

State of California
Natural Resources Agency
Department of Water Resources
Division of Regional Assistance

2021
GUIDELINES
for the
SMALL COMMUNITY DROUGHT RELIEF PROGRAM



Funded by:
GENERAL FUND PURSUANT TO THE BUDGET ACT OF 2021

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Foreword

This document contains the California Department of Water Resources' (DWR's) Small Community Drought Relief Program Guidelines (Guidelines). The Program is funded by the Budget Act of 2021 (Stats. 2021, ch. 69, § 112). This document is a standalone document intended to provide the required information for grant applicants. Potential applicants are encouraged to read the entire document prior to submitting their application.

This document contains the procedures for submitting applications for grant funding. All qualified, and interested parties are encouraged to submit a grant proposal.

Contact

For questions about this document or its contents, please contact the Small Community Drought Relief Program at (559) 230-3309 or by email at SmallCommunityDrought@water.ca.gov.

Website

This document, as well as other pertinent information about the Small Community Drought Relief Program, can be found at <https://water.ca.gov/Water-Basics/Drought>.

Due Date and Application Submittal

There will be no formal proposal solicitation for this Program. Small communities impacted by the drought are encouraged to apply as soon as possible. Applications for funding will be accepted on a first come first served basis until all the funds are awarded, or until December 29, 2023, whichever comes first. **No applications will be accepted after December 29, 2023.**

All applicants are encouraged to submit their applications electronically to SmallCommunityDrought@water.ca.gov.

Hard copy application packages should be submitted to:

California Department of Water Resources
Division of Regional Assistance
South Central Region Office
3374 E. Shields Avenue
Fresno, CA 93726
Attn: Alena Misaghi

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Acronyms and Abbreviations

§	Code or regulatory section
CEQA	California Environmental Quality Act
CLC	California Labor Code
CWC	California Water Code
DAC	Disadvantaged Community
DIR	Department of Industrial Relations
DWR	Department of Water Resources, State of California
GHG	Greenhouse Gas
SAFER	Safe and Affordable Funding for Equity and Resilience Program
SDAC	Severely Disadvantaged Community
SWRCB	State Water Resources Control Board

SMALL COMMUNITY DROUGHT RELIEF PROGRAM GUIDELINES

I. PURPOSE AND USE

This document establishes the process, procedures, and criteria that the Department of Water Resources (DWR) will use to implement the Small Community Drought Relief Program (Program). It provides both general information of the Program and detailed information for submitting applications. Included is information about program requirements; eligible applicants and projects; submittal, and review of grant applications; and the grant funding award process.

II. INTRODUCTION AND OVERVIEW

Two hundred million dollars of General Fund monies have been appropriated for the Small Community Drought Relief Program in response to the 2021 drought. Funds will be available for encumbrance or expenditure until June 30, 2024.

In the first quarter of 2021, it became apparent that California was in a drought because of the prevailing hydrological conditions. Climate change-induced early warm temperatures and extremely dry soils had depleted the expected runoff water from the Sierra-Cascade snowpack, resulting in historic and unanticipated reductions in the amount of water flowing to the major rivers and reservoirs in the state, especially in Klamath River, Sacramento-San Joaquin Delta, and Tulare Lake Watershed counties.

Governor Newsom proclaimed a state of emergency for drought on April 21, 2021 and May 10, 2021 to cover the counties most affected. On July 8, 2021, the drought emergency proclamation was expanded to cover 50 counties of the State as the drought worsened. The drought emergency proclamations directed state agencies to take immediate action to bolster drought resilience and prepare for impacts on communities, businesses, and ecosystems if dry conditions extend to a third year.

A. Authority

The Program was authorized by the Legislature pursuant to the Budget Act of 2021 (Stats. 2021, ch. 69, §112) and its Trailer Bill, Assembly Bill 148 (Stats. 2021, ch. 115, § 97). The Trailer Bill authorized specified state agencies, defined as implementing agencies, subject to an appropriation for these purposes, to make grants and direct expenditures for interim or immediate relief in response to conditions arising from a drought scenario to address immediate impacts on human health and safety and on fish and wildlife resources and to provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies.

