

SGM Grant Program 2019 Guidelines

September 2019



CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
DIVISION OF REGIONAL ASSISTANCE



This page is left blank intentionally.

FOREWORD

This document contains the California Department of Water Resources' (DWR) Sustainable Groundwater Management (SGM) Grant Program Guidelines for Planning and Implementation funding. The document establishes the general process, procedures, and criteria that DWR will use to implement the Round 3 SGM Planning Grant and the Round 1 Implementation Grant solicitations funded by the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) and the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1).

GRANT PROGRAM WEBSITE

DWR will use the SGM Grant Program website (<https://water.ca.gov/sgmgrants>) as a communication tool for public notification of the status of the grant solicitations and other pertinent information. See Appendix A for other useful web links.

E-MAIL LIST

In addition to the above-referenced website, DWR will distribute information via e-mail. If you are not already on the SGM e-mail contact list, please use the following link to be added to the list: www.water.ca.gov/sgmgrants and click the "Subscribe" button in the lower right of the webpage.

CONTACT INFORMATION

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

TABLE OF CONTENTS

TOPIC	PAGE #
I. PURPOSE AND USE	5
II. INTRODUCTION AND OVERVIEW	5
A. FUNDING	5
B. MINIMUM LOCAL COST SHARE REQUIREMENTS	5
C. COMPETITION	5
III. ELIGIBILITY REQUIREMENTS	6
A. ELIGIBLE GRANT APPLICANTS	6
B. ELIGIBLE PROJECT TYPES	6
C. ELIGIBILITY CRITERIA	6
IV. GENERAL PROGRAM REQUIREMENTS	8
A. CONFLICT OF INTEREST	8
B. CONFIDENTIALITY	9
C. CEQA COMPLIANCE	9
D. LABOR COMPLIANCE	9
E. DATA MONITORING REQUIREMENTS	9
F. SIGNAGE OR ACKNOWLEDGEMENT OF CREDIT	9
G. LIMITED WAIVER OF SOVEREIGN IMMUNITY	10
H. CALIFORNIA CONSERVATION CORPS	10
I. OPERATIONS AND MAINTENANCE	10
J. COMPETITIVE BIDDING AND PROCUREMENT	10
K. INCOME RESTRICTIONS	10
V. PROGRAM PREFERENCES	11
VI. PROPOSAL SELECTION	11
A. SOLICITATION NOTICE	11
B. PROPOSAL SUBMITTAL	12
C. ELIGIBILITY REVIEW	12
D. COMPLETENESS REVIEW	12
E. REVIEW PROCESS	12
F. GRANT AWARDS	12
G. GRANT AGREEMENT	12
H. ELIGIBLE COSTS	12
I. DWR ADDITIONAL AUTHORITY	12
APPENDIX A USEFUL WEB LINKS	13
APPENDIX B DEFINITIONS	15
APPENDIX C NATIVE AMERICAN TRIBE NOTIFICATION	19
APPENDIX D DISADVANTAGED COMMUNITIES, ECONOMICALLY DISTRESSED AREAS, AND SEVERELY DISADVANTAGED COMMUNITIES	20

ACRONYMS AND ABBREVIATIONS USED IN THESE GUIDELINES AND APPENDICES

AB	Assembly Bill
ACS	American Community Survey
AWMP	Agricultural Water Management Plan
CASGEM	California Statewide Groundwater Elevation Monitoring
CEDEN	California Environmental Data Exchange Network
CEQA	California Environmental Quality Act
DA	Disadvantaged Areas
DAC	Disadvantaged Community
DWR	Department of Water Resources
EDA	Economically Distressed Area
GAMA	Groundwater Ambient Monitoring and Assessment Program
GIS	Geographic Information System
GRanTS	Grants Review and Tracking System
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
GWMP	Groundwater Management Plan
IRWM	Integrated Regional Water Management
MHI	Median Household Income
NAHC	Native American Heritage Commission
OPR	The Governor’s Office of Planning and Research
PSP	Proposal Solicitation Package
SB	Senate Bill
SDAC	Severely Disadvantaged Community
SGM	Sustainable Groundwater Management
SGMA	Sustainable Groundwater Management Act
SWRCB	State Water Resources Control Board
SWRP	Stormwater Resources Plan
UWMP	Urban Water Management Plan

I. PURPOSE AND USE

These guidelines provide the process and general procedures that DWR will use to administer solicitations, submittal and review of grant applications, and award of grants funded by Proposition 68 and Proposition 1. These guidelines supersede the previously issued Sustainable Groundwater Planning Grant Program 2015 Grant Program Guidelines for purposes of upcoming solicitations. Individual Proposal Solicitation Packages (PSPs) will contain detailed information on how to apply for each grant solicitation. The PSP for specific grant solicitation(s), as available, can be downloaded from the DWR website listed in the Foreword.

