

Small Communities Flood Risk Reduction Program

PROPOSAL SOLICITATION PACKAGE

Phase 2

FINAL

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

DIVISION OF FLOOD MANAGEMENT

December 5, 2019

Note: Page numbering has been corrected in Appendix H in this PDF. A typographical error has been fixed in the example table, section 6.B, on page H-12.

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1. Background

The Small Communities Flood Risk Reduction (SCFRR) Program was created as a result of the adoption of the 2012 Central Valley Flood Protection Plan (CVFPP) to reduce flood risks to the small communities located in the areas protected by the State Plan of Flood Control (SPFC) facilities.

The SCFRR Program (Program) assists the local public agencies with implementing flood risk reduction projects for the small communities in the Central Valley, consistent with the State Systemwide Investment Approach (SSIA), incorporating CVFPP principles and contribute to the integrated water management plan objectives described in the CVFPP. Under the SSIA, several small communities within the SPFC planning area could achieve the Federal Emergency Management Agency (FEMA) benchmark of 100-year (1% annual chance) flood protection through structural or nonstructural methods.

The State Department of Water Resources (Department) published the Small Communities Flood Risk Reduction Program Guidelines (hereinafter referred to as the Guidelines) on September 19, 2016. The Guidelines describe the goal, process, and requirements of the Program. Unless otherwise specified, the requirements of the Guidelines and definitions of terms apply to this Proposal Solicitation Package (PSP). A copy of the Guidelines is available upon request. In the event of any conflict between the Guidelines and this PSP, the terms of this PSP take precedence.

In Phase 1, the Department issued a PSP (Phase 1 PSP) to solicit applications for flood risk reduction feasibility study projects, in September 2016. Following review of 37 submitted applications, the Department approved award of approximately \$17.5 million in Program funding for 35 small communities' feasibility studies, on April 14, 2017.

In Phase 2, the Department is seeking to solicit proposals for design and implementation of preferred projects identified in Phase 1 feasibility studies' alternatives evaluation and analyses. This PSP describes Program's Phase 2 funding processes and the Department requirements for submitting proposals for small community flood risk reduction design and implementation projects.

2. Authorized Funds

The Disaster Preparedness and Flood Prevention Bond Act of 2006 (Proposition 1E; Pub. Resources Code, § 5096.800 et seq.) authorized funding for the Department to repair, rehabilitate, reconstruct or replace levees, weirs, bypasses and SPFC facilities. Following Phase 1 funding award of approximately \$17.5 million, the Department has up to \$29 million in Proposition 1E funds to award in Phase 2 of Program funding for design and implementation of small community flood risk reduction projects. Should additional funds become available, under future legislative appropriations, the Department may release additional round(s) of PSP(s) to request proposals for design and implementation of eligible projects.

3. Eligible Applicants

An Applicant must be a local public agency with land use authority or a public agency with jurisdiction and the authority to implement flood protection projects for the small community areas protected by the SPFC facilities. The Applicant may be an incorporated city or county applying on behalf of an unincorporated community. The Applicant must also demonstrate that proposed project's land use related decisions will receive the review and approval of the public agency with the land use authority for the community, from design through to the final project implementation.

The eligible Applicant must meet the following requirements:

- A. It received a Phase 1 funding award and entered a funding agreement with the Department to conduct a flood risk reduction feasibility study for Applicant's small community.
- B. It submitted to the Department for review and comments a completed Phase 1 draft feasibility study with a recommended flood risk reduction project for design and implementation, by the PSP application submittal date, as noted in Appendix A.
- C. It obtained and incorporated the Department's review comments to finalize its Phase 1 feasibility study prior to executing a funding agreement.
- D. It has a financial plan that clearly identifies all non-State resources required to proceed with implementing the flood risk reduction project through to its completion. Other than levees and facilities operated and maintained by the State, the Applicant's financial plan must include the costs associated with operating and maintaining the project implemented.
- E. Readiness to negotiate and execute a cost-share funding agreement for the awarded project by no later than March 1, 2020.
- F. Submit a complete proposal package, with direct reference to the descriptions and requirements included in the Appendices of this PSP (Appendix A through Appendix J).

4. Eligible Projects

The remaining Proposition 1E funding for Phase 2 can be awarded for the following design and implementation project activities:

- Design element of a Phase 1 recommended project. The Applicant's proposal must include satisfactory assurances that design will lead to implementation of the project.
- Construction (or phase of construction), which can be stand-alone activity.
- Land acquisition, as element of design or construction project.
- Project permitting activities, including the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) compliance, as an element of design or construction project.

Priority will be assigned to land acquisition or permitting elements of a construction project proposal, as compared to representing elements of a design project proposal.

The proposed project must satisfy the following conditions:

- A. The proposed project must concur with the recommended findings of the Applicant's Flood Risk Reduction Feasibility Study completed using Program funding.
- B. The proposed project work plan must include the design and implementation elements required to provide up to 100-year flood protection to the small community protected by the SPFC facilities.
- C. The proposed project must improve existing SPFC facilities, associated systems and appurtenances.
- D. If applicable, the proposed project must include distinct work separately identifiable and physically separable from non-SCFRR Program funded activities.
- E. In accordance with the requirements of the Governor's Executive Order B-30-15 (April 29, 2015) and applicable laws, the project must consider climate change hydrology and sea level rise. The proposed project work plan must incorporate necessary measures and efforts to address risks resulting from climate change¹, including the use of decision support tools to minimize risks of and adapt to climate change hydrology and sea level rise.
- F. The proposed project must have ability to add resiliency and flexibility to the flood management system and be able to produce multiple benefits.

5. Ineligible Projects

Projects not eligible for Program funding will include:

- A. Flood risk reduction feasibility study projects.
- B. Projects that do not improve facilities that are part of the SPFC.
- C. Design and construction projects with the objective to achieve flood protection exceeding 100-year level.
- D. Projects that do not consider implementing impact of climate change.
- E. Routine maintenance, including repair of erosion damage and removal of sediment from channels and by-passes.
- F. Non-structural projects, including elevating residential properties where there is no direct connection with facilities that are part of SPFC.

6. Proposal Ranking and Selection

- A. The Department will review applications for completeness and eligibility, in accordance with the requirements described in this PSP.

¹ DWR's Climate Action Plan, Resources for Water Managers, and Climate Change Program Activities are available on DWR's Climate Change website: <https://water.ca.gov/Programs/All-Programs/Climate-Change-Program>

- B. Incomplete submittals will not be ranked. The Department may contact Applicants to request clarification of information submitted. The submittal will be considered incomplete if the requested information is not provided within 15 calendar days of a written request from the Department.
- C. The Department will use the criteria and metrics described in the following sections of this PSP:
 - Appendix C, Table C-1: Project Selection Criteria and Ranking.
 - Appendix D, Table D-1: CVFPP Conversation Strategy Metrics for Ecosystem Processes, Habitat, and Stressors.
 - Appendix D, Table D-2: Conservation Strategy Metrics - Summary by Conservation Planning Area.
- D. The Program's evaluation team will evaluate and rank each application and present the evaluation findings and determination to the Department's management, within 45 calendar days after the closure of the solicitation.
- E. Following management's review and the Department Director's concurrence with management's recommendations, the recommended proposal funding award list will be posted on the Department's website, for a 15-day public comment period.
- F. After reviewing and considering public comments and obtaining the Director's approval, the Department will post the final list of awards on its website and send funding commitment letters to the successful awardees.
- G. The Department reserves the right to fund a percentage of the total requested project amount, or separable element of the overall proposal, due to limited availability of remaining Proposition 1E funding.

7. State-Local Cost Share

The base-level State cost share for flood management projects is 50 percent of the total project cost. The Applicant may not use other State funds for its local share unless the State agency providing those funds is specifically authorized by the Legislature to allow the Applicant to use the funds for its local share. The Department shall verify and give the Applicant its written permission to use the funds provided by other State agency towards Applicant's local cost share.

The State cost share of a project can be increased above the base State cost share of 50 percent by satisfying any of the following objectives: 1) disadvantaged area community, 2) system improvement, 3) ecosystem enhancement and restoration, 4) other multi-benefit features, and 5) setback levees. Refer to Appendix H for Department's guidance for State-Local cost shared flood projects.

The Applicant's proposal must include supporting documents and calculations to fully describe the basis used to determine the proposed project's State-Local cost share contributions. All project proposal elements (including design activities) will receive the same State cost share percentage. The Department will finalize the State cost share contribution before entering a funding agreement with the successful Applicant.

8. Funding Agreement Requirements

The funding recipient will need to execute a funding agreement with the State. A funding agreement template is included in Appendix J. It is HIGHLY recommended that potential applicants read the template to ensure that it can abide by the terms and conditions set forth therein. The following sections provide some of the requirements contained within the funding agreement.

8.1 Conflict of Interest and Confidentiality

All project 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 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.

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 final awards have been announced by the Department, all proposals are subject to disclosure pursuant to the California Public Records Act (Gov. Code, § 6250 et seq.).

8.2 Indemnify and Hold Harmless

As part of the funding agreement, Applicants 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.