The Trailer Bill defined drought scenario as when the Governor has issued a proclamation of a state of emergency pursuant to the California Emergency Services Act based on drought conditions or when the State Water Resources Control Board determines, subject to specified requirements, that drought conditions necessitate urgent and immediate action to ensure availability of safe drinking water, to protect public health and safety, or to avoid serious and irreparable harm to fish or wildlife.

The Program is authorized to fund “interim or immediate relief” as defined in Water Code section 13198(c). “Interim or immediate relief” means any of the following:

- (A) Hauled water.
- (B) Temporary community water tanks.
- (C) Bottled water.
- (D) Water vending machines.
- (E) Emergency water interties.
- (F) New wells or rehabilitation of existing wells.
- (G) Construction or installation of permanent connections to adjacent water systems, recycled water projects that provide immediate relief to potable water supplies, and other projects that support immediate drought response.

B. Intent and Objectives

The intent of the Small Community Drought Relief Program is to provide immediate and near-term financial and technical support to help small communities survive this and future droughts. Financial support includes grants for recipients to implement projects that satisfy program objectives. Technical support includes, but is not limited to, DWR directly providing project management, engineering, and construction management services to construct infrastructure for beneficiaries where it will best serve the program objectives.

The Program aims to implement needed resiliency measures and infrastructure improvements for small water suppliers and rural communities. The Program will support projects and programs that provide immediate and near-term water supply reliability benefits and improve small communities’ drought and water shortage resiliency and preparedness.

The specific objectives are to implement projects that provide reliable water supply sources, improve water system storage, replace aging and leaking pipelines, and provide alternative power sources for operation (emergency generators). Potential projects include emergency and permanent interties, well deepening, second well, fixing or replacing leaking water lines, construction or upgrade of intake structures, additional water storage facilities, and tanks.

The Program will also provide funding for hauled water, temporary community water tanks, bottled water, water vending machines, and emergency water interties, as a bridge to more permanent and drought resilient solutions.

C. Coordination with Other Agencies

DWR is responsible for administering the Program, including soliciting proposals (where necessary), organizing application reviews, preparing and administering grant agreements, monitoring project progress, and program oversight through the terms of the grant agreement.

Proposals received by this Program will be coordinated with other DWR programs to ensure efficiency and avoid duplication. Furthermore, DWR will collaborate with the State Water Resources Control Board (SWRCB) Financial Assistance Program as well as the Safe and Affordable Funding for Equity and Resilience (SAFER) Program.

III. ELIGIBILITY REQUIREMENTS

A. Eligible Grant Applicants

Applicants applying to the Small Community Drought Relief Program must meet all relevant eligibility criteria in order to be considered for funding. In addition, entities that are currently recipients of another grant from DWR must be in compliance with the terms of that grant, including up-to-date progress reports, at the time of award to be eligible to receive funds from this Program. Eligible applicants include:

- Public agencies (e.g., Counties, cities)
- Public utilities
- Special districts (e.g., school districts, community service districts, irrigation districts, flood control districts, reclamation districts)
- Colleges and universities
- Mutual water companies
- Nonprofit organizations¹
- Federally recognized Indian tribes
- State Indian tribes listed on the Native American Heritage Commission's California Tribal Consultation List

DWR will also be considering projects referred from the SWRCB as well as projects developed through direct DWR engagement with communities via existing drought task forces and other existing local assistance programs.

B. Eligible Project Types

Eligible projects for the Small Community Drought Relief Program shall be in counties included in Governor Newsom's state of emergency proclamations for 2021. Any county or jurisdiction included in a future drought proclamation by the Governor or for circumstances for which the SWRCB determines that drought conditions necessitate urgent and immediate action to ensure availability of safe drinking water, to protect public health and safety, will also qualify for funding.

