Frequently Asked Questions - Prop 1 Storm Water Grant Program

PROPOSITION 1 (PROP 1) STORM WATER GRANT PROGRAM (SWGP) FREQUENTLY ASKED QUESTIONS (FAQs) SHEET

JUNE 2016 UPDATES: (NEW OR UPDATED FAQs INDICATED IN RED WITH **)

PROP 1 SWGP GUIDELINES

1. ****The Implementation Grant Agreement Template has not been posted yet, what agreement template should I review? ****
   Please review the Draft Prop 1 Storm Water Grant Program (SWGP) Planning Grant Template (located on the Prop 1 SWGP website), as this will suffice for purposes of completing the certification as part of the implementation grant submittal process. The Draft Prop 1 SWGP Implementation Grant Template is expected to be available for review in July 2016.

2. **When were the Proposition 1 Storm Water Grant Program Guidelines adopted and where can I find a copy?**

   The *Proposition 1 Stormwater Grant Program Guidelines* were adopted on December 15, 2015.

3. **Is a pre-application required to be eligible for implementation grant funds?**

   No, a pre-application is completely optional and only should be submitted if the applicant is seeking additional support in determining project eligibility, disadvantaged community status, match reduction calculations, or would like a functionally equivalent Storm Water Resource Plan (SWRP) and checklist submitted for State Water Board review in advance of the implementation funding deadlines. The deadline for pre-application submittals is April 15th, 2016.

ELIGIBILITY REQUIREMENTS

1. **Who is eligible to apply?**

   Public agencies; 501(c)(3) Nonprofit organizations; Public utilities; Federally recognized Indian tribes; State Indian tribes listed on the Native American Heritage Commission's Tribal Consultation List; and Mutual water companies. Groundwater Sustainability Agencies (GSAs), formed in accordance with the Sustainable Groundwater Management Act, are eligible applicant if they are a public agency or other eligible applicant type.

2. **Is a Stormwater Resource Plan (SWRP) required to apply for Implementation Grant Funding?**

   Yes, for most applicants a SWRP is required to be eligible for implementation or project-specific planning funding. The Storm Water Resource Plan (SWRP) will be due within 90 days of award of an implementation grant. If a SWRP is not included in the application, an explanation of current condition

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and steps to complete the SWRP is required. If the plan is not submitted within the 90 days of award, we reserve the right to rescind a funding award and award to another applicant.

3. **Are there exceptions to the SWRP requirement?**

   Exceptions where a SWRP is not required are: (1) for projects benefiting a disadvantaged community (DAC) with a population of 20,000 or less that is not a co-permittee for an MS4 permit issued to a municipality with a population of more than 20,000, and (2) for projects that are in an Area of Special Biological Significance (ASBS) and are covered under an approved ASBS Compliance Plan. If an applicant or project is exempt from the SWRP requirement, the project must still be included and implemented in an adopted Integrated Regional Water Management Plan (IRWMP).

4. **Can an IRWMP be updated to address the SWRP requirements?**

   Yes and regional approaches to SWRP development are encouraged.

5. **If the SWRP is incorporated into an IRWMP, can an entity located within the IRWM region propose a stormwater project, or must the entity be identified in the SWRP per SB 985?**

   Yes, as long as the entity's project is included in the SWRP, the entity can apply.

6. **Does my project need to be listed in an IRWMP as well as a SWRP?**

   No. If a SWRP is required, the project only needs to be listed in the SWRP that has been submitted to the local IRWM management group. If an eligible small DAC is exempt from the SWRP requirements and does not have its project in a submitted SWRP, then the project needs to be included in the applicable IRWMP.

7. **Does my project need to be shovel-ready to receive funding?**

   No, final design, CEQA, permitting and other work required to get a project ready to proceed to construction are eligible expenses. A reasonable schedule needs to show that the project can be completed within the terms of the grant agreement.

8. **Do non-profit organizations and other eligible entities need to each prepare SWRP?**

   No, the projects must only be listed in an applicable SWRP in order to be eligible for implementation grant funding.

9. **Is a Groundwater Management Plan required to be eligible for planning funding?**

   No. Compliance with Division 6 of the California Water Code, Section 10753.7(b) applies to public agencies and requires construction projects that directly affect groundwater levels or quality to have a Groundwater Management Plan in place to be eligible to receive state funds. This provision does not apply to planning grants, projects administered by water replenishment districts formed pursuant to Division 18 of the CWC, or to local agencies that serve or have authority to manage an adjudicated groundwater basin.