Additional changes to the guidelines may be necessary due to new legislation or changes in State water management policy. If additional changes are necessary, these guidelines will be amended and subject to a public review process per Public Resources Code § 80010(a)(1).

II. INTRODUCTION AND OVERVIEW

The SGM Grant Program is funded through Proposition 68, Chapter 11.6. Details regarding the planning and implementation funds are provided below.

A. Funding

Proposition 68 amended the Public Resources Code to add, among other sections, § 80146 authorizing the Legislature to appropriate General Obligation Bond funds for competitive grants for projects that develop and implement groundwater plans and projects in accordance with groundwater planning requirements established under Division 6 (commencing with Water Code § 10000). Proposition 68 also authorized the Legislature to appropriate General Obligation Bond funds for competitive grants for projects that address drought and groundwater investments to achieve regional sustainability for investments in groundwater recharge with surface water, stormwater, recycled water, and other conjunctive use projects; and projects to prevent or clean up contamination of groundwater that serves as a source of drinking water. After program delivery and bond issuance costs, \$46.25 million is available for planning grant awards and at least \$88 million is available for implementation grant awards.

Additional information on Proposition 68 can be found at the following website: <http://bondaccountability.resources.ca.gov/p68.aspx>. Specific information on the amount of funding available for each solicitation and the types of eligible projects will be listed within the individual PSP.

B. Minimum Local Cost Share Requirements

A match of 25 percent (%) of local cost share (matching fund) is required. Local cost share may include, but is not limited to, federal funds, local funding, or donated services from non-State sources. A more detailed definition of "Local Cost Share" can be found in Appendix B.

The local cost share requirement may be waived or reduced for projects that directly benefit a severely disadvantaged community (SDAC), disadvantaged community (DAC), or an economically distressed area (EDA). SDAC, DAC, and EDA will collectively be referred to as Disadvantaged Areas (DAs) within the 2019 Guidelines and the individual PSPs. See Appendix D for guidance regarding determining DA status. Local cost share waiver information will be provided in the individual PSPs.

C. Competition

Grants will be awarded on a competitive basis (Public Resources Code § 80146). The proposals will be evaluated for eligibility, completeness, technical merit, and ranked by applying the scoring criterion outlined in the individual PSP(s).

III. ELIGIBILITY REQUIREMENTS

A. Eligible Grant Applicants

Groundwater Sustainability Agencies (GSAs) or member agencies of GSAs for the basin(s) are eligible to apply for the grant funds under the SGM Grant Program. Specific information regarding eligibility is provided in the individual PSPs.

B. Eligible Project Types

Eligible project types for the SGM Planning and Implementation Grants must include one or more of the activities listed below. Detailed information is provided in the individual PSPs.

Planning – Activities and/or tasks that assist in the development and/or implementation of a GSP (Public Resources Code § 80146(b)) as outlined in SGMA and the applicable SGMA implementing regulations (California Code of Regulations, tit. 23, § 350 et seq.).

Implementation – Activities and/or tasks that include the development of groundwater recharge projects with surface water, stormwater, recycled water, and other conjunctive use projects; and/or projects that prevent or clean up contamination of groundwater that serves as a source of drinking water (Public Resources Code § 80146(a)). Other eligible project types are projects and programs that support water supply reliability, water conservation, and water use efficiency and water banking, exchange, and reclamation.

C. Eligibility Criteria

Applicants must meet all relevant eligibility criteria listed below to be considered for funding. Additional eligibility criteria may be applicable to specific appropriations of funding. Such appropriation specific elements will be listed in the relevant PSP. Grantees must continue to meet these requirements throughout the term of their grant agreement, to continue receiving grant funds. A Grantee that fails to meet these requirements may result in a suspension of processing invoices until the eligibility criteria are met. DWR reserves the right to terminate a funding agreement where a Grantee does not meet the eligibility requirements outlined in the grant agreement.

