has received a **complete** application for advance payment, it shall inform the awardee within 90 calendar days of its decision. The final decision will be in writing and will either be a denial or approval of the request. **This decision is not appealable.**

If the awardee's request is denied, the awardee may request the reason(s) for denial from the Department. If the awardee's request is approved, the awardee will be notified of the amount approved and the conditions of approval. The maximum amount that may be awarded is 25% of the full award amount or the project's reasonable needs based on an immediate six-month planning period, whichever is the lesser amount. The project's immediate six-month need will be based on the awardee's submissions during the application process.

The notification shall also state the frequency of the accountability and progress reports to be submitted, the timeline by which advance payment funds are to be spent, and any other restrictions deemed necessary by the Department. Accountability report and progress report templates shall be provided to the awardee. The awardee must respond within fourteen calendar days accepting the terms of the advance payment; failure to notify the Department within fourteen calendar days shall be considered as the awardee's refusal to accept the advance payment terms, and the awardee shall no longer be eligible for advance payment. Be aware that although advance payment has been authorized, no disbursement of funds can occur until a funding agreement incorporating the terms and conditions of the advance payment's use has been executed.

Use of Advance Payment

Advance payment funds may be used for any eligible project costs as set forth in your funding agreement and its work plan except for the purchase of real property or interests in real property. Those expenses must use the existing State process whereby the real property purchase price (plus escrow fees) is deposited into a qualified escrow account after State review of Department of Water Resources and/or Department of General Services-approved appraisals. The "purchase" only includes the amount deposited into a qualified escrow account or costs associated with obtaining financing. This does not include those items necessary and directly related to the due diligence for acquisition of real property or interests in real property (e.g., appraisals, environmental assessments, legal fees, surveys, recording fees, etc.); these may be paid for with advance payment funds.

During any period in which a funding recipient is using advance payment, it shall submit an accountability report and a progress report to its grant manager for review and approval. These reports must be submitted on the time schedule set forth in the funding agreement but shall be no less frequently than once per quarter (i.e., every three months). If a funding recipient is late in submitting any of its required reports, it is grounds for termination of its privilege to continue using advance payment on its existing project and any potential future projects that may receive funding from the Department. Accountability Report and Progress Report templates shall be provided to each funding recipient.

Accountability reports are intended to demonstrate the proper use of the State's fiscal resources. Accountability reports must include:

- All supporting documentation of funds spent (e.g., receipts, invoices, etc.).
- Any updates to the project's projected spending plan for the next three months, six months and for the remainder of the project's implementation period.
- If applicable, a statement that the funds have been deposited and use of advance payment funds were withdrawn from a federally insured, non-interest-bearing account and is separate from other funding sources.

- If applicable, documentation of interest earned during the reporting period. Any interest earned shall be considered part of the funding award and shall be used towards the project.

Progress reports are intended to demonstrate the proper implementation of the project. Progress reports must include:

- Actions taken by the funding recipient on the project.
- A statement of milestones achieved, and problems encountered on the project.
- A statement of whether the project is on schedule.
- If the project is not on schedule, the reasons for the delay and proposed remedy(-ies), and an updated schedule.

Request for Further Advance Payments

Once the initial authorized advance payment has been spent by the funding recipient, further advance payments may be allowed. Further use of advance payments by a funding recipient may only be granted if there was prudent use of the initial advance payment, adherence to all corresponding requirements (e.g., timely submission of deliverables and reports), and compliance with all requirements in the funding agreement, and it is permitted by statute. Further advance payments may be requested in writing up to 90 days in advance of the anticipated exhaustion of the initial amount advanced. However, unless requested by the Department or if there has been a change in circumstances, no additional documentation need be submitted. Further advance payments shall only be permitted in the amount of a project's reasonable needs based on an immediate six-month planning period, or 25% of the full award amount, whichever is the lesser amount. However, under no circumstances may advance payments result in the reduction or elimination of the amount of required withholding (retention) or any required cost share amount. Any determination regarding further advance payment(s) must be made in writing.

