



SGM Grant Program SGMA Implementation Guidelines

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



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FOREWORD

This document contains the California Department of Water Resources' (DWRs) Sustainable Groundwater Management (SGM) Grant Program Guidelines for the Sustainable Groundwater Management Act (SGMA) Implementation (2021 Guidelines) funding. This document establishes the general process, procedures, and criteria that DWR will use to implement the SGMA Implementation – Planning and Projects grant solicitations funded by the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) and the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80) (2021 Budget Act). The SGMA Implementation grant solicitations will include planning activities for the development, revision, and/or update to a Groundwater Sustainability Plan (GSP) or Alternative to a GSP in addition to funding construction projects outlined within a GSP or Alternative to a GSP, or projects not previously outlined within a GSP or Alternative to a GSP but are consistent with the goals outlined within a GSP or Alternative to a GSP. This document applies to any funds provided by future budget acts and supersedes the SGM Grant Program 2019 Guidelines.

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 Grant Program 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) 902-7131 or by e-mail at SGWP@water.ca.gov.

For interested parties within an Underrepresented Community as defined in Appendix E who need technical assistance, please email SGM_TA@water.ca.gov and DWR staff or our technical assistance provider(s) will respond to you within 24-48 hours.

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ACRONYMS AND ABBREVIATIONS USED IN THESE GUIDELINES AND APPENDICES

AB	Assembly Bill
ACS	American Community Survey
AWMP	Agricultural Water Management Plan
CASGEM	California Statewide Groundwater Elevation Monitoring
CEDEN	California Environmental Data Exchange Network
CEQA	California Environmental Quality Act
COD	Critically Overdrafted Basins
DA	Disadvantaged Areas
DAC	Disadvantaged Community
DWR	Department of Water Resources
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
SJV	San Joaquin Valley
SWRCB	State Water Resources Control Board
SWRP	Stormwater Resources Plan
TA	Technical Assistance
UWMP	Urban Water Management Plan

I. PURPOSE AND USES

The 2021 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 the 2021 Budget Act. These guidelines supersede the previously issued SGM Grant Program 2019 Grant Program Guidelines for purposes of upcoming solicitations. The Proposal Solicitation Package (PSP) will contain detailed information on how to apply for the grant solicitation(s). The PSP for specific grant solicitations can be downloaded from the DWR website listed in the Foreword.

Additional changes to the 2021 Guidelines may be necessary due to new legislation, changes in State water management policy, or the addition of General Funds identified in future budget acts. If additional changes are necessary, these guidelines will be amended and subject to a public review process per Public Resources Code section 80010(a)(1).

II. INTRODUCTION AND OVERVIEW

The SGM Grant Program SGMA Implementation – Planning and Projects grant solicitations are funded through Proposition 68 (Public Resources Code, § 80146 et seq.), and the 2021 Budget Act.

A. Funding

Proposition 68 amended the Public Resources Code to add, among other sections, section 80146 authorizing 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, bond issuance costs, and previous grant awards, approximately \$71.5 million is available for implementation grant awards.

The 2021 Budget Act provided \$180 million in general funds for SGMA projects and planning activities. After program delivery costs, \$114 million is available for implementation and planning grant awards. Additionally, as directed by the 2021 Budget Act, \$57 million out of the \$114 million will be made available for grant awards limited to the identified groundwater subbasins located within the San Joaquin Valley groundwater basin (SJV). According to DWR's most current Bulletin 118, there are 19 subbasins listed within the SJV, 11 of which are COD basins (identified as * below). These subbasins are:

- San Joaquin Valley – Kaweah*
- San Joaquin Valley – Westside*
- San Joaquin Valley – Modesto
- San Joaquin Valley – Turlock
- San Joaquin Valley – Pleasant Valley
- San Joaquin Valley – White Wolf
- San Joaquin Valley – Kettleman Plain
- San Joaquin Valley – Cosumnes
- San Joaquin Valley – Kern County*
- San Joaquin Valley – Tulare Lake*
- San Joaquin Valley – Tule*
- San Joaquin Valley – Chowchilla*
- San Joaquin Valley – Merced*
- San Joaquin Valley – Delta-Mendota*
- San Joaquin Valley – Tracy
- San Joaquin Valley – Eastern San Joaquin*
- San Joaquin Valley – East Contra Costa
- San Joaquin Valley – Kings*
- San Joaquin Valley – Madera*

Proposition 68 and the 2021 Budget Act funds will be solicited in a minimum of two rounds by basin priority as follows:

Round 1 – Critically Overdrafted (COD) basins: grant funds will be solicited before the future solicitation(s) is opened to non-COD basins. Round 1 consists of approximately \$152 million from the 2021 Budget Act (\$112 million from the General Fund and \$40 million from the SJV funds) where up to \$7.6 million is available for **COD basins only**.

Future Funding Rounds – will provide approximately \$202.5 million for medium and high priority basins (including COD basins). This funding is a combination of the remaining \$71.5 million in Proposition 68 Implementation funds, the remaining 2021 Budget Act funds not awarded in Round 1, the anticipated future allotment of \$114 million (subject to Legislature approval), and any future general funds appropriated for this Program.

DWR is reserving \$2 million of the available General Funds for a separate agreement to a technical assistance provider to address the needs, risks, and/or vulnerabilities of Underrepresented Communities as identified by the Technical Assistance (TA) Program. These projects must also be consistent with the TA program. Of this amount, a minimum of \$1 million must be used for technical assistance. More information can be located within the PSP.

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.

Additional information on the 2021 Budget Act can be found at the following website: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB170. Specific information on the amount of funding available for each spending plan and the types of eligible projects will be listed within the individual PSP.

B. Competition

1. SGMA Implementation for COD Basins (Round 1)

Round 1 will provide approximately \$152 million for applicants located within the eligible COD basins according to the most current DWR Bulletin 118. The \$152 million will consist of the \$114 million in General Funds and \$40 million of the SJV funds where the specific funding source will depend on the types of projects included within the Spending Plans and where the basin is located. The \$152 million will be split to provide a maximum of \$7.6 million per eligible non-SJV COD basin and up to \$7.6 million per SJV COD basin. SJV COD basins are eligible to receive \$7.6 million per basin if, when combined together, the Spending Plans from all 11 SJV COD basins contain SJV-type projects (listed below) that equate to a minimum of the \$40 million available to award. The SJV-type projects include:

- Geophysical investigation(s) of groundwater basins to identify recharge potential (e.g., Aerial Electromagnetic Surveys);
- Early implementation of existing regional flood management plans that incorporate groundwater recharge (e.g., basin recharge using floodwater); or
- Projects that would complement efforts of a local GSP, that provide for floodplain expansion to benefit groundwater recharge or habitat (e.g., basin recharge using peak flows from a river, creek, or stream).

The SGM Grant Program staff will be outreaching to the COD basins for them to supply a Spending Plan for \$10 million based upon the eligibility requirements provided in Section III. One Spending Plan per eligible groundwater basin shall be submitted. If a Spending Plan is not received by the due date,

the funds will be forfeited and included in a future competitive grant solicitation, if available. Please see the SGMA Implementation PSP for more information on the Spending Plan.

2. Future Funding Solicitations

The remaining \$17 million in SJV funds, including any unawarded funds from Round 1, and approximately \$71.5 million in Proposition 68 funds will be added to the anticipated \$114 million in future appropriations to award grants on a competitive basis (Public Resources Code § 80146). Future funding solicitations are open to applicants located within medium and high priority basins (including COD basins). Of the \$71.5 million in Proposition 68 funds available, a minimum of \$15 million will be reserved for Projects that are located within and benefit a Severely Disadvantaged Community (SDAC). The proposals will be evaluated for eligibility, completeness, technical merit, and ranked by applying the scoring criterion outlined in the individual PSP(s). In addition, a minimum of \$35 million, or 30% (whichever is greater) of the General Funds will be reserved for Projects and/or Components that address the needs, risks, and/or vulnerabilities of Underrepresented Communities identified by the Underrepresented Communities Technical Assistance Program (TA Program). If more General Funds are provided than the \$114 million anticipated, more than one funding solicitation may occur.