8.3 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 ensure that the prevailing wage provisions of the Labor Code are being met.

Current Department of Industrial Relations (DIR) requirements may be found at <https://www.dir.ca.gov/lcp.asp> . For more information, please refer to DIR's Public Works Manual at <https://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.

8.4 California Environmental Quality Act (CEQA)

All activities funded pursuant to the Program must comply with 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 the

Department and the Department has completed its CEQA compliance. Any work funded under the Program that is subject to CEQA shall not proceed until and unless approved by the Department; such approval is fully discretionary. If CEQA compliance by the funding recipient is not complete at the time a funding agreement is executed by the parties, once the Department 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 Department decide to not fund the Project, the funding agreement shall be terminated.

8.5 Income Restrictions

Any capital asset acquired or constructed in any part with State 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 the 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 reimbursed by the State pursuant to a funding agreement.

8.6 Tribal Consultation

DWR recognizes the need for consultation regarding projects that affect California tribal communities. As such, applicants are required to consult with federally and non-federally recognized tribes when and where appropriate for any projects that are impacting tribal lands or cultural resources. Public Resources Code Section 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.

8.7 Competitive Bidding and Procurement

A funding recipient's contracts with other entities for the acquisition of goods, services, and construction of any 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. They are available online at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting..>

APPENDIX A - Applicant Information

Applicants' proposals must include the following minimum information:

1. Agency name, address, Agency primary contact, phone number, and email address.
2. Authorized representative: name, title, phone number and email address of the Agency representative authorized to sign funding agreement.
3. Location of the proposed project.
4. Applicant's flood management authority, role in regional flood management planning area, and reclamation district.
5. Is there a regional plan in place? Is the proposed project a priority project within the regional plan?
6. Describe how the Applicant and the proposed project meet the eligibility requirements and qualify to receive State funding under SCFRR Program.
7. Submit one original signed and two copies of the following:
 - Appendix E - Environmental Information Form
 - Appendix F - Certification for Design Projects
 - Appendix G - Certification for Construction Projects
 - Appendix I - Local Public Agency Authorizing Resolution

Applicants are required to submit **one** electronic copy and **three** hard copies of their application. Submitting a CD-ROM, DVD, or USB flash drive is acceptable, either in Microsoft Word-compatible format or in a searchable Adobe Portable Document Format with content copying enabled. All content must be completely legible and suitable for photocopying.

Submittal Deadline: 5:00 p.m., February 3, 2020

Where to Submit Hard Copy Application

Department of Water Resources
3464 El Camino Avenue, Suite 200
Sacramento CA, 95821
Attn: Nahideh Madankar

For questions:
Nahideh Madankar, Program Manager
Small Community Flood Risk Reduction Program, Phase 2
(916) 574-1459
Nahideh.Madankar@water.ca.gov

Please make sure that your application package is postmarked or hand-delivered on or before the submittal deadline listed above. Applications postmarked or hand-delivered after this deadline will **not** be accepted.

APPENDIX B - Project Description

Applications must include a clear description of the proposed project's objectives, approach to design and implementation, scope of work, budget and schedule. The Applicant must clearly explain how the proposed project will implement the State Systemwide Investment Approach (SSIA) in achieving the CVFPP's primary and supporting goals, consistent with the requirements of the CVFPP (2012 and 2017 update). As a minimum, the project description must include the following:

1. Project name, location and area map(s).
2. Project goals and objectives.
3. Executive Summary of the small community's flood risk reduction feasibility study that Applicant completed using the Department's Phase 1 SCFRR Program funding. Executive Summary description must include the following:
 - a. List of alternatives evaluated with a brief description of each.
 - b. Alternatives evaluation findings, ranking and recommendations.
 - c. The approach and efforts used in the feasibility study, or intended to be used for design and implementation, to inventory and assess anticipated impacts of climate change and sea level rise and develop adaptation strategies.
 - d. The readiness to commence the design phase of the recommended alternative, followed by construction and/or implementation of the recommended project.
 - e. Clear description of any work and activities that may be awaiting completion by the Applicant before the project design can begin.
 - f. Description of how the recommended alternative incorporates reduction of flood risk within an Integrated Water Management (IWM) approach and identification of any systemwide elements of the proposed project.
4. A description of any other document, other than the Phase 1 feasibility study, prepared in support of the proposed project.
5. A description of how the project will meet flood protection improvement objectives of the CVFPP (2012 and 2017 update).
6. Describe how the project will address the goals and objectives of the CVFPP Conservation Strategy (2016).
7. A description of any sensitive ecosystem issues and how the proposed project will address the CVFPP goal to promote ecosystem functions through potential ecosystem improvements in the project area.
8. A description of any potential opportunities to improve recreation, public access, and other public benefits in the project area.
9. A description of proposed project opportunities and constraints.
10. A summary of the applicable local, State, and federal regulatory and permitting requirements for project implementation and operation and maintenance of the

completed project, including CEQA, Section 408, and the National Environmental Protection Act (NEPA).

11. A description of Land, Easements, Rights-Of-Way, Relocation, and Disposal (LERRD) requirements, and associated constraints and issues, as applicable.
12. An Operation and Maintenance (O&M) plan that identifies the responsible agencies and entities and how the project will be sustainably maintained post implementation.
13. A description of proposed project funding mechanisms and sources (local, State, and federal) including a financial plan explaining project phasing and cash flow demands and/or use of assessments or debt to complete Applicant's proposed project design and implementation and sustainably fund O&M.
14. A scope of work for both design and implementation phases that includes:
 - a. A brief description of all tasks and subtasks;
 - b. A description of the approach to be used to inventory and assess anticipated impacts of climate change and sea level rise and integrate adaptation strategies into project elements. The scope of work must support the State and Department's goal to use the best available climate science to develop projects that are adaptable and resilient to climate change and sea level rise impacts.
15. A summary of cost estimates for proposed project elements and implementation stages, including design, construction and O&M:
 - a. Total project capital cost: to include all expenditures necessary to complete the project (including both the flood protection system and the multi-benefit components) so operations can commence, including planning and design, land, structures, materials, equipment, and labor;
16. A description of the State cost share eligibility considerations and determination of costs. Provide a breakdown of costs at task levels to clearly present proposed State cost-share, in accordance with the Department's Guidance (in Appendix H) to complete State cost-share determination. Include the following:
 - a. Eligible and ineligible tasks and subtask for State cost-share and reimbursement under Program funding;
 - b. Budget estimates at task and subtask levels, clearly indicating eligible and ineligible costs for Department reimbursement;
 - c. Cost share enhancement. Include supporting documents and calculations to demonstrate eligibility of cost share enhancements.
17. A schedule of the project at task level (for both design and implementation phases):
 - a. Schedule must allow minimum of eight weeks for Department review of projects' final design plans and project construction specification documents, including construction strategy and constraints description.
18. A statement by a professional civil engineer registered with the State of California to certify the community's flood protection (e.g. percentage annual flood chance) without implementing the project (i.e. existing conditions) and flood protection after implementing the proposed project.

APPENDIX C - Project Selection Criteria and Ranking

The required outcomes and objectives of the SCFRR Program are consistent with those of the CVFPP. Applicant's proposal must achieve the primary goal of improving flood risk management for the small communities protected by SPFC facilities. Proposed projects must also include elements consistent with the CVFPP supporting goals of improving O&M, promoting ecosystem functions, improving institutional support, and promoting multi-benefit projects. Proposed project ecosystem elements must be consistent with and support the Board adopted 2016 Conservation Strategy.

Submitted proposals will be checked for completeness and eligibility and evaluated to determine fulfilling the goals and objectives of the Program. Table C-1 presents the goals, criteria and metrics, and maximum point that will be used to score and rank each eligible proposal.

Table C-1: Selection and Ranking Criteria

Goals	Criteria and Metrics	Maximum Point
Flood Risk Management	<p>People and Property at Risk Reduce flood risk within SPFC protected floodplains</p> <ul style="list-style-type: none"> • Life risk: change in number of lives exposed to the flood, in 100-year floodplain or preferably expected annual life loss. • Flood damage: change in the assets value at risk (\$) in 100-year floodplain or preferably expected annual damage (EAD). 	20
	<p>Flood System Flexibility and Resiliency Improving system adaptability to changing conditions (hydrologic, regulatory, social, political, ecological)</p> <ul style="list-style-type: none"> • Adaptation plan that considers different scenarios of changing conditions and their impact on the flood system • Change in life risk, protection level, and flood damage. 	5
	<p>Floodplain Management</p> <ul style="list-style-type: none"> • Project will not increase urbanization of agricultural areas in deep floodplains • Address & manage residual risks, particularly in deep/rapid flooding areas. • Project incorporates non-structural flood risk management components where feasible • Project includes components designed to potentially increase FEMA Community Rating System class rating 	5
Improve O&M	<p>Sustainable, multi-benefit O&M</p> <ul style="list-style-type: none"> • Enhance streamlining of regulatory and institutional standards, funding, O&M practices • Include performance and data-based adaptive management to support multiobjectives O&M. • Project includes O&M plan which considers ecosystem, agriculture, and recreational benefits in the proposed design and funding plan • Project addresses deferred maintenance issues • O&M plan covers all project components and includes design life and repair, rehabilitation, and replacement (RR&R) considerations as a life cycle analysis. 	10
Promote Ecosystem Functions	<p>Conservation Strategy Goals</p> <ul style="list-style-type: none"> • Ecosystem Processes – Improve and enhance natural dynamic, hydrologic, and geomorphic processes. • Habitats – Increase and improve quantity, diversity, quality, and connectivity of riverine aquatic and floodplain habitats. 	15

