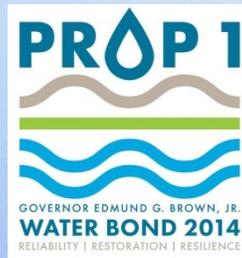




CALIFORNIA DEPARTMENT OF WATER RESOURCES  
WATER USE AND EFFICIENCY BRANCH  
P.O. Box 942836  
Sacramento, CA 94236-0001

**CALCONSERVE WATER USE EFFICIENCY  
REVOLVING FUND  
PROPOSITION 1**



**FINAL LOAN GUIDELINES AND  
PROPOSAL SOLICITATION PACKAGE**

**APPLICATION PERIOD:**

**JUNE 16, 2016 TO AUGUST 31, 2016**

**JUNE 16, 2016**



CALIFORNIA DEPARTMENT OF WATER RESOURCES  
WATER USE AND EFFICIENCY BRANCH  
P.O. Box 942836, Sacramento, CA 94236-0001

**Notice of Public Workshop**  
**CalConserve Water Use Efficiency Revolving Fund**  
**Proposition 1**  
**Final Loan Guidelines and Proposal Solicitation Package**

**Date and Location:**

July 15, 2016 10:00am – 12:00pm	Department of Water Resources Large Conference Room, 2 <sup>nd</sup> floor 901 P Street Sacramento, CA 95814
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Webex and conference call will be available at this meeting.  
Follow this link to join online:

<https://resources.webex.com/resources/j.php?MTID=m993f16542633bdb8d590e7dec9904e9c>

Meeting number: 743 704 630

Join by phone, toll-free: 1-877-952-3588

Attendee access code: 590 225 6

The complete text of this CalConserve Loan Guidelines and Proposal Solicitation Package (PSP) is available at: [www.water.ca.gov/wuegrants/CalConserve.cfm](http://www.water.ca.gov/wuegrants/CalConserve.cfm)

<b>Purpose of Workshops:</b>	Provide information on the CalConserve Water Use Efficiency Revolving Fund loan application requirements for certain urban water use efficiency projects, DWR Grants Review and Tracking System (GRANTS) application submittal process, and criteria for review and selection.										
<b>Workshop Agenda:</b>	<table><tr><td>- Welcome and introductions</td><td>15 min</td></tr><tr><td>- Loan application requirements</td><td>25 min</td></tr><tr><td>- Review and selection criteria</td><td>25 min</td></tr><tr><td>- GRANTS application submittal process</td><td>25 min</td></tr><tr><td>- Questions</td><td>30 min</td></tr></table>	- Welcome and introductions	15 min	- Loan application requirements	25 min	- Review and selection criteria	25 min	- GRANTS application submittal process	25 min	- Questions	30 min
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<b>For More Information:</b>	Please contact Fethi BenJemaa at (916) 651-7025 or by e-mail at <a href="mailto:wuegrants@water.ca.gov">wuegrants@water.ca.gov</a>										

**CalConserve Water Use Efficiency Revolving Fund  
Proposition 1  
Final Loan Guidelines and PSP**

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**CalConserve Water Use Efficiency Revolving Fund**  
**Proposition 1**  
**Final Loan Guidelines and Proposal Solicitation Package**

## **1. INTRODUCTION**

The CalConserve Water Use Efficiency Revolving Fund is intended to be a sustainable funding source for water use efficiency projects as defined in Assembly Bill 2636 (AB 2636), commencing with Section 81000 of the California Water Code.

Subsequently, AB 92 (Statutes of 2015) authorized the transfer to the CalConserve Water Use Efficiency Revolving Fund the sum of \$10 million from Proposition 1 (Water Code Section 79746) to establish a loan program to local agencies for specific types of water conservation and water use efficiency projects and programs to achieve urban water use targets.

The CalConserve Water Use Efficiency Revolving Fund - Proposition 1 loan program is implemented by the Water Use and Efficiency Branch of the Division of Statewide Integrated Water Management.

A total of \$10 million is available for CalConserve Water Use Efficiency Revolving Fund Proposition 1 loan program with up to \$3 million for each project. Of the \$10 million in the CalConserve fund, \$5 million is to be loaned out for water use efficiency upgrades and \$5 million is to be loaned out for fixing expensive and difficult to repair customer leaks.

## **2. ELIGIBLE APPLICANTS**

Local Agencies are eligible to apply. "Local agency" means a city, county, city and county, municipal utility district, community services district, sanitary district, sanitation district, water district as defined in Section 20200 from the California Water Code (CWC), public water system as defined in Section 116275 of the Health and Safety Code, or private water company under the jurisdiction of the Public Utilities Commission. (AB 2636, SEC. 2 Division 30 Chapter 825; Section 81005). A project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

For a proposed project that directly affects groundwater levels or quality, the applicant must also demonstrate groundwater planning requirements prior to applying for Proposition 1 funds (CWC §79742(b)). (See Exhibit III)

## **3. ELIGIBLE PROJECTS**

There are two types of urban water use efficiency projects and programs eligible for funding under this PSP (CWC §81023(a)):

- \$5 million for a pilot project to provide loans to local agencies for water efficiency upgrades to eligible customers at no upfront costs. Eligible customers include residential, commercial, institutional, and industrial water users.
- \$5 million for local agencies to provide low-interest loans to customers to finance the installation of onsite improvements to repair or replace leaking water pipes.

The CalConserve program is intended to be a sustainable funding source for water use efficiency projects through loans to customers. The goal of the program is to have efficiency upgrades generate sufficient savings to customers allowing easy loan payback. As result, only projects providing loans to customers are eligible. Projects proposing grants or rebates to customers are not eligible for funding under this program.

Projects throughout California are eligible for funding. Eligible for funding are water conservation and water use efficiency projects including, but not limited to:

- Provide customers efficient dishwasher or clothes washer upgrades
- Install water-saving fixtures including toilets, showerheads, faucets, and other upgrades
- Install hot-water recirculating pumps
- Provide leak detection, repair and/or replacement
- Install landscape irrigation system upgrades
- Provide for water conservation landscape conversion
- Commercial, institutional, and industrial water use efficiency improvements
- Recycled water projects

## 4. PROJECT PRIORITIES

Projects considered for funding will provide for one or more of the following priorities:

- Provide measurable reductions in urban per capita water use. (CWC §81000(b))
- Employ new or innovative technology or practices. (CWC §79707(e))
- Establish a pilot program for reduction in potable water use, leak detection, and/or repair. (CWC §81023(a))
- Provide for increased use of recycled water. (CWC §81000(b))
- Reduce greenhouse gas emissions and water and energy use. (CWC §81000(b))
- Have a program that is ready-to-go demonstrating community need and feasibility.
- Provide residents on-bill financing of water use efficiency upgrades. (CWC §81046)
- Remove first-cost barriers to customers by providing equipment, installation, and supplies for effective upgrades. (CWC §81023(a))
- Demonstrate an ability to repay the loan. (CWC §81024)

## 5. MINIMUM LOCAL COST SHARE REQUIREMENTS

A local cost share of not less than 50% of the total project cost is required by Proposition 1 (Water Code Section 79742(c)). Other State funds can be included in the total project cost budget but cannot be used as local cost share. The cost-sharing requirement may be waived for projects that entirely benefit a disadvantaged community (DAC) or an economically distressed area (EDA), see attachment 8 for guidance regarding determining DAC or EDA. Water suppliers whose entire service area does not qualify as DAC or EDA can apply for DAC and EDA funds provided those funds are used in neighborhoods within their service area that qualify as DAC or EDA. Water suppliers receiving both regular and DAC/EDA funds must keep separate accounting to track the funds going to the DAC/EDA neighborhoods.

