

Highlights from DWR Prop 4 Guidelines

Funding

California Proposition 4 (2024) (Pub. Resources Code, § 90000 seq.), also known as the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, has provided \$386.25 million dollars for projects related to groundwater storage, groundwater banking, groundwater recharge, or instream flow projects that support the conjunctive use of groundwater and surface water supplies.

- The Budget Act of 2025 (Stats. 2025, ch. 104, § 143) (2025 Budget Act) directed **\$3.5 million** dollars of the funding for projects supporting sustainable groundwater management by small GSAs.

Funding will largely be used to support GSAs in ***developing, updating, or implementing*** their Groundwater Sustainability Plans (GSPs), conducting groundwater monitoring and implementing projects within their GSPs.

- The 2025 Budget Act also appropriated \$6.5 million dollars for the Underrepresented Communities, California Tribes, and Small Farmers Groundwater Technical Assistance Program, also known as the Underrepresented Communities Technical Assistance (URCTA) Program. Up to 7% of this funding is designated for DWR's grant administration costs.
- Funds will be awarded through Direct Expenditures and Proposal Solicitations.

Small GSAs – Sustainable Groundwater Management (SGM)

Eligible Applicants

Public Resources Code section 90110 identifies the following entities as eligible grant applicants for Proposition 4:

- Public agencies
- 501(c)(3) Non-profit organizations
- Special districts
- Joint Powers Authorities
- Public utilities
- Federally recognized Indian Tribes
- State Indian Tribes listed on the Native American Heritage Commission's Tribal Consultation list
- Mutual water companies

Additionally, the applicant must be a GSA; member agency of GSAs; an entity that represents a GSA(s); or agencies with an alternative to a GSP that are located within eligible medium- and high-priority basins.

To be part of the proposal as a subrecipient and access grant funding through their relationship with the applicant, subrecipients must meet the definition of Eligible Grant Applicant as described above.

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Eligible Projects

Eligible projects are those that increase groundwater storage, improve the management and operation of groundwater storage, or are for groundwater banking, and support implementation of SGMA (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code).

Eligible project types for the SGM grant program must include one or more of the activities listed below. All projects must be consistent with the goals of the GSP or alternative to a GSP. This includes projects that fill in known data gaps and comments received from DWR after review of a submitted GSP or Alternative to a GSP, if received. Detailed information is provided in the individual PSPs.

- Recharge/Conjunctive Use Projects
- Subsidence BMP Implementation Actions
- Addressing DWR Recommended Corrective Actions
- Ag Land Adaptation Projects
- Conveyance Projects
- Other Implementation Projects

Under the 2025 Budget Act, the Program will allocate \$3.5 million to projects that support **small GSAs, that pump less than 10,000 acre-feet annually, in meeting their SGMA obligations** and building long-term groundwater sustainability.

Within the context of this funding program, a "project" encompasses all activities related to planning, design, engineering, acquisition of real property interests, construction, other associated efforts aimed at implementing a specific action funded by the program, and other efforts that support SGMA compliance or implementation.

Underrepresented Communities Technical Assistance

The goal of the Technical Assistance Program is to foster strong working relationships and effective communication between the Underrepresented Communities and their local groundwater sustainability agency responsible for implementing SGMA to ensure that the community's needs, risks, and/or vulnerabilities will be properly identified and addressed in the GSP(s) or alternative(s) to a GSP. Upon request, technical assistance for Underrepresented Communities will be directed to GSAs (through a DWR contract) and technical assistance providers (through a directed grant to providers that meet eligibility requirements) to assist with activities including, but not limited to, the following:

- Well Mitigation Plan Development and Community Outreach
- Groundwater Dependent Ecosystems Threshold Support
- Small Farm Assistance, Engagement, and Education
- Local Financing Plan Support
- Tribal Support and Engagement

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Eligibility Requirements for Funding Recipients (Grantees)

- Compliance with CASGEM
- Consistency with Delta Plan
- Groundwater management compliance
- Open and transparent water data
- Public benefit for project proposed by a public utility or mutual water company
- Stormwater resource plan
- Surface water diversion reporting compliance
- Urban and agricultural water suppliers compliance
- Water metering compliance for UWSs

Eligible Costs

For costs to be eligible for reimbursement, the costs must be consistent with the “reimbursable costs” definition contained in Appendix B. Eligible costs incurred will only be paid in arrears (via reimbursement through invoicing), except as set forth in Appendix D.

Indirect Costs

Applicant to choose one of four methods to calculate indirect cost.

Full Prop 4 Solicitation

Draft Guidelines and PSP for the full Proposition 4 solicitation (over \$300 million) are expected in early fall. Concept proposals are then expected to open early 2027, with full applications over summer 2027. Registration for the public comment workshops will be available at a later time.

- Tribal Public Comment Workshop, October 20, 2026, 2-4pm
- General Public Comment Workshop, November 5, 2026, 2-3:30pm

The Proposal Solicitation Package will include information about Program Preferences for:

- Leverage Funds or Create the Greatest Public Benefit
- Benefits to Disadvantaged and Severely Disadvantaged (40% of the funding) and Vulnerable (10% of the funding) Populations
- Use of the California Conservation Corp

Watershed Resilience

Conservation Implementation (~\$60 million for projects) - Capital projects with a water conservation benefit. Projects don't need to be listed in a Watershed Resilience Plan but must be selected by a "collaborative group" (definition forthcoming in the Guidelines). Draft Guidelines/PSP expected early fall; concept proposals early 2027, full applications spring 2027.

- Tribal Public Comment Workshop, October 12, 2026, 10am-12pm, Register here: <https://stantec.zoom.us/meeting/register/Kr9zpSf0QpukRTuvIlkogg>
- General Public Comment Workshop, October 22, 2026, 1pm-3pm, Register here: <https://stantec.zoom.us/meeting/register/fkEXOUglS4u0OUbix1ta0w>

Watershed Resilience Planning+ (~\$92 million for projects) – Grantees will work collaboratively across their watershed to develop a Watershed Resilience Plan and then use funding to implement the top-priority project(s) identified by that plan. Draft Guidelines/PSP expected this winter; concept proposals late 2027, followed by full applications.