Goals	Criteria and Metrics	Maximum Point
	<ul style="list-style-type: none"> • Species – Contribute to the recovery and stability of native species populations and overall biotic community diversity. • Stressors – Reduce stressors related to development and operation of flood management systems that negatively affect at-risk species (e.g., reduce revetment, amount of disconnected floodplains, fish passage barriers, and invasive plants). 	
Promote Multi-Benefit Projects	<p>Integrated Water Management</p> <ul style="list-style-type: none"> • Provide additional public benefits (e.g. improving water supply and water quality, increasing groundwater recharge, and providing public recreation and educational opportunities, or any combination thereof). 	15
Improve Institutional Support	<p>Improve Institutional Support</p> <ul style="list-style-type: none"> • Developing stable institutional structures, coordination and financing framework. • Enable effective, adaptive integrated flood management system, including: design, O&M, permitting, preparedness, response, recovery, land use, development planning. • Consistency with local maintaining agency and community general plan goals and objectives and with local hazard mitigation plans. • Contributing to consolidation of local maintaining agencies. • Improve flood preparedness, response, recovery, and land use and development planning. 	10
Financial Plan	<p>Funding Resources/Financial Plan</p> <ul style="list-style-type: none"> • Demonstrating the ability to implement project through construction and operation and maintenance. • Identify all new and existing funding sources (local, State, federal) • Include all cost-share calculations and recommendations • Identify and utilize supplemental sources of O&M funding that leverage the ecosystem benefits accrued, as well as other benefits such as recreation, water quality, and water supply that are applicable • Identify correlation between all funding needs and project phasing 	20
Total Score		100

APPENDIX D - Metrics for Ecosystem Functions and Multi-benefit Projects

The Department’s 2016 Conservation Strategy provides specific targeted metrics for each objective within the Conservation Planning Areas (CPAs). Proposed projects that Department’s evaluations find to contribute significantly to CPA objectives identified in the Conservation Strategy will be given higher scores which will improve chances of selection for State financial assistance for implementation. Multi-benefit category points will be based on the level of inclusion of the targeted metrics in the project proposals that contribute to the measurable objectives of the Conservation Strategy. The 2016 Draft Central Valley Flood System Conservation Flood Strategy is available upon request.

Table D-1 describes the Conservation Strategy metrics for ecosystem process, habitat, and stressor objectives. Table D-2 summarizes the Conservation Strategy Metrics by conservation planning area.

Table D-1: CVFPP Conservation Strategy Metrics for Ecosystem Processes, Habitat, and Stressors

Goal	Targeted Ecosystem Process, Habitat, or Stressor	Metric
<p>Ecosystem Processes: Improve dynamic hydrologic and geomorphic processes.</p>	<p>Floodplain Inundation</p>	<p>Inundated Floodplain—total amount (acres) of 50-percent flows (i.e., a 2-year event) with 14-day or longer duration during December–May: This is a metric of the amount of inundated floodplain benefiting riverine ecosystems and, in particular, target fish species. These amounts are derived from hydraulic modeling using data developed for planning flood management projects.</p>
<p>Ecosystem Processes: Improve dynamic hydrologic and geomorphic processes.</p>	<p>Riverine Geomorphic Processes</p>	<ul style="list-style-type: none"> • Natural Bank—total length (miles): Natural bank is a component of Shaded Riverine Aquatic (SRA) habitat cover and bank habitat and is necessary for migration of a river channel. Its length is related to the area of floodplain potentially reworked by channel migration (river meander). The length of natural bank can be readily measured from imagery, topographic data, and DWR-maintained inventories of revetment. • River Meander Potential—total amount (acres): Movement of a river channel across its floodplain regenerates channel and floodplain habitats. River meander potential is the area of floodplain that has the potential to be reworked by the meandering channel because it is within the river’s natural meander zone, not

Goal	Targeted Ecosystem Process, Habitat, or Stressor	Metric
		underlain by substrates resistant to erosion, and not isolated by revetted banks or levees. Areas with river meander potential can be cost- effectively mapped using aerial photography, inventories of revetment and levees, and existing geologic/soils data.
<p>Habitats: Increase and improve quantity, diversity, quality, and connectivity of riverine aquatic and floodplain habitats.</p>	<p>Shaded Riparian Area Cover</p>	<ul style="list-style-type: none"> • Natural Bank—total length (miles): See natural bank description under “Riverine Geomorphic Processes.” • Riparian-Lined Bank—total length (miles): Riparian-lined banks are natural or revetted banks bordered by trees and shrubs. Riparian-lined banks are an attribute of SRA cover and because SRA cover exists only along channel margins, length is a direct measure of its quantity. Mapping of riparian-lined banks is related to the mapping of riparian vegetation, natural bank, and revetment, all of which DWR inventories for multiple purposes.
<p>Habitats: Increase and improve quantity, diversity, quality, and connectivity of riverine aquatic and floodplain habitats.</p>	<p>Riparian</p>	<p>Habitat Amount—total amount (acres) in floodways: The area of riparian vegetation (i.e., riparian forests, woodlands, and scrub) is a direct measure of its quantity. DWR has mapped this vegetation in the Sacramento and San Joaquin Valleys.</p>
<p>Habitats: Increase and improve quantity, diversity, quality, and connectivity of riverine aquatic and floodplain habitats.</p>	<p>Marsh (and Other Wetlands)</p>	<p>Habitat Amount—total area (acres) in floodways: The area of marsh and other wetlands is a direct measure of their quantity. DWR has mapped this vegetation in the Sacramento and San Joaquin Valleys.</p>
<p>Habitats: Increase and improve quantity, diversity, quality, and connectivity of riverine aquatic and floodplain habitats.</p>	<p>Floodplain Agriculture, Wildlife, Friendly</p>	<p>Habitat Amount—total amount (acres) of wildlife-friendly agriculture in floodways: The area of floodplain agricultural land with wildlife-friendly agricultural practices is a direct measure of its quantity. Wildlife-friendly practices are those increasing habitat value for target wildlife species; fish habitat provided by inundated agricultural land is addressed under inundated floodplain. Areas implementing wildlife-</p>

Goal	Targeted Ecosystem Process, Habitat, or Stressor	Metric
		friendly practices have not yet been mapped.
<p>Stressors:</p> <p>Reduce stressors related to the development and operation of the SPFC that negatively affect at-risk species.</p>	<p>Fish Passage Barriers</p>	<p>Fish Passage Barriers—number of high-priority barriers remediated: This metric documents the number of high-priority barriers modified to improve passage. DWR has inventoried and prioritized barriers in the Sacramento Valley and inventoried prioritized barriers in the Sacramento Valley and inventoried barriers in the San Joaquin Valley (DWR 2014a). (San Joaquin Valley barriers have not yet been prioritized.) This inventory will be updated to support multiple programs. (It is important to recognize that, even among high-priority barriers, there is a range of effects on fish migration.)</p>
<p>Stressors:</p> <p>Reduce stressors related to the development and operation of the SPFC that negatively affect at-risk species.</p>	<p>Invasive Plants</p>	<p>Invasive Plant–Dominated Vegetation in Channel Maintenance Areas—total area reduced (acres): Land identified as Channel Maintenance Areas in the SPFC Descriptive Document (DWR 2010) include areas dominated by invasive plants. For species prioritized for treatment, this metric measure reduction in the extent of infested areas that impact both ecosystem targets as well as O&M of the SPFC. DWR has mapped this vegetation in the Sacramento and San Joaquin Valley.</p>

Table D-2: Conservation Strategy Metrics- Summary by Conservation Planning Area ¹

Goal Objective: Metric	Upper Sacramento River	Feather River	Lower Sacramento River	Upper San Joaquin River	Lower San Joaquin River
Ecosystem processes					
Floodplain inundation: inundated floodplain—major river reaches Area inundated by 2-year, 14-day or longer flows, December–May (acres)	6,300	3,700	7,650	2,800	11,600
Floodplain inundation: inundated floodplain—bypasses/transient storage areas (acres)	9,600	N/A	7,500	0	200
Riverine geomorphic processes: natural bank (miles)	20	0	4	8	13
Riverine geomorphic processes: river meander potential (acres)	5,600	400	1,300	2,100	4,300
Habitats					
SRA cover: natural bank (miles)	20	0	4	8	13
SRA cover: riparian-lined bank (miles)	8	0	3	2	6
Riparian habitat (acres)	3,400	1,800	1,900	2,100	5,800
Marsh/other wetland habitat (acres)	2,400		3,500	0	100
Stressors					
Fish passage barriers: channel-wide structures	5	0	4	TBD	TBD
Invasive plants: prioritized species (infested acres)	268	257	363	143	34

APPENDIX E - Environmental Information Form

ENVIRONMENTAL INFORMATION FORM

Grantees are responsible for complying with all applicable laws and regulations for their projects, including the California Environmental Quality Act (CEQA). Work that is subject to the California Environmental Quality Act (CEQA) shall not proceed under this Agreement until documents that satisfy the CEQA process are received by the Department of Water Resources (Department) and the Department has completed its CEQA compliance. Work that is subject to a CEQA shall not proceed until and unless approved by the Department. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, the Department will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation.

