1.0 Purpose of this Policy

The purpose of this policy is to establish the principal policies and procedures to govern the application, review, and approval of grants and/or low-interest loans by Yuba County Water Agency (Yuba Water).

The objectives are to provide for the consistent, fair and effective distribution of Yuba Water funds to public agencies and non-profit entities to improve flood risk reduction capabilities within Yuba County; to improve the supply and reliability of water to the lands and inhabitants within Yuba County; to improve the overall well-being of Yuba County residents consistent with the Yuba County Water Agency Act (Agency Act); and to further other purposes enumerated herein consistent with the powers and duties prescribed in the Agency Act, Sustainable Groundwater Management Act, and other applicable laws. This policy is intended to guide the Yuba Water staff and Board of Directors (Board) in the distribution of grant funds to eligible grantees.

2.0 Annual Allocation of Funds

Yuba Water’s fiscal year is from July 1 to June 30. Each year as part of its annual budget process, the Board may allocate a portion of available Agency-wide funds to provide financial assistance to public agencies and non-profits within Yuba County to further the purposes described in this policy. Funding may be in the form of loans, grants, or both. Funds allocated in a given fiscal year for this purpose, but not approved by the Board for disbursement during the same fiscal year, shall be retained by the Agency. The allocation becomes a grant fund, which may be replenished at Board direction each year.

Funding provided under this policy is not intended be used for the daily operation and maintenance of local water systems or for funding the construction of facilities that normally are the financial responsibility of land developers or for capacity to serve new development. Nor are funds provided under this policy to be considered continuous sources of funding/financing to be relied on for regular operation, maintenance or capital expenditures.

The Yuba Water Board is the sole authority on determining the award of any proposed grant or loan and will make such determinations in an open, transparent manner at a duly noticed regular or special Board meeting.

3.0 Areas of funding

The Board establishes a five-year Strategic Plan that outlines the strategic priorities and
objectives of the Agency and is publicly available. Grant and loan funding shall be aligned with the priorities and objectives outlined in the current Strategic Plan. Yuba Water may approve grant or loan funding in the following areas consistent with the Agency Act:

A. **Flood Risk Reduction**: Projects that are eligible for funding under this policy are those related to supporting the flood control districts’, including reclamation districts’, efforts to improve Yuba County levees to achieve the state’s Urban Level of Flood Protection requirement to provide 200-year and greater protection to urban areas. Also eligible are projects intended to reduce flood risk in rural/agricultural areas through a combination of structural and nonstructural actions. Projects and programs that enable Yuba Water to work with local emergency responders to better prepare for emergency response to flood events are also eligible.

B. **Water Supply and Water Management**:

   i. Projects and programs that are eligible for funding under this policy are those related to the protection, supply, development, capture, conveyance, treatment, storage, transmission, distribution, conservation or recycling of water (including groundwater) for beneficial use within the county, including the planning, environmental analysis, land and rights-of-way acquisition, design and construction of facilities for such purposes.

   ii. Programs and projects that promote sustainable agriculture, including water supply and delivery systems, water use efficiency, and minimization of water loss are also eligible.

   iii. Water conservation and water recycling programs and projects are eligible, including program development studies, meter installation or replacement, installation of advanced meter infrastructure or other devices to promote water use efficiency and leak detection, conservation education programs, and conservation rebate and incentive programs.

   iv. The Sustainable Groundwater Management Act and Agency Act authorize the Agency to provide grant funding to support the design, construction, and extension of a sewer system and sewer service into an unsewered area with on-site wastewater treatment and disposal systems overlying a groundwater aquifer because the grant-funded work will protect groundwater quality and avoid groundwater quality degradation.

C. **Watershed Resilience**: Source water quality protection programs are eligible, including projects intended to reduce or prevent contaminants from entering the water supply, or enhance the quantity and timing of runoff. Watershed forest restoration and fuel load reduction for control of potential forest fires, including biomass disposal are eligible. Support for habitat conservation plans and aquatic systems management plans that benefit water supply development, water quality protection, delivery or reliability are eligible.
D. **Water Education**: Eligible programs include those designed to educate and inform the public on the importance of flood control, water and energy resources, protection, and sustainability and any other area related to the operation of the Agency.