## 6. LOAN REPAYMENT

- The financing term is up to 20 years or the useful life of the project, whichever is less. Loans to local agencies serving a disadvantaged community can be financed for up to 25 years.

- The loan repayment to the State shall begin within 1 year of loan funding, depending on the repayment schedule established with DWR accounting.
- The interest rate is equal to 0%.
- The borrower is required to establish an acceptable dedicated source of revenue for repayment of the loan.
- Borrowers may be required to secure the services of a fiscal agent to assist in administering repayment of the loan.
- DWR may waive up to 10% of the repayment amount for costs that could not be recovered by a local agency. (CWC §81023(c))

## 7. FUNDING RULES

- Maximum loan of \$3,000,000 per local agency. (CWC §81023(b))
- State funds shall not be used for local agency administrative costs. (CWC §81033)
- Not less than 10 percent of the funds (\$1 million) will be awarded to projects that directly benefit DACs or EDAs. A proportionate credit towards meeting this funding objective will be applied to projects or programs that commit to providing a percentage of the funds to DACs or EDAs within their service area.
- Loan applicants can apply for either water use efficiency upgrade loans or customer leak repair loans or both. If applying for both, a separate accounting must be used to track the two funds.
- Funding is contingent upon successful sale of State General Obligation Bonds.

## 8. SELECTION AND AWARD PROCESS

The CalConserve Water Use Efficiency Revolving Fund Program proposal solicitation package consists of two phases.

### PHASE 1: PROPOSAL SELECTION

The first phase will consist of a proposal submittal and scoring according to the selection criteria in Section 9. Applicants are required to submit PART A of the application online through [GRANTS](#) by the application deadline of August 31, 2016. Proposals will be accepted after the application period opens on June 16, 2016 and must be submitted by August 31, 2016 by 5:00pm.

- The proposals will be checked for eligibility
- A Review Panel scores the proposals
- DWR may interview applicants, when needed
- Applicants will be notified of their final score
- The highest ranking proposals with a score of more than 70 will be selected and invited to Phase 2 until all available funds are committed

### PHASE 2: LOAN PROCESSING

For selected proposals, phase two consists of submitting PART B of the loan application, loan processing and approval. Preparation of loan documents will begin as soon as an applicant receives a passing score. Part B of the application is only for proposals that have received a passing score and have been invited to phase two.

- Complete and submit Part B of the application
- DWR makes a funding decision
- Loan application is prepared and executed
- Loan agreements are not final until signed by the applicant's authorized representative and DWR

- Notice to proceed is issued and project begins

If funds remain after initial award period, applications will be accepted and processed on a first-come, first-served basis until all funds have been assigned.

## 9. SELECTION CRITERIA

Complete proposals from eligible applicants for eligible projects (see Section 3) will be reviewed and ranked according to the following criteria:

Score	Criteria
15	Agency's loan program advertisement and customers' outreach
30	Process for selecting loan recipients to maximize anticipated water savings and benefits
30	Loan program implementation and on-bill financing or other structured mechanism to remove first-cost barriers to efficiency upgrades.
20	Mechanisms for monitoring and reporting water savings and other project benefits
5	10 percent or more of the funds reserved for DACs/EDAs.

A minimum score of 70 points is required for funding.

## 10. SCHEDULE

December 15, 16, 17, 2015	Public Workshop / webinar for Draft Loan Guidelines
December 18, 2015	Comments on Draft Loan Guidelines Due
June 16, 2016	Final Proposal Solicitation Package Released
July 15, 2016	Public Workshop /webinar for Final Loan Guidelines (see page 2)
<b>August 31, 2016</b>	<b>Applications Due</b>
Winter 2016	Application Review and Awards

## 11. LOAN AGREEMENT REQUIREMENTS

Prior to loan agreement execution, borrowers must provide DWR with the following additional documentation:

**RESOLUTION.** Selected borrowers shall provide a resolution from their governing board accepting the funds and designating a representative authorized to execute the contract, fiscal services agreement if required, and sign requests for disbursement.

**AUDITED FINANCIAL STATEMENTS.** Borrower shall demonstrate the availability of sufficient funds to complete each project, as stated in the Award/Commitment Letter, by submitting the most recent three years of audited financial statements.

**COMPLIANCE WITH APPLICABLE REGULATIONS AND LEGISLATION.** Borrowers are required to comply with water conservation and/or water use efficiency legislation including Senate Bill (SB) X7-7 (Water Conservation), AB 1420 (Water Conservation Measures), SB X7-6 (Groundwater Monitoring), AB 1404 (Surface Water Diversion Reporting), and any other applicable regulation. DWR will require proof of compliance from the borrower and its project partners with the following or any applicable state laws and regulations in effect at the time of application and agreement execution. Attachment 7 (Compliance with SB X7-7, AB 1404, AB 1420, and Other Requirements) of the loan application is the first step in documenting compliance. In the second step, the borrower will be required to provide supporting documentation to DWR within 30 days of the award date to prevent award forfeiture.

- a. Urban Water Management Plans (UWMPs) - An applicant who is an Urban Water Supplier required by the Urban Water Management Planning Act (CWC §10610 et seq.) to submit an UWMP to DWR must have submitted an UWMP to DWR to be eligible for any grant or loan (CWC §10656). Borrowers and project proponents that are Urban Water Suppliers required by the Urban Water Management Planning Act to submit an UWMP to DWR must have UWMPs that have been verified as complete by DWR before a loan agreement will be executed. (<http://www.water.ca.gov/urbanwatermanagement/>)
- b. Best Management Practices (BMP), also called demand management measures) - Applicants who are Urban Water Suppliers must be compliant with AB 1420 Water Conservation Requirements (CWC §10631.5) by having submitted complete AB 1420 documents (compliance tables and supporting documentation) (<http://www.water.ca.gov/wuegrants/ResourcesWUECode.cfm>) to be considered eligible for loan funding. This requirement terminates on July 1, 2016 and will be replaced by provisions in CWC §10608.56 described below.
- c. Water Conservation CWC §10608.56(a) states that on and after July 1, 2016, an Urban Water Supplier is not eligible for a water grant or loan awarded or administered by the State unless the supplier complies with SB X7-7 water conservation requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the CWC. Programs may follow AB 1420 compliance until the bill terminates on June 30, 2016 then switch to SB X7-7 compliance July 1, 2016.
- d. Water Meters - Applicants who are Urban Water Suppliers must be compliant with Water Metering Requirements (CWC §525 et seq.) by submitting a certification form (<http://www.water.ca.gov/wuegrants/ResourcesWUECode.cfm>).
- e. Groundwater Monitoring - CWC §10920 et seq. (SB X7-6) requires the formation of a groundwater monitoring program designed to monitor and report groundwater elevations in all or part of a basin or sub-basin. The CWC §10933.7 limits the ability of counties and other entities specified in CWC §10927(a)-(d) to receive grants or loans in the event that DWR is required to perform groundwater elevation monitoring functions in high and medium priority basins pursuant to CWC §10933.5. Groundwater monitoring requirements are part of the California Statewide Groundwater Elevation Monitoring (CASGEM) Program (<http://www.water.ca.gov/groundwater/casgem/>).
- f. Groundwater Management Plans - With a couple of exceptions<sup>1</sup>, a local agency that does not prepare, adopt, and submit its groundwater plan in accordance with groundwater planning requirements established under Division 6 (commencing with §10000) is not eligible to apply until the plan is prepared and submitted in accordance with requirements (CWC §79742(b)). For a proposed project that directly affects groundwater

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<sup>1</sup>“The groundwater management plan requirement shall not apply to a water replenishment district formed pursuant to Division 18 (commencing with Section 60000) or to a local agency that serves or has authority to manage an adjudicated groundwater basin” (CWC§79742(b))

levels or quality, the applicant must demonstrate the compliance with the Groundwater Planning Requirements identified in Exhibit IV prior to applying for Proposition 1 funding (CWC §79742(b)).