Emergency Advance Payment Requests

During the course of implementing a project, a funding recipient may have an emergency arise that may significantly affect its cash flow or available capital. In this case, it may be possible to award a funding recipient and advance payment based on emergency needs. An "emergency" is a sudden, unexpected occurrence, beyond the control of the funding recipient. A funding recipient's mismanagement of its resources or lack of sufficient planning does not constitute an emergency. If a funding recipient has previously been denied a request for advance payment, it is not eligible to receive an emergency advance payment. A request for emergency advance payment is open to any funding recipient that has been previously awarded advance payment (whether it accepted it or not), and any funding recipients that did not apply for an advance when permitted to do so.

To make a request for an emergency advance payment, a funding recipient will need to provide a statement explaining the nature of the emergency and how that emergency necessitates the need for advance payment, along with supporting documentation. If the funding recipient has not previously applied for advance payment, all the documentation required for an initial application for advance payment must be submitted as well. Approval and use of an emergency advance payment is subject to the same requirements as listed above and while the Department shall endeavor to expedite an emergency request, there is no guarantee that funds can be disbursed more quickly than the usual State process.

Reduction of Withholding Amount

Funding agreements are required to have a minimum withholding amount of ten percent (10%) of the total award amount pending the satisfactory completion of the project and submission of all deliverables. (Gov. Code, § 10346; State Contract Manual, vol. 1, § 7.33.) This minimum amount is required unless there is statutory authority permitting a reduction or elimination of the withholding amount.

Water Code section 550 permits the Department to reduce or eliminate the withholding amount for funding agreements with local public agencies that have been approved and receive an advance payment, and the project's purpose is to (1) restore habitat for threatened or endangered species, and/or (2) improve flood protection. For any such project that has also been awarded an amount of \$10,000,000 or more, the withholding amount shall be reduced to five percent (5%) and set forth in the funding agreement.

Appendix C: Grant Agreement Template

FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND

<FUNDING RECIPIENT NAME>

AGREEMENT NO. <SAP AGREEMENT NUMBER>

**<INSERT PROPOSITION NAME, IDENTIFIERS FOR ROUND OF FUNDING AND
TITLE OF FUNDING PROGRAM>**

**<INSERT WATER CODE AND/OR PUBLIC RESOURCES CODE SECTIONS> 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 Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4) to Funding Recipient to assist in financing the **<insert project title>** (Project) pursuant to Public Resources Code section **<insert section #>**.
2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is initially 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 + 3 - 6 months>**. The Funding Recipient agrees to ensure that its final Reimbursement Request is received by the Department of Water Resources (DWR) no later than **<Insert date work completed + 3 - 6 months>** unless prior approval has been granted by DWR. If the final Reimbursement Request is not received timely, the undisbursed balance of this Agreement may be unencumbered, and the Funding Recipient shall forfeit any right to reimbursement.
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>**. Any additional costs are the responsibility of the Funding Recipient.

5. FUNDING RECIPIENT REQUIRED 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**. Required Cost Share consists of Funding Match, as documented in **Exhibit B**. 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 documented in-kind services performed after November 6, 2024 may be counted as Required Cost Share.
6. BASIC CONDITIONS. State shall have no obligation to disburse money for the Project under this Funding Agreement until Funding Recipient has satisfied the following conditions:
- A. For the term of this Funding Agreement, Funding Recipient submits timely Quarterly Progress Reports as required by **Paragraph 13**, "Submission of Reports."
 - B. Funding Recipient submits all deliverables as specified in **Paragraph 13** of this Funding Agreement and in **Exhibit A**.
 - C. Prior to the commencement of construction or implementation activities, Funding Recipient shall submit the following to the State:

Comment: Paragraph 6.C.i may not be necessary for planning or feasibility studies.

- i. Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the Project 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,
 - 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.

Comment: Delete 6.C.iii if Paragraph 15 is also deleted.

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, project construction, and approved indirect costs as set forth in Exhibit B. Indirect costs incurred by Funding Recipient's partners, contractors, subcontractors, consultants, etc. shall be deducted from the line item in Exhibit B. Any indirect costs incurred by Funding Recipient's partners, contractors, subcontractors, consultants, etc. will NOT be considered direct costs for purposes of reimbursement under this Agreement. Any such indirect costs will not be considered eligible project costs.

The purchase of real property or interests in real property may not be paid for by funds advanced pursuant to Exhibit K. "Purchase of real property" includes the amount deposited into a qualified escrow account (see Exhibit L), and costs associated with obtaining financing. It does not include those items necessary and directly related to the due diligence for acquisition of real property or interests in real property (e.g., appraisals, environmental assessments, legal fees, surveys, recording fees, etc.).