E. **Water Conservation**: Projects or programs focused on water conservation, development, control and use of water for the public good and for the protection of life and property within Yuba County may be eligible.

F. **Bill Shaw Rescue Equipment and Training Grant Program**: The principal purpose of a Bill Shaw grant is to better equip and train first responders that provide emergency response or rescue services. Grant funding under this program shall not exceed $10,000 per grantee per fiscal year.

   i. **Eligibility**: Eligible grantees shall be a local government agency that provides fire, police, rescue, or other first responder emergency services protecting the Yuba River watershed, Agency buildings, structures, or personnel, or people recreating at New Bullards Bar Reservoir.

   ii. Yuba Water may approve grant funding to pay or reimburse such an agency's one-time costs of emergency service-related or rescue-related vehicles, apparatus, equipment, or specialized personnel training.

Agency Resolution No. 2019-05 (confirming Bill Shaw Rescue Equipment and Training Grant Program) is rescinded and superseded by this grant program policy.

G. **Other**: Other projects or programs as may be approved by the Board on a case-by-case basis consistent with the general eligibility criteria in section 4.0 Eligibility.

**4.0 Eligibility**

**4.1 Eligible Grantees**

To be eligible for grant or loan funding, the requesting entity shall be one or more of the following:

A. A local government agency within Yuba County.
B. A tax-exempt non-profit corporation or entity that the federal Internal Revenue Service has determined is exempt from federal income tax, working in Yuba County.
C. A Yuba County Native American tribe, or
D. A local government agency eligible for a Bill Shaw Rescue Equipment and Training Grant (See Section 3.0 (F) above).
4.2 Eligible Projects

To be eligible for grant or loan funding, the applicant’s project or program must align with one or more of the areas of funding described in section 3.0 of this policy and:

A. The grant or loan funding must further, and be consistent with, the Agency’s purposes and mission as set forth in the Agency Act or other state law;
B. The project or program must be financially feasible and economically justified;
C. The project or program must comply with all applicable federal, state, and local laws and regulations and the provisions of this policy;
D. The project or program must further and be consistent with the priorities and objectives in the current Agency Strategic Plan; and
E. If applicable, the project or program must be listed in and consistent with the current Yuba Integrated Regional Water Management Plan (IRWMP).

5.0 Authority to Approve Grants and Loans

The Yuba Water Board is the sole and final authority on determining all grant and loan awards pursuant to this policy. The Board may approve a grant, loan, or combination of both. Even though an applicant may request a grant, the Agency reserves its discretion to award and offer a loan or combination grant/loan, instead of the requested grant. In addition to eligibility requirements listed in section 4.0, the Board prefers to grant or loan funds to projects or programs that:

A. Promote and develop long-term, collaborative relationships with other public and/or community non-profit entities;
B. Have no other feasible sources of grant or other funding that could be pursued;
C. Are compatible with Yuba Water values: beneficial for the long-term; scientifically sound; fiscally prudent; innovative; and demonstrating good stewardship of natural resources;
D. Leverage local funds to acquire federal, state and other funding for projects (note that funding project planning and development of grant applications fall within this criterion);
E. Are sponsored by entities that demonstrate financial need;
F. Demonstrate that the requesting organization has made a substantive investment towards the project in the form of a financial commitment and/or staff time.
6.0 Authority to Decline a Grant or Loan Application or Approve Funding

Yuba Water reserves the right to decline funding to any organization if the applicant or funding purpose is not eligible, if the request is not consistent with the Agency Act and this policy, if Yuba Water lacks available funding, or for other good cause.