- g. Surface Water Diversion Reporting Compliance - Beginning January 1, 2012, a diverter of surface water is not eligible for a water grant or loan awarded or administered by the State unless it complies with surface water diversion reporting requirements outlined in section 5103(e) (2) of the CWC ([http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/diversion\\_use/](http://www.waterboards.ca.gov/waterrights/water_issues/programs/diversion_use/)). Existing law prohibits this requirement from being construed to require the implementation of those practices not locally cost-effective. Senate Bill 88, effective January 1, 2016, eliminates the above-described prohibition. Water Code §1840 requires that a person who, on or after January 1, 2016, diverts 10 acre-feet of water per year or more under a permit or license shall install and maintain a device or employ a method capable of measuring the rate of direct diversion, rate of collection to storage, and rate of withdrawal or release from storage. The measurements shall be made using the best available technologies and best professional practices, using a device or methods satisfactory to the State Water Resources Control Board and capable of continuous monitoring of the rate and quantity of water diverted and shall be properly maintained. ([http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/measurement\\_regulation/](http://www.waterboards.ca.gov/waterrights/water_issues/programs/measurement_regulation/)).

*For applicants who are also agricultural water suppliers:*

- h. Agricultural Water Management Plans (AWMPs) An Agricultural Water Supplier is not eligible for a water grant or loan awarded or administered by the State unless the supplier complies with Part 2.8 (commencing with §10800) of Division 6 of the CWC (Agricultural Water Management Planning Act) (CWC §10852) (<http://www.water.ca.gov/wateruseefficiency/sb7/>). Borrowers who are Agricultural Water Suppliers required by the Agricultural Water Management Planning Act to submit an AWMP to DWR must have submitted a complete AWMP to DWR to be eligible for any grant or loan (CWC §10608.56(b)). Such Loan Recipients and their applicable Agricultural Water Supplier co-applicants and cooperators, if any, must have AWMPs that meet the requirements (as determined by DWR) of the Agricultural Water Management Planning Act.
- i. Agricultural Efficient Water Management Practices – Agricultural Water Suppliers serving irrigated acreage of more than 25,000 acres, excluding recycled water, are not eligible for a water grant or loan awarded or administered by the State unless the supplier complies with SB X7-7 water conservation requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the CWC (CWC §10608.56(b)) including:
- Agricultural Water Measurement Regulation
  - Adoption of a pricing structure for water customers based at least in part on quantity delivered
  - Implementation of all locally cost-effective and technically feasible Efficient Water Management Practices (EWMPs)

An urban retail water supplier, that is also an Agricultural Water Supplier, is not subject to the requirements of Chapter 4 (commencing with Section 10608.48), if the agricultural water use is incorporated into its urban water use target pursuant to paragraph (1) (CWC Section 10608.24 (f) (2)).

- j. Aggregated Farm-Gate Water Delivery Report - Agricultural water suppliers supplying 2,000 acre-feet or more of surface water annually for agricultural purposes or serving 2,000 or more acres of agricultural land must comply with CWC §531 et seq. and submit an annual report to DWR that summarizes aggregated farm-gate delivery data, on a monthly or bimonthly basis, using best professional practices. The completed Agricultural Aggregated-Farm-Gate Delivery Report must be submitted by mail or electronically by e-mail to DWR by July 31 of each year, reporting the required data for the previous calendar year using the form at: <http://www.water.ca.gov/wateruseefficiency/agricultural/farmgatedelivery.cfm>

**COMPLIANCE WITH ENVIRONMENTAL LAWS.** Borrowers are required to obtain all necessary permits, licenses, and approvals, including those required under the California Environmental Quality Act (CEQA), National Environmental Protection Act (NEPA), and the California Endangered Species Act (ESA), as well as all applicable engineering and

design permits. DWR, as a fund source, is a CEQA Responsible Agency and has discretionary approval power over the project; must review all environmental documents; and, must make a finding regarding CEQA documents prior to loan fund expenditures.

**CLIMATE CHANGE.** In 2005, Executive Order S-3-05 committed the State to reduce greenhouse gas (GHG) emissions. One year later, the Governor signed the “Global Warming Solutions Act of 2006” (AB 32), which legally obligates the State to reduce GHG emissions to 1990 levels by 2020. An analysis of GHG emissions was made a requirement in the CEQA Guidelines in December 2009, becoming effective March 18, 2010. The GHG emissions analysis in CEQA documents will be reviewed by DWR. Applicants should refer to the *Informal Guidance for DWR grantees: GHG Assessment for CEQA Purposes*, which is available at the website <http://www.water.ca.gov/climatechange/resources.cfm>. (Click on the link titled, “CEQA Greenhouse Gas Analysis Guidance for DWR Grantees”.)

GHG emissions of the proposed projects will be reviewed and evaluated in two ways:

- Applicants will be required to provide specific GHG emission estimates as part of a project energy source portfolio as described in Attachment B-8 (GHG Emission Calculations).
- Applicants will be required to provide CEQA documentation as part of Attachment B-7 (Environmental Information Form and Documents).

Additional information on climate change may be found at DWR’s Climate Change Clearinghouse.

<http://www.water.ca.gov/climatechange/docs/IRWM-ClimateChangeClearinghouse.pdf>.

## 12. FUNDED PROJECT REQUIREMENTS

If the applicant is selected to receive loan funding, the applicant will enter into an agreement with DWR. Local agencies selected for funding shall be subject to the State’s standard agreement terms and conditions, and DWR’s agreement. Federal agencies’ standard terms and conditions in conflict with the State standard terms and conditions or with the State’s ability to administer the loan consistent with this PSP will not be permitted. Funds will be delivered in accordance with the executed agreement. Work costs incurred prior to the final execution of the agreement and notice to proceed issued by DWR cannot be reimbursed with loan funds. Therefore, applicants commencing work prior to agreement execution should do so at their own expense. Agreement execution and disbursements are subject to the availability of funds.

The scope of work to be included in the agreement will be the same as that provided in the loan application as Attachment 4 –Loan Program Administration and Plan of Implementation, but may be modified for clarity, completeness, and consistency with this PSP.

- a. Disbursement.** Once the loan documents have been accepted and approved, a lump sum installment disbursement will be established. The borrower will receive the initial installment and will be required to provide semi-annual reports describing the work performed. The agency may use the invoice forms provided by DWR or their own invoice, so long as all information on the DWR invoice form is included on their invoice. Expenditures must be separated by period and task, and should show work performed and deliverables that cover the amount of the first installment. The next installment will be paid based on satisfactory completion of the first period tasks. Invoices must also be supported by other documentation as prescribed by DWR.

