

# 2018 Integrated Regional Water Management Grant Program Guidelines

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CALIFORNIA NATURAL RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES  
DIVISION OF  
INTEGRATED REGIONAL WATER MANAGEMENT



# FOREWORD

The 2018 Integrated Regional Water Management (IRWM) Grant Program Guidelines (2018 Guidelines) contains the general process, procedures, and criteria that DWR will use to implement the Proposition 1 (The Water Quality, Supply, and Infrastructure Improvement Act of 2014) IRWM Grant Program, which includes IRWM Planning, Implementation, and Disadvantaged Community (DAC) Involvement Grant Programs. Additionally, DWR will issue separate Proposal Solicitation Packages (PSP) to provide detailed information on how to apply for specific funding opportunities. The PSPs for specific grant funding opportunities are available at the website listed below.

## Grant Program Website

DWR will use the internet as a communication tool to notify interested parties of the status of the grant solicitations and to convey pertinent information. DWR will post information at the following website: <https://www.water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Proposition-1>

See Appendix A for other useful web links and Appendix B for common usage of terms and definitions.

## Mailing List

In addition to the above-referenced website, DWR will distribute information via e-mail. If you are not already on the IRWM e-mail distribution list and wish to be placed on it, please visit the following site: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs>

## Contact Information

For questions about the 2018 Guidelines or other issues, please contact DWR's Financial Assistance Branch at (916) 651-9613 or by e-mail at [DWR\\_IRWM@water.ca.gov](mailto:DWR_IRWM@water.ca.gov).

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# ACRONYMS AND ABBREVIATIONS

<b>AB</b>	Assembly Bill	<b>GSA</b>	Groundwater Sustainability Agency
<b>ACS</b>	American Community Survey	<b>GSP</b>	Groundwater Sustainability Plan
<b>AWMP</b>	Agriculture Water Management Plan	<b>GWMP</b>	Groundwater Management Plan
<b>Basin Plan</b>	Regional Water Quality Control Plan	<b>IRWM</b>	Integrated Regional Water Management
<b>BMP</b>	Best Management Practice	<b>JPA</b>	Joint Powers Authority
<b>CalEPA</b>	California Environmental Protection Agency	<b>LID</b>	Low Impact Development
<b>CARB</b>	California Air Resources Board	<b>MHI</b>	Median Household Income
<b>CASGEM</b>	California Statewide Groundwater Elevation Monitoring	<b>MOU</b>	Memorandum of Understanding
<b>CEC</b>	California Energy Commission	<b>NEPA</b>	National Environmental Policy Act
<b>CEDEN</b>	California Environmental Data Exchange Network	<b>NAHC</b>	Native American Heritage Council
<b>CEQA</b>	California Environmental Quality Act	<b>O&amp;M</b>	Operation and Maintenance
<b>CO<sub>2</sub>E</b>	Carbon Dioxide Equivalents	<b>OPC</b>	Ocean Protection Council
<b>CMU</b>	Compliance Monitoring Unit	<b>OPR</b>	The Governor's Office of Planning and Research
<b>CNRA</b>	California Natural Resources Agency	<b>PSP</b>	Proposal Solicitation Package
<b>CWC</b>	California Water Code	<b>RAP</b>	Regional Acceptance Process
<b>CWP</b>	California Water Plan	<b>RFP</b>	Request for Proposals
<b>DAC</b>	Disadvantaged Community	<b>RMS</b>	Resource Management Strategies
<b>DIR</b>	California Department of Industrial Relations	<b>RWMG</b>	Regional Water Management Group
<b>DMS</b>	Data Management System	<b>RWQCB</b>	Regional Water Quality Control Board
<b>DWR</b>	Department of Water Resources	<b>SB</b>	Senate Bill
<b>EDA</b>	Economically Distressed Area	<b>SGMA</b>	Sustainable Groundwater Management Act
<b>EIR</b>	Environmental Impact Report	<b>SLR</b>	Sea-Level Rise
<b>EJ</b>	Environmental Justice	<b>SWAMP</b>	Surface Water Ambient Monitoring Program
<b>EO</b>	Executive Order	<b>SWRCB</b>	State Water Resources Control Board
<b>GAMA</b>	Groundwater Ambient Monitoring Assessment	<b>USACE</b>	United States Army Corps of Engineers
<b>GRanTS</b>	Grants Review and Tracking System	<b>USEPA</b>	United States Environmental Protection Agency
<b>GHG</b>	Greenhouse Gas	<b>UWMP</b>	Urban Water Management Plan
<b>GIS</b>	Geographic Information System	<b>WDL</b>	Water Data Library
<b>gpcd</b>	Gallons per Capita per Day	<b>WRI</b>	World Resources Institute
		<b>WUEB</b>	Water Use and Efficiency Branch

# 2018 Integrated Regional Water Management Grant Program Guidelines

## I. INTRODUCTION AND OVERVIEW

Proposition 1, Chapter 7 Regional Water Security, Climate and Drought Preparedness (Water Code § 79740 – 79748) funding is intended to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change. Specifically, the purpose is to assist water infrastructure systems adapt to climate change; provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure; and improve regional water self-reliance, while reducing reliance on the Sacramento-San Joaquin Delta.

The Integrated Regional Water Management (IRWM) Grant Program is designed to encourage integrated regional strategies for management of water resources by providing funding for projects and programs that support integrated water management. Previous Proposition 1 IRWM solicitations were administered according to the 2016 IRWM Grant Program Guidelines (2016 Guidelines). The 2018 IRWM Grant Program Guidelines (2018 Guidelines) will apply to all future solicitations for grant funding under Proposition 1. However, changes may be necessary due to legislation or changes in State's water management policy. If changes are necessary, the 2018 IRWM Guidelines will be amended and subject to a public review process per California Water Code (Water Code) §79706 (b).

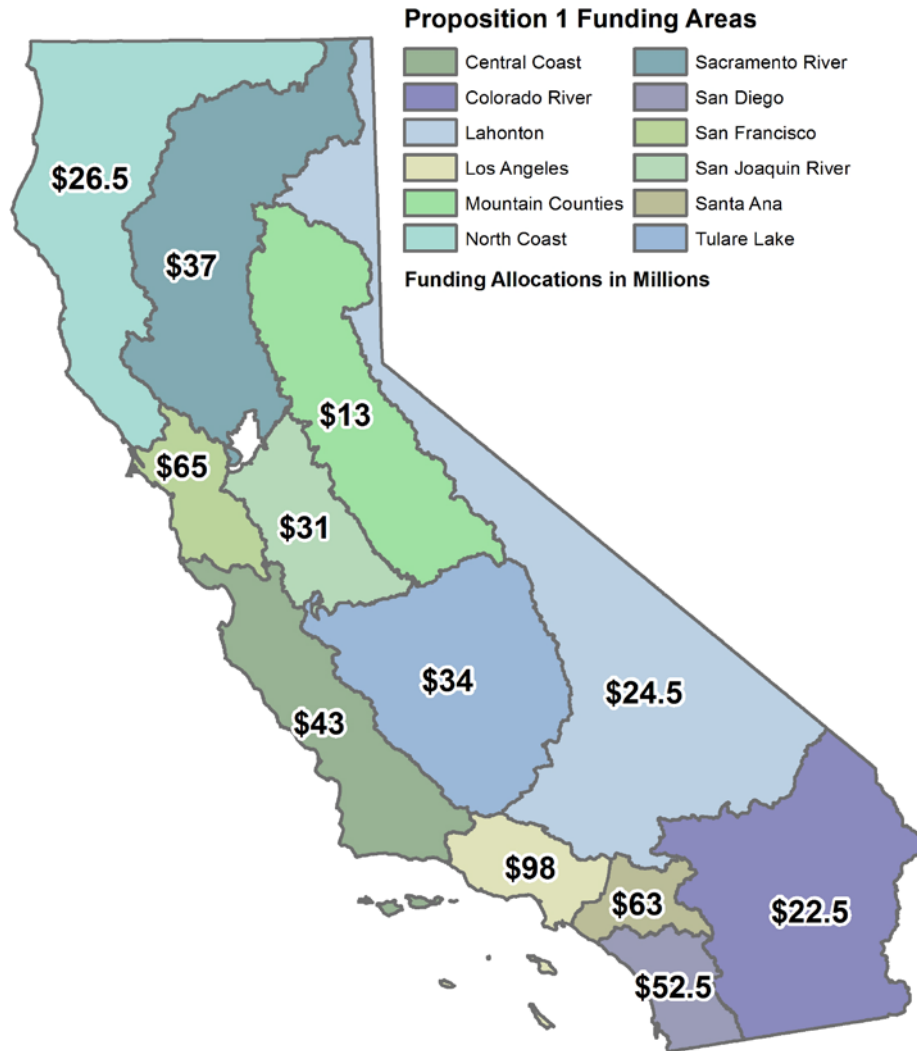
In addition to other relevant statutes, the 2018 Guidelines consider the following legislation and executive order:

- ◆ Water Code § 9700 et seq. Proposition 1 – The Water Quality, Supply, and Infrastructure Improvement Act of 2014.
- ◆ Senate Bill (SB) x2-1 (Stats. 2008, ch. 1) – Water Code §10530 et seq. – repealed and replaced the 2002 Integrated Regional Water Planning Act to establish IRWM Plan Standards.
- ◆ SB 985 (Stats. 2014, ch. 555) – Water Code §10562 – requires the development of a stormwater resource plan and compliance with these provisions to receive grants for stormwater and dry weather runoff capture projects from a bond act approved by voters after January 1, 2014
- ◆ Assembly Bill (AB) 685 (Stats. 2012, ch. 524) – Establishes State Policy that every human being has that right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.
- ◆ AB 52 (Stats. 2014, ch. 532) – Public Resources Code §21080.3.1 – requires the California Environmental Quality Act (CEQA) lead agency to consider project effects on Tribal cultural resources and to conduct consultation with California Native American Tribes.
- ◆ AB 1249 (Stats. 2014, ch. 717) – Water Code §10541 et seq. – requires IRWM regions with nitrate, arsenic, perchlorate, or hexavalent chromium contamination to include specific information in their IRWM Plan regarding the location, impacts, actions, and needed action to address the contaminations. It also requires applications from these regions to include information regarding how the project(s) in their grant application helps to address the contamination or an explanation why the application does not include such project (s).
- ◆ AB 1739 (Stats. 2014, ch. 347), SB 1168 (Stats. 2014, ch. 346), SB 1319 (Stats. 2014, ch. 348) collectively referred to as the Sustainable Groundwater Management Act (SGMA). SGMA allows local agencies to customize groundwater sustainability plans to their regional economic and environmental needs. SGMA creates a framework for sustainable, local groundwater management by requiring local agencies to establish a new governance structure, known as Groundwater Sustainability Agencies, prior to developing groundwater sustainability plans for groundwater basins or sub-basins.
- ◆ Executive Order B-29-15 – Requires agricultural water suppliers that supply water to more than 25,000 acres to include in their required 2015 Agricultural Water Management Plans (AWMP) a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought.

## A. Funding

Proposition 1 (Water Code §79744) authorized \$510 million in IRWM grant funds that were allocated to the 12 hydrologic region-based Funding Areas, as shown in Figure 1. Narrative descriptions of the 12 Funding Areas can be found at the IRWM Funding Area Fact Sheet link listed in Appendix A.

**Figure 1 – Proposition 1 Funding Area Allocations**



### *Funding Projects in Adjacent Funding Areas*

Because Proposition 1 allotted funds by Funding Area, DWR will default to project location in determining how funds are allocated. In some cases, an IRWM region may choose to propose to use grant funds allocated to its Funding Area to perform work in another Funding Area. This is allowable, but the applicant must include in their proposal:

- ◆ Clear explanation of how the project contributes directly to the objectives of their IRWM Plan
- ◆ Description of the Regional Water Management Group’s (RWMG) efforts to cooperate on planning and implementation
- ◆ Description of the level of support for the Project from both IRWM regions

## B. Funding Opportunities

DWR administers three separate grant programs as described below. Each program has specific requirements and selection processes. Program schedules can be found at the website shown in the Foreword.

- ◆ **Disadvantaged Community Involvement Program** – Water Code §79745 directs not less than \$51 million, for the purpose of ensuring the involvement of DACs, economically distressed areas (EDA), and underrepresented communities within regions. These funds (\$51,687,838) have already been awarded.
- ◆ **Planning Grant Program** – A total of \$4,199,271 was awarded through a competitive process to support the development of new IRWM Plans or to update an existing IRWM Plan. More information on IRWM Plan Standards and related processes are presented in Volume 2 of the 2016 Guidelines.
- ◆ **Implementation Grant Program** – Approximately \$403 million will be awarded for Implementation programs and projects, of which not less than \$51 million will be allocated to projects that directly benefit DACs (Water Code §79742(d)). These funds may be awarded on a competitive or non-competitive basis.

## C. Minimum Local Cost Share Requirements

A local cost share of not less than 50% of the total proposal cost is required. Local cost share may include, but is not limited to, federal funds, local funding, 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 used as local cost share. The local cost-sharing requirement may be waived or reduced for projects that directly benefit a DAC or EDA. Refer to each PSP for more information regarding the applicability of cost-sharing reduction or waivers.

## D. Program Preferences and Statewide Priorities

Water Code §79707 (b and e) and §79742 (a and f) identify various priorities or considerations that shall be given to proposals and are listed below and are collectively referred to as the “Program Preferences.”

- ◆ **Leverage Funds** – Give priority to projects that leverage private, federal, or local funding or produce the greatest public benefit.
- ◆ **Employ New and Innovative Technology or Practices** – Give special consideration to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple jurisdictions, including, but not limited to, water supply, flood control, land use, and sanitation.
- ◆ **Implement IRWM Plans with Greater Watershed Coverage** – Give priority to projects in IRWM Plans that cover the greater portion of the watershed.
- ◆ **Multiple Benefits** – Give special consideration to projects that achieve multiple benefits.
- ◆ In addition to the Program Preferences contained in the Water Code, DWR has compiled various statewide priorities that will be utilized for the Proposition 1 IRWM Grant Program. The Statewide Priorities are based on the California Water Action Plan 2016 Update, issued by the California Natural Resources Agency, California Department of Food and Agriculture, and the California Environmental Protection Agency (January 2016). Those Statewide Priorities are shown below in Table 1.

These Program Preferences and Statewide Priorities will be taken into consideration during the review process. Refer to individual PSPs for the specific details regarding the application of the Program Preferences and Statewide Priorities.