To be eligible for the Small Community Drought Relief Program funding, projects must be designed to benefit small communities and rural communities. Eligible projects must address one or more program objectives. Examples of projects that meet the intent of the Program are provided below. This list is not exhaustive; other projects can be considered at the discretion of DWR as providing program benefits.

Table 1 - Examples of Eligible Projects	
Category	Project Examples
Hauled water	1. Transporting water via truck from source to beneficiary community. 2. Transporting water via rail from source to beneficiary community.
Temporary community water tanks	3. Installing temporary water tanks at locations for community use. 4. Installing temporary water tanks at private homes, if deemed feasible and necessary by Program.

¹ "Non-profit organization" means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

Bottled water	5. Distribution of bottled water for drinking.
Water vending machines	6. Installing of potable water vending machines at public places for community consumption.
Emergency water interties	7. Constructing emergency water interties.
New wells or rehabilitation of existing wells	8. Drilling of new community wells. 9. Rehabilitation of existing water system wells. 10. Equipping of new wells. 11. Equipping of existing wells. 12. Installation of well-head treatment.
Construction or installation of permanent infrastructure	13. Connections to adjacent water systems. 14. Recycled water projects that provide immediate relief to potable water supplies. 15. Installation of water system pipelines. 16. Installation of booster pump stations. 17. Installation of water intake works. 18. Installation of water storage tanks. 19. Construction of other projects that support immediate and near-term drought response.

IV. PROGRAM REQUIREMENTS

For all projects awarded funding by DWR, the grantee will need to execute a funding agreement with the State. 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. A funding agreement template may be found online at: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/SmallCommunityDrought>. The following is a partial list of requirements that will be contained within any funding agreement:

A. Conflict of Interest

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

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

B. Confidentiality

Applicants should be aware that when submitting a proposal to the State, they will waive their rights to the confidentiality of the contents of the proposal. Once a decision on an application has been made by DWR, the proposal is subject to disclosure pursuant to the California Public Records Act (Gov. Code, § 6250 et seq.).

C. Labor Code Compliance

As part of the funding agreement, the funding recipient shall agree to be bound by all the provisions of the Labor Code regarding prevailing wages, and shall monitor all contracts subject to reimbursement from the funding agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. 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.

D. Compliance with the CEQA and Other Environmental Laws

All activities funded pursuant to the 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 funding 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.

For general information about environmental compliance, refer to the website provided in Appendix A.

E. Greenhouse Gas Compliance

In 2005, California Governor Schwarzenegger's Executive Order S-3-05 committed the State to reduce greenhouse gas (GHG) emissions. One year later, the Governor signed the "Global Warming Solutions Act of 2006" (Assembly Bill [AB] 32), which legally obligates the state to reduce GHG emissions to 1990 levels by 2020. Analysis of GHG emissions was made a requirement in the CEQA Guidelines in December 2009, becoming effective March 18, 2010.

All CEQA documents must analyze potential project-related GHG emissions. As a Responsible Agency, DWR must also evaluate potential GHG emissions for the proposed project before exercising its discretion to give final approval for a grant. Applicants can refer to *Informal Guidance for DWR Grantees: GHG Assessment for CEQA Purposes*, which can be obtained at the link provided in Appendix A. This document provides an overview of how DWR approaches GHG emissions analysis in CEQA documents related to its grant-funded projects.

F. Competitive Bidding and Procurement

A grantee's contracts with other entities for the acquisition of goods, services, and construction of public works with funds provided by the State must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If a funding recipient does not have a written policy to award contracts through a competitive bidding or sole source process, 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.

G. Signage or Acknowledgement of Credit

To the extent practicable, a project supported by funds from the Small Community Drought Relief Program will include signage and other relevant forms of acknowledgement informing the public that the project received funds from DWR and the Budget Act of 2021. Specific verbiage will be included in the final grant agreement.

H. Indemnify and Hold Harmless

As part of the funding 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 funding agreement.

V. FUNDING LIMITATIONS

A total of \$192 Million in funding from the General Fund is available for grants under this Program.