III. ELIGIBILITY REQUIREMENTS

A. Eligible Grant Applicants

Eligible applicants for Round 1 are GSAs; member agencies of GSAs; an entity that represents a GSA(s) which can include 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, or mutual water companies; and agencies with an Alternative to a GSP that are located within eligible COD basins only.

Eligible applicants for future funding rounds are GSAs; member agencies of GSAs; an entity that represents a GSA(s) which can include 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, or mutual water companies; and agencies with an Alternative to a GSP that are located within eligible medium and high priority basins (including COD basins).

Specific information regarding eligibility is provided in the individual PSPs.

B. Eligible Project Types

Eligible project types for the SGMA Implementation grants must include one or more of the activities listed below. All projects must be consistent with the goals of the GSP or Alternative to a GSP. This includes projects that fill in known data gaps and comments received from DWR after review of a submitted GSP or Alternative to a GSP, if received. Detailed information is provided in the individual PSPs.

2021 Budget Act: SGMA Implementation

The 2021 Budget Act provides \$171 million in General Funds for projects and planning activities related to the implementation of SGMA, which can include:

- Revisions, updates, and/or modifications of a GSPs;
- Revisions, updates, and/or modifications of an Alternative to a GSP; and/or
- Capital improvement activities as listed within a GSP or Alternative to a GSP.

In addition, \$57 million of the available funding for one or more of the following purposes:

- Geophysical investigations of groundwater basins to identify recharge potential (Aerial Electromagnetic (AEM) surveys);

- Early implementation of existing regional flood management plans that incorporate groundwater recharge (e.g., recharge basins incorporating flood or stormwater); or
- Projects that would complement efforts of a local GSP, that provide for floodplain expansion to benefit groundwater recharge or habitat (e.g., a recharge basin adjacent to a waterbody using peak flows for groundwater recharge).

Underrepresented Community Technical Assistance Program (TA Program)

The SGM Grant Program began a TA Program in late 2021 to identify Underrepresented Communities within medium and high priority basins, including COD basins, and determine the needs, risks, and vulnerabilities of the communities with relationship to the implementation of SGMA. Outreach and engagement began in late 2021 and a report of the findings will be finalized by fall 2022. The need of technical assistance within Underrepresented Communities far exceeds the current funding available for the TA Program. The SGM Grant Program will provide an additional \$2 million in General Funds to a technical assistance provider to continue this important work. A minimum of \$1 million must be used to fulfill technical assistance in communities identified by the TA Program and work shall be equitably distributed throughout all regions of the State to ensure all Underrepresented Communities have access to technical assistance that will address their needs, risks, and vulnerabilities with respect to the implementation of SGMA. The technical assistance provider will be encouraged to conduct a minimum of one community meeting in each of the basins that includes a representative of all GSA(s) and/or responsible entity within the basin. All findings or conclusions shall be reported to the local GSA(s) and/or responsible entity in a meeting that includes a representative from DWR. The goal of the TA Program is to foster strong working relationships and effective communications between the Underrepresented Communities and their local groundwater sustainability agency responsible for implementing SGMA to ensure that the community's needs, risks, and/or vulnerabilities will be properly identified and addressed in the GSP(s) or Alternative(s) to a GSP.

Proposition 68: 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 section 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 section 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 section 10933.7(a). Consistent with Water Code section 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 Grant Manager for the grant to maintain continuing eligibility.