- ❖ **Agricultural Water Management Plan (AWMP).** An agricultural water supplier shall adopt and submit an AWMP in accordance with the Agricultural Water Management Planning Act (Water Code § 10800 et seq.) to be eligible for SGM Grant Program funding. The 2015 AWMPs were due to DWR by December 31, 2015. For additional information regarding AWMP and to request technical assistance, please visit the Water Use and Efficiency website listed in Appendix A.
- ❖ **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 subbasin. Information on the requirements of the CASGEM Program can be found at the CASGEM link listed in Appendix A. DWR has established high, medium, low, and very low priority groundwater basins, as well as CASGEM monitoring entities. Water Code § 10927 identifies potential CASGEM monitoring entities. Applicants who match the list for potential CASGEM monitoring entities, and whose jurisdictional boundaries include high or medium priority basins with no CASGEM monitoring entity, will not be eligible for a SGM Grant Program award pursuant to Water Code § 10933.7(a). Consistent with Water Code § 10933.7(b), if the entire service area of the grant applicant is demonstrated to be a DAC, as defined in Appendix B, the project will be considered eligible for grant funding notwithstanding CASGEM compliance. A Grantee that is a monitoring entity for the basin or subbasin must provide proof of data submittal twice a year to the assigned Project Manager for the grant to maintain continuing eligibility.

Water Code § 10927 identifies GSAs as entities that may assume responsibility for the monitoring and reporting of groundwater elevations as required by § 10920 et seq. Following a GSAs submittal of a GSP, compliance with this section is required to continue through the monitoring

and reporting of groundwater elevations as required by the GSA per the GSP regulations (23 CCR § 350 et seq.), rather than the previously defined monitoring entity.

- ❖ **Climate Change.** Applicants seeking funding shall demonstrate that the applicant's project contributes to addressing the risks in the region to water supply and water infrastructure arising from climate change (Water Code § 79742(e)). To the extent practicable, applicants shall measure the amount of greenhouse gas emissions reduced and carbon sequestered resulting from the implementation project funded by the SGM Grant Program. (Public Resources Code § 80001(b)(7)).
- ❖ **Consistency with the Delta Plan.** For projects occurring, in whole or in part, within the Sacramento-San Joaquin Delta or Suisun Marsh, successful applicants shall engage in early consultation with the Delta Stewardship Council (Council) regarding the Council's regulatory policies that may be potentially applicable to the project and the consistency of the project with the Delta Plan. Any project that is determined to be a "covered action" within the meaning of the Sacramento-San Joaquin Delta Reform Act of 2009 (Delta Reform Act; Water Code, § 85000 et seq.), shall be subject to the filing with the Council of a "Certification of Consistency" that provides detailed findings regarding the project's consistency with the Delta Plan in accordance with the Delta Reform Act and the Council's regulatory policies.
- ❖ **Groundwater Management Compliance.** For groundwater implementation projects that directly affect groundwater levels or quality, the applicant must self-certify that one or more option below has been/is being satisfied. A local agency that does not prepare, adopt, and submit its Groundwater Management Plan (GWMP) in accordance with groundwater planning requirements established under Division 6 of the Water Code (Water Code § 10000 et seq.) is ineligible to apply for implementation grant funds until the plan is prepared and submitted in accordance with the requirements of Division 6 of the Water Code. The groundwater management plan requirement shall not apply to a water replenishment district formed pursuant to Water Code § 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 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 the 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 overdrafted 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. To be eligible to receive Implementation grant funds, applicants must be from a medium or high priority basin with either:
 - An adopted GSP that has been submitted to DWR for review and deemed complete by DWR, or
 - An approved Alternative to a GSP.
- ◆ **GWMP Compliance** – The applicant and the project proponent responsible, if different, 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 have been prepared, implemented, and adopted before January 1, 2015. If the GWMP was not adopted by 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