**Table 1 – Statewide Priorities**

Action #	Description
1. Make Conservation a California Way of Life	<ul style="list-style-type: none"> <li>◆ Building on current water conservation efforts and promoting the innovation of new systems for increased water conservation.</li> <li>◆ Expand agricultural and urban water conservation and efficiency to exceed SB-X7-7 targets</li> </ul>



**Table 1 – Statewide Priorities**

Action #	Description
	<ul style="list-style-type: none"> <li>◆ Provide funding for conservation and efficiency</li> <li>◆ Increase water sector energy efficiency and greenhouse gas reduction capacity</li> <li>◆ Promote local urban conservation ordinances and programs</li> </ul>
<p>2. Increase Regional Self-Reliance and Integrated Water Management Across All Levels of Government</p>	<ul style="list-style-type: none"> <li>◆ Ensure water security at the local level, where individual government efforts integrate into one combined regional commitment where the sum becomes greater than any single piece.</li> <li>◆ Support and expand funding for Integrated Water Management planning and projects</li> <li>◆ Improve land use and water alignment</li> <li>◆ Provide assistance to disadvantaged communities</li> <li>◆ Encourage State focus on projects with multiple benefits</li> <li>◆ Increase the use of recycled water</li> </ul>
<p>3. Achieve the Co-Equal Goals for the Delta</p>	<ul style="list-style-type: none"> <li>◆ This action is directed towards State and federal agencies; however, consideration will be afforded to eligible local or regional projects that also support achieving the co-equal goals providing a more reliable water supply for California and to protect, restore, and enhance the Delta ecosystem.</li> </ul>
<p>4. Protect and Restore Important Ecosystems</p>	<ul style="list-style-type: none"> <li>◆ Continue protecting and restoring the resiliency of our ecosystems to support fish and wildlife populations, improve water quality, and restore natural system functions.</li> <li>◆ Restore key mountain meadow habitat</li> <li>◆ Manage headwaters for multiple benefits</li> <li>◆ Protect key habitat of the Salton Sea through local partnership</li> <li>◆ Restore coastal watersheds</li> <li>◆ Continue restoration efforts in the Lake Tahoe Basin</li> <li>◆ Continue restoration efforts in the Klamath Basin</li> <li>◆ Water for wetlands and waterfowl</li> <li>◆ Eliminate barriers to fish migration</li> <li>◆ Assess fish passage at large dams</li> <li>◆ Enhance water flows in stream systems statewide</li> </ul>
<p>5. Manage and Prepare for Dry Periods</p>	<ul style="list-style-type: none"> <li>◆ Effectively manage water resources through all hydrologic conditions to reduce impacts of shortages and lessen costs of state response actions. Secure more reliable water supplies and consequently improve drought preparedness and make California’s water system more resilient.</li> <li>◆ Revise operations to respond to extreme conditions</li> <li>◆ Encourage healthy soils</li> </ul>
<p>6. Expand Water Storage Capacity and Improve Groundwater Management</p>	<ul style="list-style-type: none"> <li>◆ Increase water storage for widespread public and environmental benefits, especially in increasingly dry years and better manage our groundwater to reduce overdraft.</li> <li>◆ Provide essential data to enable Sustainable Groundwater Management</li> <li>◆ Support funding partnerships for storage projects</li> <li>◆ Improve Sustainable Groundwater Management</li> <li>◆ Support distributed groundwater storage</li> <li>◆ Increase statewide groundwater recharge</li> <li>◆ Accelerate clean-up of contaminated groundwater and prevent future contamination</li> </ul>

Table 1 – Statewide Priorities	
Action #	Description
7. Provide Safe Water for All Communities	<ul style="list-style-type: none"> <li>◆ Provide all Californians the right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes.</li> <li>◆ Consolidate water quality programs</li> <li>◆ Provide funding assistance for vulnerable communities</li> <li>◆ Manage the supply status of community water systems               <ul style="list-style-type: none"> <li>◆ Additionally, as required by Water Code §10545, in areas that have nitrate, arsenic, perchlorate, or hexavalent chromium contamination, consideration will be given to grant proposals that included projects that help address the impacts caused by nitrate, arsenic, perchlorate, or hexavalent chromium contamination, including projects that provide safe drinking water to small disadvantaged communities.</li> </ul> </li> </ul>
8. Increase Flood Protection	<ul style="list-style-type: none"> <li>◆ Collaboratively plan for integrated flood and water management systems, and implement flood projects that protect public safety, increase water supply reliability, conserve farmlands, and restore ecosystems.</li> <li>◆ Improve access to emergency funds</li> <li>◆ Better coordinate flood response operations</li> <li>◆ Prioritize funding to reduce flood risk and improve flood response</li> <li>◆ Encourage flood projects that plan for climate change and achieve multiple benefits</li> </ul>
9. Increase Operational and Regulatory Efficiency	<ul style="list-style-type: none"> <li>◆ This action is directed towards State and federal agencies; however, consideration will be afforded to eligible local or regional projects that also support increased operational of the State Water Project or Central Valley Project.</li> </ul>
10. Identify Sustainable and Integrated Financing Opportunities	<ul style="list-style-type: none"> <li>◆ This action is directed towards State agencies and the legislature.</li> </ul>

## E. Grant Award Process

IRWM grants will be awarded using specific criteria contained in the individual PSPs.

If there are multiple IRWM regions in a Funding Area, those IRWM regions are competing for the funding allocated to that Funding Area. DWR will make funding decisions based on application scores within a Funding Area, as described in Section V below. In order to ensure wise investments of State general obligation bond funds, minimum scores for various criteria may be established to ensure that quality proposals are awarded funding.

## II. ELIGIBILITY REQUIREMENTS

### A. Eligible Grant Applicants

Water Code §79712 identifies the following entities as eligible grant applicants:

- ◆ Public agencies
- ◆ Non-profit organizations
- ◆ Public utilities
- ◆ Federally recognized Indian Tribes
- ◆ State Indian Tribes listed on the Native American Heritage Commission’s Tribal Consultation list
- ◆ Mutual water companies

See Appendix B for definitions of these terms.

In order to be part of the proposal as a project proponent and access grant funding through their relationship with the applicant, Local Project Sponsors must meet the definition of Eligible Grant Applicant as described above. Note that if the applicant is found ineligible, the entire application will be considered ineligible. If the project proponent is found ineligible, funding cannot be awarded to that project and the grant award will be proportionately reduced.

## B. Eligibility Criteria

This is a general list of eligibility criteria for IRWM grant funding opportunities. Refer to the individual PSPs and RFP for specific eligibility criteria requirements and information that must be included in an application to establish eligibility.

**The IRWM region must have been accepted into the IRWM Grant Program through the Region Acceptance Process (RAP)** – If an IRWM region has previously gone through the RAP and any boundary changes have been accepted by DWR, no further action is required. If the IRWM region is new and has not been through the RAP process or is changing its boundary, Volume 2, Section VI of the 2016 Guidelines contains the information needed on complying with this criterion. IRWM regions need to address this criterion prior to the close date of a grant solicitation to which they are applying. Previous RAP decisions are located at: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Region-Acceptance-Process>.

**Projects included in IRWM Plan** – Projects must be included in an adopted IRWM Plan that is consistent with the 2016 IRWM plan standards. The applicant must demonstrate that the project is listed in the IRWM Plan project list.

**Proponents of projects included in an IRWM Implementation proposal must adopt the IRWM Plan** – Umbrella organizations, such as a JPA, will not be allowed to adopt an IRWM Plan on behalf of its member agencies. Each individual agency proposing a project(s) must adopt the IRWM Plan.

**Public Utilities and Mutual Water Companies** – A project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors (Water Code §79712 (b)(1)).

**Water Contamination** - Water Code §10541(e)(14) requires IRWM Plans in regions with areas of nitrate, arsenic, perchlorate, or hexavalent chromium contamination to include a description of each of the following:

- ◆ The location and extent of that contamination in the region,
- ◆ The impacts caused by the contamination to communities within the region,
- ◆ Existing efforts being undertaken in the region to address the impacts, and
- ◆ Any additional efforts needed to address the impacts.

Additionally, Water Code §10544.5 requires the RWMG, in areas that have nitrate, arsenic, perchlorate, or hexavalent chromium contamination, to include in the grant application information regarding how a project or projects in the application help to address the contamination or an explanation why the application does not include that kind of project or projects.

**Climate Change** – Applicants seeking funding shall demonstrate that the IRWM Plan the applicant's project implements, contributes to addressing the risks in the region to water supply and water infrastructure arising from climate change (Water Code § 79742 (e)).

**Groundwater Management Compliance** – A local agency that does not prepare, adopt, and submit its groundwater [management] plan in accordance with groundwater planning requirements established under Division 6 of the Water Code (Water Code § 10000 et seq.) is ineligible to apply for grant funds until the plan is prepared and submitted in accordance with these legislative requirements. The groundwater management plan requirement shall not apply to a water replenishment district formed pursuant to Water Code section 60000 et seq. or to a local agency that serves or has authority to manage an adjudicated groundwater basin (Water Code §79742 (b)).

