

# Frequently Asked Questions - Prop 1 Storm Water Grant Program (Round 2 Implementation Solicitation)



## PROPOSITION 1 (PROP 1) STORM WATER GRANT PROGRAM (SWGP) FREQUENTLY ASKED QUESTIONS (FAQS) FOR ROUND 2 SOLICITATION UPDATED: APRIL 2020

### BACKGROUND INFO

#### 1. When were the Prop 1 SWGP Guidelines adopted and where can I find a copy?

The [Proposition 1 Stormwater Grant Program Guidelines- Amended for Round 2](#) were adopted October 16, 2019.

#### 2. How much money is available during the Round 2 solicitation?

This is the second and final solicitation for the program. The remaining balance of approximately \$100 million will be available to fund implementation projects only.

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

A draft grant agreement template will be posted on the [SWGP webpage](#).

#### 4. How can I stay informed about any updates or changes to the solicitation process?

All potential applicants are strongly encouraged to sign up for emails. To sign up, access the State Water Board's [email subscription form](#), enter your name and email address, select "Financial Assistance (Grants & Loans)", and click on "Storm Water Grant Program."

### ELIGIBILITY REQUIREMENTS

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

Public agencies; 501(c)(3) nonprofit organizations; public utilities; federally recognized Indian tribes; state Indian tribes listed on the Native American Heritage

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Commission's Tribal Consultation List; and mutual water companies. Groundwater Sustainability Agencies, formed in accordance with the Sustainable Groundwater Management Act, are eligible if they are a public agency or other eligible applicant type.

## **2. Can multiple agencies submit a joint proposal?**

A project may have multiple partners; however, one eligible agency will be the responsible agency for the project and will be subject to the terms of an agreement with the State Water Board, if approved for funding. If a second entity will be responsible for specific key aspects of the project, such as operations and maintenance, the State Water Board may require additional signatories on the grant agreement, in order to clearly establish responsibilities.

## **3. What is the maximum grant amount? Is there a limit on the number of projects for which one entity can apply?**

An entity may apply for as many projects as it can manage within the term of the SWGP. Please also consider the minimum grant amount of \$250,000 and the maximum of \$10,000,000 per applicant. This maximum is applied on a programmatic basis, rather than a solicitation basis; therefore, Round 1 awards to the same applicant will count toward the \$10,000,000 maximum, and would therefore reduce the maximum award for that same applicant in Round 2.

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

Final design, California Environmental Quality Act (CEQA) documentation, permitting, land access, and other work required to get a project ready to proceed to construction are eligible expenses. The current program timeline requires completion of construction by November 2023 at the latest. Projects demonstrating strong readiness to proceed will receive higher scores during the proposal review, in accordance with Appendix B-2.

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

See the next section for eligibility requirements regarding SWRPs.

## **6. Is a Groundwater Management Plan required to be eligible for funding?**

Compliance with Division 6 of the California Water Code, Section 10753.7(b) applies to public agencies and requires construction projects that directly affect groundwater levels or quality to have a Groundwater Management Plan in place to be eligible to

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receive state funds. This provision does not apply to projects administered by water replenishment districts formed pursuant to Division 18 of the CWC, or to local agencies that serve or have authority to manage an adjudicated groundwater basin. Awarded projects will need to complete a self-certification form to demonstrate compliance with this requirement.

## STORM WATER RESOURCE PLANS (SWRP)

### 1. Is a SWRP required to apply for Implementation Grant Funding?

Yes, for most applicants a SWRP or functionally equivalent SWRP and completed self-certification checklist is required. If a SWRP is not included in the application, an explanation of current condition and steps to complete the SWRP is required. If an awarded project does not submit the SWRP with the proposal, it is required within 90 days of award. If the plan is not submitted to the State Water Board within the 90 days of award, we reserve the right to rescind a funding award.

### 2. Are there exceptions to the SWRP requirement?

Exceptions where a SWRP is not required are: (1) for projects benefiting a disadvantaged community (DAC) with a population of 20,000 or less that is not a co-permittee for an MS4 permit issued to a municipality with a population of more than 20,000, and (2) for projects that are in an Area of Special Biological Significance (ASBS) and are covered under an approved ASBS Compliance Plan.

