

**State Water Resources Control Board (State Water Board)**  
**Division of Financial Assistance (Division)**  
**Instructions on Reviewing State Bond Funded Projects for Compliance**  
**with the California Environmental Quality Act (CEQA)**

The State Water Board is required to comply with CEQA when it funds a project. The State Water Board is required to review the environmental documents submitted by the applicant (Grantee), and document CEQA compliance, including the development of the State Water Board's CEQA findings. These instructions outline the process on how to document CEQA compliance for state bond funded projects (state bond funds administered by the State Water Board).

For more information on the CEQA Guidelines and the CEQA Process please refer to the California Natural Resources Agency website at <http://www.ceres.ca.gov/ceqa/>

**Why does the State Water Board need to comply with CEQA?**

For projects that it funds, the State Water Board is either the "Lead Agency" or the "Responsible Agency" under CEQA. The State Water Board can act as the Lead Agency when the Grantee is a non-profit organization, as non-profit organizations are not subject to CEQA requirements (i.e. they are not considered a public governmental agency). As a Lead Agency (when no other public governmental agency has discretionary approval, such as permitting, and/or the grantee can not act as the Lead Agency under CEQA) the State Water Board must make its own CEQA determination based on the project information provided by the Grantee. In such cases, the State Water Board will prepare and file the appropriate CEQA document with the State Clearinghouse (SCH) under the Governor's Office of Planning and Research (OPR).

As a Responsible Agency, the State Water Board has a discretionary authority when approving/disapproving funds for a project. The State Water Board must review the Lead Agency's CEQA document and determine if the document is adequate for the State Water Board's use in supporting it's CEQA findings for a project. When the CEQA document has been determined to be adequate, the State Water Board will use the document to make a decision about the project (approving, disapproving), and develop its own CEQA findings [Public Resources Code Section 21069; CEQA Guidelines, Sections 15096, 15381].

**Overview of the CEQA Process and CEQA Documents**

The SCH coordinates the state-level review of environmental documents pursuant to CEQA, provides technical assistance on land use planning and CEQA matters, and coordinates state review of certain federal grant applications.

All State Water Board funded projects must comply with the CEQA process. There are three different types of CEQA Documents:

1. Notice of Exemption (NOE);
2. Negative Declaration (ND) or Mitigated Negative Declaration (MND); or
3. Environmental Impact Report (EIR).

The CEQA documents differ in the degree of environmental impacts (if any) associated with a project. The Grantee and/or Lead Agency, in coordination with the Responsible Agency(ies), will be responsible for preparing the appropriate type of CEQA document. Grantees and/or the Lead Agency may follow the same process as exemplified in the [CEQA Process Flow Chart](#) (see [Appendix A, CEQA Guidelines](#)) to determine which type of CEQA document is needed for the project. Note that it

is critical to involve all Responsible and Trustee Agencies (including the State Water Board) early in the planning stages of the CEQA document, as those agencies may have permitting or approval authority over a project.

### Types of Environmental Documentation Needed for Submittal to the Grant Manager (GM)

The Grantee should send the Grant Manager all completed project CEQA documents and the associated documents to be considered a complete package. A complete package includes one or a combination of the following (depending on the applicable CEQA documents):

#### NOE

- A completed, signed and date-stamped copy of an NOE (see attached [NOE Form](#)) filed with the local county clerk(-s) and the OPR
- The NOE form must identify the agency approving and/or carrying out the project, the project location and description, the appropriate exemption type, and an explanation of why the project meets the specified exemption (See [Articles 18 and 19, CEQA Guidelines](#))

#### ND/MND

- Initial study checklist (see [Appendix G, CEQA Guidelines](#))
- Final ND/MND
- Comments received during the public review period of the draft ND/MND, and the responses to the comments
- Lead Agency resolution adopting the ND/MND and a Mitigation Monitoring and Reporting Program (MMRP, if applicable), approving the project, and making CEQA findings
- A copy of the final adopted MMRP
- Notice of Determination (NOD) filed with the SCH (See [Appendix D, CEQA Guidelines](#))