7.0 Delegation of Grant Program Management

The General Manager is responsible for managing and implementing the Yuba Water grant and loan program. The General Manager, or his or her designee, is authorized and directed to prepare and promulgate the following on a publicly accessible website and in accordance with this policy:

A. Grant and loan application form(s) that may be completed and submitted electronically.
B. A listing of grant and loan types and respective criteria the Agency will utilize to review grant/loan requests.
C. A clear explanation of the application review and approval process.
D. Weblinks and other appropriate information to substantially inform potential grantees of any other applicable aspects of the grant and loan program, federal, state, and local laws, the Yuba Water Strategic Plan, and Board policies.

8.0 Integrated Regional Water Management

The Agency has supported and coordinated the development and use of the Integrated Regional Water Management Plan (IRWMP). The Agency provides resources and support to participating water districts and other eligible entities for the development, scoping, and funding sourcing for projects for the IRWMP. For a water supply, rehabilitation, improvement, or management related project to be considered for Yuba Water funding, the project must be in the current IRWMP and appropriately documented. An IRWMP coordinator is available to assist participating IRWM Regional Water Management Group members in applying for Yuba Water grants.
9.0 Application Acceptance Windows, and General Review Process

The Board recognizes the importance of timely submittal and comprehensive review of grant and loan requests and directs the following:

A. External grant funding shall be leveraged for eligible projects or programs to the extent possible by way of the IRWM process. **IRWM related grants associated with external grant applications may be submitted at any time**;

B. Other grant and loan requests that are outside the IRWM process or that are not associated with an external grant application shall only be considered during the funding request windows of **March 1 to April 1 and September 1 to October 1**;

C. All funding requests shall be submitted to the Agency by way of a publicly accessible application form to include sufficient information for the Agency to perform a comprehensive review;

D. All funding requests shall be reviewed by the corresponding subject matter expert(s) on Agency staff as determined by the General Manager;

E. Funding requests deemed eligible by the General Manager, in consultation with the designated team of subject matter experts and legal counsel, shall be agendized for review by the Project Operations and Development Committee. Upon the committee’s recommendation for approval, the matter shall be agendized for consideration by the Board. The committee may recommend a grant, loan, or combination of both. However, in an extraordinary, time-sensitive situation as determined by the General Manager in consultation with the Board Chair, a funding application may be submitted directly to the Board without prior committee review.

10.0 Delegation of Authority to Prepare and Approve Grant and Loan Agreements

A. The General Manager, or his or her designee, is authorized and directed to prepare, approve, and sign grant and loan agreements for Board-approved grants and loans consistent with this policy and in collaboration with legal counsel. Each grant agreement shall memorialize the grantee, grant, grant sum, and grant purpose, and provide for disbursement of the grant funds. Each loan agreement shall memorialize the borrower, loan amount, interest rate, repayment terms, and loan purpose, and provide for disbursement of the loan funds. The annual loan interest rate shall be the average rate of interest earned by Agency funds deposited with the Yuba County Treasurer during the preceding 12 months, unless the Board otherwise specifies. The loan repayment period shall not exceed 20 years, unless the Board otherwise specifies. A loan agreement may defer the accrual of interest for up to five-years. The Agency may combine a grant and loan into a single agreement.

B. Grant and loan agreements shall be fully executed by all parties prior to disbursement of any Yuba Water funds.

C. After the agreement is signed by both parties, the Yuba Water Finance Manager is the
fiscal administrator of the grant or loan and will ensure proper documentation and disbursement of the grant or loan funds and repayment of any loan.

**11.0 Final Report**

The Board appreciates the opportunity to highlight the valuable work performed by grantees and borrowers. To that end, every funding agreement shall contain a provision requiring grantee/borrower to submit a final report to the Agency upon completion of a project or program, or at the point in time when Yuba Water grant or loan funds have been exhausted. The final report shall demonstrate the use of grant or loan funds and overall success of the project or program. Agency staff shall provide final reports to the members of the Board in a timely fashion.

**12.0 Policy Waiver**

The Board reserves the authority to waive this policy in whole or in part during a duly noticed meeting to the extent the waiver does not violate any federal or state law.

**13.0 Policy Review**

The Clerk of the Board shall ensure that this policy is reviewed at least every two years.

**Version History**

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<tr>
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