10. ****Is an AB1420 BMP certification required for applying?****

    AB1420 sunsets on July 1, 2016 and is, therefore, not applicable to Round 1 Implementation grant funding.

REVISED: JUNE, 2016

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1. ****When is the SWRP due to be submitted to the State Water Board? ****
   The SWRP or functionally equivalent SWRP and completed self-certification checklist is due within 90 days following the posting of the final grant awards. The SWRP is not required to be submitted on July 8th with the implementation grant application.

2. **Can a non-profit agency prepare the SWRP for a public agency?**

   Yes, the SWRP may be prepared by 501 (c)(3) non-profit entities, so long as they are prepared on behalf of a public agency. SB 985 does not specify how plans must be developed.

3. **Is an IRWMP considered a functionally equivalent plan?**

   Not automatically. An IRWMP is considered a functionally equivalent plan, if it contains all of the required elements of a SWRP.

4. **When SWRPs are submitted to the IRWM, do they need to be approved prior to submittal?**

   No, the SWRP does not need approval by the IRWM region but it does need to be submitted.

5. **Can projects described in the Plan with no specific location, such as Green Streets, still be counted as a project?**

   Yes. Programmatic Best Management Practices (BMPs) identified in the SWRP with no specific location may be eligible, but the program must be clearly analyzed and addressed in the SWRP. Broad references to projects such as "green streets" will not be eligible if there is not an associated evaluation of the program benefits and prioritization relative to other projects in the SWRP.

6. **Can a SWRP have more than one watershed?**

   Yes, regional SWRP are encouraged, but the watersheds need to be clearly identified.

7. **Do I need to have my SWRP reviewed? If so, what is the review process?**

   State Water Board will review SWRPs and Functionally Equivalent Plans to determine whether the plans are consistent with water code and the SWRP Guidelines. It is incumbent upon the applicant to the self-certify completeness of the plan; however, the State Water Board will review to verify that the requirements were properly addressed,

   Even though the SWRP's are not due until 90 days after final implementation grant award, we understand that some applicants would like to have their plans reviewed in advance. Please submit a pre-application with your proposed functionally equivalent SWRP, a completed self-certification checklist, and a cover letter explaining the approach used to arrive at a functionally equivalent document. For example, if you are combining several planning documents together, how do the documents work with each other to address the SWRP guidelines?

8. **My watershed management plan was approved by the local Regional Water Quality Control Board. Does that mean the plan meets the SWRP requirements?**

   A watershed management plan approved by the Regional Water Board will be based on applicable Regional Water Board regulatory requirements and may not address all of the SWRP requirements. Please complete the Self-certification Checklist provided in Appendix A of the SWRP Guidelines to determine if the watershed management plan meets the water code and SWRP Guideline requirements.

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9. **Are both shaded (mandatory water code requirements) and unshaded boxes (guideline recommendations) required to be checked in self-certification list for the SWRP plans? What is required for meeting the requirement for the purpose of for the grant application?**

   For implementation grants, the shaded boxes in the self-certification checklist are the minimum required by the water code and are the minimum of what we look for. If you have not checked all the unshaded boxes, an explanation as to why those are not met should be provided.

   For storm water planning grants, we would expect that the project will result in a plan that addresses all the SWRP guidelines.

10. ****Are there examples of State Water Board approved SWRPs or FEPs available?****
    Not currently. A list of completed SWRPs will be posted on the Prop 1 SWGP website when available.

11. ****Does the SWRP need to be adopted by the IRWM prior to submittal to the State Water Board?****
    No, the SWRP does not need to be adopted by the IRWM region, but it does need to be submitted for incorporation into the applicable IRWMP.

REQUIRED MATCH

1. **What is the required match for planning and implementation projects?**

   The required match is <u>50% of the total project cost</u>. This is a dollar for dollar match (e.g. a $500,000 grant would require $500,000 in match). DACs may request a reduction of funding match as outlined in Appendix A of the Guidelines.

2. **The total project cost is significantly more than the Prop 1 funds requested. Is the match requirement based on total project cost or only the grant funds requested?**

   Project match is calculated based upon total project cost.