A. Project Time Limit

Applicants should note that the time allotted for the expenditure or encumbrance of funds is only three years. All funds must be encumbered or expended by June 30, 2024.

B. Funding Match/Cost Share Requirements

No cost-share is required but encouraged. Grantees are required to provide details of all other costs and funding sources integral to the project that are not covered by grant funding. In addition, grantees are required to show cost share (e.g., federal, local, other funds, or in-kind services) if an awarded project costs more than the grant amount. Any project awarded grant funds must be completed and operational such that it alleviates drought conditions. Failure to complete the project by a grantee may result in required repayment of grant funds disbursed.

C. Eligible Costs for Reimbursement

Only costs incurred from the issuance of commitment letters issued to successful applicants will be eligible for reimbursement. Advance funds will not be provided except as allowed. Applicants that have demonstrated cashflow problems to the satisfaction of DWR may be provided advance payment of up to 25 percent of grant funds awarded.

Eligible project costs may include the reasonable costs of studies, engineering, design, project construction, and other work directly related to the scope of work. Reimbursable administrative expenses are the necessary incidental costs that are directly related to the project.

Costs associated with travel are eligible for reimbursement if the travel expenses are reasonable, justifiable, and necessary for the successful completion of the project. Allowable reimbursement rates for mileage, lodging, and per diem are limited to the requirements specified by the California Department of Human Resources (<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>). No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

Costs that are not eligible for reimbursement include but are not limited to:

- Costs incurred prior to the execution of the funding agreement or issuance of a commitment letter.
- Purchase of equipment that is not an integral part of the project.
- Purchase of water supplies that are not an integral part of the project.
- Establishing a reserve fund.
- Replacement of existing funding sources for ongoing programs.
- Support of existing punitive regulatory agency requirements and/or mandates in response to negligent behavior.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the execution of the grant agreement.
- Payment of principal or interest of existing indebtedness or any interest payments.
- Operation and maintenance costs.
- Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
- Any federal or state taxes.
- Expenses incurred in preparation of the proposal or an application for another program
- Any indirect costs. Indirect Costs means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project).

Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Funding Recipient; non-project-specific accounting and personnel services performed within the Funding Recipient's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition; conference fees; and, generic overhead or markup. This prohibition applies to the grantee and any subcontract or sub-agreement for work on the funded project that will be reimbursed with grant funds from DWR.

VI. PROPOSAL SOLICITATION

The following sections provide instructions on proposal submittal requirements, information about the selection process, and program schedule. There will be no formal proposal solicitation package. Applicants are therefore encouraged to apply as soon as possible.

Applications will be processed as they are received until funds are exhausted or until December 29, 2023, whichever comes first. Applications and supporting documentation received after this date will not be reviewed or considered for funding.

A. Publication of Guidelines

Publication of the Guidelines will be posted on: <https://water.ca.gov/Water-Basics/Drought>. Proposals and enquiries can be sent to SmallCommunityDrought@water.ca.gov.

VII. APPLICATION INSTRUCTIONS

A complete application package will include one (1) original complete application marked as "ORIGINAL," and four copies or (1) electronic copy (in MS Word or searchable pdf format) of the original application submitted via email.

A. How to Submit

Applicants must submit the items stated above. Electronic submission to SmallCommunityDrought@water.ca.gov is preferred. The address for mailing by U.S. mail, overnight courier, or hand delivery of hardcopy application components is as follows:

California Department of Water Resources
Division of Integrated Regional Water Management
South Central Region Office
3374 E. Shields Avenue
Fresno, CA 93726
Attn: Alena Misaghi

B. What to Submit – Required Application Components

This section presents the required elements of an application for a grant funded by the Small Community Drought Relief Program. Applicants must submit a complete application by the deadline of December 29, 2023.

