



## Project Guide for Urban and Multibenefit Drought Relief Grant Program – URC and Tribal Set Aside

*October 2021*

In response to current drought conditions, \$500 million was authorized for the California Department of Water Resources (DWR) by the California Legislature (pursuant to the Budget Act of 2021 and its Trailer Bill, Assembly Bill 148) to provide funding for interim or immediate relief in response to conditions arising from a drought scenario.

DWR has announced the Urban and Multibenefit Drought Relief Program will provide approximately \$190 million in drought relief funding. A set aside of at least \$50 million will be made to support underrepresented communities (URCs) and Native American Tribes (Tribes). For this round of funding, up to approximately \$5 million will be available to the San Diego Funding Area. Allocation of these funds between the San Diego, Upper Santa Margarita, and South Orange County IRWM Regions is still under consideration.

The Project Guide explains the San Diego IRWM Program’s process for selecting projects for the set aside funding. **Projects must be submitted by Sunday, November 14, 2021 to be considered for funding– see “How to Submit Projects” below.**

### San Diego IRWM Program

The San Diego IRWM Program began in 2005, and since then has achieved remarkable success! San Diego published its first IRWM Plan in 2007 and has been awarded, thus far, \$111.7 million in state grant funding. Adoption of the *2019 San Diego IRWM Plan* made the Region eligible for the future rounds of DWR funding. The *2019 San Diego IRWM Plan* (available at [www.sdirwmp.org](http://www.sdirwmp.org)) provides a mechanism for coordinating, refining, and integrating projects within a comprehensive, regional context and provides a foundation for future IRWM planning and implementation activities in the region.

Stakeholder involvement is an essential element of IRWM planning. To date, the IRWM program has made significant efforts to identify and engage key stakeholders. A Regional Advisory Committee (RAC) was established to assist in the development and implementation of the San Diego IRWM Plan prioritization of projects and integration of water activities within a region. The RAC also helps foster cooperation among agencies and non-government organizations. The RAC, which consists of 36 members with expertise in water supply, wastewater, recycled water, stormwater and urban runoff, natural resources, and environmental stewardship, continues to play a critical role in shaping key elements of the San Diego IRWM program.

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## Purpose of Guide/Contact Information

The purpose of this Project Guide is to provide potential applicants with the information necessary to develop and submit drought relief and multibenefit projects for URCs and Tribes for the Urban and Multibenefit Drought Relief set aside funding. If you have any questions about the upcoming grant cycle or the San Diego IRWM project submittal process, please contact Lesley Dobalian ([LDobalian@sdewa.org](mailto:LDobalian@sdewa.org) or 858-522-6747) or Sally Johnson ([sjohnson@woodardcurran.com](mailto:sjohnson@woodardcurran.com) or 858-875-7427).

## URCs and Tribes Set Aside Opportunity

DWR released the final Guidelines and Proposal Solicitation Package (GL/PSP) for a new round of funding (available at <https://water.ca.gov/Water-Basics/Drought/Urban-Multi-Benefit-Drought>). Note that grant applications for the URC and Tribe Set-Aside (a subset of the funding available under this grant) are to be prepared by the San Diego IRWM Program as a regional suite of projects.

The Urban and Multibenefit Drought Relief funding is one of the two DWR's Drought Relief Programs that offers financial assistance to address drought impacts through implementation of projects with multiple benefits. On a whole, \$190 million in drought relief is available, of which \$50 million is reserved to support URCs and Tribes. Approximately \$5 million is available to the San Diego Funding area. Allocation of these funds between the San Diego, Upper Santa Margarita, and South Orange County IRWM Regions is still under consideration.

Projects that do not benefit a URC or Tribe as defined by DWR for this solicitation may submit individual applications for the other \$140 million available for non-URC and non-Tribal projects, separate from the joint application being prepared by the San Diego IRWM Region for URCs and Tribes.

## How to Submit Projects

The San Diego IRWM region is now accepting drought relief projects that benefit URCs and Tribes. DWR collectively refers disadvantaged communities (DACs), severely disadvantaged communities (SDACs), economically distressed areas (EDAs), Tribes, environmentally disadvantaged communities (EnvDACs), and fringe communities as URCs. Stakeholders may submit drought relief projects using a project concept form that is available online.