Grant Recipient:

Project Manager:

Phone Number: _____ Agreement #: _____

Address:

1. List the source of any other grants or funds received from the Department of Water Resources to implement a portion of this project.

2. Is this a project as defined by CEQA? Yes No (if "yes", skip to #3) If "no", please explain below then skip to #8.

ENVIRONMENTAL INFORMATION FORM

3. Is this project exempt from CEQA compliance? Yes No (if "no", skip to #4) If "yes", provide reasons for exemption. Cite the CEQA Article, Section and Title of the CEQA exemption, if appropriate. A partial list of the statutory exemptions is found in Cal. Code Regs., tit.14, art. 18 (sections 15260 – 15285) and a list of categorical exemptions is found in Cal. Code Regs., tit. 14, art. 19 (sections 15300 – 15332). A copy of CEQA and the applicable regulations may be found at: http://resources.ca.gov/ceqa/docs/2016_CEQA_Statutes_and_Guidelines.pdf Check appropriate box below:

Lead Agency has already filed a Notice of Exemption (NOE) with the State Clearinghouse and/or County Clerk. Attach copy of NOE and, if applicable, a copy of Board Resolution.

Lead Agency will file a NOE with the State Clearinghouse and/or County Clerk. Provide estimated date: _____

Lead Agency will NOT file a NOE with the State Clearinghouse and/or County Clerk.

If Lead Agency chooses not to file a NOE, sufficient documentation and information must be submitted to the Project Director, along with this form, to allow DWR to make its own determination that the project is exempt from CEQA.

Reason for exemption:

4. If the project will require CEQA compliance, identify the Lead Agency.
CEQA Lead Agency:

5. Please check types of CEQA documents that have been or are to be prepared:

Initial Study

Negative Declaration / Mitigated Negative Declaration

Environmental Impact Report

6. Please describe the status of the CEQA documents, expected date of completion, and estimated cost, if requesting DWR funds relating to CEQA compliance:

Status:

Date of Completion:

Estimated Costs:

7. If the CEQA document has been completed, please provide the name of the document and the State Clearinghouse number, if available. Submit two copies to the Program Manager.

ENVIRONMENTAL INFORMATION FORM

8. Please list all environmental permits you must obtain to complete the project: (attach additional pages, as necessary)

TYPE OF PERMIT REQUIRED

PERMITTING AGENCY

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

9. This form was completed by:

Print or Type Name

Phone Number

Signature

Date

Please send the completed and signed form to DWR Project Manager.

For DWR internal use:

- DWR received environmental documents.
 DWR made findings.

APPENDIX F - Certification for Design Projects

(Name of Local Agency)

hereby applies to the California Department of Water Resources for funding in the amount of \$XXX.XX as authorized by Section 5096.821 of the California Public Resources Code for the purpose of designing a flood control repair or improvement work identified herein as

(Title of Project)

On behalf of the Applicant, I certify the following:

- Applicant has sufficient funds or other resources to finance the proposed percentage of the cost of the Project. *(Project sponsors will be required to provide a financial plan.)*
- If Applicant is awarded funding for a Design Project and later enters into a Design-Construction Agreement, Applicant shall not commence construction activities until receiving an Approval Letter from the State.
- If Applicant is awarded funding and the Project is constructed, unless the Project is operated and maintained by the State, applicant will (1) operate, maintain, repair, rehabilitate, and replace the Project facilities as needed in perpetuity, or until the Department of Water Resources and the Central Valley Flood Protection Board agree in writing that such services are no longer needed, and (2) provide a manual for operation and maintenance that is satisfactory to the Department of Water Resources and the Central Valley Flood Protection Board; and (3) sign an agreement to operate, maintain, repair, rehabilitate, and replace the Project facilities with the Central Valley Flood Protection Board.

By _____ Date _____
(Signature of Authorized Representative)

(Printed Name of Authorized Representative)

(Title)

APPENDIX G - Certification for Construction Projects

(Name of Local Agency)

hereby applies to the California Department of Water Resources for funding in the amount of \$XXX.XX as authorized by Section 5096.821 of the California Public Resources Code for the purpose of constructing the flood control repair or improvement work identified herein as

(Title of Project)

On behalf of the Applicant, I certify the following:

- Applicant has sufficient funds or other resources to finance the proposed percentage of the cost of the Project and to operate, maintain, repair, rehabilitate, or replace the Project as long as necessary. *(Applicant will be required to provide a financial plan.)*
- If Applicant is awarded funding and becomes the sponsor of this Project, unless the Project facilities are operated and maintained by the State, applicant will (1) operate, maintain, repair, rehabilitate, and replace the Project facilities as needed in perpetuity, or until the Department of Water Resources and the Central Valley Flood Protection Board agree in writing that such services are no longer needed, and (2) provide a manual for operation and maintenance that is satisfactory to the Department of Water Resources and the Central Valley Flood Protection Board; and (3) sign an agreement to operate, maintain, repair, rehabilitate, and replace the Project facilities with the Central Valley Flood Protection Board.

By _____ Date _____
(Signature of Authorized Representative)

(Printed Name of Authorized Representative)

(Title)

APPENDIX H - Guidance for State-Local Cost Shared Flood Projects

The State base-level cost share for flood management projects is 50% of the Total Project Cost.² Cost share may vary from this base share.³ Applicants may not use other State funds for its local share unless the State agency providing those funds is specifically authorized by the Legislature to allow the Local Agency to use the funds for its local share. The State shall verify and give the applicant its written permission to use the funds provided by the State agency for the local share.

The State cost share of a project can be increased above the base State cost share of 50% by satisfying any of the following objectives: 1) disadvantaged area community,⁴ 2) system improvement, 3) ecosystem enhancement and restoration, 4) other multi-benefit features, and 5) setback levees, as described below:

Disadvantaged Area Community – The State will increase the cost share for disadvantaged areas' flood management projects up to 40% in 1% increments. This would increase the State cost share of such projects up to 90% of the Total Project Costs. The exact amount of the increase in the State cost share will depend on the degree to which the Benefited Area is economically disadvantaged at the time the project agreement is executed. The State cost share increase is equal to the difference between the Benefited Area's Median Annual Household Income⁵ and the Disadvantaged Household Income⁶, both of which are measured as percentages of the California Median Annual Household Income (rounded to the nearest whole percentage). See Exhibit 1 for how the cost share increase is calculated.

² Total Project Cost means the portion of the project cost that is to be shared between DWR and the Local Agency. The costs contributed by other State or federal agencies are not included in the Total Project Cost.

³ In addition, the State may cap certain types of project costs at 50%. For instance, environmental compliance (CEQA, NEPA, etc.) preparation work directly related to a project and early consultation with agencies will continue to be capped at a 50% State cost share, consistent with current DWR guidelines. This 50% cost limitation for specific costs applies irrespective of the actual cost-sharing formula for the underlying project.

⁴ The Department has defined the terms "Disadvantaged Area" and "Disadvantaged Household Income" in a manner that is consistent with state law. In legislation passed to implement the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, the legislature defined a "Disadvantaged Area" as "a community with an annual median household income that is less than 80% of the statewide annual median household income." Cal. Water Code § 79505.5(a). In recently enacted AB 1788 (Yamada) (Ch. 579), the legislature again used this definition for purposes of establishing the cost-sharing formulas for federal flood control projects. Cal. Water Code § 12585.7(d)(4).

⁵ California Median Annual Household Income means the median annual household income for California reported in the most recent census or updated census-based data. Median should be used exclusively except where there is insufficient median income information for estimating or determining the median in a particular area.

⁶ Disadvantaged Household Income means 80% of the California Median Annual Household Income.

System Improvement – The State will increase the cost share for system improvement projects up to 50% in 1% increments. This would increase the State cost share of such projects up to 100% of the Total Project Costs. The State will implement system improvement projects, which will potentially result in a variety of cost share percentages for different project segments. System improvement features of flood management in the Central Valley include improvement, expansion, and extension of the bypass system, weirs, gates, pumping plants, and fish passage facilities of the flood management system, etc. as presented in the CVFPP under the SSIA. The State will pay applicants up to 100% of the cost for the DWR-approved system improvement works.

Ecosystem Enhancements and Restorations – The State will increase the cost share for ecosystem enhancement and restoration projects up to 20% in 1% increments to cover the cost of such features, not including any cost required for project permitting and mitigations. This would increase the State cost share of such projects up to 70% of the Total Project Costs. Environmental enhancements and restorations, which are public trust resources, include, but are not limited to: protecting, creating, enhancing, or providing opportunities for enhancing the ecosystem, including increasing the quantity, diversity, and connectivity of riparian, wetland, floodplain, and shaded riverine aquatic habitats; promoting the recovery and stability of native species populations and overall biotic community diversity; improving conditions for upstream migration, spawning, egg incubation, emergence, rearing, and migration of priority fish species; and improving fish passage through modification or removal of barriers.