The following project documents are required to be provided to DWR:

- b. Semi-annual Reports.** Throughout the project, the borrower is required to submit to DWR brief semi-annual fiscal and programmatic reports. The intent of the semi-annual reports is to summarize the work performed and deliverables for the advance payment provided. The report will serve to justify the project expenditures for that period, the planned work during the next period and an update on the overall project schedule and budget. After the first installment distribution, additional installments will not be approved until approval of the semi-annual reports for the previous installment. Semi-annual reports are to be provided to DWR no

more than 30 days after the completion of the reporting period. Projects with reports more than one year late may be cancelled. The report template will be customized to the scope and schedule of the project.

- c. **Final Report.** A comprehensive final report is to be provided to DWR no more than 90 days after the completion of the project (electronic and 2 hardcopies).
- d. **Annual Post-project Performance Report.** During the first 5 years after project completion, annual reports will be required. The borrower is required to submit an annual report no later than March 1 of the subsequent calendar year summarizing post-project activities. Eligibility to receive future state grants or loans is contingent upon the borrower's fulfillment of this reporting requirement.

## 13. ADDITIONAL PROJECT REQUIREMENTS

- a. **Labor Code Compliance.** Borrowers shall keep informed of and take all measures necessary to ensure compliance with Labor Code requirements, including but not limited to, Section 1720 et seq. of the Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.3) and payment of prevailing wages for work done and funded pursuant to this PSP, including any payments to the Department of Industrial Relations (DIR) under Labor Code Section 1771.3. For additional information on Labor Code compliance, please refer to the DIR website: <http://www.dir.ca.gov>. The applicant must comply with all applicable laws when it hires private consultants to implement its project partially or fully.
- b. **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 loan agreement being declared void. Other legal action may also be taken. Accordingly, before submitting an application, applicants are urged to seek legal counsel regarding potential conflict-of-interest concerns and requirements for disclosure. 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.
  - i. **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.
  - ii. **Former State Employees:** For the two-year period from the last day of 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 after the last day of 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. **Confidentiality.** All proposals will become public information upon submittal to DWR. Once the proposal is signed and submitted to DWR, the applicant waives any rights to privacy and confidentiality of the proposal.
- d. **Rights in Data.** Per Exhibit D of the State Funding Agreement, Standard Conditions, "Rights in Data", the borrower 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, California Government Code §§ 6250 et seq. The borrower 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. The borrower shall not have exclusive rights to utilize the materials for any profit-making venture and it shall not 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.

DWR intends to post final work products on the internet for information dissemination. These products will remain in public domain.

- e. **Financial Records.** The borrower is responsible for maintaining appropriate accounting records. Projects may be audited. As a condition of the loan, annual financial statements will be required. Records must be maintained for a period of three years following completion of the project, in accordance with Government Code Section 8546.7 ([https://www.bsa.ca.gov/aboutus/financial\\_and\\_compliance\\_audits](https://www.bsa.ca.gov/aboutus/financial_and_compliance_audits)).
- f. **Investor-Owned Facilities.** Any investor-owned water system receiving funding will be prohibited from earning a profit from the use of these funds and achieving a financial benefit from the later disposition of assets purchased by these funds, regardless of whether or not said assets are a useful part of the water system.
- g. **Signage.** To the extent practicable, a project supported by funds made available through this program will include signage informing the public that the project received funds from the Water Quality, Supply, and Infrastructure Improvement Act of 2014.
- h. **Changed Conditions.** If during the execution of a project, project conditions are found to be substantively different from those presented in the loan application process; the agency will consult with DWR to determine an appropriate course of action.

## 14. APPLICATION SUBMITTAL AND CONTENTS

**Application Period Opens: June 16, 2016 and closes on August 31, 2016 at 5:00pm**

**If funds remain after initial awards, applications will be accepted on a continuous basis until funds are exhausted.**

**SUBMIT ON-LINE PROPOSAL:** Applicants must submit proposals through DWR's GRANTS on-line submittal tool: <http://www.water.ca.gov/grants/>. Applicants will need to sign up for a GRANTS user account. Applicants are encouraged to watch the "How to Apply" and the "How to Complete a Grant Application" videos and review the [GRANTS Public User Guide](#) and [Frequently Asked Questions](#), available at the above link, prior to completing the on-line application. If an applicant has questions as to the content or the information requested in the PSP or questions or problems with GRANTS, please refer to the phone numbers or e-mails listed below.

**GRANTS will not accept applications after 5:00 PM on Submittal date deadline. If funds remain after initial awards, GRANTS will be reopened to accept applications on a continuous basis.**

### What to Submit

Applicants must create an account through GRANTS and complete the on-line application: <http://www.water.ca.gov/grants/>. Applicants must submit the application online.

**Submit only one project per proposal** in the GRANTS system. If an agency has more than one project, please create a new proposal for each project.

The application shall be in 11-point font with sections numbered according to the sections specified in this application package.

**All applicants will submit Part A attachments 1-8. Only complete applications will be scored.**

Please refer to the application checklist to ensure that all components of the application have been included. File size for each attachment submitted via GRANTS is limited to 50 megabytes (MB). Breaking documents into components such as chapters or logical components so that files are less than 50 MB will aid in uploading files. Acceptable file formats are MS Word, MS Excel, MS Project, or PDF. PDF files should be generated, if possible, from the electronic proposal file rather than scanned hard copy.

### QUESTIONS? NEED ASSISTANCE? CONTACT:

#### Questions regarding the CalConserve Water Use Efficiency Revolving Fund:

Fethi BenJemaa (916) 651-7025 or send an e-mail to [wuegrants@water.ca.gov](mailto:wuegrants@water.ca.gov) and Water Use Efficiency staff will respond to your e-mail.

#### Questions and assistance regarding GRANTS:

GRANTS Helpline at (888) 907-4267 or [grantsadmin@water.ca.gov](mailto:grantsadmin@water.ca.gov).

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**15. APPLICATION CHECKLIST**

Complete this checklist to confirm all sections of this application package have been included.

**Part A of the Application will be completed by all applicants. All part A attachments must be submitted in [GRANTS](#) for the proposal to be scored.**

**Part A: Attachments & Requirements**

- \_\_\_\_\_ Attachment-1 Application Signature Page
- \_\_\_\_\_ Attachment-2 Agency's Loan Program Advertisement and Customers' Outreach
- \_\_\_\_\_ Attachment-3 Loan Recipient Selection Criteria
- \_\_\_\_\_ Attachment-4 Loan Program Administration and Plan of Implementation
- \_\_\_\_\_ Attachment-5 Monitoring and Reporting Water Savings and Other Project Benefits
- \_\_\_\_\_ Attachment-6 Budget
- \_\_\_\_\_ Attachment-7 Compliance with SB X7-7, AB 1404, AB 1420, and Other Requirements
- \_\_\_\_\_ Attachment-8 Reduction or Waiver of Cost Share Requirements

**Part B of the Application is only for proposals that have received a passing score and have been invited to Phase 2.**

**Part B: Loan & Financial Requirements**

- \_\_\_\_\_ B-1 Financial statements
- \_\_\_\_\_ B-2 Cash reserves
- \_\_\_\_\_ B-3 Existing debt
- \_\_\_\_\_ B-4 Repayment method
- \_\_\_\_\_ B-5 Loan security
- \_\_\_\_\_ B-6 Rate and service structure
- \_\_\_\_\_ B-7 Environmental Information Form and Documents
- \_\_\_\_\_ B-8 GHG Emission Calculations