Work performed on the Project after <insert date> shall be Eligible Project Costs. Costs that are not eligible 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. Routine 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, unless required in the Work Plan.
 - G. Applying for and replacement of existing funding sources (e.g., other grant programs, bridge loans, etc.).
 - H. Any costs associated with fundraising or lobbying efforts which include financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or to obtain contributions for the project or any other effort. Any food, beverages, and entertainment costs.
 - I. Travel and per diem costs. <if your program does **NOT** allow travel reimbursement, then keep this & remove Paragraph D.47 / if your program **ALLOWS** travel reimbursement, remove this item from list. >
 - J. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
 - K. 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 <insert appropriate date, such date limitations included in the program guidelines/PSP, grant award date, effective date of agreement.>
 - L. 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.
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, or an electronic invoice certified and transmitted via DocuSign for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 13, “Submission of Reports.” Unless otherwise provided by Exhibit K, 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 a 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 of Funding Recipient's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: **<Insert DWR PM title & appropriate address>** or an electronic signature certified and transmitted via DocuSign from the authorized representative to **<Insert DWR PM title>**.

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/cost share). 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 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, §§ 115, 470, 487-489).

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 any 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 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 accountability or progress reports.
- F. Failure to routinely invoice State.
- G. Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."
- H. A determination pursuant to Government Code section 11137 that the Funding Recipient has violated any of the following: Government Code sections 11135 or 12960 et seq.; Civil Code sections 51-54.2, inclusive; or any regulations adopted to implement these sections.

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. Rescind the ability of the Funding Recipient to receive advance pay pursuant to Exhibit K and modify the amount withheld from disbursements pursuant to Paragraph D.37.
- D. Terminate the Funding Agreement.
- E. 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. Funding Recipient must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.

- B. If the Funding Recipient diverting surface water, the Funding Recipient must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
- C. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
- D. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code section 10608, et seq.
- E. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at [this link](#). “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Funding Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Funding Recipient advance written notice of such termination, allowing the Funding Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

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 and K**. 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 the Project.

- A. Quarterly Progress Reports: **Notwithstanding Exhibit K**, Funding Recipient shall submit Quarterly Progress Reports to meet the State’s requirement for disbursement of funds. Quarterly Progress Reports 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 Reports: Funding Recipient shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Funding Recipient shall submit a Project Completion Report within ninety (90) calendar days of project completion. Each 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 a 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 a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 3 years after the completed 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 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."**

Comment: Paragraph 15 – Depending on the nature of the grant program, this section may not be required or may need to be modified. Please revise as needed.

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 **< insert funding 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.

Comment: Paragraph 16 – Depending on the nature of the grant program, this section may not be required or may need to be modified. Please revise as needed.

16. 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 a 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.

Comment: Paragraph 16.E – This paragraph may not be necessary for planning/study projects. If deleted, also delete D.18.

- E. Final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with **Standard Condition 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.

17. 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:

- A. By delivery in person.
- B. By certified U.S. mail, return receipt requested, postage prepaid.
- C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
- D. By electronic means.
- E. 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.

18. 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.

19. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

Department of Water Resources

<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

<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.

Comment: Paragraph 20 – Edit this list to removal any of the optional exhibits that are not included in a program specific template. Ensure that all cross references are verified for accuracy.

20. 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 of Funding Recipient

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – Monitoring and Maintenance Plan Components

Exhibit I – Project Location

Exhibit J – State Audit Document Requirements for Funding Recipients

Exhibit K – Advance Pay

Exhibit L – Information Needed for Escrow Process and Closure

Exhibit M – Appraisal Specifications

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

STATE OF CALIFORNIA
DEPARTMENT OF WATER
RESOURCES

<Insert Funding Recipient name>

<Insert DWR Project Representative,
Title, and Division>

<Insert Funding Recipient Project
Representative
Name and title>

Date_____

Date_____

Approved as to Legal Form and
Sufficiency

<Insert name and title>

Office of the General 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 Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 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 sections 8546.7 and 11019.3(e), 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 activities funded pursuant to Proposition 4. (Pub. Resources Code, § 90135, subd. (b).)

- 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 DWR. 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.

Comment: Clause D.17 may not be necessary for certain agreements, such as planning or study projects. Below are three options for (1) flood; (2) habitat; and (3) other project types. Please discuss with OGC whether this clause is relevant or whether it may need to be modified to address specific program or project requirements.

