

2015 State Water Efficiency and Enhancement Program

The State Water Efficiency and Enhancement Program is funded by the "California Climate Investments" program

GRANT AWARD PROCEDURES MANUAL



California Department of Food and Agriculture

1220 N Street, Room 120

Sacramento, CA 95814

(916) 657-3231

grants@cdfa.ca.gov

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2015 State Water Efficiency and Enhancement Program Grant Award Procedures Manual

General Information

Authority and Purpose

The 2015 State Water Efficiency and Enhancement Program (SWEEP) is authorized by emergency drought legislation (Chapter 1, Statutes of 2015) and funded by the “California Climate Investments” program.

The purpose of the 2015 SWEEP is to provide financial incentives for California agricultural operations to invest in water irrigation treatment and/or distribution systems that reduce water use and greenhouse gas (GHG) emissions.

Projects awarded under the 2015 SWEEP must achieve verifiable GHG emission reductions.

Purpose of the Grant Award Procedures Manual

The 2015 SWEEP Grant Award Procedures (GAP) is designed to provide direction to Grant Recipients (Recipients) for the successful management of SWEEP funded projects. The GAP identifies roles and responsibilities of all parties, and describes the processes and procedures required by the terms and conditions in the Grant Agreement.

General Responsibilities

California Department of Food and Agriculture

The California Department of Food and Agriculture (CDFA) Grant Specialist oversees the SWEEP Recipient Grant Agreements. The CDFA Grant Specialist is responsible for monitoring Recipients to ensure compliance with program requirements and grant terms and conditions. The CDFA Grant Specialist will also provide Recipients with on-going assistance and consultation throughout the duration of the grant term.

Grant Recipients

Recipients are responsible for project implementation as outlined in the Grant Agreement Scope of Work (SOW). Further, Recipients must ensure all project activities, included contractor/consultant activities, are compliant with applicable federal, state, and local laws and regulations set forth in the Grant Agreement terms and conditions. It is important Recipients directly monitor the implementation of their project to ensure deliverables are achieved within the project term.

Recipients are responsible for submitting timely and accurate invoices during the project term. In addition, Recipients are expected to use and maintain their system for a minimum of 10 years, to the extent feasible, or according to the USDA, NRCS [Practice Life Span Table](#).

Recipients are required to maintain energy and water use documentation related to the project for three years following project implementation. The documents must be consistent with the supporting documentation provided with the application and cover the same five months of the peak irrigation and

growing season for three years. CDFA will conduct a project review to examine documentation and quantitatively calculate and verify GHG and water savings have been achieved for the three years following project implementation.

To demonstrate the success of SWEEP awarded projects, Recipients will be expected to provide additional documentation to CDFA to highlight actual water savings and GHG emission reductions achieved after the project is operational.

Assistance

The CDFA Grant Specialist is available to answer questions regarding program requirements throughout the Grant Agreement term. Recipients should contact the assigned CDFA Grant Specialist for assistance with grant management.

Required Forms

Forms and templates referenced in this GAP document can be found at www.cdfa.ca.gov/go/SWEEP.

Prior Approval

Prior approval is required from CDFA for material revisions, including, but not limited to:

- Revision of the SOW, objectives, activities, milestones, dates and deliverables
- Line item shifts (i.e., budget revisions)
- Change in project components/commodities
- Revision to implementation of interconnect/new service with utility

The information required for a request for approval varies according to the type of approval sought. Contact the assigned CDFA Grant Specialist for prior approval requirements.

Failure to obtain prior approval may result in unallowable costs, and therefore, not reimbursable.

Project Management

Recipients are fully responsible for the overall management of their project, including activities conducted by contractors/consultants, to ensure compliance with program requirements and Grant Agreement terms and conditions. In addition, Recipients must monitor project progress to ensure installation is completed within the project term.

Recipients must maintain clear and consistent communication with the CDFA Grant Specialist regarding project progress status throughout the project term, particularly if problems or issues arise resulting in project delays. Upon discovery of problem and/or delays, Recipients must notify CDFA Grant Specialist immediately for purposes of resolving such problem and/or delays.

Allowable Costs

A cost is allowable if it directly relates to project implementation and is incurred solely to advance work under the Grant Agreement SOW. Allowable costs must clearly support installation of irrigation systems, and may include supplies, equipment, and contractor/consultant services.