#### EIR

- Notice of Preparation (NOP; see [Appendix I, CEQA Guidelines](#))
- Draft EIR (note that the draft EIR may include a copy of the NOP with comments and responses received on the NOP)
- Final EIR (Note that the final EIR may consist of revisions to the draft EIR, and comments and responses)
- Comments received during the public review period of the draft ND/MND, and the responses to the comments
- Lead Agency resolution certifying the EIR, adopting a MMRP and any applicable Statement of Overriding Consideration (SOC), approving the project, and making CEQA findings
- Copies of the MMRP and the SOC
- NOD filed with the SCH

### Reviewing and Making CEQA Findings for the Division Deputy Director or the State Water Board Approval

Steps on how to document CEQA compliance:

1. Review the CEQA documents (see CEQA Checklist for Grantee, **Attachment 1**) to determine if they are complete and adequate. If items are missing or there is no proof that items were filed with the appropriate agency, contact the Grantee and request these items.
2. Compare the project scope of work provided by the Grantee, to the project description identified in the CEQA document. Note that the grant funded project may be a subset of the larger project described in the CEQA documents.

3. Review the CEQA document for significant unavoidable environmental Impacts. The review is different for each associated type of CEQA document; refer to the following explanation for review guidance (see A, B or C below):
  - A. **NOE** – A project must not result in any significant environmental impacts in order for it to be considered exempt. Note that exempt projects must meet the appropriate exemption type and must not meet the exceptions to the exemptions (See [Articles 18 and 19, CEQA Guidelines](#)). Review the NOE and determine if you agree with the identified exemption for the project, before proceeding to step 4 below. If you agree that the project qualifies for an exemption but the Lead Agency has listed the incorrect exemption, identify the correct exemption class(es) in the Administrative Staff Report prepared for the Division Deputy Director approval. Proceed to step 4.
  - B. **ND/MND** – Review the ND or MND document, which includes a project summary and the Initial Study Checklist. Make sure that all environmental issues (paying particular attention to the Hydrology and Water Quality section of the document) related to the project have been addressed (including making sure all water quality issues have been addressed/mitigated), and review the mitigation measures proposed for any significant environmental impacts. *If you determined that all the environmental issues have not been addressed in the document, you should consult with the Environmental Review Unit (ERU) in the Division on how to proceed.* Once all the issues have been resolved, go on to step 4 below.
  - C. **EIR** – Complete the same process as for ND and MNDs above. Also, determine if the project will result in any significant unavoidable environmental impacts, and/or if there are any controversy associated with the project. If the project will result in significant unavoidable environmental impacts, the Lead Agency must prepare and adopt Statements of Overriding Considerations to outweigh the project's benefit against the significant unavoidable environmental impacts. If a project will result in significant unavoidable environmental impacts and/or is controversial, the project needs to be included as an **agenda item to be considered by the Board of the State Water Board**. If all the water quality concerns have not been resolved, consult with the ERU on how to proceed; do not proceed to step 4 below.
4. Once you have reviewed the CEQA document and agree that the project will not pose a significant impact to the environment, it is time to prepare the Administrative Staff Report (**Attachment 2**), which contains a brief summary of the project and the CEQA findings. Save an electronic copy of the Administrative Staff Report to the appropriate project folder, and send an electronic copy with the substantiating environmental documents to the Grant Analyst at the Division, for routing to the Division Deputy Director signature.
5. Once the Administrative Staff Report is signed off by the Deputy Director, the Grant Analyst will put the original copy of the document in the project file and send a pdf copy to the Grant Manager for her/his file. See Environmental Review Process Flowchart (**Attachment 3**) for quick overview.

If the State Water Board is the Lead Agency, the GM must prepare the environmental document (NOE, ND/MND or EIR) on behalf of the State Water Board based on the information provided by the Grantee. Due to staffing constraints, the State Water Board will only act as the Lead Agency on projects that qualify for exemptions. In such an instance, the GM will need to prepare the NOE Form (**Attachment 4**) and the Administrative Staff Report. Once the NOE and Administrative Staff Report are approved by the Division's Deputy Director, the GM and/or the Grant Analyst must file the NOE with the SCH and retain a date stamped copy in the project file.