3. ****Does an applicant need to have the commitments for the sources of matching funds prior to applying for the grant?****
   No; however, it is recommended that if commitments cannot be made that letters of support from those sources be provided with assurances that the funding will be in place by the time of grant agreement execution.

4. **What types of funding are eligible for the required match? How far back can I go to claim match?**

   Eligible reimbursable expenses incurred after the approval of Proposition 1 (November 4, 2014) and prior to the project completion date can be applied to the funding match (e.g., preparation of plans and specifications, development of CEQA documents, etc.). **State grant funds cannot be used for the <u>required</u> match.** Federal grants and loans, local and private funding, or donated and volunteer ("in-kind") services may be eligible for match. Repayable financing received through the Clean Water State Revolving Fund Program or a federally sponsored loan program may be used for match.

5. **State funds cannot be used for required match. What qualifies as State Funds?**
   Any funds originating from the State are considered State Funds. Local match and federal funds do not count as State Funds. Any revenue collected by a state agency (including a University of California or California State University campus) is considered state funds. Repayable financing received through the Clean Water State Revolving Fund Program or a federally sponsored loan program may be used as match.

6. **Can federal grant or loan funds be used as match?**
   Yes, federal grant or loan funds can be used as match.

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7. **Can in-kind services be used for match?**

   Yes, in-kind services are eligible for match, as long as the services are not provided by a State agency. The in-kind services must be directly related to the project.

8. **Can donated land be used towards match?**

   Donated or purchased land may be used towards match so long as it was purchased/donated after November 4, 2014 and at fair market value.

9. **Can local funds be used as match for two different state grants (i.e., DWR, SWRCB, etc.)?**

   A grant recipient cannot claim the same expenses as match for two different state grants.

10. **Can an applicant apply for other funding for the project?**

    Yes, the applicant may fund the project with multiple funding sources. However, no other state grant funds may be used for the required match.

11. **How do we show the match reduction in the budget if we're not sure what will be approved?**

    Submit the budget using the match reduction that you have determined you should be eligible for. If the State Water Board determines that a different match reduction applies to your project, there will be an opportunity for the awarded applicant to provide additional match funds to complete the project funding needs or reduce the scope of the project to fit the available funding.

12. ****What is the match requirement for DACs/EDAs? How do we determine if a community is disadvantaged? What is the match requirement for an NGO representing a DAC/EDA?****

    See page 6 and Appendix A of the Guidelines.

13. **What is the match requirement for a Disadvantaged Community that would like to apply for Storm Water Resource Planning grant funding?**

    An applicant with a SWRP project that exclusively addresses a disadvantaged community (DAC) or economically distressed area (EDA) may qualify for a reduced match requirement of 5% or 10% (see page 6 of the Proposition 1 Storm Water Grant Program Guidelines).   The area covered by the planning project must have a population that meets the definition of a DAC or EDA,

APPLICATION

1. **Can multiple agencies submit a joint proposal?**

   A project may have multiple partners; however, one eligible agency will be the responsible agency for the project and will be subject to the terms of an agreement with the State Water Board, if approved for funding.   A Joint Power Authority may apply for funding.

2. **Is there a limit on the number of projects for which one entity can apply?**

   No, an entity may apply for as many projects as it can manage within the term of the SWGP.

3. **Will reviewers look at the variety of projects?**

   The reviewers will be interested in projects that address the Proposition 1 priorities described in the funding guidelines. There is no provision to ensure a variety of projects are funded.

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4. **Will the local needs of the project be taken into account when looking at the benefits? Will the score be negatively impacted if the main benefit is not water supply, but water quality?**

    The local needs will be looked at when scoring the application. The score will not be negatively impacted due to a water quality need versus water supply.

5. **Can projects be phased?**

    Yes, projects may be phased so long as project implementation is completed by project completion date.

6. **Is a resolution required as part of the grant application?**

    A resolution is not required as part of the grant application, however a resolution from the applicant's governing board is required to enter into an agreement with the State.

7. ****Does the primary benefit claimed need to be water supply?****

    No, it can be any of the benefits listed so long as it can be quantified. We suggest looking at those benefits that best suit the purpose and preferences of Prop 1, Chapter 7.

8. **How do we report benefit terms: the life of the project or the term of the agreement?**

    The life of the project should be used to report project benefits.