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**16. PART A – ALL APPLICANTS**

**LOAN APPLICATION COVER SHEET**

This information will be provided in the GRANTS electronic application submittal

1. Applicant (Organization or affiliation): \_\_\_\_\_
2. Project Title: \_\_\_\_\_
  
3. Person authorized to sign and submit application:  
**Name, Title** \_\_\_\_\_  
**Mailing address** \_\_\_\_\_  
**Telephone** \_\_\_\_\_  
**Fax** \_\_\_\_\_  
**E-mail** \_\_\_\_\_
4. Contact person (if different):  
**Name, Title** \_\_\_\_\_  
**Mailing address** \_\_\_\_\_  
**Telephone** \_\_\_\_\_  
**Fax** \_\_\_\_\_  
**E-mail** \_\_\_\_\_
  
5. Funds requested (dollar amount): \_\_\_\_\_
6. Applicant cost share (dollar amount): \_\_\_\_\_
7. Total project costs (dollar amount): \_\_\_\_\_
  
8. Estimated net water savings (acre-feet/year): \_\_\_\_\_  
Estimated total amount of water to be saved (acre-feet): \_\_\_\_\_  
Over \_\_\_\_ years \_\_\_\_\_
  
9. Project duration (month/year to month/year): \_\_\_\_\_
10. Project useful life (years): \_\_\_\_\_
11. State Assembly District where the project is to be conducted: \_\_\_\_\_
12. State Senate District where the project is to be conducted: \_\_\_\_\_
13. Congressional District(s) where the project is to be conducted: \_\_\_\_\_
14. County where the project is to be conducted: \_\_\_\_\_

# ATTACHMENT 1 – SIGNATURE PAGE

Applicant: \_\_\_\_\_

Project Title: \_\_\_\_\_

By signing below, the official declares the following:

- The truthfulness of all representations in the proposal;
- The individual signing the form has the legal authority to submit the proposal on behalf of the applicant;
- There is no pending litigation that may impact the financial condition of the applicant or its ability to complete the proposed project;
- The individual signing the form read and understood the conflict-of-interest and confidentiality section and waives any and all rights to privacy and confidentiality of the proposal on behalf of the applicant;
- The applicant will comply with all terms and conditions identified in this Proposal Solicitation Package if selected for funding; and
- The applicant has legal authority to enter into a contract with the State.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## ATTACHMENT 2 – AGENCY’S LOAN PROGRAM ADVERTISEMENT AND CUSTOMERS’ OUTREACH

2.0 Loan Program Advertisement and Customers’ Outreach	
<b>Project Title:</b>	
<b>Applicant:</b>	
Complete Attachment 2 to describe how the agency will advertise its loan program and how it will provide outreach to its customers.	Please limit to 1 page
2.1	Describe how the agency will advertise its loan program and how it will outreach to its customers. Describe the type of information to be provided to potential borrowers.

## ATTACHMENT 3 – Loan Recipient Selection Criteria

3.0 Loan Recipient Selection Criteria	
<b>Project Title:</b>	
<b>Applicant:</b>	
Customer Selection Criteria	
Complete Attachment 3 and describe how the agency will select loan recipients and the types of upgrades it will fund in order to maximize water savings and other benefits.	Please limit to 3 pages
3.1	Provide a description of the criteria used for selecting projects and loan recipients to ensure water savings and economic benefits of projects.
3.2	Provide a description of the types of projects to be funded, eligible upgrades, targeted customers (residential, industrial, CII).
3.3	Will DACs and EDAs benefit from the program? Estimate participation. Describe how priority will be given to DACs and EDAs and how much funding will target this segment.

## ATTACHMENT 4 – LOAN PROGRAM ADMINISTRATION AND PLAN OF IMPLEMENTATION

4.0 Plan of Implementation	
<b>Project Title:</b>	
<b>Applicant:</b>	
<p>Describe the proposed loan program. Explain the method and plan of implementation and how agency will administer the loan program. Describe method of repayment and include a timeline.</p> <p>Identify the project location and areal extent, as applicable (e.g., specific districts within the City of Los Angeles). A site location map is suggested – this will not be included in the page limit.</p> <p>Provide a schedule of implementation.</p>	
Please limit to 4 pages	
4.1	Describe how the loan program will be administered and implemented. Describe proposed customers’ on-bill financing system, interest rates charged, estimated administrative costs, source of funds used to cover administrative costs, repayment timeline, and how the non-repayment of loans will be handled. List the funds requested for water use efficiency program upgrades, for customer leak repair and for DAC/EDA.
4.2	Describe Agency’s plan for loan repayment to the State.
4.3	Provide a schedule for loan program implementation.
4.4	List and describe the role of any external cooperators that will be used for the program.

## ATTACHMENT 5 – MONITORING AND REPORTING WATER SAVINGS AND OTHER PROJECT BENEFITS

5.0 Monitoring and Reporting Water Savings and Other Project Benefits	
<b>Project Title:</b>	
<b>Applicant:</b>	
<p>The goals of Monitoring and Evaluation Plan are to:</p> <ul style="list-style-type: none"> <li>Provide a plan for monitoring and evaluation of successful implementation of the loan program to customers and ensure implementation of proposed water use efficiency upgrades</li> <li>Document post-implementation benefits (water savings and other benefits) to determine the success of the loan program</li> </ul> <p>If a proposed project is selected for funding, applicants are required to conduct an adequate monitoring program and collect sufficient data to verify project results and water conservation and water use efficiency benefits. This plan must demonstrate that the applicant will collect necessary data and conduct an analysis of the data to show proposed project results and benefits.</p>	<p>Please limit to 3 pages</p>
5.1	Describe pre-project conditions and baseline data, the basic assumptions being used, and the anticipated accuracy of the data to be produced:
5.2	Describe the monitoring plan to ensure successful implementation of proposed water use efficiency upgrades:
5.3	Describe the monitoring and evaluation plan to estimate and report post-implementation water savings and other benefits achieved through the loan program:

## ATTACHMENT 6 – BUDGET

6.0 Program Budget	
<b>Project Title:</b>	
<b>Applicant:</b>	
Please limit to 2 pages	
6.1	List all sources of non-state secured funds to be used as matching (totaling not less than the amount of the loan requested, unless claiming DAC or EDA status).
6.2	Complete Table 1. <ul style="list-style-type: none"> <li>Enter the proposed program budget including the requested loan and any matching funds.</li> <li>Show the portion of matching funds to be used for customer loans and the portion to be used for administering the program. State loan funds cannot be used for administrative costs.</li> </ul>

Table 1: Program Budget				
<b>Project Title:</b>				
<b>Applicant:</b>				
Please provide a general program budget to include both local funds and requested state loan. State loan funds shall not be used for local agency administrative costs. (CWC §81033)				
Description	State Loan Funds		Cost Share*	Program Total
	Amount	% Provided to DACs/EDAs		
<b>Administrative Costs</b>	N/A	-	\$	\$
<b>Loans to Customers**</b>	(Water use efficiency upgrades) or (Repairs and replacement of leaky pipes)	\$	%	\$
<b>Total</b>		\$	%	\$

(\*) Cost share requirement: [Cost Share] must equal or exceed [State Loan Funds Amount] x (1-[% Provided to DACs/EDAs]/100).

(\*\*) Loan applicants can apply for either water use efficiency upgrade loans or customer leak repair loans or both. If applying for both, a separate application must be submitted for each.