## Examples of CEQA Documents, Environmental Clearance, and Preliminary Funding Commitments

Four examples have been attached to provide you with guidance on what to expect when you receive a CEQA document and how to develop the environmental clearance language. Actual copies of the CEQA documents for these projects can be found on the OPR CEQANet website at <http://www.ceqanet.ca.gov/QueryForm.asp>

### NOE Examples

- When Grantee is the Lead Agency or is utilizing another Lead Agency's environmental document – *See Marin Municipal Water District*
- When State Water Board is the Lead Agency – *See Sustainable Cotton Project*

### ND Examples

- When Grantee is the Lead Agency or is utilizing another Lead Agency's environmental document – *See California State Parks*
- When State Water Board is the Lead Agency – *None Available*

### EIR Examples

- When Grantee is the Lead Agency or is utilizing another Lead Agency's environmental document – *See Ventura County Watershed Protection District*
- When State Water Board is the Lead Agency – *None Available*

## Frequently Asked Questions

### **Do all NOEs need to be filed with the State Clearinghouse?**

Yes. All NOEs must be filed with the appropriate local county clerk(s) and the SCH. The State Water Board will only file an NOE with the SCH when it is the Lead Agency.

### **Is the State Water Board required to file its own NOE or NOD for each project after the environmental review is complete?**

Yes. The State Water Board is required to file a NOE or NOD for each project that is reviewed. However, due to staffing the State Water Board has not been filing NOEs and NODs in every case. The State Water Board has been filing NOEs when it is the Lead Agency, and filing NODs when the project is taken to the Board for consideration.

### **Why do we require the comment letters and the Lead Agency's responses?**

We review the comment letters for any concerns raised by the Regional Water Boards or other state agencies, determine whether these concerns were addressed by the Lead Agency, and to better understand the issues surrounding the project.

### **Why does the grantee need to file an NOD with the OPR?**

The CEQA Guidelines state that if a project requires discretionary approval from a state agency, the NOD shall also be filed with the OPR [CEQA Guidelines, Section 15094(c)]. For this reason, we require a date-stamped copy of the NOD filed with the SCH.

### **What if the CEQA document is older than five years?**

If the CEQA document is older than five years and the project environmental setting has changed, the Grant Manager will need to request the Grantee to submit additional environmental documentation that describes and analyzes the current environmental conditions/impacts of the project. Examples of additional CEQA documents include Subsequent, Supplemental, and Addendum documents to a previously prepared CEQA document.

**When can the grantee implement the project?**

The Grantee can implement the project when the CEQA findings have been approved by either the Division Deputy Director or the Board.

**Do all grant recipients receiving State Bond Funds have to comply with CEQA?**

Yes. All grants funded by the State Water Board are considered projects and must comply with CEQA.

**Who files CEQA documentation with the State Clearinghouse?**

Typically, the Lead Agency prepares and files the CEQA documentation. However, if preparation of the CEQA documents is contracted out, the contractor may file the documents.

**When a project is funded by the State Water Board but located on federal land (e.g. National Park, Federal Forest lands) do CEQA requirements apply?**

Yes. Any project located in the state of California, and funded by the State Water Board is subject to CEQA, regardless of location. A project located on federal land, requiring a federal discretionary permit, entitlement, authorization, or receiving federal funding will most likely also be subject to NEPA.

**What is the SCH? How do you file the required documents with the SCH?**

The SCH coordinates the distribution of CEQA documents to state agencies for their review and comment. These environmental documents include ND, MND, EIRs and various public notices. For more information about the requirements and the filing process, refer to the OPR website at <http://www.opr.ca.gov>.

**How to File Environmental Documents**

The SCH will accept environmental documents either through the U.S. Postal Service or other mail service (see mailing address below), or by fax (if choosing to fax a notice, please contact the SCH directly at 916-445-0613).

State Clearinghouse  
P.O. Box 3044  
Sacramento, CA 95812-3044

**OR**

State Clearinghouse  
1400 Tenth Street, Room 113  
Sacramento, CA 95814

SCH accept deliveries Monday-Friday (excluding holidays) between 9:00AM – 5:30PM.

**Is there a place on the web where all of the submitted CEQA documents are stored?**

Yes. CEQA Net (<http://www.ceqanet.ca.gov/>) contains key information from all CEQA documents submitted to the SCH for state review since 1990.