Water Code section 10927 identifies GSAs as entities that may assume responsibility for the monitoring and reporting of groundwater elevations as required by section 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 (Cal. Code Regs., tit. 23, § 350 et seq.), rather than the previously defined monitoring entity and the groundwater level data must be submitted through the SGMA Portal at SGMA Groundwater Management (SGMA) Portal - Department of Water Resources (<https://water.ca.gov/programs/groundwater-management/groundwater-elevation-monitoring--casgem>).

- ❖ **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 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 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 grant funds, applicants must be from a medium or high priority basin, including COD basins, with either:

- An adopted GSP that has been submitted to DWR for review and deemed complete by DWR,
 - A draft GSP for those basins that had their basin prioritization changed in 2019 and the adopted GSP is not due to DWR until January 31, 2025;
 - An Alternative to a GSP located in a basin that is/or has adjudicated after January 1, 2015; 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 section 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 to a GSP pursuant to Water Code section 10733.6, unless DWR has not determined that the Alternative to a GSP 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 section 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 section 10753.7 or a GSP that meets the requirements of Water Code section 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.
- ❖ **Stormwater Resource Plan (SWRP) Compliance.** Water Code section 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.** Water Code section 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 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 section 1090 and Public Resources Code sections 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.

Water Code section 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

All activities funded pursuant to the SGM Grant Program must comply with the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.). Any work that is subject to CEQA and funded under a grant agreement shall not proceed until documents that satisfy the CEQA process are received by DWR, and DWR has completed its CEQA compliance. Alternatively, the grantee shall notify DWR if they believe their activities will not be considered a project under CEQA, or that their activities qualify for a CEQA exemption. DWR must ensure the adequacy of the CEQA documents before it can provide funding; therefore, early coordination between the lead agency and DWR during the preparation of the CEQA documents will help expedite DWR's review and approval process.

If CEQA compliance by the grantee or lead agency is not complete at the time a funding agreement is executed by the parties, once DWR has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the project; or to not fund the project. Should the State decide to not fund the project, the funding agreement shall be terminated. Any work subject to CEQA that proceeds prior to DWR's review and approval process being completed, will not be reimbursed and the amount will be reduced from the award amount.

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

As part of the grant agreement, the grantee shall agree to be bound by all the provisions of the Labor Code regarding prevailing wages, and shall monitor all contracts subject to reimbursement from the funding agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. Before submitting an application, applicants are urged to consult with their legal counsel regarding Labor Code compliance. DWR will not advise applicants on Labor Code compliance. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The funding recipient will also affirm that it is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance.

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 public 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 State. Additional information will be provided by the assigned DWR Grant 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. 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.

I. 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>. Applicants with questions regarding competitive bidding requirements should be directed to their counsel. DWR will not advise applicants on competitive bidding requirements.

J. 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.

K. Indemnify and Hold Harmless

As part of the grant agreement, grantees shall indemnify and hold harmless the State, its officers, agents, and employees from any and all liability from any claims and damages (including inverse condemnation) arising from the planning, design, construction, repair, replacement, rehabilitation, maintenance, and operation of the project, and any breach of the grant 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. 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 or Spending Plan, 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 the 2021 Budget Act and Proposition 68 Funding

- 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 SDAC(s).

❖ Proposition 68 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).

VI. PROPOSAL SELECTION

A. Solicitation Notice

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

The PSPs provide detailed instructions on how to submit proposals and Spending Plans 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. For Round 1, the Spending Plans must be submitted to the SGM Grant Program email: SGWP@water.ca.gov. For future funding rounds, submission of applications will be through DWR's Grant Review and Tracking System (GRanTS), or another electronic submittal tool. The PSPs for any given solicitation will contain specific instructions and links.