Allowable costs must be easily identifiable to a specific project component or activity as approved in the SOW and Budget. SWEEP project costs must be incurred for the purpose of which the funding was granted and charged to the award on a specifically calculated basis.

Unallowable Costs

A cost is unallowable if it does not comply with program requirements or other terms and conditions in the Grant Agreement. Unallowable costs will not be reimbursed. Contact the assigned CDFA Grant Specialist to determine whether a cost is allowable.

Unallowable expenses include, but are not limited to:

- Project design costs
- Post-project service charges and maintenance costs associated with the irrigation system
- Non-labor costs (i.e., management) and fees associated with project oversight
- Supplies and equipment costs not related to irrigation or water distribution systems
- Costs incurred outside of the proposed project period
- Annual or Monthly service charges
- Expenditures not identified in the approved Budget

Interconnect Process

For SWEEP projects involving interconnection, Recipients must take the necessary steps to begin the interconnect process within a reasonable period after execution of the Grant Agreement.

Recipients must provide their utility with all necessary customer agreements/authorizations, applicable forms, inspection certificates/building permits, and any other required documentation to ensure timely completion of the application process. In addition, Recipients must complete all on-farm prerequisite infrastructure necessary to commence utility interconnect work within the project term.

If there are issues or unforeseen circumstances resulting in delays in the utility interconnect process, Recipient must notify the CDFA Grant Specialist immediately in writing.

Contractors/Consultants

Recipients may contract for services that cannot be performed by staff employed by the Recipient. Generally, these services are for a short-term period and provide a specific and identifiable product or service.

Recipients are responsible for ensuring their contractors/consultants comply with all applicable state and local laws, regulations and ordinances. In addition, Recipients must monitor project activities conducted by contractors/consultants throughout the project term. Moreover, all contractors/consultants must have the proper licenses/certificates required for their respective disciplines.

In addition, contractor/consultant invoices must include sufficient information to determine expenditures invoiced support project implementation.

If adding or changing a contractor/consultant, Recipient must provide reasonable notice to the CDFA Grant Specialist.

Notifications of Problems and Delays

Upon discovery of problems, delays, or adverse conditions that will materially affect project implementation, Recipient must immediately notify the CDFA Grant Specialist in writing.

Examples, include, but not limited to:

- Inability to complete any portion of the project installation according to the approved SOW
- Inability to obtain necessary permits, licenses, agreements, etc. required for interconnect/new service with utility
- Substituting supplies and equipment identified in the Budget
- Change in project components/commodities

Scope of Work Revisions

Scope of Work (SOW) revisions may be required when project modifications are essential to complete project implementation. Request for revisions must be made in writing to the CDFA Grant Specialist and provide a detailed justification to explain the need and how the change affects the project's the estimated water savings and GHG reductions. In addition, requests for revisions should include a detailed outline of the requested revisions to project components of the project's proposed water use system, and explain how the revisions impact the project timeline and budget. Scope of Work revisions may require Technical Review approval.

Examples of project changes that require a Scope of Work revision include but are not limited to:

- Change in project design
- Modifications or material changes to any technical aspect of a project
- Addition or deletion of activities
- Budget revisions
- Change of consultants/contractors

Recipients must obtain approval from CDFA before proceeding with revisions to the SOW. Changes that result in lower estimated GHG reductions may not be approved.

Budget Revisions

For SOW revisions that also require adjustments to the Budget, a Line Item Shift Request (LISR) must be submitted in advance for CDFA approval. (Follow instructions under [Financial Management, LISR](#) section to request a budget revision.)

LISR must be accompanied by a revised Budget. A total project budget cannot be increased or decreased through this process.

Matching Funds

Matching contributions include project costs (i.e., supplies, equipment, and contractor/consultant fees) incurred by the Recipient that directly support project implementation. Matching contributions can include cash and/or in-kind contributions. Matching funds (cash contributions) are the amount of funds that are contributed by the Recipient to the project. In-kind contributions include contributions by the

Recipient in the form of contractor/consultant (labor) involved with project installation and donated supplies and/or equipment necessary to implement the project.