**Attachment 1**  
**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**  
**CHECKLIST FOR THE GRANTEE<sup>1</sup>**  
**What to Submit to your State/Regional Water Boards' Grant/Project Manager**

If project is covered under a **CEQA Categorical or Statutory Exemption**, submit a copy of the following:

- Notice of Exemption** (filed with the Governor's Office of Planning and Research)
- List of Best Management Practices (BMPs) and their locations**, if project implements BMPs

If project is covered under a **Negative Declaration**, submit a copy of the following:

- Draft and Final Initial Study/Negative Declaration**  
(or Mitigated Negative Declaration, if applicable)
  - Comments and Responses to the Draft
  - Mitigation Monitoring and Reporting Plan (if using a Mitigated Negative Declaration)
- Resolution approving the CEQA documents**
  - Adopting the Negative Declaration
  - Making CEQA Findings
- Notice of Determination** (filed with the Governor's Office of Planning and Research)

If project is covered under an **Environmental Impact Report (EIR)**, submit a copy of the following:

- Draft and Final EIR**
  - Comments and Responses to the Draft
  - Mitigation Monitoring and Reporting Plan (MMRP)
- Resolution approving the CEQA documents**
  - Certifying the EIR and adopting the MMRP
  - Making CEQA Findings
  - Adopting a Statement of Overriding Considerations for any adverse impact(s) that cannot be avoided or fully mitigated if project is implemented
- Notice of Determination** (filed with the Governor's Office of Planning and Research)

If EIR is a joint CEQA/National Environmental Policy Act document (EIR/Environmental Impact Statement or EIR/Environmental Assessment), submit the applicable Record of Decision and/or Finding of No Significant Impact.

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<sup>1</sup> Grantee may be asked to provide copies of the required permit(s) if necessary to confirm compliance with CEQA

**Attachment 2**

**CEQA Administrative Staff Report<sup>2</sup>  
State Water Board Funding Decisions  
State Funding Only**

<p>Funding Sources (check all that apply): <i>Bold the funding source.</i> 2005-06 Consolidated Grants <input type="checkbox"/>    2007-08 CWA 319 <input type="checkbox"/>    IRWMP <input type="checkbox"/> _____ Other <input type="checkbox"/> → Identify:</p> <p>Grant Agreement No(s): <i>If IRWMP, also include Component #, or other applicable identifier. Bold the numbers.</i> Grantee: Sub-grantee (if applicable): <i>If none, delete this section.</i> Lead Agency: Project Name: Project Location: <i>Insert City and County.</i></p>
<p>Purpose of Project:</p> <p>Project Description:</p> <p>Items/Locations Reviewed:</p> <p>Synopsis of Public Comments (Review Period: <i>insert dates</i>): <i>If applicable. If none, delete this section.</i></p> <p>Additional Information:</p> <p>Concurrence that no significant adverse water quality impacts will result from Project: Yes <input type="checkbox"/>    No <input type="checkbox"/></p>
<p>Type of CEQA document: NOE <input type="checkbox"/> IS/ND <input type="checkbox"/> IS/MND <input type="checkbox"/> EIR <input type="checkbox"/> EIR/EIS <input type="checkbox"/> EIR/EA <input type="checkbox"/> Exemptions used (if applicable): <i>If none, delete this section.</i> Mitigation Monitoring and Reporting Program (MMRP): Yes <input type="checkbox"/> No <input type="checkbox"/> Date CEQA document approved by Lead Agency (if applicable): <i>If none, delete this section.</i> Statement of Overriding Considerations: Yes <input type="checkbox"/> No <input type="checkbox"/> <i>If yes, stop. Instead, develop item for Board approval.</i> Date NOE or NOD filed with OPR: Date FONSI or ROD made by NEPA Agency (if applicable): <i>If none, delete this section.</i></p>

**FINDINGS:**

\_\_\_\_\_  
Elizabeth L. Haven, Deputy Director  
Division of Financial Assistance

