

**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791



November 12, 2014

Mr. Ezra Rapport  
Executive Director  
Association of Bay Area Governments  
101 8th Street  
Oakland, California 94607

Commitment Letter - Proposition 84 Integrated Regional Water Management (IRWM)  
2014 Drought Grant Award

Dear Mr. Rapport:

Thank you for your interest in the Proposition 84 IRWM 2014 Drought Grant Solicitation. We are pleased to inform you that the proposal, Bay Area Drought Relief Program, filed by Association of Bay Area Governments has been selected by the Department of Water Resources (DWR) for funding. This letter serves as DWR's conditional commitment of \$32,178,423 in Proposition 84 grant funding for the proposal. This award is conditioned upon the execution of a Grant Agreement between DWR and your agency. A copy of the Grant Agreement template is available at the following website: <http://www.water.ca.gov/irwm/grants/resourceslinks.cfm>

Within seven calendar days of the date of this letter, please confirm (e-mail acceptable) that your agency will accept the grant award in the amount of \$32,178,423.

On January 17, 2014, Governor Edmund G. Brown proclaimed a Drought State of Emergency, and on March 1, 2014, Governor Brown signed legislation to assist drought-affected communities and provide funding for various drought relief actions, including the expedited solicitation of IRWM funding. As the authorized representative of the Regional Water Management Group (RWMG), by signing the Acknowledgement Form, you affirmed that RWMG understands that it must provide additional information. Failure to submit the necessary information may result in delayed execution of the grant agreement or revocation of the conditional award of funds. Specifically, the following information must be provided within 30 days of the date of this letter:

- For each project contained in the proposal
  - A detailed Work Plan
  - A detailed Budget which demonstrates that each of the Local Project Sponsors has available sources of sufficient funds to complete the grant-funded project.
  - Any changes to the schedule.
  - Documentation to support the Project Justification claims.
  - Project Performance Monitoring Plans.
- Audited Financial Statements for the Grantee and the Local Project Sponsors whose project(s) is/are about to begin construction/implementation.

Specifically, submit copies of the most recent three years of audited financial statements including the following items:

- Balance sheets, statements of sources of income and uses of funds, a summary description of existing debts including bonds, and the most recent annual budget.
- Submit separate details for the water enterprise fund, if applicable to an agency or organization.
- A list of all cash reserves, restricted and unrestricted, and any planned uses of those reserves.
- Any loans required for project funding and a description of the repayment method of any such loans.
- California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA) documentation for those projects that are about to begin construction/implementation. The Environmental Information Form may be used for this purpose. Electronic fillable form is available at the following link: <http://www.water.ca.gov/irwm/grants/resourceslinks.cfm>
- Other materials that DWR deems necessary, which will include the following item:
  - A statement of whether the grantee or the Local Project Sponsors have Project Labor Agreement restrictions or bans contrary to the Public Contracts Code Section 2500 *et seq.*

Attachment 1 outlines additional requirements that must be addressed to either maintain grant eligibility or be met prior to disbursement of grant funds.

Please return the requested information within the time periods listed above, to Ms. Melissa Sparks at:

Department of Water Resources  
Post Office Box 942836  
Sacramento, California 94236-0001

If you have any questions, please contact Melissa Sparks at (916) 651-9221 or [Melissa.Sparks@water.ca.gov](mailto:Melissa.Sparks@water.ca.gov).

Sincerely,



Tracie L. Billington, P.E., Chief  
Financial Assistance Branch  
Division of Integrated Regional Water Management

Attachment

## **Attachment 1**

### **Additional Requirements to Maintain Eligibility for Grant Reimbursements**

The Additional requirements must be met on an ongoing basis by the Grantee to maintain grant funding eligibility or must be met prior to disbursement of grant funds.

- Grantee must demonstrate compliance with all applicable requirements of CEQA and, if applicable, NEPA. DWR is the responsible agency in complying with CEQA for each individual project included in the grant agreement. Grantee must submit documents that satisfy the CEQA and NEPA process as well as any mitigation agreements and environmental permits. Reimbursement of grant expenses related to construction projects is subject to DWR's decision to concur or not concur with the Grantee's final CEQA document.
- All local project sponsors that are Urban Water Suppliers must:
  - Maintain compliance with water metering requirements (CWC §525 *et seq.*).
  - Meet the Urban Water Management Planning (UWMP) Act requirements (CWC §10610 - 10656) and requirements CWC §10608.16 -10608.44.
  - Maintain compliance with the UWMP Act and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6 (CWC§10608 *et. Seq.*)
  - Have their 2010 UWMP deemed consistent by DWR. The next Urban Water Management Plan update will be required in 2016. For more information visit the following website: <http://www.water.ca.gov/urbanwatermanagement>
- All local project sponsors that are Agricultural Water Suppliers must:
  - Comply with water conservation requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the CWC. Before July 1, 2016, submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to CWC §10608.48, for inclusion in the grant agreement as an Exhibit.
  - Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. The next AWMP update will be required in 2016. For more information visit the following website: <http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>
- Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 13 and 14 of the IRWM Program Guidelines, dated June 2014.
- Grantee or local project sponsors that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by CWC§ 10932 and the CASGEM Program.
- Surface water diverters receiving grant funding must comply with surface water diversion reporting requirements outlined in Part 5.1 (commencing with §5100) of Division 2 of the CWC. If a surface water diverter is not current with its surface water diversion reporting, then explain why the reports are not current and provide an estimated submittal date. DWR may withhold execution of the grant agreement or disbursing grant funds until reporting is current.