The recent passage of the Sustainable Groundwater Management Act (SGMA) (Water Code § 10720 et seq.) changes grant eligibility related to groundwater management compliance. Various SGMA requirements become effective over time. Applicants will need to maintain continuing eligibility with the most current SGMA requirements as they come into effect. Applicants with groundwater projects must follow specific instructions contained in solicitation PSPs on what to submit for groundwater management eligibility as SGMA is implemented.

- ◆ **SGMA** – SGMA (Water Code §10720 et seq.) specifies actions for critically over-drafted groundwater basins, high and medium priority basins, and low and very low priority basins. Groundwater project proponents must demonstrate how their project is consistent with SGMA efforts in the basin.
- ◆ **Groundwater Management Plan Compliance** – The applicant, or the project proponent responsible, must meet one of the following conditions (Water Code §10753.7 (b)(1)):
  - Conform to the requirements of an adjudication of water rights in the subject groundwater basin.
  - For projects in a high or medium priority basin, as designated by DWR, a GWMP that complies with Water Code §10753.7 must be prepared, implemented, and have been adopted before January 1, 2015. If the GWMPs was not by adopted after January 1, 2015, then the project(s) is(are) not eligible to receive funding (Water Code §10750.1 (a)). However, this does not apply to a plan submitted as an alternative pursuant to Water Code §10733.6, unless DWR has not determined that the alternative satisfies the objectives of Part 2.74 (commencing with Section 10720) on or before January 31, 2020, or DWR later determines that the plan does not satisfy the objectives (Water Code §10750.1 (c)).
  - Participate or consent to be subject to a GWMP, basin-wide management plan, or other IRWM program or plan that meets the requirements of Water Code §10753.7.
  - For projects located in low or very low priority groundwater basins, as designated by DWR, without an existing GWMP, the proposal must commit to adopting, within one-year of the grant application submittal date, a GWMP that meets the requirements of Water Code §10753.7 or a GSP that meets the requirements of Water Code § 10727 et seq.

**California Statewide Groundwater Elevation Monitoring (CASGEM) Compliance**– Water Code §10920 et seq. establishes a groundwater monitoring program designed to monitor and report groundwater elevations in all or part of a basin or sub-basin. Information on the requirements of the CASGEM Program can be found at the Groundwater Information Center link listed in Appendix A. DWR has established high, medium, low, and very low priority groundwater basins, as well as CASGEM monitoring entities. For those high and medium priority basins that do not have a CASGEM monitoring entity, the grant applicant and/or Local Project Sponsor that match the list of potential monitoring entities identified in Water Code §10927, along with counties whose jurisdictions include unmonitored high and medium priority basins, will not be eligible for grant funding pursuant to Water Code §10933.7 (a). Consistent with Water Code §10933.7 (b), if the entire service area of the grant applicant or the individual project proponent’s service area is demonstrated to be a DAC, as defined in Appendix B, the project will be considered eligible for grant funding notwithstanding CASGEM compliance.

**Stormwater Resource Plans** – Water Code §10563(c) requires the development of a stormwater resource plan and compliance with these provisions to receive grants for stormwater and dry weather runoff capture projects. Requirement does not apply to DACs with a population of 20,000 or less and that is not a co-permittee for a municipal separate stormwater system national pollutant discharge elimination system permit issued to a municipality with a population greater than 20,000 (Water Code § 10563(c)).

**Urban and Agricultural Water Suppliers Compliance** – To be eligible for grant funding under this program:

- Urban water suppliers must have a current Urban Water Management Plan that has been reviewed by DWR and found to have addressed the requirements of the Urban Water Management Planning Act (Water Code Division 6, Part 2.6, §10610 et seq.).
- Agricultural water suppliers must have a current Agricultural Water Management Plan that has been reviewed by DWR and found to have addressed the requirements of the Agricultural Water Management Planning Act (Water Code Division 6, Part 2.8, § 10800 et seq.).

- Agricultural and urban water suppliers must comply with the conservation and water use efficiency measures of Water Code, Division 6, Part 2.55 (Water Code §10608 et seq.), Sustainable Water Use and Demand Reduction, and associated regulations.

**Water Metering Compliance** – Any urban water supplier applying for State grant funds for wastewater treatment projects, water use efficiency projects, drinking water treatment projects, or for a permit for a new or expanded water supply, shall demonstrate that they meet the water meter requirements in Water Code §525 et seq.

**Surface Water Diversion Reporting Compliance** – A diverter of surface water is not eligible for a water grant or loan awarded or administered by the State unless it complies with surface water diversion reporting requirements outlined in Water Code, Division 2, Part 5.1 (Water Code §5100 et seq.).

### C. Eligible Project Types

Subject to regional priorities, projects may include, but are not limited to, the following elements (Water Code §79743 (a - j)):

- ◆ Water reuse and recycling for non-potable reuse and direct and indirect potable reuse
- ◆ Water-use efficiency and water conservation
- ◆ Local and regional surface and underground water storage, including groundwater aquifer cleanup or recharge projects
- ◆ Regional water conveyance facilities that improve integration of separate water systems
- ◆ Watershed protection, restoration, and management projects, including projects that reduce the risk of wildfire or improve water supply reliability
- ◆ Stormwater resource management, including, but not limited to, the following:
  - Projects to reduce, manage, treat, or capture rainwater or stormwater
  - Projects that provide multiple benefits such as water quality, water supply, flood control, or open space
  - Decision support tools that evaluate the benefits and costs of multi-benefit stormwater projects
  - Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6 including Water Code § 10562 (b)(7)
- ◆ Conjunctive use of surface and groundwater storage facilities
- ◆ Water desalination projects
- ◆ Decision support tools to model regional water management strategies to account for climate change and other changes in regional demand and supply projections
- ◆ Improvement of water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff
- ◆ Regional projects or programs as defined by the IRWM Planning Act (Water Code §10537), see Appendix B

Eligible proposals must do the following. The following requirements may be applied at the project level depending on the individual PSP:

- ◆ Advance the purpose of Proposition 1 Chapter 7, Regional Water Security, Climate, and Drought Preparedness (Water Code §79707(c) and §79740) which are, as follows:
  - Assist water infrastructure systems adapt to climate change
  - Provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure
  - Improve regional water self-reliance, while reducing reliance on the Sacramento-San Joaquin Delta.

Eligible projects must:

- ◆ Be consistent with Water Code Division 7 (Water Code § 13000 et seq.) and Section 13100 of the Government Code (Infrastructure Plan) (Water Code §79707 (h))
- ◆ Promote State planning priorities and sustainable community strategies, consistent with Government Code §65041.1 and §65080 (Water Code §79707 (i))

- ◆ Wherever possible, preserve California’s working agricultural and forested landscapes (Water Code §79707 (j))
- ◆ Be included in a Stormwater Resource Plan that has been incorporated into and IRWM plan, unless exempt per Water Code §10563(c)(2)(B). (Applies only to stormwater and dry weather runoff capture projects.)
- ◆ Be supported by the local Groundwater Sustainability Agency. (Applies only to projects that affect Groundwater levels.)

Proposition 1 funds cannot be used for the following actions:

- ◆ Any project that could adversely impact a wild and scenic river or any river afforded protection under the California or Federal Wild and Scenic Rivers Act (Water Code §79711 (e))
- ◆ Acquisition of land through eminent domain (Water Code §79711 (g))
- ◆ Design, construction, operation, mitigation, or maintenance of Delta conveyance facilities (Water Code §79710 (a))
- ◆ Acquisition of water except for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations in effect at the time the funds are made available. Such funds shall not be credited to any measures or obligations, except for any water transfers for the benefit of §3406(d) of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575) (Water Code §79709 (c)).

The PSP for a specific solicitation may also provide clarifications on the specific project eligibility requirements.