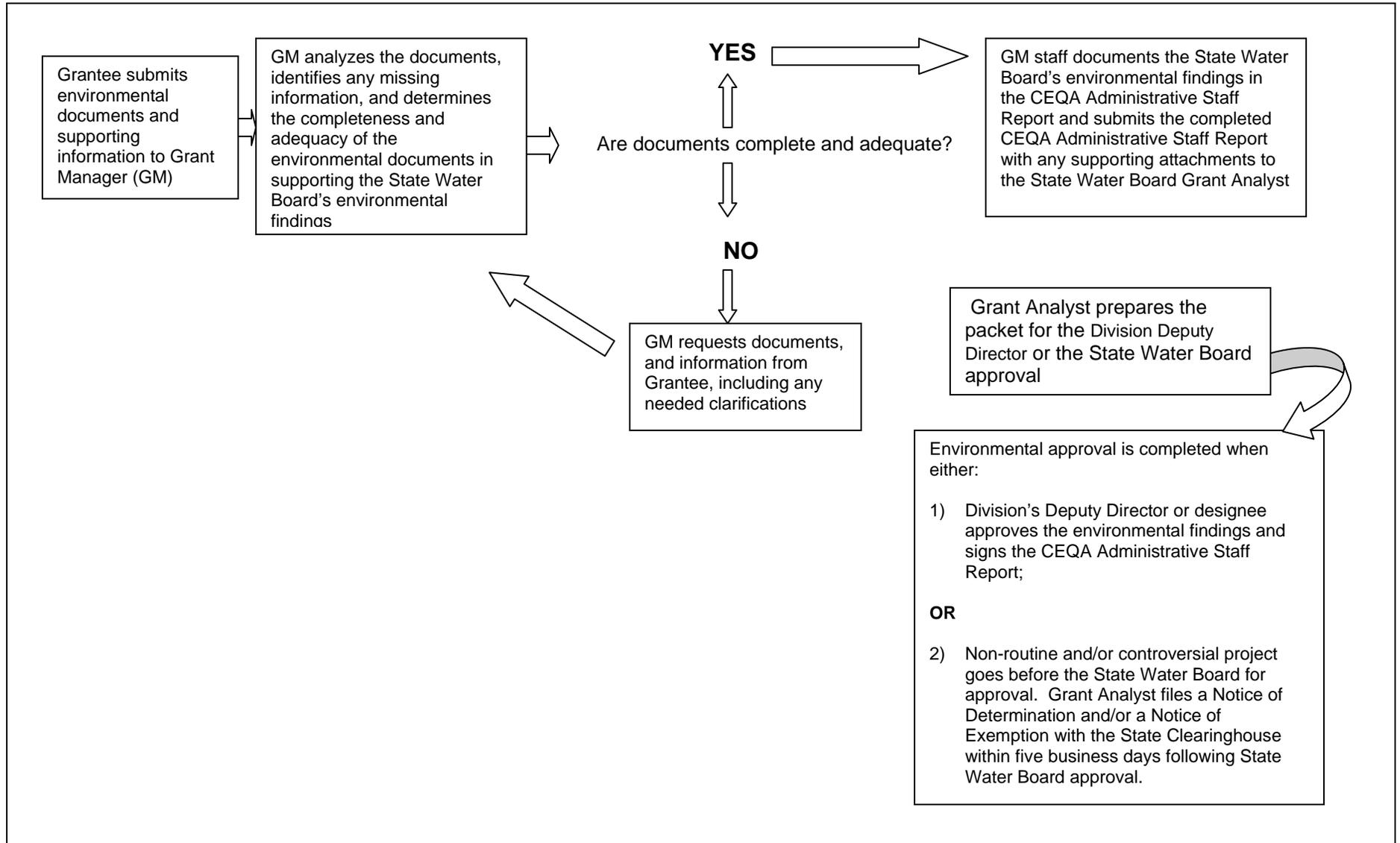
\_\_\_\_\_  
Date

cc:    Grant Manager  
      Regional Water Board Grant Coordinator  
      State Water Board Grant Analyst