### **San Diego IRWM Urban and Multibenefit Project Concept Form**

Download here: <http://sdirwmp.org/grant-opportunities>

Email Concept Form to [sdirwm@woodardcurran.com](mailto:sdirwm@woodardcurran.com) by Sunday, November 14, 2021

Contact Sally Johnson ([sjohnson@woodardcurran.com](mailto:sjohnson@woodardcurran.com), (858) 875-7427) with questions

## Eligible Projects

The priority for this funding is to provide interim and immediate drought relief to URCs and Tribes. Funding is intended to provide water to URCs and Tribes that face the loss or contamination of their water supplies, to address immediate impacts on health and safety, and to protect fish and wildlife resources.

The final GL/PSP indicates that “project” means all planning, design, engineering, acquisition of real property interests, construction and related activities undertaken to implement a discrete action to be funded under this program. DWR has listed eligible project types and criteria for prioritization in the final GL/PSP, available online: <https://water.ca.gov/Water-Basics/Drought/Urban-Multi-Benefit-Drought>

Eligible Project Types	Prioritized for Funding
<ul style="list-style-type: none"> <li>• Hauled Water</li> <li>• Installation of temporary community water tanks</li> <li>• Bottled water</li> <li>• Water vending machine</li> <li>• Emergency water interties</li> <li>• New wells or rehabilitation of existing wells</li> <li>• Construction of installation of permanent connection to adjacent water systems, recycled water projects that support immediate relief to potable water supplies</li> <li>• Fish and wildlife rescue, protection, and relocation</li> <li>• Drought resiliency planning (not applicable to Multibenefit Drought Funds)</li> <li>• Other projects that support immediate drought response</li> </ul>	<ul style="list-style-type: none"> <li>• Projects that respond to critical human and/or wildlife emergencies will be prioritized for funding first.</li> <li>• Projects that can commence immediately upon receiving funding due to CEQA completion, having secured other environmental approvals, acquired necessary land or landowner permission, and completed plans specifications.</li> <li>• The applicant is an Urban Water Supplier and has activated its Water Shortage Contingency Plan commensurate with a state appropriate for their current water supply conditions. A higher priority will be placed on Urban Water Suppliers that have activated a higher stage of their Water Shortage Contingency Plan.</li> </ul>

## Definitions

**Disadvantaged Community (DAC):** DACs are communities with a median household income (MHI) less than 80% of the statewide MHO. Under this solicitation, DACs are communities with a MHI less than \$51,026.

**Severely Disadvantaged Community (SDAC):** SDACs are communities with a median household income of less than 60% of the Statewide average.

**Economically Distressed Area (EDA):** EDAs are defined as a “municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual MHI less than 85% of the statewide MHI and with one or more of the following:

- 1) Financial hardship
- 2) Unemployment rate at least 2% higher than the statewide average
- 3) Low population density

**Tribes:** Tribes are federally recognized Indian Tribes and California State Indian Tribes listed on the Native American Heritage Commission’s California Tribal Consultation List under the Urban and Multibenefit Grant Relief Program.

**Environmentally Disadvantaged Communities (EnvDACs):** The California Environmental Protection Agency designates the top 25% scoring census tracts as DACs. Census tracts that score the highest 5% of Pollution Burden scores, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data, are also designated as DACs.

**Fringe Communities:** Communities that do not meet the established DAC, SDAC, and EDA definitions, but can show they score in the top 25% of either the Pollution Burden or Population Characteristics score, using CalEnviroScreen.

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## Unsure Your Project is in a URC?

The following mapping resources and tools are helpful in determining if a project area should be considered a URC:

- DWR's DAC and SDAC mapping tool: <https://gis.water.ca.gov/app/dacs/>
- DWR's EDA mapping tool: <https://gis.water.ca.gov/app/edas/>
- CalEnviroScreen 4.0: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>
- California Healthy Places Index (HPI): <https://map.healthyplacesindex.org/>
- Climate Equity Index (City of San Diego): <https://usandiego.maps.arcgis.com/apps/webappviewer/index.html?id=6438f83d648a4126bae695f2b06871bcv>
- Neighborhood Atlas (Area Deprivation Index): <https://www.neighborhoodatlas.medicine.wisc.edu/mappingv>

## Eligibility Requirements

To be eligible for the set aside, the following must apply:

- Project Sponsor: must be a public agency, a public utility, a special district, a college and university, a mutual water company, a non-profit organization with 501(c)(3) status, a Regional Management Group, a Federally recognized California Native American Tribe, or a Non-federally recognized Native American Tribe on the contact list maintained by the Native American Heritage Commission.
- Underrepresented Community or Native American Tribe Status: must benefit a DAC, SDAC, EDA, Tribes, EnvDAC, or fringe communities, which are collectively referred to as URCs in the draft GL/PSP.
- Project Type: must have a drought nexus, multiple benefits, and an alignment with the goals and objectives of an IRWM plan.
- Funding Match: there is no funding match requirement for set aside.
- Project Schedule: projects must be complete by March 31, 2026.