### III. GENERAL PROGRAM REQUIREMENTS

#### A. Conflict of Interest

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

#### B. Confidentiality

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

#### C. Labor Code Compliance

Grant recipients are 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. The applicant must comply with all applicable laws when it hires private consultants to implement its project partially or fully.

Tribal governments may have other labor compliance requirements or obligations; Tribes are encouraged to consult their legal counsel and the DIR to determine their specific labor compliance obligations.

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

#### D. CEQA Compliance

Activities funded under the IRWM Grant Program regardless of funding source must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.). Public Resources Code §21080.3.1 requires the CEQA lead agency to consider project effects on Tribal cultural resources and to conduct

consultation with California Native American Tribes. Appendix C contains additional information on Tribal notification.

## E. Monitoring Requirements

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

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

Water Code §10927 requires various entities, including local agencies that are managing all or part of a groundwater basin pursuant to Water Code §10750, to assume responsibilities for groundwater elevation monitoring and reporting, as required by Water Code §10920 et seq. Appendix A provides a link to the Groundwater Information Center website which provides useful information on the CASGEM requirement.

## F. Signage or Acknowledgement of Credit

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

## G. Limited Waiver of Sovereign Immunity

Under the following circumstances, a limited waiver of sovereign immunity will be required:

- If the Grantee is a Tribe, as defined by Proposition 1, the governing body of the Tribe must enter into limited waiver of sovereign immunity with the Department of Water Resources prior to the execution of a grant agreement.
- If any of the Local Project Sponsors are Tribes, a limited waiver of sovereign immunity between the Grantee and governing body of the Tribe sponsoring each project will be required to be submitted to DWR, and approved by DWR as to sufficiency, prior to grant agreement execution.
- If any implementation project, funded by this program is situated on any land with the following status, a limited waiver of sovereign immunity between the governing body of the affected Tribe and the Local Project Sponsor will be required to be submitted to DWR, and approved by DWR as to sufficiency, prior to grant agreement execution:
  1. Land that is owned by or subject to an ownership or possessory interest of the Tribe;
  2. Land that is "Indian lands" of the Tribe, as that term is defined by 25 U.S.C. § 81(a)(1); or
  3. Land that is owned by tribal entity, or Tribe, within the external borders of such Indian lands

The Grantee must provide DWR with documentation demonstrating that the limited waiver of sovereign immunity has been properly adopted in accordance with the Tribe's Constitution or other organic law, by-laws and ordinances, and applicable federal laws.

See Appendix H for additional guidance. If the California Department of General Services adopts a final policy or guidance regarding limited waivers of sovereign immunity in State contracting, that guidance will supersede the requirements in these Guidelines to the extent permitted by law and a conflict exists.

## H. California Conservation Corps

Pursuant to Water Code Section 79714(c) grantees are encouraged to utilize the California Conservation Corps to implement project funded under this program, where feasible.

# IV. PROPOSAL SELECTION

This section describes the proposal selection and award process for the Planning and Implementation Grant Programs' PSPs.

## A. Submittal and Review

The PSPs provide detailed instructions on the mechanics of submitting proposals and specific information on submittal requirements. PSPs will be made available on the DWR website listed in the Foreword. A notice will be emailed to all interested parties on the IRWM Grant Program mailing list and posted on the website listed in the Foreword.

Submission of proposals will be through DWR's Grant Review and Tracking System (GRanTS). Applicants will be required to submit a new application for each funding opportunity. DWR will only consider applications in response to a specific solicitation.

Each proposal will be evaluated for completeness and eligibility, in accordance with the PSP. **Proposals not containing all required information will not be reviewed or considered for funding.**

All complete and eligible proposals will be reviewed and evaluated by DWR based on the criteria and process described in the individual PSPs. DWR may request technical review services from the SWRCB or other agencies, based on technical elements of the proposals.

## B. Applicant Assistance Workshops

Informational workshops may be conducted to address applicant questions and to provide general assistance to applicants preparing proposals. The dates and locations of the workshops are provided via the IRWM Grant Program website, email distribution list, and news release(s). In addition to these informational workshops, applicants are encouraged to contact DWR staff with any questions regarding the IRWM Grant Program.

## C. Applicant Notification and Public Meeting

The recommended funding list will be posted on DWR's website, and may be presented at a public meeting held by DWR to solicit public comments on the proposed funding recommendations. Interested parties will be notified of the recommended funding list and any public meeting by email and news release informing the public of the date, time, and location of the meeting and by a notice placed on the DWR website listed in the Foreword.

## D. Final Awards

Based on the proposal evaluations, and the recommendation of the selection panel, DWR's Director will approve the release of the grant Final Awards. Final Awards will be posted on DWR's website followed by announcements by e-mails. Following approval by the Director, the selected grant recipients will receive an award notification letter officially notifying them of their selection, the grant amount, and associated conditions and requirements.

## E. Grant Agreement

Following funding commitment, DWR will execute a grant agreement with the grant recipient. Grant agreements are not executed until signed by the authorized representative of the grant recipient and DWR. Grant agreements for



Proposition 1 funds will be executed with one grant recipient (the grant applicant) per application. For proposals with more than one Project, the Grantee will then provide funding to the local project sponsors that are responsible for implementation of the component projects.

DWR may require the CEQA process to be complete for any or all projects (if applicable) at the time of application or anytime thereafter as specified by DWR in the individual PSP. If applicable, the Grantee must demonstrate that it has a plan to comply with all applicable requirements of CEQA and the National Environmental Policy Act (NEPA) and a schedule that outlines when the appropriate environmental documents will be completed. DWR staff will review the CEQA documentation available at the time of the grant agreement execution for each project contained within the proposal. Each project with work subject to CEQA shall not proceed until documents that satisfy the CEQA process are received by DWR and DWR has completed its CEQA compliance review. Work that is subject to a CEQA document shall not proceed until and unless approved by DWR. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, DWR will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations, or other mitigation.

As part of the grant agreement, grant recipients and associated local project sponsors will be required to provide information regarding their projects for Bond Accountability reporting. Financial statements may be required **for at least one project** contained in the proposal prior to execution of a grant agreement. The Grantee may be required to provide audited financial statements for each agency or organization proposed to receive grant funding.

Applicants are strongly encouraged to review existing agreement templates for an understanding of responsibilities for the grant recipient and local project sponsors prior to submitting an application. Examples of previous agreement templates can be found at the website listed in the Foreword. Appendix D provides a summary of the minimum documents/records that will need to be maintained for State auditing purposes.

## F. Eligible Costs and Payment

Costs incurred by grant recipients must meet the “reimbursable costs” definition contained in Appendix B to be eligible to be considered for grant share or local cost share. Additionally, these costs must be incurred between the effective dates listed in the PSP and termination date of the grant agreement. For travel and meal costs, refer to the PSP for additional guidance.

### *Reimbursement*

DWR’s standard method of payment is reimbursement in arrears. Funds are dispersed after DWR approves the submittal of the DWR invoice form and required back-up documentation by the Grantee.

### *Advanced Payment*

Water Code §10551 currently authorizes advance payment by DWR for certain projects. See Appendix G for more detail regarding advanced funding.