9. **Does California Environmental Protection Act (CEQA) have to be complete prior to submittal of the application?**

    No, but all projects funded from state funds are subject to CEQA and must be complete prior to construction of the project. The proposal must provide the type of CEQA required (Environmental Impact Report (EIR), Mitigated Negative Declaration (MND), Negative Declaration, Notice of Exemption (NOE)), process(es) required to complete CEQA, and a timeline for completion. Please note that if your project requires an EIR or MND and these documents have not been started, this may influence the Schedule score during the evaluation process.

10. **Is there a cost-benefit analysis?**

    Yes, the SWGP solicitation requires a cost effectiveness evaluation of your project benefits.

11. **Can the applicant skip questions on the application?**

    It is highly recommended that all answers are completed. Explain why the question does not apply or qualify for your project. Blank answers or those marked with N/A will not be scored.

12. **Who will be reviewing the applications?**

    State Water Board staff is responsible for the technical review of the applications. Regional Water Board storm water program staff may also participate in the technical review.

13. **Are applicants allowed to apply simultaneously for both planning and implementation funds?**

    Yes, however, an applicant with a compliant SWRP (which is required for implementation funding) would need to justify why additional planning funds would be needed and beneficial.

14. **Are submittals in hard copy or electronic format?**

    FAAST is an electronic submittal tool.

15. **Are there page limits to the work plan?**

    Yes. Planning work plans are limited to 10 pages. Implementation work plans are limited to 20 pages. Page limits are for text narrative portions; maps and figures are not limited but please refrain from

loading maps and figures with unnecessary text. It is recommended that the maps and figures are added to the end of the work plan attachment.

16. ****How do we determine if a community is a DAC or EDA? What are the requirements to qualify as a DAC or EDA?****

DACs, EDAs, or an entity implementing a project on behalf of and with a project directly benefitting a DAC or EDA may request the reduced funding match outlined in Table 2 of the SWGP Guidelines. Applicants requesting match reduction must document that representatives of the DAC or EDA have been or will be involved in the planning and implementation process, and that project implementation will provide direct benefits to these communities (See Appendix A for details and instructions to document DAC or EDA status to qualify for match Groups A, B, and C.). DAC qualification will be determined by storm water drainage areas, project location, and responses to questions in the application.

Final EDA determination will be completed by the Department of Water Resources (DWR) in coordination with the State Water Resources Control Board. Applicants wishing to request a match reduction for an EDA should follow the instructions and complete and submit an EDA form with the implementation grant application. EDA information can be found at the following link: http://www.water.ca.gov/irwm/grants/resources_eda.cfm

The Deputy Director of the Division will make the final determination on funding match reduction eligibility. If the Deputy Director of the Division determines a match reduction is not allowed and the project is approved for funding, Division staff will work with the applicant to reduce the grant amount or increase matching funds.

17. **Where can we find a mapping tool to determine whether my community is a DAC or EDA ?**
DWR has DAC and EDA online mapping tools.

EDA Mapping tool: http://www.water.ca.gov/irwm/grants/resources_eda.cfm

DAC Mapping tool: http://www.water.ca.gov/irwm/grants/resources_dac.cfm

18. **What types of education and outreach costs are eligible?**

Eligible education and outreach costs include project signage and outreach directly related to construction of the project, such as community meetings and other outreach efforts that may be needed to ensure successful completion of the project. Targeted signage or other information that supports project BMP implementation may also be allowed.

19. ****Will the local needs of the project be taken into account when looking at the benefits? Will the score be negatively impacted if the main benefit is not water supply, but water quality?****

The local needs will be looked at when scoring the application. The score will not be negatively impacted due to a water quality need versus water supply. As noted in Appendix C-2 Implementation Proposal Evaluation Criteria for Question 19 (Multiple Benefits), points will be awarded based on the geographic scale of the benefits and relative significance of those benefits as quantified.

20. ****Is monitoring data required to be submitted to CEDEN?****

Yes, regardless of whether the application proposes to complete water quality or project effectiveness monitoring. We recommend working with the CEDEN data centers to obtain the formatting required to submit data.

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PROJECT COSTS

1. **Can grant funds be used for land acquisitions?**

   Yes. Reimbursable costs include the reasonable costs of easement and land purchases. The minimum required acreage necessary to operate as an integral part of the storm water management project, as set forth and detailed by engineering and feasibility studies, is reimbursable. However, determining how much land and how long a purchase will take to complete needs to be fully flushed out and scheduled to ensure the reviewers that the acquisition will occur in a timely fashion and that the project will be constructed within the life of the grant (March 2020).