Applicants that apply for funds must submit a self-certification form and be in compliance with the applicable requirements. See Appendix D of the final GL/PSP for more information:

- Urban Water Management Compliance: Urban water suppliers subject to the Urban Water Management Planning Act (CWC §10610 et seq.) must have completed and submitted a 2020 Urban Water Management Plan (UWMP) and received verification from DWR to be eligible for grant funding.
- Agricultural Water Management and Measurement Compliance: Agricultural water suppliers must be in compliance with all requirements for an agricultural water supplier.
- Surface Water Diverter Compliance: List the surface water diverters that will receive funding from the proposed grant on the self-certification form. If there are none, please indicate so.
- Groundwater Management Compliance: For groundwater management and recharge projects, the applicant must be compliance with Water Code section 10753 regarding Groundwater Management Plans.
- California Statewide Groundwater Elevation Monitoring (CASGEM Compliance): DWR has prioritized groundwater basins throughout the state via the CASGEM Program (available at <https://water.ca.gov/programs/groundwater-management/groundwater-elevation-monitoring--casgem>).

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- **Stormwater Management Plan Compliance:** For all stormwater projects and/or dry weather runoff projects, the project must be included in a Stormwater Resource Plan (or Functionally Equivalent Stormwater Resource Plan).

## Advanced Payment

Eligible entities (Grantees and/or Local Project Sponsors) may be eligible to receive an advanced payment up to 25% for eligible projects. Eligible projects must benefit a county and/or watershed included in the Governor's state of emergency drought proclamation, or a drought scenario determined by the State Water Board. The Grantee shall provide a List of Projects for which advanced payment is requested and an Accountability Report to DWR regarding the expenditure and use of the advanced grant funds. For more information, refer to Appendix E of the final GL/PSP.

## Contracting and Grant-Related Requirements

The following requirements are anticipated based on DWR's 2021 Urban and Multibenefit GL/PSP, as well as local experience during previous IRWM grant contract processing and contract compliance administration.

**Contract Execution Conditions** – Grant contract execution conditions must be met before DWR will execute a grant funding contract. These conditions are in addition to requirements that must be met on an ongoing basis to maintain grant funding eligibility or must be met prior to disbursement of grant funds. The requirements are due typically within 30-60 days of the award notification and include, but are not limited to, the project sponsor's most recent three years of audited financial statements. Grantees that receive funding through the Underrepresented Communities Fund will amend their existing Proposition 1 Disadvantaged Community Involvement grant agreement.

**Grant Contract Process** – While grant recipients may incur costs eligible for grant reimbursement as soon as the grant award confirmation letter is received, they will be responsible for covering all project costs until a grant contract is executed between DWR, Water Authority, and the project sponsor. Execution of the grant agreement may take several months.

**Ineligible Project Costs** – Cost incurred after award date are eligible for reimbursement. Grantees are encouraged to limit grant administrative costs. Grant administrative costs should generally not exceed 10% of the total requested grant amount for the applicant, but exceptions may be made with reasonable justification. Refer to the sample contract template (see below) for details on eligible administrative costs. Ineligible costs are listed in Section V.c of the Final GL/PSP.

**Insurance** – Grant recipients are required to obtain and maintain sufficient insurance as determined by the Water Authority, as grantee, throughout the duration of the project.

**Local Project Sponsor Agreement** – Funding requirements from the contract between DWR and Water Authority will be passed through to the project sponsors via the Local Project Sponsor (LPS) Agreement.

**Prevailing Wage** – Project sponsors are required to comply with all provisions of the Labor Code regarding prevailing wages and monitor contracts under this grant to ensure prevailing wage provisions are met.

**Post-Performance Reporting** – A project may be required to prepare and submit a Post Performance Report annually for several years after the conclusion of the project's first operating year.

**Retention** – For each project, DWR will withhold a minimum of 10% of the funds requested for grant reimbursement until the project is completed and the grant recipient has met DWR's funding requirements.

**Sample Contract Templates** – To see a sample of grant agreement templates for the Urban and Multibenefit Drought Relief Program, please check DWR's website (<https://water.ca.gov/Water-Basics/Drought/urbanmultibenefiddrought>). Please review the sample templates for an understanding of responsibilities for grant recipient and project proponents.

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**State and Local Auditing Requirements** – During and after project completion, an audit may be performed either by the State or by Water Authority staff. Sample contract templates show a list of minimum materials that will need to be maintained for auditing purposes.