Other Multi-benefit Features of the Project – The State will increase the cost share for Multi-benefit Features of the flood control projects up to 20%, with each feature not exceeding 10% of the Total Project Costs. This would increase the State cost share of such projects up to 70% of the Total Project Costs. Other Multi-benefit features of the project include:

Feature 1: Protection of State Facilities – The State will increase the cost share for protection of State Facilities up to 10% in 5% increments. The State will increase its cost share of the Project for significant contributions to the objective of providing flood benefits to a State Facility⁷.

A significant contribution for the State Facilities objective requires that state transportation facilities or State water supply facilities receive at least a 10% increase in flood protection. The increase in flood protection may be determined from either a DWR or Central Valley Flood Protection Board-approved feasibility study report or other supplemental information as deemed appropriate by the Department or the Board.

Feature 2: Contribution to the State Sustainability Objective – The State will increase the cost share for protection of State Sustainability objective up to 10% in 5% increments. The State will increase its cost share of the project for implementing a significantly increased level of sustainability objectives into the project. The goal of including sustainability objectives in the proposed project is to better manage water resources in a manner that meets California's long-term environmental needs. The

⁷ State Facility means either a State Transportation Facility or a State Water Supply Facility.

applicant should provide evidence that their project has been rated at the Gold or Platinum Award recognition level by the Institute for Sustainable Infrastructure (ISI). The applicants will be entitled to a 5% increase in the State cost share of the Total Project Cost if their project has received a Gold Award from ISI, and a 10% increase in the State cost share of the Total Project Cost if their project has received a Platinum Award from ISI. Note that habitat, open space, recreation, and disadvantaged elements are some of the sustainability objectives already included in the ISI Envision ranking system.

Feature 3: Open Space⁸ and Recreation – The State will increase the cost share for Open Space and Recreation projects up to 10% in 1% increments to cover the cost of such features. This includes land acquisition, improvement and preservation of open space and recreation beyond what is required for the project. Such lands may be acquired in fee or subject to restrictions, such as open space or conservation easements that permanently restrict the land to open space uses and secure the rights necessary for flood management operations and maintenance. Recreational opportunities include developing and maintaining trails for pedestrians, bicycles, and/or equestrians; modifying the operation of flood protection facilities to increase the diversity and duration of recreational opportunities; enhancing the condition and quality of existing recreational facilities; providing facilities for rafting, canoeing, boating, fishing, viewing wildlife, swimming, or other water-dependent activities; providing interpretive facilities and services that enhance visitor appreciation of natural, historical, and cultural resources; relocating major trails to avoid flooding so that they may remain open all year; and enhancing public beach areas.

Feature 4: Enhance Water Supply (including groundwater recharge, increase base flow of streams, etc.) – The State will increase the cost share for projects that significantly enhance Water Supply up to 10% in 1% increments to cover the cost of such features. The enhancement of water supply includes increased groundwater recharge, base flow of streams, and any other enhancements documented through engineering studies and modeling work and presented in quantitative means.

Setback Levee – The State will increase the cost share for segments with setback levee by covering the cost of extra work incurred by building setback levees, minus the cost of the hypothetical repair-in-place or improve-in-place of the project, up to 30% in 1% increments. This would increase the State cost share for the project segment up to 80% of the Total Project Costs. See Exhibit 2 on how to calculate the blended cost share for setback levees.

⁸ Open Space means any parcel or area of land or water that is essentially unimproved and restricted to an Open Space use. Open Space can be designated as any of the following:

- For the preservation of natural resources.
- For managing production of resources, including but not limited to, forest lands, rangeland, and agricultural lands.
- For outdoor recreation.
- For public health and safety, including, but not limited to, flood plains, watersheds, and areas required for the protection of water quality or groundwater recharge.

The applicants must avoid documenting duplicative benefits. State will not account for any project feature that is cost shared as additional benefit to increase the project cost share. For example, the State may pay for additional costs associated with setback levee but will not pay for additional benefits that may result from the levee setback, such as recreation, open space, or increased groundwater recharge. Features paid for by funding recipient can be identified as benefits to increase the project cost share.

The increase in State cost share for the Disadvantaged Area Community, State Facilities, and System Improvement will be established at execution of the agreement and will not change. The increase in State cost share for all other features will be estimated at the time the agreement is executed. However, the final State cost share will not be established until project completion/closeout or any final audit thereafter. For example, the final State cost share towards ecosystem enhancements and restorations will be based on the final contribution to each objective made by the applicant. The applicants must avoid documenting duplicative benefits. For example, the State may pay for additional costs associated with setback levee but will not pay for additional benefits that may result from the levee setback, such as recreation, open space, or increased groundwater recharge.

Project Completion Date - All projects must be completed before the applicable State bond funds have expired and therefore no longer available for expenditure. The State will not be responsible for the continuous funding of a project beyond the date when the applicable State bond funds have expired. However, the State may, at its discretion, choose to reallocate other forms of bond or general funding towards continuation of the project, if such funding is available.

Documentation - The applicant proposing a project must provide sufficient supporting documents in its application and indicate what cost share it believes is merited for the proposed project. The documents should include a scope of work, schedule and a work plan that explains how the applicant intends to accomplish the objectives that would enhance its cost share. After review of the documentation and other relevant information, DWR will make a determination about the applicant's eligibility for an increased cost share.

EXHIBIT 1

Disadvantaged Area Community Calculation

$$Z = X/Y - 80\%$$

X is the Median Annual Household Income for the Benefitted Area Y is the California Median Annual Household Income

X/Y is the Relative Median Annual Household Income percentage or the Benefitted Area's Median Annual Household Income relative to the California Median Annual Household Income. If the X/Y value is greater than 100%, then the Benefitted Area is not a Disadvantaged Area.

80% is the threshold percentage of the California Median Annual Household Income that a Benefitted Area community would need to qualify as a Disadvantaged Area. This income percentage is also known as the Disadvantaged Household Income percentage.

$Z = X/Y - 80\%$ is the percentage that a Benefitted Area is considered to be disadvantaged. If the Z value is positive, then the Benefitted Area is not a Disadvantaged Area. If the Z value is negative, then the Benefitted Area is a Disadvantaged Area.

Some examples as follows:

The exact amount of the increase in the State cost share will depend on the degree to which the Benefitted Area is economically disadvantaged at the time the project agreement is executed. The enhancement is equal to the difference between the Benefitted Area's Median Annual Household Income and the Disadvantaged Household Income, measured as percentages of the California Median Annual Household Income (rounded to the nearest whole percentage). Three examples illustrate this approach, assuming \$61,000 California Median Annual Household Income:

Benefitted Area "A" has a Median Annual Household Income of \$51,800, which is 84.9% of the California Median Annual Household Income ($\$51,800 / \$61,000 = 84.9\%$). The Relative Median Annual Household Income percentage (84.9%) exceeds the Disadvantaged Household Income percentage (80%). Thus, the Benefitted Area would not be eligible for a Disadvantaged Area State cost share increase.

$$X = \$51,800 \quad Y = \$61,000 \quad X/Y = 84.9\%$$

$$Z = 84.9\% - 80\% = 4.9\%$$

The Z value is positive, so the Benefitted Area is not a Disadvantaged Area.

Benefitted Area "B" has a Median Annual Household Income of \$42,900, which is 70.3% of the California Median Annual Household Income ($\$42,900 / \$61,000 = 70.3\%$). The difference between the Relative Median Annual Household Income percentage

(70.3%) and the Disadvantaged Household Income percentage (80%) is -9.7% (70.3% - 80% = -9.7%). Thus, the Benefitted Area would be eligible for a Disadvantaged Area State cost share increase of 9.7%, which would be rounded up to 10%.

$$X = \$42,900 \quad Y = \$61,000 \quad X/Y = 70.3\%$$

$$Z = 70.3\% - 80\% = -9.7\%$$

The Z value is negative, so the Benefitted Area is a Disadvantaged Area. The Disadvantaged Area State cost share increase is 9.7% (rounded up to 10%).

Benefitted Area "C" has a Median Annual Household Income of \$33,500, which is 54.9% of the California Median Annual Household Income (\$33,500/ \$61,000 = 54.9%). The difference between the Relative Median Annual Household Income percentage (54.9%) and the Disadvantaged Household Income percentage (80%) is -25.1% (54.9% - 80% = -25.1%). Thus, the Benefitted Area would be eligible for a Disadvantaged Area State cost share increase of 25.1%, which would be rounded down to 25%.

$$X = \$33,500 \quad Y = \$61,000 \quad X/Y = 54.9\%$$

$$Z = 54.9\% - 80\% = -25.1\%$$

The Z value is negative, so the Benefitted Area is a Disadvantaged Area. The Disadvantaged Area State cost share increase is 25.1% (rounded down to 25%).