Water Code, Part 2.74 (commencing with § 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 Integrated Regional Water Management (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.
- ❖ **Open and Transparent Water Data.** Recipients of State funds through grants or contracts for research or projects relating to the improvement of water or ecological data shall, as a condition of the receipt of a grant or contract, adhere to the protocols developed pursuant to subdivision (a) for data sharing, transparency, documentation, and quality control (Water Code § 12406(b)).
 - ❖ **Public Utilities and Mutual Water Companies.** A project(s) proposed by a public utility regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors (Water Code § 79712(b)(1)).
 - ❖ **Stormwater Resource Plan (SWRP) Compliance.** Senate Bill (SB) 985 (Water Code § 10563(c)) requires the development of a SWRP or functionally equivalent plan for stormwater and dry weather runoff capture projects to receive grant funds through these provisions. The requirement is waived for 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 the 20,000. Please see Appendix B for the definitions of “stormwater” and “stormwater and dry weather capture”.
 - ❖ **Surface Water Diversion Reporting Compliance.** A diverter of surface water is not eligible for a water grant or loan awarded or administered by the State unless it complies with surface water diversion reporting requirements outlined in Part 5.1 (commencing with § 5100) of Division 2 of the Water Code.
 - ❖ **Sustainable Water Use and Demand Reduction.** SBx7-7 (Water Code § 10608 et seq.) conditions the receipt of a water management grant or loan for urban water suppliers on gallons per capita per day reduction targets with the end goal of a 20% reduction by 2020.
 - ❖ **Urban Water Management Plan (UWMP).** An urban water supplier shall adopt and submit an UWMP in accordance with the Urban Water Management Planning Act (Water Code § 10610 et seq.) to DWR to be eligible for SGM Grant Program funding. Eligible Urban Water Suppliers must have a 2015 UWMP that has been verified as complete by DWR before a grant agreement will be executed. The 2015 UWMPs were due to DWR by July 1, 2016. In addition, per Executive Order B29-15, urban water suppliers must provide the State Water Resources Control Board (SWRCB) with monthly information on water usage, conservation, and enforcement on a permanent basis.
 - ❖ **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.

IV. GENERAL PROGRAM REQUIREMENTS

All applicants that are awarded a grant through the SGM Grant Program must comply with the following general program requirements. Before proceeding with the application process, applicants must consider their ability to comply with these 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

SGM Grant Program 2019 Guidelines

taken. Before applying, 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

Any privacy rights, as well as other confidentiality protections afforded by law with respect to the application package, will be waived once the proposal has been submitted to DWR. The locations of all funded projects, including the locations of management measures or practices implemented, must be reported to DWR and will be available to the public. Project information may be shared to the public through internet-accessible databases, search engines, and websites. DWR uses Global Positioning System coordinates for project and sampling locations.

Assembly Bill (AB) 1755 (Ch. 506, Article 3. § 12415 (b)(1)) requires data related to reservoir operations, groundwater use, groundwater levels, urban water use, and land use to be integrated into a Statewide water data platform. Once approved for funding, all water data related to a grant funded project will be submitted to the developed water data platform and subject to public release.

C. CEQA Compliance

Activities funded under the SGM 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 Tribe Notification.

D. Labor Compliance

Grantees are bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts funded by the SGM Grant Program to assure that the prevailing wage provisions of the Labor Code are being met. Pursuant to Labor Code § 3700, Grantees and/or their contractors are required to be insured against liability for workers' compensation or to undertake self-insurance.

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

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

E. Data Monitoring Requirements

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

If a project's work plan contains groundwater water quality monitoring, groundwater quality monitoring data shall be submitted to the State for inclusion in the SWRCB's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at the website listed in Appendix A. 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).

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 California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Public Resources Code § 80001(b)(3)). If the grant is funded using Proposition 1 funds, 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)). Additional information will be provided by the assigned DWR Project Manager, if awarded.

G. Limited Waiver of Sovereign Immunity

DWR acknowledges federally recognized Tribes are protected by the doctrine of sovereign immunity. Further, DWR acknowledges that there are several types of Tribal land ownership, such as the following:

- Land that is owned by or subject to an ownership of possessory interest of the Tribe;
- Land that is "Indian Lands" of the Tribe, as that term is defined by 25 United States Code, § 81(a)(1); or
- Land that is owned by a Tribal entity, or Tribe, within the external border of such Indian lands.