If Recipients are contributing matching funds, Recipients must report the matching funds expenditures and maintain all invoices, receipts, etc. associated with matching funds contributed to the project. Recipients must report matching funds to-date with all invoice submitted to CDFA, and include invoices and receipts to substantiate matching funds contributed.

Matching funds documentation (i.e., invoices, receipts, etc.) must include sufficient information to determine expenditures invoiced for reimbursement support project implementation.

Note: USDA, NRCS Environmental Quality Incentive Program (EQIP) financial assistance cannot be used as matching funds for SWEEP projects.

Financial Management

Recipients are accountable for all grant funds awarded and must ensure all funds are used solely for their authorized purposes. Recipients must maintain receipts, invoices, etc. for all project expenditures submitted to the CDFA Grant Specialist for reimbursement.

Payment Methods

There are two payment methods for allowable project costs incurred: (1) advance payments; and (2) reimbursement payments. The two payment methods are discussed in turn below:

Advance Payments

Recipients may be eligible to receive an advance payment up to twenty five percent (25%) of the total grant award to begin project implementation. Requests must be submitted using the Advance Payment Request (APR) form. In addition, Recipients are required to provide a purchase order/invoice documenting project costs were incurred to begin project implementation.

All remaining funds will be allocated on a reimbursement basis through monthly or quarterly invoicing.

Advance Payment Request Process:

- Estimate the advance amount up to 25% of the total grant award to begin project implementation.
- Submit an APR, justification (i.e. cash flow issues), and associated purchase order/invoice.
- The State Controller's Office issues checks.
- Follow the instructions under Completing an Invoice to invoice against the advance payment.

Reimbursement Payments

Recipients submit invoices to the CDFA Grant Specialist for reimbursement of actual expenditures incurred to implement their project. Invoices must be submitted at least quarterly, but no more frequently than monthly and include all invoices and receipts to substantiate expenses.

Reimbursements must be requested on the invoice provided by the CDFA Grant Specialist. A scanned, legible copy of the signed invoice can be emailed to the CDFA Grant Specialist or a hard copy can be mail to:

California Department of Food and Agriculture
Office of Grants Administration
1220 N Street, Room 120
Sacramento, CA 95814

Invoices

When to Submit Invoices

Invoices are due no later than thirty (30) calendar days after the quarterly or monthly invoice period, and are required regardless of whether or not project costs are incurred during the invoice period.

The quarterly periods are:

Quarterly Period	Invoice Due
October 1 – December 31	January 31
January 1 – March 30	April 30

The monthly periods are:

Monthly Period	Invoice Due
October 1 – 31	November 30
November 1 – 30	December 31
December 1 – 31	January 31
January 1 – 31	February 29
February 1 – 29	March 31
March 1 – 31	April 30

CDFA Invoices and supporting invoices and receipts submitted to the CDFA Grant Specialist will be reviewed for completeness and accuracy. The CDFA Grant Specialist will promptly notify the Recipient of any incompleteness or deficiencies, which appear on the invoice. Once the incompleteness or deficiencies are corrected, the CDFA Grant Specialist will process the invoice for payment.

Completing an Invoice

Request for Reimbursement Invoice

The CDFA Grant Specialist initiates each invoice cycle by generating an electronic invoice template. The CDFA Grant Specialist emails Recipients an invoice template with the Grant Agreement Number, Recipient Name, Project Title, Invoice Number, and the Project Budget Entered. Recipients complete the following and return to the Grant Specialist:

- Billing Period – Month/year when costs occurred
- Amount Requested – Dollar amount requested by budget category
- Preparer’s Signature – Signature, phone number, email address of preparer and date prepared
- Authorized Signature – Signature, phone number, email address of the agriculture operation owner

No Expenditure Invoice

Recipient checks the “NO EXPENDITURES” box, signs, dates, and returns the invoice to the CDFA Grant Specialist. No Expenditure invoices must be accompanied by an explanation of why costs were not incurred during the billing period.

Advance Payment Invoice

Recipients follow the instructions for a *Request for Reimbursement Invoice*. The invoice template automatically calculates the amount to be paid less the advance payment. The CDFA Grant Specialist adjusts the “Less Advance” amount for the following billing period until the advance is offset 100% by expenditures.