EXHIBIT 2

Cost Sharing for Project Setback Levees

The Department will pay a State cost share for Projects or Project components that are setback levees. The following is a brief description of how the State will determine the State cost share for setback levees:

Define the Portion of the Project Eligible for Application of the Setback Levee Rules

For purposes of applying the cost sharing rules for a setback levee, it will be important to determine whether the entire Project is a setback levee or whether one or more Project segments is a setback levee. Thus, the Applicant should provide adequate documentation to support their project proposal.

Determine the State Cost Share for Hypothetical Repair/Improve-in-Place Project

For any Project that includes a setback levee, the Applicant will be required to describe a hypothetical repair-in-place or improve-in-place project, depending on whether it is a Repair Project or an Improvement Project. The Applicant shall prepare an analysis of what the appropriate State cost share would be for the hypothetical Project, including any increase in the State cost share that the hypothetical Project would be entitled to for meeting the multi-benefit objectives. For purposes of this analysis, the Applicant should not take into account that the actual Project will include construction of the setback levee. On the basis of this analysis, the State will determine what the appropriate State cost share would be for the hypothetical repair-in-place or improve- in-place project.

Determine the Incremental Cost of Constructing a Setback Levee

The Applicant will also be required to submit an analysis of the incremental cost of building a setback levee rather than the hypothetical repair-in-place or improve-in-place project. The State will review the Applicant's estimate to make sure that it fairly and accurately reflects the likely incremental costs.

Determine the State Cost Share

The State will pay the State's cost share for the hypothetical repair-in-place or improve-in-place project plus 100% of the incremental additional Eligible Project Costs incurred as a result of constructing the setback levee instead of the hypothetical repair-in-place or improve-in-place project, up to 30% of total project costs. For the State to cost share in the setback levee above the cost of repair-in-place or improve-in place, the setback levee must provide regional benefits in flood risk reduction or significant environmental benefits in the judgment of the State.

Example:

Cost of improving a levee segment is \$600,000 with State cost share of 60%, the State share would be $\$600,000 \times 60\% = \$360,000$.

Cost of building a setback levee for this levee segment is \$1 million. Incremental cost of setback levee would be $\$1,000,000 - \$600,000 = \$400,000$.

At 100% State cost share for this incremental cost, total State share for this project segment would be $\$400,000 + \$360,000 = \$760,000$.

The blended State cost share for this segment would be $\$760,000 / \$1,000,000 = 76\%$, which is less than the 80% cap.

Scope of Work	Cost	Cost Share	State Share
Repair in Place	\$600,000	60%	\$360,000
Setback Levee	\$1,000,000	-	-
Incremental Cost of Setback Levee	$\$1,000,000 - \$600,000 = \$400,000$	100%	\$400,000
Blended Cost Share	$(\$400,000 + 360,000) / \$1,000,000 = 0.76$	76%	\$760,000

EXHIBIT 3

Example Cost Share Formula Calculation for a Project

The following step-by-step description provides insight into the method used to determine a State cost share using a Local Agency application. After the written description below, the total State cost share is calculated on a similar worksheet provided in the example below.

Shady Creek Flood Control Project:

The River City Flood Control District has requested State cost share assistance for their Shady Creek Flood Control Project. The Project is located along Shady Creek from downtown River City to the Pacific Ocean.

The Project will widen the creek channel to increase flood flow capacity. The increased capacity will reduce potential flooding and subsequent property damage. The current Shady Creek capacity is 1,500 CFS (10-year storm event). The Project will provide 3,000 CFS capacity (100-year storm event). The project's benefit to cost ratio (BCR) is 1.5. The Project's increase in Shady Creek storm flow capacity and subsequent reduced floodplain will provide flood protection to nearby Highway 123 and Route 32.

Natural creek bed improvements will provide fish baffles, ledges, and refuge to enhance the habitat for the endangered Steelhead Trout. To provide mitigation, native willow trees will be planted by the creek banks to provide a canopy of dense shade for the Steelhead Trout. Approximately 10,000 square feet of native shrubs will also be planted along the creek banks. The associated park lands were acquired to provide open space settings for this Project. Pathways, benches, and interpretive signage will be added to create park spaces near the creek banks. These easily accessible areas will provide opportunity for bird watching and similar outdoor activities. Costs associated with these activities are paid by the applicant at approximately 4% of the Total Project Cost.

The Project has received a Gold Award from the ISI Envision ranking system.

The Benefited Area has a Median Annual Household Income of \$42,000. This is 69% of the California Median Annual Household Income (assume \$61,000).

Project Evaluation:

Baseline State Cost Share

The project qualifies for a baseline cost share of 50%.

1. Disadvantaged Area Objective
 - The Benefited Area has a Median Annual Household Income of \$42,000, which is 69% of the California Median Annual Household Income (assume \$61,000).
 - The Disadvantaged Area State cost share increase is 11%.
 - The project qualifies for an additional cost share of 11%.
2. Multi-benefit Features Objectives

- A. State Facilities Objective
 - Highway 123 lies within the boundaries of the Benefitted Area.
 - Route 32 also lies within the Benefitted Area. Route 32 isn't a State Transportation Facility, so it doesn't meet the requirement for this objective.
 - The project qualifies for an additional cost share of 5%.
- B. Setback Levee
 - No setback levee opportunities were identified.
- C. Sustainability Objective
 - The project has received a Gold Award from ISI. The project qualifies for an additional cost share of 5%.
- D. Open Space and Recreation Objectives
 - Open Space land was acquired for the project, however, the land was not permanently restricted to Open Space uses and rights were not secured for future flood management operations and maintenance.
 - Therefore, it doesn't meet the requirement for this objective.
 - Some recreational improvements were included in the project. The Recreation improvement is 7% of the Total Project Cost.
- E. Water Supply Objective
 - No improvement to water supply was identified as part of the project.
- 3. Ecosystem Enhancements and Restorations Objectives
 - Habitat improvements were provided for endangered fish species.
 - Some of the Habitat improvements were required to mitigate the project's effects on the environment under the California Environmental Quality Act. Therefore, these Habitat improvements do not meet the requirement for this objective.
 - The remaining Habitat improvements are 4% of the Total Project Cost.
- 4. System Improvement Objective
 - No system improvements were identified as part of the project.
- 5. Benefit to Cost Ratio
 - The project's benefit to cost ratio (BCR) is 1.5.
 - The Project Cost share Calculation Worksheet will be used to determine the project's cost share.
 - For this example, the project cost share is 81%.

The supporting calculations are provided in the examples below.

Example Project Cost Share Calculation Worksheet

Section No.	Criteria Description	Score (%)
1. Base State Cost Share		
A	Baseline	50%
2. Disadvantaged Area Community Objective Exception to 70% cap, if the area qualifies (90% cap)		
A	Disadvantaged Area Community Percentage (0-40%)	11%
3. Ecosystem Enhancements and Restorations Objectives		
A	Ecosystem Enhancements and Restorations Percentage (0-20%)	4%
4. Multibenefit Features Objectives Combination of State Facilities, Sustainability, Open Space and Recreation, and Water Supply Percentage (0-20%)		
A	State Facilities Objective (0/5/10%)	5%
B	State Sustainability Objective (0/5/10%)	5%
C	Open Space and Recreation Objective (0-10%)	7%
D	Water Supply Objective (0-10%)	0%
E	Total of Line Items (4A + 4B + 4C + 4D)	17%
F	Enter Lesser Value of 4E OR 20%	17%
5. SETBACK LEVEE SEGMENT Exception to 70% cap for the blended rate of the segment (80% cap)		
A	Setback Levee Segment Blended Rate (0-30%)	0%
B	Total (1A + 5A) – <i>This percentage only applies to this segment of work</i>	0%

Section No.	Criteria Description	Score (%)
6. SYSTEM IMPROVEMENT OBJECTIVE Exception to 70% cap, if this plan is opted for (100% cap)		
A	System Improvement Percentage (0-50%)	0%
B	Total (1A + 6A) – <i>This percentage only applies to this segment of work</i>	0%
7. GRAND TOTAL OF PROJECT COST SHARE		
A	Total (1A + 3A + 4F)	71%
B	Enter Lesser Value of 7A OR 70%	70%
C	Total (7B + 2A)	81%
D	Enter Lesser Value of 7C OR 90% - Project Cost Share , except for Setback Levee and System Improvement segments of work	81%

APPENDIX I - Local Public Agency Authorizing Resolution

APPENDIX J - Funding Agreement Template

DRAFT

**STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES**

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES**

AND

<INSERT GRANTEE NAME>

FOR THE < PROJECT NAME>

A PART OF THE SMALL COMMUNITIES FLOOD RISK REDUCTION PROGRAM

UNDER

**THE CALIFORNIA DISASTER PREPAREDNESS AND FLOOD PREVENTION
BOND ACT OF 2006, PUBLIC RESOURCES CODE SECTION 5096.800, ET SEQ.**

Note: Highlighted areas of the text in the Agreement template are for internal references and informational purposes to assist DWR and awardees when finalizing funding agreements

**FUNDING AGREEMENT BETWEEN THE DEPARTMENT OF WATER RESOURCES
AND**

<GRANTEE NAME>

**UNDER THE CALIFORNIA DISASTER PREPAREDNESS AND FLOOD
PREVENTION BOND ACT OF 2006**

(Public Resources Code § 5096.800 et seq.)