If a Tribe is awarded grant funding, DWR will consult with the Tribe on a government to government basis prior to the execution of a grant agreement.

H. California Conservation Corps

Per Public Resources Code § 80016, preference will be given to those applications that include the services of the California Conservation Corps or certified community conservation corps, as defined in Public Resources Code § 14507.5.

I. Operations and Maintenance

The Grantee shall maintain and operate the facility and structures constructed or improved as part of the project throughout the useful life of the project, consistent with the purposes for which this grant was made. The Grantee assumes all operations and maintenance costs of the facilities and structures; DWR shall not be liable for any cost of such maintenance, management, or operation. Operation costs include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. Maintenance costs include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.

J. Competitive Bidding and Procurement

A Grantee's contracts with other entities for the acquisition of goods and 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 Grantee 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>.

K. Income Restrictions

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

V. PROGRAM PREFERENCES

Proposition 68 (Public Resources Code § 80000 et seq.) identifies various priorities or considerations that shall be given to proposals (see Appendix B for definition of proposal, proposed project, and project), and are listed below. The SGM Grant Program has funding preferences in addition to Proposition 68 and are also provided below. Both the Proposition 68 priorities and the SGM Grant Program preferences are referred to collectively as the "Program Preferences."

DWR staff will evaluate each application to ensure that the proposal, when applicable, takes into consideration the Program Preferences. The individual PSPs will identify how these Program Preferences may be used as a component of the scoring criteria, where applicable. Refer to the individual PSP for additional information.

❖ For both Planning and Implementation

- Preference will be given to projects that leverage private, federal, or local funding or produce the greatest public benefits that address the most critical statewide needs (Public Resources Code § 80001(b)(2)).
- Preference will be given to projects that directly benefit DAC(s) or SDAC(s).

❖ Planning

- Preference will be given to proposals from groundwater basins that did not receive grant funding from the 2017 Round 2 Planning grant solicitation.

❖ Implementation

- Preference will be given to projects that include one or more of the following components:
 - Efficient use and conservation of water supplies (Public Resources Code § 80010(a)(2)).
 - Use of recycled water (Public Resources Code § 80010(a)(2)).
 - The capture of stormwater to reduce stormwater runoff, reduce water pollution, or recharge groundwater supplies, or a combination thereof (Public Resources Code § 80010(a)(2)).
 - Water efficiencies, stormwater capture for infiltration or reuse, or carbon sequestration (Public Resources Code § 80018).
 - Preference will be given to those proposals that include the services of the California Conservation Corps or certified community conservation corps, as defined in Public Resources Code § 14507.5 (Public Resources Code § 80016).

VI. PROPOSAL SELECTION

A. Solicitation Notice

DWR will solicit grant proposals with the release of respective final PSPs.

The PSPs provide detailed instructions on how to submit proposals and specific information on solicitation process. The PSPs will be made available on the DWR website listed in the Foreword. A solicitation notice will be e-mailed to all interested parties on the SGM Grant Program mailing list and posted on the website listed in the Foreword.

B. Proposal Submittal

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

C. Eligibility Review

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

D. Completeness Review

Each eligible application will be evaluated for completeness in accordance with the PSPs.

E. Review Process

The appropriate review process will be described in each PSP.

F. Grant Awards

Based on the proposal evaluations and the recommended draft funding list, the DWR Director will approve a final funding list and the associated funding commitments. Following approval by the Director, the selected grant recipients will receive an award notification letter officially notifying them of their selection, the grant amount, the local cost share required, and other pertinent conditions.

G. Grant Agreement

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

A template for the agreement will be posted on the SGM Grant Program website. It is **HIGHLY recommended** that applicants review the grant agreement template prior to submission of their proposal. If applicants are not able to abide by the terms and conditions contained therein, applicants should **NOT** submit a proposal. The agreement template also outlines invoicing and reporting requirements.

H. Eligible Costs

For costs to be eligible for reimbursement, the costs must be consistent with the "reimbursable costs" definition contained in Appendix B and must be incurred after the effective date listed in the individual PSPs and prior to the termination of the grant agreement. **Advanced funds will not be provided.** For costs to be eligible for consideration as local cost share, the costs must be consistent with the "local cost share" definition in Appendix B and incurred after the funding match eligibility date specified in the individual PSP.