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 approval date of the 2021 Guidelines and PSP and prior to the termination of the grant agreement. **Advanced funds will not be provided to Grantees.**

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 Financial Assistance Branch Manager within 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/
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CEQA

California State Clearinghouse Handbook:	http://opr.ca.gov/docs/SCH_Handbook_2012.pdf
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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_3_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_ca0215dd0fe14939bf25c156c7354_fc2.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

Watershed Improvement Program:

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)).
- Alternative to a GSP** – an alternative to a Groundwater Sustainability Plan described in Water Code section 10733.6 (§ 351 Definitions).
- 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).
- Benefits to Groundwater Recharge or Habitat** – Groundwater Recharge: any volume of surface water runoff, peak flow, and/or flood waters that are captured and used for infiltration to a groundwater basin for storage. Habitat: recharge and the creation or enhancement of habitat that is providing food, water, shelter, and/or breeding place for plants and animals living within it.
- Bulletin 118** – means “California’s Groundwater: Bulletin 118” updated in 2003, as it may be subsequently update or revised in accordance with Water Code section 12924.
- California Native American Tribe** – the term “state Indian tribes” 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.
- Capital Improvement Project** – a project(s) that helps maintain or improve an asset; often referred to as infrastructure; new construction, expansion, renovation, or replacement for/of an existing facility or facilities; the addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property’s overall value, prolong its useful life, or adapt it to new uses. The useful life for state funded projects is a minimum of 15 years.
- 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 disadvantaged communities.
- 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)).
- 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).

Floodplain – Any land area subject to inundation by floodwaters from any source as a result of a 100-year (1 percent chance of exceedance in a given year) or 200-year (0.5 percent chance of exceedance in a given year) event, as determined by the Central Valley Flood Protection Plan, Federal Emergency Management Agency, or U.S. Army Corps of Engineers.

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*)

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))

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 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.

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

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

Regional Flood Management Plans – According to DWR’s website, a Regional Flood Management Plan (RFMP) is a comprehensive plan that describe local flood management priorities, challenges, and potential funding mechanisms, and define site-specific improvement needs. Each RFMP should address infrastructure performance, Operations, Maintenance, Repair,

Rehabilitation, and Replacement; emergency management, governance, environmental compliance, regional priorities, and funding.

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, project-related mileage, 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 except mileage
- n. Federal and state taxes
- o. 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.

San Joaquin Valley – Subbasins within the San Joaquin valley are defined as those groundwater subbasins with the "San Joaquin Valley" Basin Title according to the most recent version of Bulletin 118.

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.

Underrepresented Community – SDAC, DAC, Tribes, and more, described below, will collectively be referred to as an Underrepresented Community. Refer to Appendix E for more information.

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, 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 ensuring that at least \$15 million of the Proposition 68 Implementation funds will benefit an SDAC. A minimum of \$35 million or 30%, whichever is greater, of the future appropriated General Funds is made available to projects that serve Underrepresented Communities (See Section II.A).

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

APPENDIX E

UNDERREPRESENTED COMMUNITY DEFINITION

An Underrepresented Community is defined as:

A DAC or SDAC; Tribal Lands/Tribes; California Communities Environmental Health Screening Tool (CalEnviroScreen 3.0 or 4.0) Classified DACs (Environmentally Disadvantaged Communities or EnvDACs)*; and Fringe Communities**.

*CalEPA (through the Office of Environmental Health Hazard Assessment (OEHHA)) developed a mapping tool that assesses environmental, health, and socioeconomic indicators to produce a score for each census tract in the State. A link to this tool can be found in the Foreword. Each tract receives a Pollution Burden scores (Exposures and Environmental Effects) and a Population Characteristics score (Sensitive Populations and Socioeconomic Factors). The average Pollution Burden and Population Characteristics scores are multiplied together to produce an overall CalEnviroScreen score. CalEPA designates the top 25% scoring census tracts as EnvDACs. Census tracts that score the highest 5% of Pollution Burden scores, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data, are also designated as DACs (found to be 22 census tracts in the 2018 CalEnviroScreen version 3.0 or the 2022 CalEnviroScreen version 4.0).

**A Fringe Community are those communities that do not meet the established DAC, SDAC, and EDA definitions, but can show that they score in the top 30% of either the Pollution Burden or Population Characteristics score.

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