Final Invoice

Recipient marks “Final Invoice” in the Invoice Number area, indicated all payment obligations are met and no further payment is due.

Withholds

Withhold Payment Notification

The CDFA Grant Specialist issues a Withhold Payment Notification (Notification) to delay payment of an invoice if there is an invoice discrepancy or issues regarding project implementation. The Notification describes the reason for withholding payment and what actions, if any, may be required. The CDFA Grant Specialist will contact the Recipient within ten (10) days of receiving the Notification for purposes of resolving any issues. Invoices are processed once all issues are resolved.

Withhold Pending Closeout

CDFA will withhold ten percent (10%) from the total grant award until the verification requirement is complete to ensure Recipients install their project according to approved SOW.

After receiving the verification report from the Resource Conservation District (RCD) confirming the verification component is complete, the CDFA Grant Specialist will review to ensure proper completion of the project. Once the CDFA Grant Specialist approves the RCD verification report, the 10% withhold of grant funds will be released to the Recipient.

Suspension of Payments

If a Recipient is not compliant with the Grant Agreement terms and conditions, CDFA may suspend reimbursement. Upon discovery of any violations of the Grant Agreement terms and conditions, Recipient will be advised in writing of the terms breached and the reasons for imposing suspension of payments.

A determination of breach may be appealed in writing and addressed to the CDFA Legal Hearing and Appeals Office at:

California Department of Food and Agriculture
Legal Hearing and Appeals Office
1220 N Street, Suite 400
Sacramento, CA 95814

Line Item Shift Request

When adjustments to the grant project result in the need to shift funds from one budget category to another, Recipients are required to complete and submit to the CDFA Grant Specialist a Line Item Shift Request (LISR). All un-shaded areas of the LISR form should be completed. Recipient must enter the following:

- Enter the current approved budget values (these amounts should be taken from the most recent approved invoice, Project Budget column).
- Enter the amount of funds shifted from a budget category as a negative by using brackets “()”, and the amount of funds shifted to a budget category as a positive amount by using the plus sign “+”. The revised budget will automatically be calculated.
- The total project budget cannot be increased or decreased through this process.

Verification Requirement

Recipients will be assigned a CDFA representative or a local Resource Conservation District (RCD) representative complete the verification requirement. Once project implementation is complete, the Recipient must notify their assigned CDFA representative or a local RCD representative to schedule a verification. Recipients must be present the date the verification is conducted.

The purpose of the verification component is to verify proper completion of the project according to the approved SOW. For example, the verifier will confirm the following:

- The system was installed properly as indicated in the project design.
- The system is functioning as designed.
- Verify initial estimated water savings and GHG reductions will be achieved after project is operational.

The verifier will provide CDFA with a verification report indicating the project results and other project related information as applicable. The verification must be completed in order for Recipients to receive the final payment (10% of the total award).

Allowable project costs to be reimbursed (supplies and equipment) must be on-site at the project location and verifiable the date the verification is conducted.

Critical Project Review

CDFA may conduct a Critical Project Review upon reasonable notice at any time during the project term. The purpose is to determine whether deliverables are being met and evaluate project implementation progress to ensure projects are complete within the project term.

If a Recipient is not meeting deliverables resulting in delays with project implementation, CDFA will conduct a critical project review to assess the project progress status. Recipients may be required to submit financial records and project documentation to ensure SWEEP funds are used for their intended purposes in compliance with the Grant Agreement terms and conditions, and this GAP manual.

Documentation may include, but not limited to, invoice/receipts for project costs, contractor/consultant invoices and agreements, permitting/agreement fees associated with interconnection, etc.

Project Closeout

Before the Grant Agreement is closed, the CDFA Grant Specialist will review the verification report and final invoice, and ensure resolution of any project concerns. CDFA will withhold 10% of the Grant Agreement amount pending resolution of any issues. A closeout letter and final payment will be issued when resolution is complete.

Record Retention

Recipient must retain invoices and receipts, project records, and any other relevant supporting documents for a period of three (3) years from the date the Grant Agreement is closed.

Records that must be retained include:

- Actual expenditure invoices of supplies and equipment charged to grant fund;
- Contractor/Consultant reimbursement claims for work (labor) performed on the project;
- All other supporting financial documentation related to the Grant Agreement.