# APPENDIX A

## USEFUL WEB LINKS

### DWR

Homepage:	<a href="http://www.water.ca.gov/">http://www.water.ca.gov/</a>
IRWM Grant Program:	<a href="https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs">https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs</a>
Financial Assistance Programs:	<a href="https://water.ca.gov/Work-With-Us/Grants-And-Loans">https://water.ca.gov/Work-With-Us/Grants-And-Loans</a>
DAC and EDA Mapping Tools and Data:	<a href="https://water.ca.gov/Programs/Integrated-Regional-Water-Management/Mapping-Tools">https://water.ca.gov/Programs/Integrated-Regional-Water-Management/Mapping-Tools</a>
2016 IRWM Plan Update Status; Plan Standards Review Tool:	<a href="https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Plan-Review-Process">https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Plan-Review-Process</a>
Water Metering Self-Certification Form:	<a href="https://water.ca.gov/-/media/DWR-Website/Web-Pages/Work-With-Us/Grants-And-Loans/IRWM-Grants/Files/Certification-for-Compliance-with-Water-Metering-Requirements-for-Funding-Application.pdf">https://water.ca.gov/-/media/DWR-Website/Web-Pages/Work-With-Us/Grants-And-Loans/IRWM-Grants/Files/Certification-for-Compliance-with-Water-Metering-Requirements-for-Funding-Application.pdf</a>
California Water Plan:	<a href="https://water.ca.gov/Programs/California-Water-Plan">https://water.ca.gov/Programs/California-Water-Plan</a>
Water Use and Efficiency Branch:	<a href="https://water.ca.gov/Programs/Water-Use-And-Efficiency">https://water.ca.gov/Programs/Water-Use-And-Efficiency</a>
Urban Water Management Plans:	<a href="https://water.ca.gov/Programs/Water-Use-And-Efficiency/Urban-Water-Use-Efficiency/Urban-Water-Management-Plans">https://water.ca.gov/Programs/Water-Use-And-Efficiency/Urban-Water-Use-Efficiency/Urban-Water-Management-Plans</a>
Agricultural Water Management Plans:	<a href="https://water.ca.gov/Programs/Water-Use-And-Efficiency/Agricultural-Water-Use-Efficiency">https://water.ca.gov/Programs/Water-Use-And-Efficiency/Agricultural-Water-Use-Efficiency</a>
General Groundwater Management: Economic Modeling and Analysis Tools:	<a href="https://water.ca.gov/Programs/Groundwater-Management">https://water.ca.gov/Programs/Groundwater-Management</a> <a href="https://water.ca.gov/Library/Modeling-and-Analysis/Statewide-models-and-tools/Economic-Modeling-and-Analysis-Tools">https://water.ca.gov/Library/Modeling-and-Analysis/Statewide-models-and-tools/Economic-Modeling-and-Analysis-Tools</a>
Climate Change Website:	<a href="https://water.ca.gov/Programs/All-Programs/Climate-Change-Program">https://water.ca.gov/Programs/All-Programs/Climate-Change-Program</a>
SGMA website:	<a href="https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management">https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management</a>

### SWRCB

Homepage:	<a href="http://www.waterboards.ca.gov">http://www.waterboards.ca.gov</a>
Stormwater Resource Plan Guidance:	<a href="http://www.waterboards.ca.gov/water_issues/programs/grants_loans/swgp/docs/prop1/swrp_finalguidelines_dec2015.pdf">http://www.waterboards.ca.gov/water_issues/programs/grants_loans/swgp/docs/prop1/swrp_finalguidelines_dec2015.pdf</a>
California Environmental Data Exchange Network:	<a href="http://www.ceden.org/">http://www.ceden.org/</a>
Impaired Water Bodies:	<a href="https://www.waterboards.ca.gov/rwqcb5/water_issues/tmdl/impaired_waters_list/">https://www.waterboards.ca.gov/rwqcb5/water_issues/tmdl/impaired_waters_list/</a>
Groundwater Ambient Monitoring and Assessment:	<a href="http://www.swrcb.ca.gov/gama">http://www.swrcb.ca.gov/gama</a>

### Regional Water Quality Control Plans (Basin Plans)

All Regions:	<a href="https://www.waterboards.ca.gov/plans_policies/">https://www.waterboards.ca.gov/plans_policies/</a>
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### Department of Conservation

California Watershed Portal:

<http://www.conservation.ca.gov/dlrp/watershedportal/Pages/Index.aspx>

## CEQA

California State Clearinghouse Handbook: [http://opr.ca.gov/docs/SCH\\_Handbook\\_2012.pdf](http://opr.ca.gov/docs/SCH_Handbook_2012.pdf)

## Climate Change Information

DWR Accessory Climate Change Guidance for IRWM:

<https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/All-Programs/Climate-Change-Program/Files/IRWM-Climate-Change-Accessory-Guidance.pdf>

Climate Change Handbook:

<https://water.ca.gov/-/media/DWR-Website/Web-Pages/Work-With-Us/Grants-And-Loans/IRWM-Grants/Files/Climate-Change-Handbook-for-Regional-Water-Planning.pdf>

California Climate Change Portal:

<http://www.climatechange.ca.gov/>

AB 32 Scoping Plan:

<http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>

Safeguarding California: Reducing Climate Risk:

<http://resources.ca.gov/climate/safeguarding/>

California Climate Adaptation Planning Guide:

<http://resources.ca.gov/climate/safeguarding/local-action/>

Sea Level Rise Guidance:

[http://www.opc.ca.gov/webmaster/ftp/pdf/agenda\\_items/20180314/Item3\\_Exhibit-A OPC SLR Guidance-rd3.pdf](http://www.opc.ca.gov/webmaster/ftp/pdf/agenda_items/20180314/Item3_Exhibit-A OPC SLR Guidance-rd3.pdf)

Cal-Adapt:

<http://cal-adapt.org/>

## Department of Industrial Relations

Labor Compliance Programs:

<http://www.dir.ca.gov/lcp.asp>

Compliances Monitoring Unit (CMU):

<http://www.dir.ca.gov/dlse/cmu/cmu.html>

DIR's *Public Works Manual*:

<http://www.dir.ca.gov/dlse/PWManualCombined.pdf>

## Tribal Consultation

### STATE

California Native American Heritage Commission:

<http://www.nahc.ca.gov/>

Governor's Tribal Advisor Office:

<http://tribalgovtaffairs.ca.gov/>

Office of Planning and Research Tribal & CEQA Resources:

<http://opr.ca.gov/ceqa/updates/ab-52/>

### TRIBAL

Karuk Tribal Consultation Policy:

[http://www.karuk.us/images/docs/hr-files/18-04-05\\_consultation\\_policy\\_FINAL\\_clean.pdf](http://www.karuk.us/images/docs/hr-files/18-04-05_consultation_policy_FINAL_clean.pdf)

Rincon Band of Luiseño Indians

Consultation Ordinance:

[http://media.wix.com/ugd/db3091\\_ca0215dd0fe14939bf25c156c7354fc2.pdf](http://media.wix.com/ugd/db3091_ca0215dd0fe14939bf25c156c7354fc2.pdf)

### FEDERAL

U.S. Fish & Wildlife Service Tribal

Consultation Handbook:

[http://www.fws.gov/carlsbad/TribalRelations/Tribal\\_Consultation\\_Handbook\\_2013.pdf](http://www.fws.gov/carlsbad/TribalRelations/Tribal_Consultation_Handbook_2013.pdf)

## U.S. Census Bureau

Homepage:

<http://www.census.gov>

American Community Survey:

<http://www.census.gov/acs>

## DAC Reports and Studies

DAC Reports and Studies: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Proposition-1/DAC-Involvement-Program> (See “Related Publications”)

## Enhanced Infrastructure Financing Districts

SB 628 Informational page:

<http://abag.ca.gov/events/ga/2015/SB628.pdf>

## Sierra Nevada Conservancy

Watershed Improvement Program:

<http://restorethesierra.org>

## APPENDIX B

### DEFINITIONS

**Acquisition** – Obtaining an interest in real property including, easements, leases, water, water rights, or interest in water obtained for the purposes of instream flows and development rights.

**Adopted IRWM Plan** – an IRWM Plan that has been formally accepted, as evidenced by a resolution or other written documentation by the governing bodies of each agency that is part of the RWMG responsible for the development of the Plan and have responsibility for implementation of the Plan. Adoption of an IRWM Plan must follow the notification process in Water Code §10543.

**Advanced Payment** – For some project funding solicitations, advanced funding prior to costs incurred can be requested. See Appendix G for more information. For a list of activities that are eligible for advancement, see Reimbursable Costs

**Agricultural Water Supplier** – a water supplier, either publicly or privately owned, that provides water to 10,000 or more irrigated acres, excluding the acreage that receives recycled water; also includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers (Water Code §10608.12 (a)).