A complete application consists of the items included in Appendix B, including:

Attachment 1 – Organizational, Financial, and Legal Information

- Part I: Application Cover Sheet
- Part II: Applicant's Representatives
- Part III: Summary of Project Costs
- Part IV: Authorizing Resolution

Attachment 2 – Project Proposal, Tasks, and Budget

Appendix B contains an application checklist, followed by application Attachments 1, and 2. For reviewing purposes, it is recommended that applicants use the form documents provided (Attachment 1) and the outline provided for project proposals (Attachment 2), though other

formats with at least the same information will be considered.

VIII. REVIEW

A. Completeness and Eligibility Review

All applications will undergo eligibility and completeness review for the required items listed in these Guidelines. If an application is determined to be ineligible, the application will not be reviewed or considered for funding. All eligible applications will be evaluated as described below. The application will be evaluated based on what is contained in the application. Applicants may be asked to provide additional information as needed to complete the application upon DWR's request.

B. Technical Evaluation

All eligible grant applications will undergo a technical evaluation. First, project proposals will be evaluated by program staff. Program staff will evaluate the proposals to determine if they meet program objectives. Each proposal will be reviewed by at least two qualified program staff.

Following the completion of the technical reviews by program staff, DWR supervisory-level staff will review and finalize evaluations, then develop funding recommendations for the Program Division Manager's approval. Following approval of the funding recommendations by the Program Division Manager, the funding recommendations will be communicated through the appropriate DWR chain-of-command. The applicant will then be notified.

IX. EVALUATION CRITERIA

The grant funding is non-competitive. Therefore, the proposals will not be scored. The proposals will only be evaluated against program objectives. Applicants must specify their eligibility in their proposals.

A. Standard Criteria

Projects must benefit communities not supplied by an urban water supplier as defined in California Water Code (CWC) Sec 10617. Urban water suppliers are those that provide drinking water with 3,000 connections or more or more than 3,000 acre-feet per year.

B. Modified Funding Amounts

DWR may recommend modified grant amounts from that requested in order to equitably distribute the limited funding available for this Program and/or to better meet program objectives.

X. AWARD AND AGREEMENT PROCESS

A. Funding Awards

Once a funding recommendation is developed by program staff, and approved by DWR's management, the selected grant recipient will receive a commitment letter officially notifying them of their selection and the grant amount.

B. Grant Administration and Agreement Procedures

Following the funding commitment, DWR will execute a grant agreement with the grant recipient. Grant agreements are not executed until signed by the authorized representative of the grant recipient and DWR. For reference, Appendix C provides grantees with a summary of the minimum materials that will need to be maintained during the life of the grant agreement for State auditing purposes.

APPENDIX A – WEB LINKS

DWR

Home Page <https://water.ca.gov/>

Grants and Loan Information <https://water.ca.gov/Work-With-Us/Grants-And-Loans>

Small Community Drought Relief Program <https://water.ca.gov/Water-Basics/Drought>

Environmental Compliance

General Environmental Compliance Information <http://opr.ca.gov/ceqa/>

CEQA Document Submission <http://opr.ca.gov/clearinghouse/ceqa/document-submission.html>

Other Information

California Department of Industrial Relations <http://www.dir.ca.gov/>

APPENDIX B – GRANT APPLICATION PACKET

Grant Application Checklist <i>The following information is required to be submitted in proposal applications.</i>	
	ATTACHMENT 1 <i>Organizational, Financial, and Legal Information</i>
<input type="checkbox"/>	Part I: Application Cover Sheet
<input type="checkbox"/>	Part II: Applicant's Representatives
<input type="checkbox"/>	Part III: Summary of Project Costs
<input type="checkbox"/>	Part IV: Authorizing Resolution
	ATTACHMENT 2 <i>Project Proposal, Tasks, and Budget</i>
<input type="checkbox"/>	Project Proposal

Attachment 1, Part I – Application Cover Sheet

Application for Small Community Drought Relief Program pursuant to Budget Act of 2021

The _____
(Exact legal name of local entity applying for the grant)

Of _____
(Mailing address of local entity)

Of the County of _____, State of California, does hereby apply to the
California Department of Water Resources for a grant in the amount of \$_____.