D.17. EASEMENTS: **<use for flood projects>** Where the Funding Recipient acquires property in fee title or funds improvements to real property using State funds provided through this Funding Agreement, an appropriate easement or other recorded title restriction providing for floodplain preservation in perpetuity; permanent flowage; permanent drainage; sediment and debris deposit; and/or permanent access for the subject property, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other recorded 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.

<use for habitat projects> Where the Funding Recipient acquires property in fee title or funds improvements to real property using State funds provided through this Funding Agreement, an appropriate easement or other recorded title restriction providing for 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 recorded 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. The Funding Recipient is required to provide spatial data to the California Conserved Areas Database and/or the California Conservation Easement Database, as appropriate. These Geographic Information System (GIS) databases inform state planning and policy, including the State's goal to conserve 30% of lands and coastal waters by 2030 (30x30). Funding Recipient can submit spatial data or request assistance via email to cpad@calands.org.

<for other project types> If unclear what type of easements may be necessary, discuss with OGC. Where the Funding Recipient acquires property in fee title or funds improvements to real property using State funds provided through this

Funding Agreement, an appropriate access easement (right-of-way) for continued access to the Project for its useful life, a prescriptive easement, or a negative easement, or any combination ensuring the continued existence and operation of the Project. The easement or other recorded 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.

<keep for all 3 options> 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 or other title restriction acceptable to the State may result in termination of this Agreement.

Comment: Clause D.18 may not be required for planning or study grant programs. Please discuss with OGC whether removal of this clause is appropriate.

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 Project 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.

Comment: Clause D.22 – Please work with OGC to ensure that the indemnification clause addresses program-specific issues and concerns.

- 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. INSURANCE: The Funding Recipient shall procure and maintain insurance on the Project with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the Project) as are usually covered in connection with systems similar to the Project. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Funding Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program. In the event of any damage to or destruction of the Project caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Project.
- D.27. 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. Current Department of Industrial Relations (DIR) requirements may be found at [this link](#). For more information, please refer to DIR's *Public Works Manual* that may be found at [this link](#). 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 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/domestic partner status, gender identity, 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 Commission 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. (Civ. Code, § 9550, et seq.; 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 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 Funding Recipient 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 Funding Recipient 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: Notwithstanding funds disbursed pursuant to Exhibit K, the State shall withhold ten percent (10%) [replace with five percent (5%)] if authorized to do so by OGC] 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 and satisfactory receipt of all deliverables.

- 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, § 7920.000 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.

Comment: Clause D.47 - Delete or modify this paragraph if the program guidelines exclude reimbursement of travel costs.

- 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:
<https://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.

EXHIBIT E

AUTHORIZING RESOLUTION OF FUNDING RECIPIENT

Include authorized resolution from Funding Recipient, followed by any applicable delegation letters.

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 and shall incorporate the requirements in Exhibit K, Paragraph 2.

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:

Comment: The list below should be edited to remove items not relevant to specific programs or projects. ALL non-mandatory items must be deleted from this list (for example, delete as-built drawings from a planning/study agreement).

- 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, PL-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.

Comment: This exhibit can be modified to add or delete relevant/non-relevant data submittal requirements.

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 X.

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, which can be found at [this link](#).

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 [this link](#). 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 [this link](#).

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 [this link](#).

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 [this link](#).

Comment: Include this exhibit for programs that include monitoring and maintenance plan components. Sometimes it is easier to put the Monitoring and Maintenance Plan into a tabular format, or matrix, but that is up to the preparer. For maintenance requirements of project levees, see Water Code § 9140(3).

EXHIBIT H

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)

Comment: Include this exhibit if the location is not addressed in Exhibit A.

EXHIBIT I

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 J

State Audit Document Requirements for FUNDING RECIPIENTS

The following provides a list of documents typically required by State Auditors and general guidelines for Funding Recipients. 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.

If advance pay is not applicable or not approved, remove this exhibit and all pink highlighted text in the funding agreement.