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the <insert Grantee Name>, a <select appropriate descriptor and delete others – public agency, non-profit, etc.> in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the California Disaster Preparedness and Flood Prevention Bond Act of 2006 (Pub. Resources Code, § 5096.800 et seq.) to Grantee to assist in financing the <insert project title> (Project).
2. TERM OF FUNDING AGREEMENT. The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by <Insert date based on schedule> and no funds may be requested after <Insert date work completed + 3 - 6 months>.
3. PROJECT COST. The reasonable cost of the Project is estimated to be \$<insert Project Cost>.
4. FUNDING AMOUNT. The maximum amount payable by the State under this Agreement shall not exceed \$<INSERT AMOUNT>.

Comment: Paragraph 5 - For programs with mandated cost share obligations, include the minimum required amount/percentage. The 3rd sentence can be deleted if there is not a required minimum. The last sentence may be deleted if the program does not restrict reimbursement of past costs.

5. GRANTEE COST SHARE. Grantee agrees to fund the difference between the actual Total Project Cost, as estimated in Exhibit B, and the amount specified in Paragraph 4, if any. Cost Share consists of Funding Match and Other State Funds, as documented in Exhibit B; see Exhibit G for guidance. Funding Match is equivalent to Cost Share, when Other State Funds are not present. Grantee is required to provide a Funding Match of <if applicable, Insert percentage – must be at least the minimum mandated by the Program Guidelines/authorizing legislation> of the Total Project Cost. Grantee's required funding match is estimated to be \$<INSERT AMOUNT>. Costs incurred or in-kind services performed after <insert date> may be counted as Funding Match.
6. BASIC CONDITIONS. State shall have no obligation to disburse money for the Project under this Funding Agreement until Grantee has satisfied the following conditions:

- A. Grantee demonstrates the availability of sufficient funds to complete the Project, as stated in the **Award/Commitment Letter**, by submitting the most recent three (3) years of audited financial statements.
- B. For the term of this Funding Agreement, Grantee submits timely Monthly Progress Reports as required by **Paragraph 12**, "Submission of Reports."
- C. Grantee submits all deliverables as specified in **Paragraph 12** of this Funding Agreement and in **Exhibit A**.
- D. Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:

Comment: Paragraph 6.D.i may not be necessary for planning or feasibility studies.

- i. Final plans and specifications certified by a California Registered Civil Engineer as to compliance for each approved project as listed in **Exhibit A** of this Funding Agreement.
- ii. Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Funding Agreement until the following actions are performed:
 - a. Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form to the State,
 - b. Documents that satisfy the CEQA process are received by the State,
 - c. State has completed its CEQA compliance review as a Responsible Agency, and
 - d. Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

Comment: Delete 6.D.iii if Paragraph 15 is also deleted.

- iii. A monitoring plan as required by **Paragraph 14**, "Project Monitoring Plan Requirements."

- 7. **DISBURSEMENT OF FUNDS.** State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at

any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to Grantee under this Funding Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.

8. ELIGIBLE PROJECT COSTS. Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and **Exhibit B**. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement.

Costs that are not eligible for reimbursement include, but are not limited to the following items:

- A. Costs incurred prior to the execution date of this Grant Agreement.
- B. Operation and maintenance costs, including post construction performance and monitoring costs.
- C. Purchase of equipment not an integral part of a project.
- D. Establishing a reserve fund.
- E. Purchase of water supply.
- F. Monitoring and assessment costs for efforts required after project construction is complete.
- G. Replacement of existing funding sources for ongoing programs.
- H. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- I. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
- J. Overhead and 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 Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

9. STATEMENT OF COSTS. The Grantee shall provide the State with a Statement of Costs.
- A. The Grantee shall provide a statement of the incurred Eligible Costs for work performed during the period identified in the particular statement. The Statement of Costs shall include:
- i. The date of the invoice, the time period covered by the invoice, and the total amount due;
 - ii. Itemized costs based on the categories specified in Exhibit B, Project Costs and Budget. The amount claimed for salaries/wages/consultant fees must be based on a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed);
 - iii. Delineation between costs claimed for reimbursement from the State's funding amount and the Grantee's costs as set forth in Paragraph 5;
 - iv. Original signature and date (in ink) of the Grantee's authorized representative or Project Manager.
- B. The State will provide payment for those Eligible Costs that were incurred after execution of this Agreement.
- C. The State will review each Monthly Progress Report and each Statement of Costs to determine whether claimed costs are Eligible Project Costs and whether the Grantee has provided adequate information to verify that claimed expenses were incurred.
- D. The State may reject a Statement of Costs if: (1) it is submitted without signature; or (2) it is submitted under signature of a person other than the Grantee's Project Manager or the Grantee's authorized representative.
- E. A Statement of Costs containing a mathematical error will be corrected by the State, after a telephone call or email to the Grantee; and will thereafter be treated as if submitted in the corrected amount. The State will provide the Grantee with notification of the corrected Statement of Costs.
- F. The State will notify the Grantee by electronic mail (e-mail) or mail, whenever, upon review of a Statement of Costs, when the State determines that any portion or portions of the costs claimed: (1) are ineligible to be paid under Federal or State law, or the terms of this Agreement; (2) do not constitute Eligible Project Costs approved by the State for funding under the terms of this Agreement; or (3) are not supported by invoices or receipts acceptable to the State. The Grantee may, within thirty (30) days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to timely submit adequate documentation curing the deficiency(ies), the State will adjust the pending Statement of Costs by the amount of the ineligible and/or unapproved cost(s). The Grantee may continue to submit additional documentation in support of rejected cost(s) and may include such cost(s) with additional supporting documentation on a subsequent Statement of Costs. Disputes concerning whether costs are Eligible Projects Costs and have been

adequately documented will be resolved in accordance with the dispute resolution process set forth in Paragraph 16.

- G. At the sole discretion of the State, the State may modify the requirements for preparation and submittal of Statements of Costs in order to improve administration of this Agreement or to ensure compliance with the Governor's Executive Order on accountability for bond funds, Executive Order S-02-07, or other legal requirements.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

- 10. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that the Project is not being implemented in accordance with the provisions of this Funding Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Funding Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 11, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 11, "Default Provisions." If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Funding Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.
- 11. DEFAULT PROVISIONS. Grantee will be in default under this Funding Agreement if any of the following occur:
 - A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations;

- B. Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain this Funding Agreement;
- C. Failure to operate or maintain project in accordance with this Funding Agreement.
- D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
- E. Failure to submit timely progress reports.
- F. Failure to routinely invoice State.

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

- A. Declare the funding be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- B. Terminate any obligation to make future payments to Grantee.
- C. Terminate the Funding Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Funding Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

12. SUBMISSION OF REPORTS. The submittal and approval of all progress reports is a requirement for the successful completion of this Agreement. Progress reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to DWR. All progress reports shall be submitted along with the invoices to the State's Project Manager, and shall be submitted in both electronic and hard copy forms. If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for approval of progress reports. Progress reports shall be presented in the formats described in Exhibit F. The submittal and approval of progress reports is a requirement for processing each Statement of Costs. Submittal of a Project Completion Report is a requirement for the release of any funds retained for the Project.

- A. Monthly Reports: Beginning ninety (90) after the Agreement is executed by the State, and for the duration of the Agreement, the Grantee shall submit to the State a monthly report which explains the status of the Project described in the Scope of Work, Exhibit A. Reports shall be submitted by the last day of the quarter. Progress reports shall summarize the work as explained in Exhibit F.

- B. Project Completion Report: Grantee shall submit a Project Completion Report within ninety (90) calendar days of Project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of final project by a registered civil engineer, consistent with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.
- C. Compliance with Executive Order S-02-07: At the sole discretion of DWR, DWR may modify the requirements for preparation and submittal of work plans and reports called for in this Agreement in order to improve administration of the State-Federal Flood Control System Modification Program or ensure compliance with the Governor's Executive Order on accountability for bond funds, Executive Order S-02-07, or other legal requirements.

13. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of the Project and in consideration of the funding made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Funding Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State, be considered a breach of this Funding Agreement and may be treated as default under **Paragraph 11, "Default Provisions."**

Comment: Paragraph 14 – Depending on the nature of the grant program, this section may not be required or may need to be modified. Please revise as needed.

14. PROJECT MONITORING PLAN REQUIREMENTS. **Exhibit A** of this Funding Agreement shall contain activities to develop and submit to State a Project Monitoring Plan. The Project Monitoring Plan should also include:
- A. Baseline conditions.
 - B. Brief discussion of monitoring systems to be used.

- C. Methodology of monitoring.
- D. Frequency of monitoring.
- E. Location of monitoring points.

A Project Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities.

15. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:
 - A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 - B. Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.
 - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
 - D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
 - E. Final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer." Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
16. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
 - A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
 - D. By electronic means.