For the following project under the Small Community Drought Relief Program:

(Specify project title)

By _____ Date _____
(Signature of authorized representative)

(Print or type name of authorized representative) (Title)

Telephone (_____) _____ E-mail _____

Brief Proposal Description:

Attachment 1, Part II – Applicant’s Representatives

Project Name _____

Primary Project Contact

Name _____ Title _____

Address _____

Telephone (_____) _____ FAX (_____) _____

E-mail _____

Alternate Project Contact

Name _____ Title _____

Address _____

Telephone (_____) _____ FAX (_____) _____

E-mail _____

Alternate Project Contact (If Applicable)

Name _____ Title _____

Address _____

Telephone (_____) _____ FAX (_____) _____

E-mail _____

Type of Organization: _____
(city, county, water district, non-profit, etc.)

Attach a copy of the applicant’s charter and the names and titles of its officers.

Attachment I, Part III – Summary of Project Costs

Provide a summary of the financing information about the proposed project, including cost share (if applicable).

		<u>% of Total Cost</u>
Total Cost of Project:	\$ _____	
Amount Requested:	\$ _____	_____
Amount of Cost Share ⁽¹⁾ :	\$ _____	_____
Amount of Federal Contribution:	\$ _____	_____
In-kind Contributions:	\$ _____	_____
Amount to be Funded by Other Sources: (Describe below in table.)	\$ _____	_____

Sources of funds from partner agencies for this project, if applicable:

Amount	Name of Source	Status of Funds ⁽²⁾
\$		
\$		
\$		
\$		
Total: \$		

Is the project entirely benefiting a Disadvantaged Community (DAC) or Severely Disadvantaged Community (SDAC)? (Y/N): _____

If the project is partially benefiting DAC or SDAC, provide percentage of grant funds to directly benefit a DAC or SDAC: _____

Additional explanation, if necessary:

Notes:

⁽¹⁾ No cost share is required; however, grantees are required to show cost share (e.g., federal, local, or other funds) if an awarded project costs more than the grant amount.

⁽²⁾ Identify the current status of funds: available, planned/budgeted, awarded or pending.

Attachment I, Part IV – Authorizing Resolution

If possible, include a resolution adopted by the applicant's governing body authorizing the application for a grant under this Program that designates a representative to sign the application, and in the event of an award of grant funds, a representative to execute the funding agreement and all necessary documentation (e.g., invoices, progress reports, etc.). If the resolution has not been adopted prior to the application's submission, indicate in the proposal document when a signed resolution will be received by DWR. A signed, certified resolution must be received prior to the execution of a grant agreement with the State. In some cases, an applicant may have a standing (permanent) delegation, applicable ordinance, or bylaws that already delegate a representative. In such cases, please include the applicable documents with your application. Attached is a sample resolution template that may be used:

RESOLUTION NO. [xxxx]

A RESOLUTION OF THE [GOVERNING BODY] OF THE [AGENCY NAME]
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION
FOR THE [PROJECT TITLE]

WHEREAS, [Agency Name] proposes to implement [Project Title];

WHEREAS, [Project Title] is being implemented in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or, (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies;

WHEREAS, [Agency Name] has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, [Agency Name] intends to apply for grant funding from the California Department of Water Resources for the [Project Title];

THEREFORE, BE IT RESOLVED by the [Governing Body] of the [Agency Name] as follows:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 69, § 112), the [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions as necessary or appropriate to obtain grant funding.

2. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

[Printed Name]

[Title], [Governing Body]

Attest:

[Printed Name]

[Secretary/Clerk]

Attachment 2 – Project Proposal, Tasks, & Budget

Applicants are required to submit a project proposal with a detailed task breakdown to complete the Small Community Drought Relief Program grant application. The proposal should provide detailed descriptions, discussion, and documentation for each of the proposal sections listed below. The proposal should describe the tasks that will be undertaken to implement the project and include a budget and schedule that support and are consistent with the identified tasks.