### 3. Can a SWRP have more than one watershed?

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

### 4. Do non-profit organizations and other eligible entities each need to prepare a SWRP?

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

### 5. Does my project need to be listed in an Integrated Regional Water Management (IRWM) Plan (IRWMP) as well as a SWRP?

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

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

No, the SWRP does not need approval or adoption by the IRWM region but it does need to be submitted to the local IRWM group for incorporation into the IRWMP.

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

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

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

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

Even though the SWRP’s are not required until 90 days after final implementation grant award, we encourage applicants to have their plans reviewed in advance. Please submit a completed self-certification checklist with your SWRP or Functionally Equivalent Plan, and a cover letter explaining the approach used to arrive at a functionally equivalent document (if applicable). For example, if you are combining several planning documents together, how do the documents work with each other to address the SWRP guidelines?

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

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

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**10. Are both shaded (mandatory water code requirements) and unshaded boxes (guideline recommendations) required to be checked in the self-certification list for the SWRP plans?**

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

**11. How can I determine if a SWRP is complete and accepted by the State Water Board?**

A list of completed SWRPs is posted on the [SWRP Webpage](#).

## MONITORING REQUIREMENTS

**1. Does lab analysis have to be conducted by an accredited lab?**

Yes, analytical data must be generated by a laboratory accredited by the State of California Environmental Laboratory Accreditation Program. See more in section V.G of the Guidelines.

**2. Is monitoring data required to be submitted to statewide data systems, such as California Environmental Data Exchange Network (CEDEN)?**

Yes, we recommend working with the CEDEN data centers to obtain the formatting required to submit data. In addition, any projects that will collect groundwater monitoring data will be required to submit to GeoTracker/GAMA. See more in Section V.H of the Guidelines.

**3. When does project performance monitoring need to occur?**

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

Construction must be completed early enough to perform post-construction monitoring for project effectiveness prior to the work completion date specified in the grant agreement. Water quality monitoring, if included, will typically be required for one wet season after the completion of construction.

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## REQUIRED MATCH

### 1. What is the required match for implementation projects?

The required match is 50% of the total project cost. DACs may request a reduction of funding match.

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

Project match is calculated based upon total project cost.

### 3. Does an applicant need to have the commitments for the sources of matching funds prior to applying for the grant?

No; however, it is recommended that if commitments have not been provided, that letters of support from those sources be provided. Such letters should provide an assessment of the likeliness of funding being committed to the project, and the expected timeline for final funding decisions.

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

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

### 5. State funds cannot be used for required match. What qualifies as State Funds?

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

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## 6. Can federal grant or loan funds be used as match?

Yes, federal grant or loan funds can be used as match.

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

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

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

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

## 9. Can local funds be used as match for two different state grants?

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

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

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

## 11. What is the match requirement for DACs/Economically Distressed Areas (EDAs)? How do we determine if the project serves a DAC/EDA?

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

EDA determinations are completed by the Department of Water Resources (DWR). Applicants wishing to request a match reduction for an EDA should follow the instructions on DWR's webpage, and submit a copy of the EDA form with the implementation grant application. The EDA form and information can be found at the following link: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/Mapping-Tools>

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

## APPLICATION/SCORING

### 1. Who will be reviewing the applications?

State Water Board staff is responsible for the technical review of the applications. Storm water program staff from the Regional Water Quality Control Boards may also participate in the technical review.

### 2. Are submittals in hard copy or electronic format?

FAAST is an electronic submittal tool. Proposals must be submitted in FAAST by the posted date and time deadline. No hard copy applications will be accepted.

### 3. Will reviewers look at the variety of projects? Are the grant funds allocated on a basis of large projects versus small projects? Are there regional or geographical set-asides?

The reviewers will be interested in projects that address the Proposition 1 priorities described in the funding guidelines. There is no provision to ensure a variety of projects are funded. Grant funds are not allocated based upon project size, and there is not a regional allocation of funds for Proposition 1 Storm Water Grant funding. Each project is reviewed based on their own merit, point system, and funds requested.