<sup>2</sup> For executed grant agreements

### Attachment 3

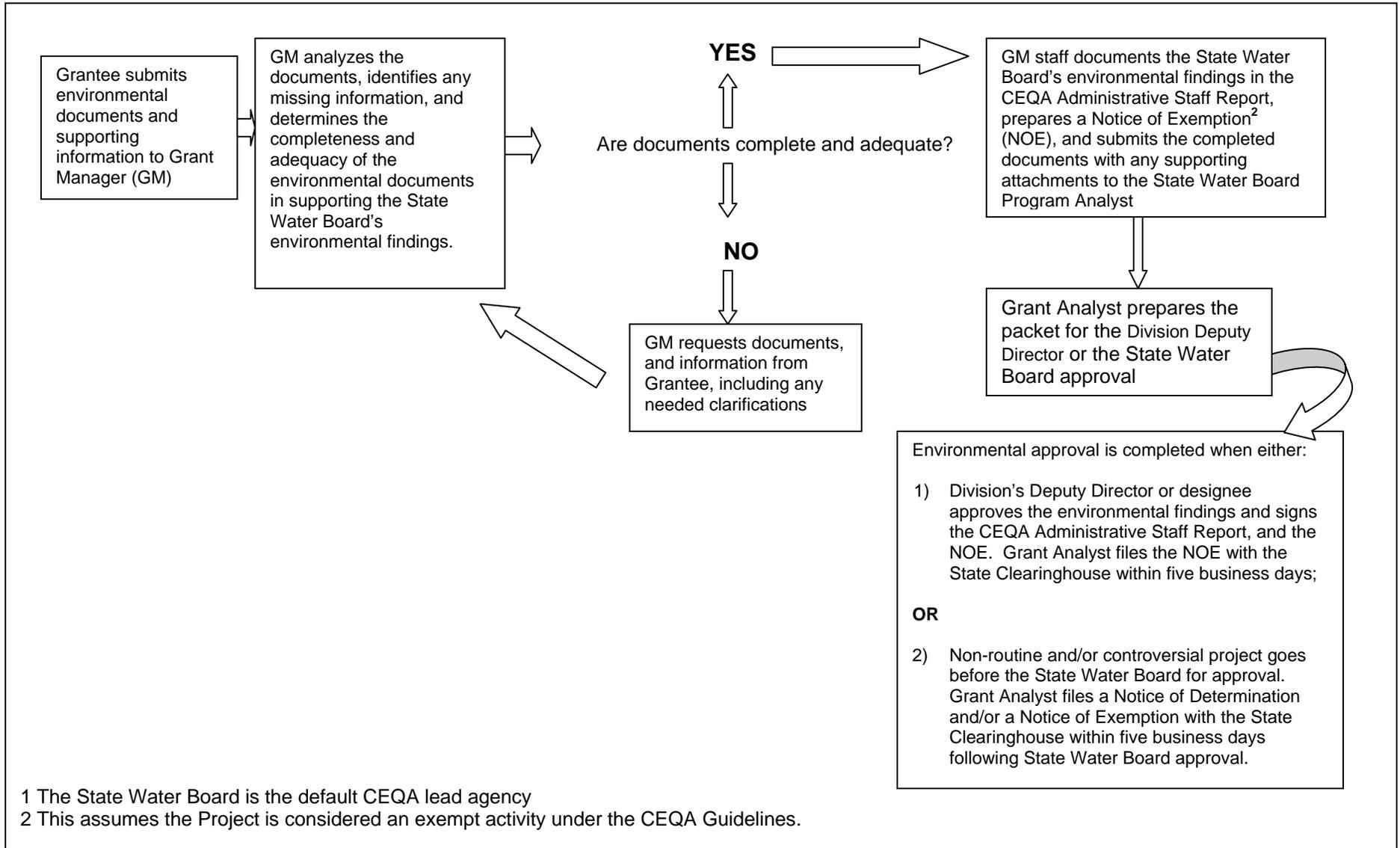
#### State Bond Funded Grant and Loan Projects Flowchart of Environmental Review Process When the Grantee is the CEQA Lead Agency or is Using Another Agency's CEQA Document



### Attachment 3 - Continued

#### State Bond Funded Grant and Loan Projects Flowchart of Environmental Review Process

When the Grantee is a Non-profit Organization and There is No Other Public Governmental Agency Involved<sup>1</sup>