I. DWR Additional Authority

Funds may become available from projects which are withdrawn or completed under budget. DWR has the authority to withdraw grant funds from Grantees that are non-responsive. The Division Chief of the Division of Regional Assistance at DWR shall have the authority to utilize these funds toward potential projects that applied during the funding solicitation and were not awarded, or for augmenting the scope and budget of grants previously awarded that were not awarded the maximum grant amount. Additional activities and tasks funded under existing grants will be subject to the Guidelines and individual PSPs and must complement or further the goals of the existing grant.

APPENDIX A

USEFUL WEB LINKS

DWR

Homepage:	http://www.water.ca.gov/
SGM Grant Program:	https://water.ca.gov/sgmgrants
Financial Assistance Programs:	https://water.ca.gov/Work-With-Us/Grants-And-Loans
DAC and EDA Mapping Tools and Data:	https://water.ca.gov/Work-With-Us/Grants-And-Loans/Mapping-Tools
2016 IRWM Plan Update Status;	https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Plan-Review-Process
Plan Standards Review Tool:	
Water Metering Self-Certification Form:	https://water.ca.gov/-/media/DWR-Website/Web-Pages/Work-With-Us/Grants-And-Loans/IRWM-Grants/Files/IRWM-Grant-Program-Resources/Forms/wateruseprojectcert_a.pdf
California Water Plan:	https://water.ca.gov/Programs/California-Water-Plan
Water Use and Efficiency Branch:	https://water.ca.gov/Programs/Water-Use-And-Efficiency
Urban Water Management Plans:	https://water.ca.gov/Programs/Water-Use-And-Efficiency/Urban-Water-Use-Efficiency/Urban-Water-Management-Plans
Agricultural Water Management Plans:	https://water.ca.gov/Programs/Water-Use-And-Efficiency/Agricultural-Water-Use-Efficiency
General Groundwater Management:	https://water.ca.gov/Programs/Groundwater-Management
Economic Modeling and Analysis Tools:	https://water.ca.gov/Library/Modeling-and-Analysis/Statewide-models-and-tools/Economic-Modeling-and-Analysis-Tools
Climate Change Website:	https://water.ca.gov/Programs/All-Programs/Climate-Change-Program
SGMA website:	https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management

SWRCB

Homepage:	http://www.waterboards.ca.gov
Stormwater Resource Plan Guidance:	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/swgp/docs/prop1/swrp_finalguidelines_dec2015.pdf
CEDEN:	http://www.ceden.org/
Impaired Water Bodies:	https://www.waterboards.ca.gov/rwqcb5/water_issues/tmdl/impaired_water_list/
GAMA:	http://www.swrcb.ca.gov/gama

Regional Water Quality Control Plans (Basin Plans)

All Regions:	https://www.waterboards.ca.gov/plans_policies/
--------------	-------------------------------------------------------------------------------------------------------------

CEQA

California State Clearinghouse Handbook:	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
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
Cal-Adapt:	http://cal-adapt.org/

Department of Industrial Relations

Labor Compliance Programs:	http://www.dir.ca.gov/lcp.asp
Department of Industrial Relations 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
Rincon Band of Luiseño Indians Consultation Ordinance:	https://docs.wixstatic.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
------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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”)

Sierra Nevada Conservancy

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.

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

Applicant – the entity that is formally submitting a grant application. This is the same entity that would enter into an agreement with the State should the grant application be funded.

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

Basin – a groundwater basin or subbasin identified and defined in Bulletin 118 or modified pursuant to Chapter 3 (commencing at §10722 of the Water Code).

Bulletin 118 – means “California’s Groundwater: Bulletin 118” updated in 2003, as it may be subsequently update or revised in accordance with Water Code § 12924.

California Native American Tribe – the term “state Indian tribes” (Water Code §79712(a)) means Indigenous Communities of California, which are on the contact list maintained by the Native American Heritage Commission, including those that are federally non-recognized and federally recognized, and those with allotment lands, regardless of whether they own those lands. Additionally, because some water bodies and Tribal boundaries cross State borders, this term may include Indigenous Communities in Oregon, Nevada, and Arizona that are impacted by water in California.