## ATTACHMENT 7 – COMPLIANCE WITH SB X7-7, AB 1420 AND OTHER REQUIREMENTS

7.0 Compliance with SB X7-7, AB 1420 and Other Requirements		
<b>Project Title:</b>		
<b>Applicant:</b>		
(not in page limit)		
Answer the questions below by stating “yes” or “no” in the right hand column. Where applicable, provide additional information/justification.		<b>Yes/No</b> (If Yes, describe compliance)
7.1	Are you an urban water supplier? If yes, are you in compliance with:	
	<ul style="list-style-type: none"> <li>• Urban Water Management Plan? – If you provide over 3,000 acre-feet of water annually, or serve more than 3,000 urban connections. (See <a href="http://www.water.ca.gov/urbanwatermanagement/">www.water.ca.gov/urbanwatermanagement/</a>)</li> <li>• AB 2572 Water Meter Requirements in CWC §525 et seq.? (See <a href="http://www.water.ca.gov/wuegrants/ResourcesWUECode.cfm">http://www.water.ca.gov/wuegrants/ResourcesWUECode.cfm</a>)</li> <li>• AB 1420 requirements? (See <a href="http://www.water.ca.gov/wuegrants/ResourcesWUECode.cfm">http://www.water.ca.gov/wuegrants/ResourcesWUECode.cfm</a>)</li> <li>• SB X7-7 Requirements—on and after July 1, 2016, an urban water supplier is not eligible for a water grant or loan awarded or administered by the State unless the supplier complies with SB X7-7 water conservation requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the CWC.</li> </ul>	
7.2	Are you in compliance with CWC §10920 et seq. - Groundwater Monitoring Program requirements? (See <a href="http://www.water.ca.gov/groundwater/casgem/">www.water.ca.gov/groundwater/casgem/</a> )	
7.3	Are you in compliance with Part 5.1 (commencing with §5100) of Division 2 of the CWC - Surface Water Diversion Reporting requirements? (See <a href="http://www.waterboards.ca.gov/waterrights/">www.waterboards.ca.gov/waterrights/</a> )	
7.4	Are you an agricultural water supplier serving irrigated acreage of more than 25,000 acres excluding recycled water? If yes, indicate compliance status with SB X7-7 requirements below (See Final Agricultural Water Management Plan Guidebook at <a href="http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm">http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm</a> )	
	<ul style="list-style-type: none"> <li>• Did you submit an Agricultural Water Management Plan to DWR?</li> <li>• Did you comply with the Agricultural Water Measurement Regulation?</li> <li>• Did you adopt a pricing structure for water customers based at least in part on quantity delivered?</li> <li>• Did you implement all locally cost-effective EWMPs?</li> <li>• If not implementing EWMPs (measurement, pricing, and other EWMPs), have you submitted a schedule, financing plan, and budget for implementation to DWR?</li> </ul>	
7.5	Are you an agricultural water supplier supplying 2,000 acre-feet or more of surface water annually for agricultural purposes or serving 2,000 or more acres of agricultural land? If yes, did you submit an AB 1404 aggregate farm-gate delivery form to DWR? <a href="http://www.water.ca.gov/wateruseefficiency/agricultural/farmgatedelivery.cfm">http://www.water.ca.gov/wateruseefficiency/agricultural/farmgatedelivery.cfm</a>	
7.6	Does the proposed project directly affect groundwater levels or quality? If yes, provide required information identified in Exhibit III to describe/explain how the applicant is complying with Groundwater Planning Requirements (established under Division 6 of the CWC, commencing with §10000)	

## ATTACHMENT 8 – REDUCTION OR WAIVER OF COST SHARE FOR DISADVANTAGED COMMUNITIES OR ECONOMICALLY DISTRESSED AREAS

DWR has developed DAC and EDA Instructions and Mapping Tools to assist potential applicants in determining whether a project is located in or benefits a DAC or EDA. These mapping tools presents the different levels of geography, which include counties, census places (incorporated cities and unincorporated towns), census tracts, and census block group. Applicant can take a screenshot or provide information from the tool.

The DAC Mapping Tool can be located at: [http://www.water.ca.gov/irwm/grants/resources\\_dac.cfm](http://www.water.ca.gov/irwm/grants/resources_dac.cfm)

If the applicant qualifies as a DAC, please provide explanation and documentation below.

Proposition 1 (79702(k)) has provided a new designation of Economically Distressed Area (EDA). If the applicant does not meet the DAC criteria, the EDA Mapping Tool provides a user-friendly means to assess whether the area in question is an EDA.

The EDA Mapping Tool can be located at: [http://www.water.ca.gov/irwm/grants/resources\\_eda.cfm](http://www.water.ca.gov/irwm/grants/resources_eda.cfm).

The applicant may use the data at the different geography levels to show whether a project serves an EDA, based on what geography is the most representative for the project location/benefit area. For individuals with GIS capabilities also provided at the above-referenced link are GIS files representing the data and EDA status for the provided geographies. In cases where the outlined data does not adequately portray the project benefit area (such as census geography and the project area do not match), DWR will consider use of other data that shows the appropriate criteria of an EDA. For example, income survey data may be used to support the MHI of the project benefit area. In these instances, please contact DWR for a determination of how alternate data may be used to demonstrate whether a project benefit area is an EDA.

8.0 Reduction or Waiver of Local Cost Share	
<b>Project Title:</b>	
<b>Applicant:</b>	
All applicants are required to provide the minimum cost share of 50 percent. Projects that benefit communities with a Median Household Income (MHI) of the population less than \$48,875 or that serve an EDA, may request a reduction or waiver of the required cost share. To request a reduction or waiver of the required cost share, the applicant must complete Attachment 8.	
Please limit to 3 pages; pages will not be counted in total page limit	
8.1	Documentation of the Presence of Disadvantaged or Economically Distressed Communities: (Screen shots or information from the Mapping tools mentioned above can be used).
8.2	Documentation of Disadvantaged or Economically Distressed Community Participation:

8.3	<p>Calculating Population and Medium Household Income for the disadvantaged community or economically distressed area:</p> <p>Provide sample calculations showing the MHI of the population served by the water from the project. Applicants are required to submit maps or other information depicting the boundary of the applicant's service area. Applicants must provide documentation for the MHI of all individuals served by the water from the project (land owners, and other residents served by the project) in the applicant's service area.</p>
8.4	<p>Reduced or waived local share:</p> <p>Explain why the local share has to be reduced or waived. Enter the proposed local share in Budget Table, Attachment 6.</p>

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**17. PART B – FINANCIAL INFORMATION AND LOAN REPAYMENT**

**Part B of the application is only for proposals receiving a passing score and invited to Phase 2.**

The attachments included in Part B of the loan application are to determine the financial and repayment structure of the loan. Provide documents, as required below, by uploading the provided forms and any other documents, excel tables and financial summaries. If selected for a loan, the borrower may be asked to provide additional supporting information.

## ATTACHMENT B-1 FINANCIAL STATEMENTS

B-1 Financial Statements	
<b>Project Title:</b>	
<b>Applicant:</b>	
Submit one copy of audited financial statements covering the last three fiscal years of operation. Include balance sheets, income statements, sources and uses-of-funds statements, and the most recent annual budget. Provide separate details for the water enterprise fund if applicable for your organization.	Not in page limit
Please submit financial statements by email to <a href="mailto:wuegrants@water.ca.gov">wuegrants@water.ca.gov</a> or mail to:  Department of Water Resources Water Use and Efficiency Branch Attention: Fethi BenJemaa P.O. Box 942836 Sacramento, California 94236-0001	

## ATTACHMENT B-2 CASH RESERVES

B-2 Cash Reserves	
Project Title:	
Applicant:	
	Not in page limit
List all cash reserves (restricted and unrestricted) and any planned uses of those reserves.	