E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

17. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

18. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

Department of Water Resources

<Insert DWR Project Representative, title, name, mailing address and contact information>

<Insert Grantee Project Representative title, name, mailing address and contact information>

Direct all inquiries to the Project Manager:

Department of Water Resources

<Insert DWR Project Manager name, mailing address and contact information>

<Insert Grantee Project Manager name, mailing address and contact information>

Either party may change its Project Representative or Project Manager upon written notice to the other party.

19. STANDARD PROVISIONS AND INTEGRATION. This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

Exhibit A – Scope of Work

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Grantee Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – State Audit Document Requirements and Funding Match Guidelines for Grantees

Exhibit H – Monitoring and Maintenance Plan Components

Exhibit I – Information Needed for Escrow Process and Closure

Exhibit J – Appraisal Specifications

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement.

STATE OF CALIFORNIA

<Insert Grantee name>

DEPARTMENT OF WATER
RESOURCES

<Insert DWR Project Representative,
Title, and Division>

<Insert Grantee Project Representative
Name and title>

Date _____

Date _____

Approved as to Legal Form and
Sufficiency

<Insert name and title>

Office of Chief Counsel

Date _____

DRAFT

Exhibit A
SCOPE OF WORK

DRAFT

**Exhibit B
BUDGET**

DRAFT

**Exhibit C
SCHEDULE**

DRAFT

Exhibit D

STANDARD CONDITIONS

D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- A. **Separate Accounting of Funding Disbursements:** Grantee shall account for the money disbursed pursuant to this Funding Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Disaster Preparedness and Flood Prevention Bond Act of 2006 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.

D.4. AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. AUDITS: State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Funding Agreement and Grantee shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State, or offer a Funding Agreement amendment to Grantee to reflect the reduced amount.

D.7. CEQA: Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and

shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once State 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, this Agreement shall be terminated in accordance with **Paragraph 11**.

Comment: The text below must be included in all agreements utilizing Proposition 84 funding.

Applicants seeking Proposition 84 funding should note that Public Resources Code section 75102 requires lead agencies to notify tribal entities prior to adoption of Negative Declarations or Environmental Impact Reports (EIRs) if traditional tribal lands are within the area of the Project.

- D.8. **CHILD SUPPORT COMPLIANCE ACT:** The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.9. **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10. **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the 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>.
- D.11. **COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

- D.12. 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 contract 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, for State conflict of interest requirements.
- A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. Employees and Consultants to the Grantee: Individuals working on behalf of a Grantee may be required by the Department 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.
- D.13. DELIVERY OF INFORMATION, REPORTS, AND DATA: Grantee agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. DISPOSITION OF EQUIPMENT: Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery

from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.

- D.15. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Grantee's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i. Will receive a copy of Grantee's drug-free policy statement, and
 - ii. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

Comment: Clause D.17 may not be necessary for certain agreements, such as planning or study projects. Please discuss with OCC whether this clause is relevant or whether it may need to be modified to address specific program requirements.

- D.16. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner. Failure to provide an easement acceptable to the State may result in termination of this Agreement.

Comment: Clause D.18 may not be required for planning or study grant programs. Please discuss with OCC whether removal of this clause is appropriate.

- D.17. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.
- D.18. GRANTEE'S RESPONSIBILITIES: Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Scope of Work) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).
 - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
 - C. Comply with all applicable California, federal, and local laws and regulations.
 - D. Implement the Project in accordance with applicable provisions of the law.
 - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
 - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Grantee shall provide copies of permits and approvals to State.
 - G. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Agreement.
 - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its

contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

- D.19. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.20. INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.21. INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.22. INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantees, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.23. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.24. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.25. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the

prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms 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, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

- D.26. MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.27. NONDISCRIMINATION: During the performance of this Funding Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

- D.28. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall

never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

- D.29. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.30. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.31. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.32. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.33. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.34. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.35. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.

- D.36. RIGHTS IN DATA: Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.37. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.38. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Grantee, its contractors, or subcontractors have made a false certification, or
 - B. Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.39. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.40. TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.41. TERMINATION FOR CAUSE: Subject to the right to cure under **Paragraph 11**, the State may terminate this Funding Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under **Paragraph 11**.
- D.42. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.43. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.

- D.44. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.45. TRAVEL: Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at:
<http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>.
Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.
- D.46. UNION ORGANIZING: Grantee, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Grantee, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - B. Grantee shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- D.47. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.48. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

Exhibit E
AUTHORIZING RESOLUTION ACCEPTING FUNDS

DRAFT

Exhibit F
REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

1. PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information.

PROJECT STATUS

For each project, describe the work performed during the time period covered by the report including but not limited to:

PROJECT INFORMATION

- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the month (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule and budget, with a recommendation on how to correct the matter
- Describe differences between the work performed and the work outlined in the Overall Work Plan, including change orders
- Demonstrate financial ability to pay local cost share of Eligible Project Costs required to complete the Project
- Estimate the percentage completion of the activities at high level Tasks and the overall project
- Identify key issues that need to be resolved
- Photos documenting progress

COST INFORMATION

- Provide a list showing all project costs incurred during the time period covered by the report by the Grantee and each contractor working on the project and which of these costs are Eligible Project Costs
- A discussion on how the actual budget is progressing in comparison to the project budget included in the Overall Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Overall Work Plan
- A discussion of whether there have been any changes to the Grantee's finance plan for payment of the Grantee's share of Eligible Project Costs

SCHEDULE INFORMATION

- A schedule showing actual progress versus planned progress
- A discussion on how the actual schedule is progressing in comparison to the original or last reported schedule
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule

2. PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

Comment: The list below should be edited to remove items not relevant to specific programs or projects. ALL non-mandatory items must be deleted from this list (for example, delete as-built drawings from a planning/study agreement).

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Funding Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the funding agreement (e.g. 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

COSTS AND DISPOSITION OF FUNDS – A list of showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Funding Agreement.

- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
 - Evaluation cost information, shown by material, equipment, labor costs, and any change orders
 - Any other incurred cost detail
 - A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

Exhibit G
STATE AUDIT DOCUMENT REQUIREMENTS AND
FUNDING MATCH GUIDELINES FOR GRANTEES

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and Grantee's Funding Match and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

State Audit Document Requirements

Internal Controls

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

State Funding:

1. Original Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions 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 State funded Program/Project.

Invoices:

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

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 funding 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 Funding Agreement 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 State 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 Funding Agreement related correspondence.

Funding Match Guidelines

Funding Match (often referred to as cost share) consists of non-State funds, including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties) directly related to the execution of the funded project. Examples include volunteer services, equipment use, and use of facilities. The cost of in-kind service can be counted as funding match in-lieu of actual funds (or revenue) provide by the Grantee. Other funding match and in-kind service eligibility conditions may apply. Provided below is guidance for documenting funding match 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 Grantee for its own employees. Such documentation should include the following:
 - a. Detailed description of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to project work plan)
 - c. Name of contributing organization and date of contribution
 - d. Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)

- e. Person's name and the function of the contributing person
 - f. Number of hours contributed
 - g. If multiple sources exist, these should be summarized on a table with summed charges
 - h. Source of contribution if 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 Grantee'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 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. 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 project funded by the Funding Agreement.
 4. Cash contributions made to a project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Grantee's accounting system.

Comment: Include this exhibit for programs that include monitoring and maintenance plan components. Sometimes it is easier to put the Monitoring and Maintenance Plan into a tabular format, or matrix, but that's up to the preparer. For maintenance requirements of project levees, see Water Code § 9140(3).

Exhibit H

MONITORING AND MAINTENANCE PLAN COMPONENTS

Introduction

- Goals and objectives of project
- Site location and history
- Improvements implemented

Monitoring and Maintenance Plan

- Monitoring Metrics (ex: Plant establishment, bank erosion, hydraulic characteristics, habitat expansion)
- Maintenance Metrics (ex: irrigation, pest management, weed abatement, continuous invasive species removal until natives established)
- Special Environmental Considerations (ex: resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)
- Performance Measures, or success/failure criteria monitoring results measured against (ex: percent canopy cover after 1, 5, 10 years, water temperature decrease, site specific sediment scour or retention)
- Method of Reporting (ex: paper reports, online databases, public meetings)
- Frequency of Duration Monitoring and Reporting (daily, weekly, monthly, yearly)
- Frequency and Duration of Maintenance Activities
- Responsible Party (who is conducting monitoring and/or maintenance) Implementing responsibility (i.e., who is responsible for monitoring and maintenance)
- Adaptive Management Strategies (i.e., what happens when routine monitoring or maintenance encounters a problem)

Comment: Include this exhibit if the project includes an escrow process.

Exhibit I

Information Needed for Escrow Processing and Closure

The Grantee must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Funding Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

Comment: Include this exhibit if the project includes an appraisal process.

Exhibit J

APPRAISAL SPECIFICATIONS

For property acquisitions funded this Funding Agreement, the Grantee must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the state. If the appraiser discovers evidence of an Option or the

possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.

13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).
16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If

alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.

22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
 - a) For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
 - b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
 - c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.
27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.

30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.
34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
 - a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
 - b) An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.