### 4. Is a resolution required as part of the grant application?

A resolution is not required as part of the grant application, however a resolution from the applicant's governing board is required to enter into an agreement with the State. The award letter will require submittal of various Supplemental Documents (Appendix D of the Guidelines) within three months from the date of award. Failure to comply with this timeline may cause the funding award to be rescinded.

### 5. Does CEQA have to be complete prior to submittal of the application?

No, but all projects funded from state funds are subject to CEQA. The current program timeline requires completion of these items by September 2021 at the latest. The proposal must provide the type of CEQA required (Environmental Impact Report, Mitigated Negative Declaration, Negative Declaration, Notice of Exemption),

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and process(es) required to complete CEQA and permitting, and a realistic timeline for completion. Projects that demonstrate strong readiness to proceed will be awarded additional points consistent with Appendix B-2.

In addition, Section III.E of the Guidelines specifies a maximum twelve (12) month timeline from the date of award to submit completed CEQA documents, permits, other necessary approvals (i.e. land acquisitions, easements etc.) required for project implementation. Failure to comply with this timeline may cause the funding award to be rescinded.

## 6. Is there a cost-benefit analysis?

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

## 7. Can the applicant skip questions on the application?

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

## PROJECT COSTS/BUDGET

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

Yes. Reimbursable costs include the reasonable costs of easement and land purchases. The minimum required acreage necessary to operate as an integral part of the storm water management project, as set forth and detailed by engineering and feasibility studies, is reimbursable. However, determining how much land and how long a purchase will take to complete needs to be fully flushed out and scheduled to ensure the reviewers that the acquisition will occur in a timely fashion and that the project will be constructed timely. The application should document previous coordination with and buy-in from the relevant entities. If land access negotiations are not successfully concluded and impact project implementation, the State Water Board reserves the right to withdraw funds.

### 2. Can grant funds be used to complete CEQA or permitting, or for planning and design tasks?

Yes, costs directly associated with the construction of the proposed project, including environmental compliance documentation costs, are eligible for reimbursement so long as the activities occur after the eligible start date indicated in the funding agreement.

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Also note that per Section V.M of the Guidelines, eligible costs will not be reimbursed until after CEQA documents, permitting, and access negotiations are complete and relevant deliverables submitted. Exceptions may be approved on a case-by-case basis for DACs. Such exceptions must be requested prior to agreement execution.

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

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

### **4. Are contingencies eligible for grant reimbursement or match?**

No, only actual direct costs are eligible for reimbursement and match. It is understood that costs at the time of proposal are typically engineer's estimates based on conceptual designs. It is understood that a reasonable amount of uncertainty in costs exists at this stage, which may be accounted for. However, a separate line item for contingency should not be included, as it will be disallowed.

### **5. A project includes a roadway widening with Low Impact Development (LID). Is the roadway eligible for reimbursement or match? What types of road related improvements are eligible?**

No. Only the direct cost associated with the LIDs are eligible for reimbursement or match. The Guidelines specify that installation of traffic control features, such as speed bumps, bike lanes, and bulb-outs, may be eligible, if they contribute to a quantifiable benefit, assist in the management of stormwater runoff, or are necessary to mitigate safety concerns that are directly caused by implementation of the project.

### **6. What does the total project cost include?**

Total project costs should include all direct costs related to the project and include the costs of engineering, design, easement, preparation of environmental documentation, environmental mitigation, project monitoring within the term of the agreement, project implementation, and education and outreach activities necessary for successful project implementation. The total project cost includes both the grant and match portions, as well as any other funding not being counted toward match (if applicable).

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## 7. What is the difference between direct and indirect costs?

Direct costs are those that are directly related to the planning and implementation of the proposed project. Any other costs that are “pooled” with other projects or operating expenses are generally considered indirect costs. Examples of indirect costs often include utility costs (electricity, gas), lease/rent expenses, and general overhead or markups. When determining hourly wages for an employee, you can use the hourly wage plus fringe benefits. Be sure that the benefits do not include overhead or indirect costs within the equation. Applicants need to be sure they can provide justification for those hourly wages and backup documentation for them.

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

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

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

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

## 10. What if our costs increase after submitting the proposal?

Award of additional grant funding is not typical and should not be expected. By entering into the funding agreement, recipients accept responsibility for ensuring the funded project is constructed on schedule, including covering cost overruns.