**Applicant** – the entity that is formally submitting a grant application. This is the same entity that would enter into an agreement with the State should the grant application be funded. The grant applicant must be a public agency, non-profit organization, public utility, federally recognized Indian Tribe, state Indian Tribe listed on the Native American Heritage Commission’s Tribal Consultation list, or a mutual water company (Water Code §79712 (a-b)).

**Application** – the electronic or hard copy submission to DWR that requests grant funding for a proposal that the applicant intends to implement.

**Basin Plan** – also referred to as Regional Water Quality Control Plan, identifies: 1) beneficial uses to be protected; 2) water quality objectives for their reasonable protection of beneficial uses; and 3) a program of implementation for achieving the water quality objectives as established by the RWQCBs or SWRCB (Water Code § 13050(j)).

**Beneficial Uses** – the uses of streams, lakes, rivers, and other water bodies to humans and other life. Beneficial uses are outlined in a Regional Water Quality Control Plan (Basin Plan). (See also Water Code § 13050(f).)

**California Native American Tribe** – all Indigenous Communities of California, which are on the contact list maintained by the Native American Heritage Commission, including those that are federally non-recognized and federally recognized, and those with allotment lands, regardless of whether they own those lands. Additionally, because some water bodies and Tribal boundaries cross State borders, this term may include Indigenous Communities in Oregon, Nevada, and Arizona that are impacted by water in California.

**Disadvantaged Community** – a community with an annual median household income that is less than 80 percent of the Statewide annual median household income (Water Code §79702(j) which refers to Water Code §79505.5).

**Economically Distressed Area** – a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department: (1) financial hardship, (2) Unemployment rate at least 2 percent higher than the statewide average, or (3) low population density. (Water Code §79702. (k)).

**Eligible Involvement Activities** – activities that benefit DACs and meet the intended outcome(s) of the DAC Involvement Program. Please reference the DAC Involvement Program RFP for additional information.

**Environmental Justice** – the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies (Government Code §65040.12 (e)).

**Grantee** – a grant recipient.

**Grant Administration** – work or other activities performed by the Grantee or Local Project Sponsor including, but not limited to, activities associated with administering the grant, submitting progress reports, invoice processing, coordinating with DWR’s Financial Assistance Branch, and other like work required for the successful execution, managing, processing, and closing of a Grant Agreement.

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

**IRWM Plan** – a comprehensive plan for a defined geographic area, the specific development, content, and adoption of which shall satisfy requirements developed pursuant to this part. At a minimum, an Integrated Regional Water Management Plan describes the major water-related objectives and conflicts within a region, considers a broad variety of resource management strategies, identifies the appropriate mix of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supply and protect the environment, and identifies disadvantaged communities in the region and takes the water-related needs of those communities into consideration. (Water Code §10530 et seq., in particular §10534)

**Local Cost Share** – non-State fund portion of Cost Share made available by the applicant to assist in financing a project which can include in-kind-services directly related to the scope of work presented in the grant proposal. Local cost share expenses must meet reimbursable cost requirements (defined below). Local cost share may also include expenses, including in-kind services, incurred by a State agency, as long as the expenses are not otherwise funded by State funds. State Revolving Funds and American Recovery and Reinvestment Act funds are not considered State funds and may be used as Local Cost Share.

**Long-term** – means for a period of not less than 20 years.

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

**Non-profit Organization** – any non-profit corporation qualified to do business in California and qualified under United States Code, title 26, §501(c)(3). (Water Code §79702 (p))

**Physical Benefits** –measures of project accomplishments (expressed as numeric targets) such as amount of water supply, change in water quality, area, and types of properties protected by flood control features, habitat measured in acreage or flow, energy production or savings, recreation facilities, etc.

**Program Preferences** – components of a proposal that the State will give preference to, as defined in Water Code §79707 and §79742.

**Proposal** – the suite of projects that is submitted in an IRWM implementation grant application.

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

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

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

**Regional Project or Program** – projects or programs identified in an IRWM Plan that accomplish any of the following (Water Code §10537):

- a. Reduce water demand through agricultural and urban water use efficiency.
- b. Increase water supplies for any beneficial use through the use of any of the following or other means:

1. Groundwater storage and conjunctive water management
  2. Desalination
  3. Precipitation enhancement
  4. Water recycling
  5. Regional and local surface storage
  6. Water-use efficiency
  7. Stormwater management
- c. Improve operational efficiency and water supply reliability, including conveyance facilities, system reoperation, and water transfers.
  - d. Improve water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.
  - e. Improve resource stewardship, including agricultural lands stewardship, ecosystem restoration, flood plain management, recharge area protection, urban land use management, groundwater management, water-dependent recreation, fishery restoration, including fish passage improvement, and watershed management.
  - f. Improve flood management through structural and nonstructural means, or by any other means.

**Regional Water Management Group** – or RWMG means a group in which three or more local agencies, at least two of which have a statutory authority over water supply or water management, as well as those persons who may be necessary for the development and implementation of an IRWM Plan that meets the requirements in Water Code §10540 and §10541.

**Reimbursable Costs** – costs that may be repaid by state grant. Reimbursable costs may include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation including directly related administrative costs.

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

- a. Costs for preparing and filing a grant application
- b. Operation and maintenance costs, including post construction project performance and monitoring costs
- c. Purchase of equipment not an integral part of the project
- d. Establishing a reserve fund
- e. Purchase of water supplies with the exception of Water Code §79709 (c)
- f. Replacement of existing funding sources for ongoing programs
- g. Support of existing punitive regulatory agency requirements and/or mandates in response to negligent behavior
- h. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies or acquisition of land by eminent domain
- i. Overhead not directly related to project costs
- j. Indirect Costs which includes 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).
- k. Mitigation for environmental impacts not resulting from implementation of the project funded by this program

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

**Small Disadvantaged Community** – for the purposes of Water Code §10545, a small disadvantaged community shall mean a Disadvantaged Community (Water Code 79702(j)) that also has a yearlong population of no more than 10,000 persons.

**Stakeholder** – an individual, group, coalition, agency, or others who are involved in, affected by, or have an interest in the implementation of a specific program or project.

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



## APPENDIX C

### NATIVE AMERICAN TRIBE NOTIFICATION

In 2014, the legislature added new requirements regarding Tribal cultural resources in AB 52 (Stats. 2014, ch. 532). Public Resources Code §21080.3.1 requires the CEQA lead agency to consider project effects on Tribal cultural resources and to conduct consultation with California Native American Tribes. Before releasing an Environmental Impact Report, Negative Declaration or Mitigated Negative Declaration, lead agencies must give notice to California Native American Tribes that have submitted a written request for notice and that are traditionally and culturally affiliated with the geographic area of the project.

Additional information on Tribal consultation and AB 52 can be found at the links in Appendix A, which includes an example Tribal Consultation Policy that was adopted by the Karuk Tribe and an example Tribal Consultation Ordinance enacted by the Rincon Band of Luiseno Indians, along with guidance from the Office of Planning and Research.

Contact information for the NAHC is as follows:

Executive Secretary  
Native American Heritage Commission  
1550 Harbor Blvd. Suite 100  
West Sacramento, California 95691  
(916) 373-3710  
(916) 373-5471  
[nahc@nahc.ca.gov](mailto:nahc@nahc.ca.gov)  
<http://www.nahc.ca.gov/>

# APPENDIX D

## GUIDELINES FOR GRANTEES

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

### **Internal Controls**

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

### **Grants**

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

### **Contracts**

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

### **Invoices**

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

### **Cash Documents**

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

### **Accounting Records**

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

### **Administration Costs**

- 1) Supporting documents showing the calculation of administration costs

### **Personnel**

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

### **Project Files**

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

# APPENDIX E

## DISADVANTAGED COMMUNITIES

Proposition 1 allows for the continued use of the Disadvantaged Community (DAC) definition as set forth in Water Code 79505.5 (a). “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

The American Community Survey (ACS) of the U. S. Census provides a dataset that can be used as a source to estimate a community’s Median Household Income (MHI). At the time of publication of these guidelines the most recent and most comprehensive data available is for the 5-year period of 2012-2016. The ACS data gives estimates of MHI for different census geographies, such as for states, counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups. ACS data is updated on a regular basis. For the most current data and maximum allowable MHI to qualify as a DAC at the time of application for any specific grant program, see the individual grant program PSP. For additional information on the ACS see the link listed in Appendix A.