Component – multiple components can collectively makeup a single proposal/project to achieve the proposed objective. For example, a proposed planning proposal/project could include components to 1) install a monitoring well for identifying data gaps; 2) install weather stations in a stream for identifying data gaps; and 3) completing development of a GSP, including data results from the previous components.

Disadvantaged Area – refers to the collective group of severely disadvantaged communities, disadvantaged communities, and economically distressed areas.

Disadvantaged Community – a community with an annual median household income that is less than 80% of the Statewide annual median household income (Public Resources Code § 80002(e)).

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% 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% higher than the Statewide average, or (3) low population density. (Water Code §79702(k))

Federally Recognized Indian Tribes – means a federally recognized Tribe is an American Indian or Alaska Native Tribal entity that is recognized as having a government-to-government relationship with the United States, with the responsibilities, powers, limitations, and obligations attached to that designation, and is eligible for funding and services from the Bureau of Indian Affairs (Bureau of Indian Affairs).

Governing Body – means the legislative body of a groundwater sustainability agency.

Grantee – a grant recipient.

- Groundwater** – refers to water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water but does not include water that flows in known and definite channels.
- Groundwater Recharge** – the augmentation of groundwater, by natural or artificial means.
- Groundwater Sustainability Agency** – means one or more local agencies that implement the provisions of this part. For purposes of imposing fees pursuant to Chapter 8 (commencing with §10730) or acting to enforce a groundwater sustainability plan, “groundwater sustainability agency” also means each local agency comprising the groundwater sustainability agency if the plan authorizes separate agency action (Water Code § 10721(j)).
- Groundwater Sustainability Plan** – a plan of a groundwater sustainability agency proposed or adopted pursuant to this part (Water Code § 10721(j)).
- In-Kind Contributions** – 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.
- Integrated Watershed Management** – A coordinated effort among agencies and organizations to manage watersheds or groundwater basins for sustainability.
- Land Subsidence** – Land subsidence is a gradual settling or sudden sinking of the Earth’s surface due to movement of earth materials. (*United States Geological Service Fact Sheet-165-00 December 2000*)
- Local Cost Share** – non-State fund portion of cost share made available by the applicant to assist in financing a project which can include in-kind-services directly related to the scope of work presented in the grant proposal. Local cost share expenses must meet the definition of reimbursable cost listed below and be incurred after the local cost share eligibility date specified in the individual PSPs. Local cost share may also include expenses, including in-kind services, incurred by a State agency, if the expenses are not otherwise funded by State funds.
- Mutual Water Company** – a private corporation or association organized for the purposes of delivering water to its stockholders and members at cost, including use of works for conserving, treating, and reclaiming water (Public Utilities Code §§ 2725-2729).
- Nonprofit Organization** – any nonprofit corporation qualified to do business in California and qualified under § 501(c)(3) of the Internal Revenue Code. (Public Resources Code § 80002(j); Water Code § 79702(p))
- Overdraft** – the condition of the groundwater basin or aquifer where the average annual amount of water extracted exceeds the average annual supply of water to a basin or aquifer.
- Project and Proposal** – for purposes of the Guidelines and PSPs, these two terms are interchangeable and refers to all the supporting documentation submitted that details the Project and actions that are proposed for funding pursuant to an application for a grant. The application will describe a single proposal/project. However, each application can contain multiple components that collectively makeup a single proposal/project.
- 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.
- Proposition 68** – “California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018”, and as set forth in Division 45 of the Public Resources Code.
- Public Agency** – any State agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the State (Water Code § 79702(s)).
- Public Utility** – as defined in Public Utilities Code §216.
- Recharge Area** – the area that supplies water to an aquifer in a groundwater basin.
- Reimbursable Costs** – costs that may be repaid by State grant funds. Reimbursable costs must be incurred after the effective date listed for the specific solicitation in the PSP, and may include the reasonable costs of engineering, design, land and easement, legal fees, preparation of

environmental documentation, environmental mitigation, and project implementation including administrative costs and incidental costs directly related to the funded project.