The level of detail must be sufficient to allow reviewers to understand the level of effort of the work being performed and to relate the proposed work to the budget so that the cost estimates can be substantiated. Page limits and character limits are not specified. The applicant should determine the level of detail required to convey how the proposed project meets the objectives and requirements outlined in the Guidelines.

The project proposal must include the following items, with at least as much detail as specified in the descriptions below.

1. Title of Project

Provide the title of the project. The title must be descriptive and provide an idea of what the project is meant to achieve.

2. Project Management

Provide the name, contact information, and description of qualifications of the following persons associated with the project. The roles of key personnel must be clearly defined. Key personnel associated with the project must have sufficient expertise to complete the project, and evidence of competence in the proposed area of work must be provided.

Project Director: Responsible for executing the grant agreement and any amendments and approving invoices for the applicant. Persons that are subcontractors to be paid with the grant funds cannot be listed as the Project Director.

Project Manager: Day-to-day contact from the applicant, agency, or organization.

Other Cooperators: Cooperating individuals and agencies, including consultants, who will be participating in the implementation of the project.

Information for other key personnel associated with the project may also be provided, if applicable. Qualifications may be enhanced through partnerships with other institutions; these relationships with other institutions should be clearly defined and described.

Discussion and evidence of institutional capacity to successfully complete the project should be provided in this section. The discussion should show that proposed personnel, facilities, and equipment are adequate for successfully completing the project.

3. Scope of Work and Project Description

Provide a scope of work that briefly summarizes the project activities and tasks that will be implemented to achieve proposed outcomes.

Provide a project description that explains the work to be performed and an overview of deliverables for assessing progress and accomplishments. A complete project description should be concise and include the following information:

- A brief explanation of the goals and objectives, or purpose and need, for the project.
- Description of the components of the project that will be funded by DWR.
- If the project constitutes a phase of a larger, multi-phase project, including a discussion of how the phase of work supported by DWR funds can operate or be functional without the implementation of other phases of work.
- A description of existing contracts, Memorandums of Understanding, Joint Powers Authorities, or other formal agreements with project partners, if applicable.
- A description of the project location including overlying jurisdiction (city, county, state, or federal land), assessor parcel numbers, property addresses, and the latitude/longitude of the project site. It is suggested to include a project map that shows the project's geographical location and the boundaries of the work.

4. Project Objectives

Project goals and objectives should be clearly described, adequately developed, and appropriate to help achieve the stated program objectives. When possible, quantifiable objectives should be proposed. Objectives may be presented in a tabular or bulleted format to aid in the review and presentation of the information.

The proposal should identify if the proposed project meets any of the stated program objectives and to what extent they are met. Describe and provide sufficient documentation to support how the project meets one or more of the program objectives stated in the Guidelines.

5. Task Breakdown

The task breakdown should contain descriptions of all of the tasks necessary to complete the proposed project. The descriptions must contain enough detail to sufficiently explain all the work necessary to complete each task, to demonstrate that the tasks are ready for implementation, to prove that there is a high expectation of successful implementation, and to show that the tasks are consistent with the project schedule and budget. Project tasks may be broken into subtasks for additional clarification of the project components. The task breakdown shall include, at a minimum, the following elements:

- Description of the tasks and subtasks required to complete the project.
- Identification of the budget and costs associated with each task. Proposed costs should be detailed and specific and should be reasonable for the proposed work.

- Schedule for implementing each task, including the start and end date for each task.
- Summary of deliverables and reporting tasks, including quarterly progress reports, invoices, a final report, and a post-completion report.

6. Schedule

Provide a schedule for implementation of the project showing the sequence of tasks and timing. The schedule should be detailed and specific. The schedule must show the start and end dates as well as milestones for each task and should be formatted in a horizontal bar or Gantt chart. The schedule should also illustrate dependencies on preceding tasks by showing appropriate linkages. The schedule must be consistent with the task breakdown and the budget. Assume a realistic start date for your proposed project, and anticipate a 2-year performance period. The schedule must indicate readiness to start the project when funding becomes available.