DWR has developed a tool which utilizes the most current ACS data to show the location and boundaries of DACs in the State, at the census place, tract, block group level, and other information. The tool allows users to view different geographies or combinations of geographies, using different base maps and to zoom in to various scales. For individuals with GIS capabilities GIS files representing the ACS data (and DAC status) for the three census geographies can also be found at the DAC mapping tool website. The DAC mapping tool can be found at the following link: <https://gis.water.ca.gov/app/dacs/>

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

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

Alternative Geography	DAC
The project serves an area that is contained within a census place for which the MHI is less than	80% of the statewide MHI*
The project serves an area that is contained within one or more census tracts and the MHI of each census tract is less than	
The project serves an area that is inscribed within one or more census block groups and the MHI of each block group is less than	
The project serves an area that is inscribed in one or more census tracts or block groups and some (but not all) of the census tracts or block groups have an MHI of less than	

If a project serves a DAC and is divided among several contiguous census tracts or block groups, and some of the project area tracts or block groups do not meet the DAC criterion, the project will be considered a DAC project for the purpose of waiving local cost share requirements based on proportionality. For some projects, it may be more appropriate to use the proportion of the population served, the project cost, or geographic area served as the basis for proportioning the project into DAC/non-DAC segments.

In cases where the ACS 5-year survey data do not support a community as a DAC, DWR will consider use of other data that show the community is a DAC. For example, income survey data may be used to support the MHI of the project benefit area. In these instances, please contact DWR at the phone number or email listed in the Foreword for assistance on how alternate data may be used to determine whether a community is a DAC.

\* See relevant PSP for most current DAC MHI requirements.

## APPENDIX F

### ECONOMICALLY DISTRESSED AREA

Proposition 1 includes a definition for an EDA. The EDA definition attempts to capture disadvantaged communities that have a state median household income between 80 and 85 percent of the statewide annual MHI. While EDA definition is similar to the DAC definition in utilizing state MHI as a determining factor, the EDA definition also includes other factors such as financial hardship, unemployment and population density.

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

The EDA Mapping Tool presents the different levels of geography, which include counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups and can be found at the following link: <https://gis.water.ca.gov/app/edas/>

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

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

# APPENDIX G

## ADVANCED PAYMENT

The following outlines the eligibility requirements, process to apply, accountability reporting requirements, and requirements for advancing payment.

### Eligible Projects

Projects eligible for advanced payment must be consistent with the region's adopted IRWM Plan and awarded less than \$1,000,000 in IRWM grant funds. Only 50 percent of the grant award may be advanced, the remaining 50 percent of the grant award will be reimbursed in arrears.

### Eligible Local Project Sponsors

Eligible Local Project Sponsors are the following:

- ◆ Nonprofit organizations
- ◆ Disadvantaged communities
- ◆ Proponents of projects that benefits a DAC-only the portion of the project that benefits a DAC may be eligible for advanced payment.

### Process to Apply for Advanced Payment

Individual PSPs will provide additional detail regarding the specifics for applying for advance payment for qualified projects. However, at a minimum, **within 90 days after the execution of a grant agreement**, the Grantee shall provide DWR with the list of projects requesting advanced payment. This list will also include the following:

- ◆ Project description(s) consistent with the executed grant agreement
- ◆ Local Project Sponsor(s), including DAC/nonprofit status
- ◆ Budget for each project
- ◆ Schedule for each project which shows how the advanced funds will be expended within six months of receipt
- ◆ An update on project status and funds expended to date
- ◆ And other information that DWR may deem necessary, including a discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended.

If the Grantee fails to provide this list and the related information within 90 days of grant execution, funds may not be advanced. Within 60 days of receiving the project information and subject to the availability of funds, DWR will authorize payment of 50 percent of the grant award for the qualified project(s). The Grantee will be responsible for the timely distribution of the advanced funds to the individual Local Project Sponsors.

### Accountability Report Requirements

Upon receipt of advanced payment, there are requirements and responsibilities that must be met by the Grantee. The Grantee shall work with the Local Project Sponsor(s) to provide quarterly an Accountability Report regarding the advanced funds that, at a minimum:

- ◆ Itemizes what advanced funds have been expended
- ◆ Itemizes how remaining advanced funds will be expended over the next reporting period
- ◆ Provides proof of distribution of advanced funds to the appropriate Local Project Sponsor
- ◆ Documents that the funds were spent on eligible reimbursable costs
- ◆ Proof of Documentation that advanced funds were placed in a non-interest-bearing account.

## Advance Payment Requirements

Any of the following actions are considered as a default on the advanced payment eligibility requirements and may result in DWR requesting the project proponent to stop work and the Grantee return all or a portion of the advanced funds, including both expended and unexpended funds:

- ◆ Failure to expend the advanced funds within six months of receipt
- ◆ Failure by Grantee to submit an accurate Accountability Report by the required due date
- ◆ Failure to deposit funds in a non-interest bearing account
- ◆ Ineligible expenses and/or activities not consistent with the grant agreement
- ◆ An inappropriate use of funds, as deemed by DWR

If the advanced funds are not expended within six months of the date of receipt, then the Grantee must return the advanced funds to DWR, unless the DWR waives this requirement. DWR will consider waiving the required return of advanced funds if the project is:

- ◆ In compliance with grant agreement terms
- ◆ Making progress towards completion
- ◆ Submitting accurate and timely Accountability Reports

At any given time, DWR reserves the right to revoke advanced funds based on failure to comply with the advanced payment requirements. Notwithstanding Water Code §10551 (c)(4), if advanced funds are not fully expended by project completion or by the grant agreement termination date, whichever is earlier, the unused portion of the grant shall be returned to DWR within 60 days.

# APPENDIX H

## LIMITED WAIVER OF SOVEREIGN IMMUNITY

This appendix provides requirements and recommendations regarding the contents of a limited waiver of sovereign immunity pursuant to the DWR's IRWM program. DWR recognizes that each Tribe is unique and that waivers must be tailored to the individual circumstances. Full details of the limited waiver of sovereign immunity must be negotiated by the relevant parties.

### Requirements

A limited waiver of sovereign immunity must include consent to suit by State of California, the Department of Water Resources, or the California Attorney General's Office in the courts of the State of California, with respect to any action in law or equity commenced by the State of California, the Department of Water Resources, or the California Attorney General's Office to enforce the restrictions on the use of funds or the operation of the project by the Tribe related to funds received pursuant to this program, irrespective of the form of relief sought, whether monetary or otherwise. Except for purposes of relief under this limited waiver of sovereign immunity, Tribes shall receive the same protections as a California public entity under California Government Code sections 818 and 818.8.

### Recommendations

DWR recommends that the following should be addressed in any limited waiver of sovereign immunity. This list is not exhaustive and does not exclude other terms or topics.

- Ability to sue and be sued
  - Who may sue and be sued
  - What forum
  - Choice of law
  - This will generally be limited to contents of the funding agreement
- Specific items based on project type and location
  - Inspection of bid documents (if using contractors)
  - Inspection of all project files
  - Inspection of financial documentation related to funded project
    - Includes bank documents (e.g., deposit slips, cancelled checks, etc.)
    - Includes all expenditure receipts
    - Any administration or personnel records as they relate to the project (e.g., time sheets)
  - Project site access
  - Who may inspect and when
  - Others (limited to and specific to the project being funded)
- Duration of limited waiver (generally, the minimum is three years after final payment under the funding agreement).

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