EXHIBIT K ADVANCE PAY

The State may disburse funds in advance of costs being incurred by the Funding Recipient up to the amount authorized and pursuant to any conditions required by the State. Any such authorization, including conditions on the use of such funds shall be in writing. The advance payment authorization and any amendments thereto shall be incorporated herein by reference. The use of any funds advance shall comply with the reporting requirements listed in this Exhibit. If the State finds that the use of funds is not satisfactory or any required reports inadequate, the State shall consider the Funding Recipient in default and shall exercise its rights pursuant to Paragraph 11 "Default Provisions".

1. ACCOUNTABILITY REPORTS. Accountability reports are intended to demonstrate the proper use of the State's fiscal resources. After advance pay has been disbursed, the Funding Recipient shall submit an accountability report once per <choose one>quarter/month. The first accountability report must be received by DWR by [insert date [month xx, year]]. State will notify Funding Recipient, in a timely manner, whenever, upon review of an accountability report, State determines that any portion or portions of the costs claimed are not Eligible Project Costs as stated in Paragraph 8 or is not supported by documentation 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), the accountability report will be rejected, and the Funding Recipient will no longer be eligible for advance pay. Failure to correct the accountability report shall constitute a substantial breach of this Agreement and this Agreement shall be terminated in accordance with Paragraph 11.

Accountability reports shall be submitted by Funding Recipient and shall include the following information:

- A. Funds spent for work performed in implementing the Project during the period identified in the particular accountability report.
- B. Accountability reports shall be submitted on forms provided by State and shall meet the following format requirements:
 - i. Reports must contain the date of the report, the time period covered by the report, and the total amount spent.
 - ii. Reports 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 report.
- iv. Reports must include any updates to the Project's projected spending plan within the next three months, six months, and for the remainder of the Project's implementation.
- v. Original signature and date of Funding Recipient's Project Representative. Submit the original "wet signature" copy of the accountability report form to the following address: <Insert DWR PM title & appropriate address> or an electronic signature certified and transmitted via DocuSign from the authorized representative to <Insert DWR PM title>.

All accountability reports submitted shall be accurate and signed under penalty of law. Any and all funds spent pursuant to this Agreement shall only be for the tasks set forth herein. The Funding Recipient shall not submit any accountability report containing ineligible project costs or costs that have been reimbursed from other funding sources. Any Eligible Project Costs paid from another funding source and listed in the accountability report constitute 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 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, §§ 115, 470, 487-489.).

2. PROGRESS REPORTS. Progress reports are intended to demonstrate the proper implementation of the Project. After advance pay has been disbursed, the Funding Recipient shall submit a progress report once per <choose one>quarter/month. The first progress report must be received by [insert date [month xx, year]]. State will notify Funding Recipient, in a timely manner, whenever a progress report is incomplete. Funding Recipient may, within thirty (30) calendar days of the date of receipt of such notice, submit additional information to State to cure such deficiency(ies). If the Funding Recipient fails to cure such deficiency(ies), the progress report will be rejected, and the Funding Recipient will no longer be eligible for advance pay. Failure to correct a progress report shall constitute a substantial breach of this Agreement and this Agreement shall be terminated in accordance with Paragraph 11.

Progress reports shall be submitted by the Funding Recipient on forms provided by State and shall include the following information:

- A. Actions taken by the funding recipient on the Project.
 - B. A statement of milestones achieved, and problems encountered on the Project.
 - C. A statement of whether the Project is on schedule.
 - D. If the Project is not on schedule, the reasons for the delay and proposed remedy(-ies), and an updated schedule.
3. FURTHER ADVANCE PAY REQUESTS. [omit this section if not allowed/wanted]
Once the initial authorized advance pay has been spent, further advance payments may be allowed. Further advance payments may be requested in writing up to 90 days in advance of the anticipated exhaustion of the initial amount advanced. Further advance payments shall only be permitted in the amount of the Project's reasonable needs based on an immediate six-month planning period, or 25% of the full award amount, whichever is the lesser amount. However, under no circumstances may advance payments result in the reduction or elimination of the amount of required retention pursuant to Paragraph D.37 or any Required Cost Share amount pursuant to Paragraph 5. Approval or denial of any further advance pay is solely within the discretion of the DWR.
4. Once the Funding Recipient has spent all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 9, and disbursements shall be subject to retention as specified in Paragraph D.37.

Comment: Include this exhibit if the project includes an escrow process.

EXHIBIT L

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 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

Comment: Include this exhibit if the project includes an appraisal process.

EXHIBIT M

APPRAISAL SPECIFICATIONS

For property acquisitions funded 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.