2. ****Can grant funds be used to prepare/complete CEQA/NEPA?****

   Yes, environmental compliance documentation costs directly related to the implementation project are eligible for reimbursement so long as the activities occur after the Eligible Start Date as indicated on the executed funding agreement.

3. **Can grant funds be used to meet permit requirements?**

   Yes, environmental permitting costs directly related to the implementation project are eligible for reimbursement so long as the activities occur after agreement start date as indicated on the executed funding agreement.

4. **Can applicants receive money for the same project in both Planning and Implementation?**

   Project-specific Planning Projects may be precursory to Implementation, but both projects must have independent goals and achieve measureable outcomes in their own right. Successful project-specific planning projects that are funded in Round 1 may be eligible for Round 2 Implementation grant funding.

5. **Are planning and design tasks eligible for reimbursement?**

   Any cost directly associated with the construction of the proposed project is eligible for reimbursement or match. To be reimbursed, the activity must occur after a grant agreement is executed.

6. **Are contingencies eligible for grant reimbursement or match?**

   No, only actual direct costs are eligible for reimbursement and match.

7. **A project includes a roadway widening with LIDs. Is the roadway eligible for reimbursement or match?**

   No. Only the direct cost associated with the LIDs are eligible for reimbursement or match. However, discuss the project with State Water Board Division of Financial Assistance to determine if some portion of the roadway widening could be eligible for match.

8. **What does the total project cost include?**

   Total project costs should include all direct costs related to the project and include the costs of engineering, design, easement, preparation of environmental documentation, environmental mitigation, project monitoring within the term of the agreement, project implementation, and education and outreach activities necessary for successful project implementation.

9. ****Can we give explanations on what are direct and indirect costs?****

   Direct costs are those that are directly related to the planning and implementation of the proposed project. Any other costs that are "pooled" with other projects or operating expenses are generally considered indirect costs. Examples of indirect costs often include utility costs (electricity, gas),

lease/rent expenses, and general overhead or markups. When determining hourly wages for an employee, you can use the hourly wage plus fringe benefits. Be sure that the benefits do not include overhead or indirect costs within the equation. Applicants need to be sure they can provide justification for those hourly wages and backup documentation for them.

10. Is there a cap to unit costs for each BMP?

No, there is no cap to unit costs but costs need to be justified and are typically expected to be within industry standards.

OTHER

1. What does Technical Assistance consist of?

Technical Assistance supports the development of implementation projects for DACs/EDAs, not planning. Technical assistance is not currently available, but is expected to become available later in 2016.

2. What is the due date for the submittal of an SWRP?

The due date is 90 days after the final project funding list is approved. The anticipated adoption date is October 2016. The anticipated due date for SWRPs is January 2017.

3. Does the SWGP need to be adopted by the IRWM prior to the January 2017 date?

No, the applicant needs to demonstrate that the completed SWRP was submitted to their local IRWM group. This can be a letter or email from the group stating they have received the document(s).

4. How should coordination with Regional Board staff proceed? Should they be involved in the concept phase and how involved should we expect them to be? With which program at the Regional Board should we coordinate?

Applicants should contact their Regional Water Board staff to discuss their projects. Regional Water Board staff can help applicants with regional priorities and provide technical guidance. There is a list of Regional Water Board contacts for the SWGP in the Reference Material of the SWGP webpage:

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/prop84/index.shtml

5. Are the grant funds allocated on a basis of large projects versus small projects? Are there regional or geographical set-asides?

No, grant funds are not allocated based upon project size, and there is not a regional allocation of funds for Proposition 1 Storm Water Grant funding. Each project is reviewed based on their own merit, point system, and funds requested.

6. Can I find an example of a Proposition 1 SWGP Grant Agreement?

A draft planning agreement template has been posted to the SWGP website.

7. Is monitoring data required to be submitted to CEDEN?

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Yes, regardless of whether the application proposes to complete water quality or project effectiveness monitoring. We recommend working with the data centers to obtain the formatting required to submit data.

8. **When does the project performance monitoring need to begin?**

The monitoring does not need to begin prior to an executed grant agreement. However, if you have completed background sampling to determine the site conditions, you should include those in your application.