1 The State Water Board is the default CEQA lead agency

2 This assumes the Project is considered an exempt activity under the CEQA Guidelines.

## Attachment 4

ENVIRONMENTAL REVIEW FOR CATEGORICAL EXEMPTION		
<b>Project Applicant:</b>		
<b>Project Name:</b>		
<b>Lead Agency:</b>		
<b>Description:</b>		
<b>Environmental Setting:</b>		
Exemption Qualifications	Applicable Items	Supporting Information or Explanations
Class 1. Minor alteration of existing sewerage facilities involving an increase of less than 10,000 square feet.		
Class 2. Replacement or reconstruction of an existing utility system or facility.		
Class 3. Water main or sewerage extension of reasonable length to serve limited numbers of new, small facilities or structures.		
Class 4. Landscaping, minor trenching and backfilling (restored), and maintenance dredging (proper disposal).		
Federal Statutes/Critical Concerns	Applicable Items	Supporting Information or Explanations
Agricultural Land		
Air Quality Regulations		
Archaeological/Historical		
Coastal Zone		
Endangered Species		
Flood Plain		
National Forest		
Wetlands		
Wild and Scenic Rivers		
Unusual Circumstances	Applicable Items	Supporting Information or Explanations
Biological Resources		
Cumulative Impacts		
Climate		
Erosion/Sedimentation Control		
Flooding/Drainage		
Geologic/Seismic		
Groundwater		
Growth Inducement		
Health and Safety		
Noise		
Open Space		
Public Services		
Recreation		
Scenic Attributes		
Soils		
Topography		
Toxic/Hazardous Materials		
Water Quality		
Water Supply		
<b>Grant Manager:</b>	<b>Signature</b>	<b>Date:</b>
<b>Title:</b>		

**Attachment 4 - continued**

<b>CATEGORICAL EXEMPTION FINDINGS</b>			
<b>APPLICANT</b>	<b>EXEMPTION CLASS</b>	<b>PROJECT NO.</b>	<b>DATE</b>
<b>PROJECT TITLE:</b>			
<b>CATEGORICAL EXEMPTION QUALIFICATIONS</b>			
1. Is there a reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances?		YES <input type="checkbox"/> NO <input type="checkbox"/>	UNDETERMINED <input type="checkbox"/>
2. Will there be a significant cumulative impact by this project and successive projects of the same type in the same place, over time?		YES <input type="checkbox"/> NO <input type="checkbox"/>	UNDETERMINED <input type="checkbox"/>
If a Class 1 (over 2,500ft <sup>2</sup> ), 3, or 4 exemption, might it impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law?		YES <input type="checkbox"/> NO <input type="checkbox"/> NA <input type="checkbox"/>	UNDETERMINED <input type="checkbox"/>
3. If a Class 2 exemption, will the project involve an expansion of capacity?		YES <input type="checkbox"/> NO <input type="checkbox"/> NA <input type="checkbox"/>	UNDETERMINED <input type="checkbox"/>
If a Class 4 exemption, will the project involve removal of mature, scenic trees or grading in a waterway, wetland, officially designated scenic area, or officially mapped area of severe geologic hazard?		YES <input type="checkbox"/> NO <input type="checkbox"/> NA <input type="checkbox"/>	UNDETERMINED <input type="checkbox"/>
<b>FINDING</b>			
Based on the preceding findings and attached worksheet, it has been determined that this project is exempt from CEQA (pursuant to CEQA Guidelines Sections 15301 and 15302 for Class 1&2 exemptions).			
<b>Grant Manager:</b>		<b>Date:</b>	
<b>Signature</b>			

**Attachment 4 - continued**

**Notice of Exemption**

**To:** Office of Planning and Research  
1400 Tenth Street, Room 113  
Sacramento, CA 95814

**From:** State Water Resources Control Board  
Division of Financial Assistance  
1001 I Street, 16<sup>th</sup> Floor  
Sacramento, CA 95814

**Project Title:**

**Project Location:**

**City:**

**County:**

**Description and Purpose of Project:**

**Public Agency Approving Project and Carrying out project:**

This is to advise that the State Water Resources Control Board approved (\$) million grant for the above described project on (date), and has determined that the project is exempt from the California Environmental Quality Act.

**Categorical Exempt Status:**

- Class 1 (Sec 15301)
- Class 2 (Sec 15302)
- Class 3 (Sec 15303)
- Class 4 (Sec 15304)

**Reasons why project is exempt:**

This is to advise that the State Water Resources Control Board approved \$ million loan for the above described project on.

**Contact Person:** *Grant Manager Name*

**Title:** *Grant Manager Name*

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*Signature*

*Date*

Elizabeth L. Haven, Deputy Director  
Division of Financial Assistance

Date received for filing with Governor's Office of Planning and Research: \_\_\_\_\_