7. Budget

The budget should include a tabular summary of project costs. This section of the proposal should serve as a budget summary section, while the task breakdown should include a detailed explanation of the task item costs and documentation of costs and billing rates.

The tabular cost estimate should be organized by task breakdown and should indicate a funding source for the costs attributed to each task. Subtasks and their relative costs should also be included, if applicable. Consistency with the work items shown in the task breakdown should be apparent. The funding source breakdown included in the budget table should indicate costs from the following types of sources: grant amount requested, cost-share (if applicable), federal contribution, in-kind contributions, and other contributions. A column indicating total project cost should also be included.

8. Deliverables

Mandatory grant reporting tasks include the submittal of quarterly progress reports, invoices, a final report, and a post-completion report. Other additional deliverables may be applicable to the project, including technical studies, technical memorandums, and other documents useful for reporting the progress of the project. Provide a discussion of proposed project deliverables, proposed timelines for the deliverables (the schedule may be referenced), and other deliverables if appropriate to the project.

APPENDIX C – RECORDS RETENTION GUIDELINES FOR GRANTEES

The lists below provide details on the documents/records that State auditors would need to review in the event that a funding agreement is audited. Grantees should ensure that such records are maintained. Where applicable, this list of documents also includes documents relating to the grantee's cost share that will be required for audit purposes.

State Audit Document Requirements

Internal Controls

1. Organization chart (e.g. agency's overall organization chart and organization chart for the grant or loan funded program/project)
2. Written internal procedures and flowcharts for the following:
 - a. Receipts and deposits
 - b. Disbursements
 - c. State reimbursement requests
 - d. Grant or loan expenditure tracking
 - e. Guidelines, policies, and procedures on grant or loan-funded program/project
3. Audit reports of the agency's internal control structure and/or financial statements for the last two years
4. Prior audit reports on grant or loan-funded program/project

Grants or Loans

1. Original grant or loan agreement, amendment(s), and budget modification documents
2. A listing of all bond-funded grants or loans received from the State
3. A listing of all other funding sources for each program/project

Contracts

1. All subcontractor and consultant contracts and related or partners' documents, if applicable
2. Contracts between the agency and member agencies as related to the grant or loan funded program/project

Invoices

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

Cash Documents

1. Receipts (copies of warrants) showing payments received from the State

2. Deposit slips (or bank statements) showing deposit of the payments received from the State
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans
4. Bank statements showing the deposit of the receipts

Accounting Records

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

Administration Costs

1. Supporting documents showing the calculation of administration costs

Personnel

1. List of all contractors and agency staff that worked on the grant or loan-funded program/project
2. Payroll records including timesheets for contractor staff and the agency personnel who provided services charged to the program

Project Files

1. All supporting documentation maintained in the project files
2. All grant or loan-related correspondence

Cost Share Guidelines

Cost Share (often referred to as Funding Match) consists of non-State funds including in-kind services. In-kind services are defined as work performed or items contributed (i.e., dollar value of non-cash contributions) by the grantee (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). Guidelines are provided below for documenting cost share with and without in-kind services.

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the funding recipient for its own employees. Such documentation should include the following:
 - a. Detailed descriptions of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to Funding Agreement Work Plan)
 - c. Name of contributing organization and date of the contribution
 - d. The real or approximate value of the contribution. Who valued the contribution and how the value was determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
 - e. For contributed labor, the person's name, the work performed, the number of hours contributed, and the pay rate applied

- f. If multiple sources exist, these should be summarized on a table with summed charges
 - g. Source of contribution and whether it was provided by, obtained with, or supported by government funds
- 2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the funding recipient's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient's organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
- 3. Funding match contribution (including in-kind services) shall be for costs and services directly attributed to activities included in the Funding Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor, may be counted as in-kind if the activities are an integral and necessary part of the State-funded program/project under the Funding Agreement.
- 4. Cash contributions made to a program/project shall be documented as revenue and in-kind services as an expenditure. These costs should be tracked separately in the funding recipient's accounting systems.