# ATTACHMENT B-3 EXISTING DEBT

B-3 Existing Debt
<b>Project Title:</b>
<b>Applicant:</b>
Provide a summary of all existing long-term debt including bonds. List any pending indebtedness (e.g., USDA Rural Utilities Service loans, Economic Development Agency loans, or other loans).

## ATTACHMENT B-4 REPAYMENT METHOD

### B-4 Repayment Method

**Project Title:**

**Applicant:**

#### Repayment

Indicate the proposed repayment method for the loan:

1. On-bill Financing
2. Excess revenues (specify source)
3. Cost savings
4. User fees
5. Assessments
6. Standby charges
7. Other (*describe*)

If methods 1, 4, or 5 are to be used for loan repayment, include a proposed plan to divide costs among the system users. Use dollar estimates.

#### Amortization

Provide an amortization table demonstrating semi-annual repayment increments spanning 20 years (25 years for a qualifying disadvantaged community).

## ATTACHMENT B-5 LOAN SECURITY

B-5 Loan Security	
<b>Project Title:</b>	
<b>Applicant:</b>	
Not in page limit	
	Explain how the loan will be secured if required by the State (e.g., dedicated revenues, assessments, etc.). Cite your organization’s statutory authority to use this method of loan security.
	Provide description of a set-aside structure account for payments from customers and repayments to the state.
	Explain the method of repayment utilizing a fiscal agent or third party to manage collected funds from customers and repayment to the State. DWR will require borrowers to secure the services of a bank or other financial institution acceptable to DWR and execute a fiscal services agreement between the borrower, the bank, and DWR. The fiscal agent accrues the repayment reserve fund and manages the repayment account from which loan repayments to DWR are made.

## ATTACHMENT B-6 RATE AND SERVICE STRUCTURE

B-6 Rate and Service Structure	
Project Title:	
Applicant:	
Not in page limit	
	Attach the water rate structure for the last three operating years.
	Is there any pending litigation that may impact the financial condition of the applicant?

# ATTACHMENT B-7 – ENVIRONMENTAL INFORMATION FORM AND DOCUMENTS

B-7 Environmental Information Form and Documents	
<b>Project Title:</b>	
<b>Applicant:</b>	
<p>Include a plan for compliance with all applicable environmental requirements. The plan should address all the potential environmental, social, and economic impacts of the proposed project, including mitigation required under the California Environmental Quality Act (CEQA) and, if applicable, the National Environmental Policy Act (NEPA). The plan should also address compliance with local, county, State, and federal permitting requirements. Please submit this information by mail with the original hard copy of the application if documents are too large to upload to GRanTS.</p> <p>All applicants must complete applicable portions of the Environmental Information Form. This form must be signed by the designated signatory or their representative. If the project is not a project that would be subject to any type of environmental review, complete the title/contact information, items 1, 2, and 8. This form will become part of the project file and is required for agreement execution if funding is awarded.</p> <p>For general information about environmental compliance, refer to this website: <a href="http://resources.ca.gov/ceqa/">http://resources.ca.gov/ceqa/</a>. For assistance in establishing environmental significance of project specific impacts to farmland, please visit: <a href="http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx">http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx</a> .</p>	Not in page limit
	Complete Environmental Information Form (below). Provide copies of environmental documents, as applicable, with hard copy submitted to DWR.

# ENVIRONMENTAL INFORMATION FORM

The borrower is 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 CEQA shall not proceed under the loan agreement until document(s) that satisfy the CEQA process are received by the Department of Water Resources (DWR) and DWR has completed its CEQA compliance. Work that is subject to a CEQA document shall not proceed until and unless approved by DWR. 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, DWR will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. **This form is to be completed by the Lead Agency.**

**DWR Agreement #:** To be determined

**Lead Agency:** \_\_\_\_\_

**Project Title:** \_\_\_\_\_

**Project Manager:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_

**Address:** \_\_\_\_\_

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

\_\_\_\_\_

2. Is this a project as defined by CEQA?  Yes  No

- If yes, proceed to #3.
- If no, please explain below then skip to #8.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Is this project exempt from CEQA compliance?  Yes  No

- If no, skip to #4.
- If yes, check the appropriate response below, and then provide reasons for exemption in the space provided below. Once answered, skip to #7.

Cite the CEQA Article, Section and Title of the CEQA exemption, if appropriate.

- 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 DWR Project Manager along with this form, to allow DWR to make its own CEQA findings.*

Reason for exemption:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Please check types of CEQA documents to be prepared:

- Negative Declaration
- Mitigated Negative Declaration
- Environmental Impact Report

5. 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: \_\_\_\_\_

6. If the CEQA document has been completed, please provide the title of the document and the State Clearinghouse number if available. Submit an electronic version, or a CD copy, of the CEQA document and any environmental permits listed in Question 8 to the contact listed in the Commitment Letter.

7. Please list all required permits you must obtain to complete the project (attach additional pages as necessary). Submit electronic versions or a CD copy of any final permits already completed.

Type of Permit Required	Permitting Agency

8. This Environmental Information Form (EIF) was completed by:

Print Name: \_\_\_\_\_

Agency: \_\_\_\_\_ Phone: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\*\*\*\*\*

To be filled out by DWR Project Manager:

\_\_\_ DWR received environmental documents

\_\_\_ DWR made Findings

## ATTACHMENT B-8 – GHG EMISSION CALCULATIONS

B-8 GHG Emission Calculations											
<b>Project Title:</b>											
<b>Applicant:</b>											
<p><i>Complete Attachment B-8 to show project effect on Greenhouse Gas emissions. Energy savings include savings in electricity use and fossil fuel consumptions (diesel, natural gas, gasoline, etc.). If the applicant's project generates renewable energy, add the amount of renewable energy to the category of electricity saving.</i></p>	<p>Please limit to 1 page</p>										
<p>Calculate GHG Emission Reduction:</p> <p>To convert the energy/fuel savings to the avoided Greenhouse Gas (GHG) emissions, use the following equation:</p> <p>GHG Emission Reduction from electricity savings = (Energy Savings) x (Emission Factor) or GHG Emission Reduction from fossil fuel savings = (Fuel Savings) x (Emission Factor)</p> <p>For calculation convenience, below are some Emission Factors quoted from a State Air Resources Board's report: <a href="http://www.arb.ca.gov/cc/protocols/localgov/pubs/lgo_Protocol_v1_1_2010-05-03.pdf">www.arb.ca.gov/cc/protocols/localgov/pubs/lgo_Protocol_v1_1_2010-05-03.pdf</a></p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="padding: 5px;">Type of Energy/Fuel</th> <th style="padding: 5px;">Emission Factors</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Diesel</td> <td style="padding: 5px;">10.21 kgCO<sub>2</sub>/gallon</td> </tr> <tr> <td style="padding: 5px;">Natural Gas</td> <td style="padding: 5px;">0.0545 kgCO<sub>2</sub>/scf</td> </tr> <tr> <td style="padding: 5px;">Gasoline</td> <td style="padding: 5px;">8.78 kgCO<sub>2</sub>/gallon</td> </tr> <tr> <td style="padding: 5px;">Electricity</td> <td style="padding: 5px;">424.1 kgCO<sub>2</sub>e/MWh<sup>2</sup></td> </tr> </tbody> </table> <p style="font-size: small; margin-left: 40px;">scf – standard cubic foot. Standard condition refers to the air condition at temperature of 60 degrees Fahrenheit with 1 atmospheric pressure. MWh – Megawatt-hours, an electricity unit.</p>		Type of Energy/Fuel	Emission Factors	Diesel	10.21 kgCO <sub>2</sub> /gallon	Natural Gas	0.0545 kgCO <sub>2</sub> /scf	Gasoline	8.78 kgCO <sub>2</sub> /gallon	Electricity	424.1 kgCO <sub>2</sub> e/MWh <sup>2</sup>
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<sup>2</sup> The Emission Factor for electricity is from USEPA 2014 eGRID (2010 data, [www.epa.gov/eGRID](http://www.epa.gov/eGRID)) for the non-baseload output emission rate in CAMX sub-region (California).