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

- a. Costs for preparing and filing a grant application
- b. Costs associated with the formation of a GSA(s)
- c. Costs associated with training, tuition, conferences, workshops, and forum attendance
- d. Operation and maintenance costs, including post construction project performance and monitoring costs
- e. Purchase of equipment not an integral part of the project
- f. Establishing a reserve fund
- g. Purchase of water supplies
- h. Replacement of existing funding sources for ongoing programs
- i. Support of existing punitive regulatory agency requirements and/or mandates in response to negligent behavior
- j. 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
- k. Overhead not directly related to project costs
- l. Meals, food items, or refreshments
- m. Costs associated with travel
- n. 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). "Indirect Costs" includes, but is not limited to, conferences, workshops, forums, training, and tuition.

Reimbursement Methods – Grantees can invoice DWR by one of two methods, which include Cost Share

Drawdown or Concurrent Drawdown, explained here:

1. Funding Share Drawdown: the standard method of reimbursement, in which the Grantee must report all required local cost share funds for a budget category before reimbursement will be processed for that budget category.
2. Concurrent Drawdown: Grantee can request reimbursement and report local cost share funds simultaneously at a pre-set ratio (i.e., X% reimbursement and Y% local cost share funds) for a budget category.

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

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

Severely Disadvantaged Community – is a community with a median household income of less than 60% of the Statewide average. (Public Resources Code § 80002(n)).

Stormwater – according to the SWRCB's SWRP Guidelines, stormwater is the temporary surface water runoff and drainage generated by immediately preceding storms.

Stormwater and Dry Weather Runoff Capture – according to the SWRCB’s SWRP Guidelines, stormwater and dry weather runoff capture is defined as to intercept, store, manage, and use stormwater and dry weather runoff, thereby reducing the volume of runoff exiting a site.

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

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

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

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

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

Water Quality – refers to the chemical, physical, biological, and radiological characteristics of water. It is a measure of the condition of water relative to the requirements of one or more biotic species and/or any human need or purpose. Temperature, turbidity, pH, dissolved oxygen, flow levels, and/or depth to groundwater alone or combined does not constitute water quality monitoring for CEDEN and/or GAMA. Certain physical and chemical properties of water quality monitoring may not require a monitoring plan.

APPENDIX C

NATIVE AMERICAN TRIBE NOTIFICATION

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

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

The above notification process follows OPR's procedures for Tribal consultation for General Plans and Specific Plans. Further information on Tribal consultation can be found at the following link: <http://www.opr.ca.gov/ceqa/updates/ab-52/>

Contact information for the NAHC is as follows:

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

APPENDIX D

DISADVANTAGED COMMUNITIES, ECONOMICALLY DISTRESSED AREAS, AND SEVERELY DISADVANTAGED COMMUNITIES

The American Community Survey (ACS) of the U.S. Census provides a dataset that can be used as a source to estimate a community’s median household income (MHI). The most recent and most comprehensive data available is for the 5-year period of 2013–2017. The ACS data gives estimates of MHI for different census geographies, such as for states, counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups. Using the ACS data for the years 2012-2016, 80% of the Statewide MHI is \$51,026. For additional information on the ACS at the link listed in Appendix A.

DWR has developed a tool which utilizes the most current ACS data to show the location and boundaries of DACs and SDACs in the State, at the census place, tract, and block group level. The tool allows users to view different geographies or combinations of geographies, using different base maps and to zoom in to various scales. The DAC tool can be found at the following link: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/mapping-tools>. For individuals with Geographic Information System (GIS) capabilities, also provided at this link are GIS files representing the ACS data (and DAC status) for the three census geographies.

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

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

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

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.

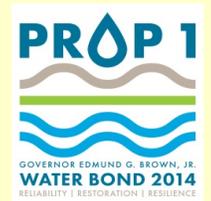
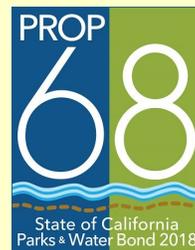
DWR has developed the EDA Instructions and Mapping Tool to assist potential applicants in determining whether the project is in or benefits an EDA. The Instructions that provide guidance on defining the relevant terms contained in the EDA definition and the current comprehensive data available for evaluating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

The EDA Mapping Tool presents the different levels of geography, which include counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups and can be found at the following link: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/mapping-tools>

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

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

This page is left blank intentionally.



*CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
DIVISION OF REGIONAL ASSISTANCE*