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# EXHIBIT I APPLICATION SCREENING CRITERIA

## Eligibility and Completeness

**Screening Criteria:** Applications will first be screened for eligibility and completeness.

- Is the Applicant eligible?
- Is the proposed project an urban water use efficiency project?
- Is the proposed project an eligible project within the CalConserve scope?
- Does the proposal contain all required submittals?
- Does the proposed project have public benefits?
- Is the budget reasonable?
- Does it meet the funding cap requirement?
- Has applicant offered at least 50% local cost share?
- If local cost share is less than 50%, is the applicant a disadvantaged community or economically distressed area?
- Does the applicant have any conflict of interest?
- Does the applicant object to the State's intellectual interests of the project?
- Acceptable groundwater requirements?
- Any other issues or concerns?

Applications that are complete and eligible will be scored based on the scoring criteria presented in Exhibit II.

# EXHIBIT II

## APPLICATION SCORING CRITERIA

### Proposal Review Score Sheet

Scoring Criteria	SCORE
<b>Loan program implementation and on-bill financing or other structured mechanism to remove first-cost barriers to efficiency upgrades.</b>	<b>30</b>
Has the applicant adequately described how the agency will administer the loan program? Did they include details on how first-cost barriers will be removed? Does the project include customers' on-bill financing and reasonable interest rate for repayment?	10
<i>Comments:</i>	
Is the schedule reasonable and timely? Will the schedule get the program in-place as quickly as possible? Did they include a repayment timeline?	5
<i>Comments:</i>	
Has the applicant demonstrated an ability to repay the loan by securing a dedicated source of revenue for repayment? Have they described establishing a fiscal agent and reasonable terms? Has the applicant addressed non-repayment of customer loans?	5
<i>Comments:</i>	
Is the proposed program budget including the requested loan and any matching funds reasonable? Have they described an adequate tracking system accounting for the funds? Are the estimated administrative costs reasonable and has a secure fund been established for covering these costs?	5
<i>Comments:</i>	
Are the qualifications of the agency and cooperators adequate? Is the project ready-to-proceed?	5
<i>Comments:</i>	

<b>Agency's loan program advertisement and customers' outreach</b>		<b>15</b>
Does the applicant have an effective advertising program and established outreach to its customers?		5
<i>Comments:</i>		
Has the applicant described the type of information to be provided to potential borrowers?		5
<i>Comments:</i>		
Has the applicant demonstrated community interest and demand and established community need? Did the applicant include a market study or need assessment?		5
<i>Comments:</i>		
<b>10 percent or more of the funds reserved for DACs/EDAs.</b>		<b>5</b>
Has the applicant dedicated a percentage of the funds to directly benefit a DAC or EDA (with a separate tracking and accounting of those funds)?		
<ul style="list-style-type: none"> <li>• Less than 3.9% of the funds: 0 points</li> <li>• 4 to 6.9% of the funds: 2 points</li> <li>• 7 to 9.9% of the funds: 3 points</li> <li>• 10% or more of the funds: 5 points</li> </ul>		
<i>Comments:</i>		
<b>Process for selecting loan recipients to maximize anticipated water savings and benefits</b>		<b>30</b>
How will the agency select loan recipients? Have they provided detailed criteria that are well developed?		10
<i>Comments:</i>		
Do selection criteria favor upgrades that would maximize water savings and other benefits?		5
<i>Comments:</i>		

Did the applicant provide a clear description of the types of projects/upgrades eligible to be funded?	5
<i>Comments:</i>	
Did the applicant identify targeted customers (residential, industrial, CII)?	5
<i>Comments:</i>	
Is the location / project coverage adequately described or mapped?	5
<i>Comments:</i>	
<b>Mechanisms for monitoring and reporting water savings and other project benefits</b>	<b>20</b>
Does the proposal adequately describe pre-project conditions and baseline data, the basic assumptions being used, and the anticipated accuracy of the data to be produced?	5
<i>Comments:</i>	
Does the proposal include a plan to ensure successful implementation of the customer efficiency upgrades as proposed?	5
<i>Comments:</i>	
Has the applicant provided a mechanism for monitoring and evaluation of realized water savings and other benefits once upgrades are implemented?	5
<i>Comments:</i>	
Is there a clear method for reporting post-implementation benefits (water savings and other benefits) to determine the success of the loan program?	5
<i>Comments:</i>	
<b>Reviewer's Analysis</b>	
Should the project be funded?	Yes/No

Comments:

**Total Points**

**100**

# EXHIBIT III

## GROUNDWATER PLANNING REQUIREMENTS

For a proposed project that directly affects groundwater levels or quality, the applicant must demonstrate the following prior to applying for Proposition 1 funding (CWC §79742(b)).

<b>Adjudicated Groundwater Basins - All</b>
<p style="text-align: center;">Describe how the project conforms with the applicable requirements of a water rights adjudication in the subject groundwater basin(s), per Water Code section 10753.7(b)(1)(C).</p>
<b>Non- Adjudicated Groundwater Basins</b>
<b>Medium and High Priority Groundwater Basins as Determined by DWR</b>
<ol style="list-style-type: none"> <li>1. Explain how the applicant has prepared and implemented, participates in, or consents to be subject to an existing groundwater management plan or other plan that meets the requirements of Water Code section 10753.7;</li> </ol> <p>AND</p> <ol style="list-style-type: none"> <li>2. Describe the current status of basin efforts to comply with regulations adopted by the Department pursuant to Water Code section 10733.2, effective as of the application submittal date, including status of formation of a groundwater sustainability agency (GSA) and progress toward a groundwater sustainability plan (GSP).</li> </ol>
<b>Low or Very Low Priority Groundwater Basins as Determined by DWR</b>
<ol style="list-style-type: none"> <li>1. Describe the current status of the basin efforts to comply with regulations adopted by the Department pursuant to Water Code section 10733.2, effective as of the application submittal date, including status of formation of a GSA and progress toward a GSP, per Water Code section 10720.7(b); how the groundwater basin is managed prior to the completion of the GSP; and how the project is consistent with the management of the basin.</li> </ol> <p>OR</p> <ol style="list-style-type: none"> <li>2. Explain how the applicant has prepared and implemented, participates in, or consents to be subject to an existing groundwater management plan or other plan that meets the requirements of Water Code section 10753.7.</li> </ol>