GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND MONTEREY COUNTY WATER RESOURCES AGENCY
AGREEMENT NUMBER 4600011748

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Monterey County Water Resources Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the California Water Code (Appendix, Chap. 52), herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the State of California General Fund to Grantee to assist in financing the Lake Nacimiento-San Antonio Interlake Tunnel Project (Project) pursuant to Senate Bill (SB) 831 (Stats. 2016, ch 338).

2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on June 30, 2019, or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement.

3. TOTAL PROJECT COST. The reasonable Total Cost of the Project is estimated to be $10,000,000.

4. GRANT AMOUNT. The maximum amount payable by the State under this Agreement shall not exceed $10,000,000.

5. GRANTEE COST SHARE. Grantee agrees to fund the difference between the Total Project Cost and the Grant Amount (amount specified in Paragraph 3). Grantee is required to maintain all financial records associated with the Project in accordance with Exhibit H.

6. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:
   a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A and in accordance with Exhibit B and Exhibit C.
   b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
   c) Comply with all applicable California laws and regulations.
   d) Implement the Project in accordance with applicable provisions of the law.
   e) Fulfill its obligations under the Grant Agreement, and be responsible for the performance of the Project.

7. BASIC CONDITIONS. State shall have no obligation to disburse money for the Project under this Grant Agreement until Grantee has satisfied the following conditions (if applicable):
   a) Grantee must demonstrate compliance with the groundwater compliance options set forth in the IRWM Grant Program Guidelines, dated July 2016, or later published edition, as applicable.
   b) For the term of this Grant Agreement, Grantee submits timely Progress Reports as required by Paragraph 17.
   c) Grantee submits deliverables as specified in Paragraph 17 of this Grant Agreement and in Exhibit A.
   d) Prior to the commencement of construction or other actions subject to the California Environmental Quality Act (CEQA), Grantee shall submit the following to the State for the project:
      1) Final plans and specifications certified by a California Registered Professional (Civil Engineer or Geologist, as appropriate) for the approved project as listed in Exhibit A of this Grant Agreement.
      2) Environmental Documentation:
         i) Grantee submits to the State all applicable environmental permits,
         ii) Documents that satisfy the CEQA process are received by the State,
         iii) State has completed its CEQA compliance review as a Responsible Agency, and
         iv) Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, and mitigation monitoring programs as may be required prior to beginning construction/implementation.

3) A monitoring plan as required by Paragraph 18.

8. DISBURSEMENT OF FUNDS. Subject to SB 831 of 2016, State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations.

9. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible project costs include the reasonable costs of studies, investigations, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Total Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, and implementation. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project included in this Grant Agreement. Work performed on the project on or after September 13, 2016 shall be eligible for reimbursement.

   Costs that are not eligible for reimbursement include, but are not limited to the following items:

   a) Costs, other than those noted above, incurred prior to the award date of the Grant.
   b) Operation and maintenance costs, including post construction performance and monitoring costs.
   c) Purchase of equipment not an integral part of a project.
   d) Establishing a reserve fund.
   e) Purchase of water supply.
   f) Monitoring and assessment costs for efforts required after project construction is complete.
   g) Replacement of existing funding sources for ongoing programs.
   h) Travel and per diem costs (per diem includes subsistence and other related costs).
   i) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
   j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
   k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs.
   l) Overhead not directly related to project costs.

10. METHOD OF PAYMENT. Submit a copy of invoice for costs incurred and supporting documentation to the DWR Project Manager via Grant Review and Tracking Systems (GRanTS). Additionally, the original invoice form with signature and date (in ink) of Grantee's Project Representative of this Grant Agreement must be sent to the DWR Project Manager for approval. Invoices submitted via GRanTS shall include the following information:

    a) Costs incurred for work performed in implementing the project during the period identified in the particular invoice.
    b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the project during the period identified in the particular invoice for the implementation of a project.

c) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:

1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
2) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
3) Sufficient evidence (e.g. receipts, copies of checks, time sheets) as determined by the State must be provided for all costs included in the invoice. Additional Cost Share shall be accounted for separately in the progress reports.
4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant Amount, as depicted in Paragraph 4.
5) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Grantee fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs. After the disbursement requirements in Paragraph 7 are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 17. Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number.

11. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that the Project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 12, the portion that has been disbursed shall thereafter be repaid immediately with interest at the highest legal rate of interest at the time the State notifies the Grantee, as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 12. If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

12. DEFAULT PROVISIONS. Grantee will be in default under this Grant Agreement if any of the following occur:

a) Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
b) Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement.
c) Failure to operate or maintain project in accordance with this Grant Agreement.
d) Failure to make any remittance required by this Grant Agreement.
e) Failure to comply with Labor Code requirements (Exhibit D, Paragraph 28).
f) Failure to submit timely progress reports.
g) Failure to routinely invoice State.
h) Failure to meet any of the requirements set forth in Paragraph 13.

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least twenty (20) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

i. Declare the funding be immediately repaid, with interest, at the highest legal rate of interest in effect at the time of the default.
ii. Terminate any obligation to make future payments to Grantee.
iii. Terminate the Grant Agreement.
iv. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

13. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:

a) If Grantee is diverting surface water, Grantee must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
b) If the Grantee contributes to potential groundwater impacts, Grantee must demonstrate compliance with the groundwater compliance options set forth in of the IRWM Program Grant Guidelines, dated July 2016, or later published edition, as applicable.
c) If Grantee is designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, Grantee must maintain reporting compliance, as required by Water Code §10920 and the CASGEM Program.

14. EARLY TERMINATION WITH CAUSE BY GRANTEE. The Grantee shall notify the State, in writing, if the Grantee has determined that the proposed Project will be suspended or terminated for substantial reasons including, but not limited to, the following:

a. If the Grantee has determined long-term funding is not sufficiently secured to fund the Project in its entirety;
b. If the Grantee has determined, based upon an analysis and/or Project evaluation, that the proposed Project is not feasible or economically viable.

Grantee shall provide the State a minimum notice of 60 days for Early Termination with Cause, and follow the termination requirements in accordance with Paragraph D.42, Exhibit D. Early Termination with Cause by Grantee will not be considered Default as defined in Paragraph 12, and not subject to reimbursement by Grantee to State for funds disbursed to Grantee on eligible approved work, provided that the abandonment of the Project does not create an environmental or public safety hazard, or cause a condition of nuisance.

15. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Grantee shall provide copies of permits and approvals to State.

16. RELATIONSHIP OF PARTIES. Grantee is solely responsible for design, construction, and operation and maintenance of project within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.

17. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted via GRanTS. If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.

    - Progress Reports: Grantee shall submit progress reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail to the State's Project Manager and shall be uploaded into GRanTS. The progress reports shall provide a brief description of the work performed during the reporting period including: Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Agreement.
    - Grant Completion Report: Grantee shall submit a Grant Completion Report within ninety (90) calendar days of project completion. Grant Completion Report shall include, in part, a description of actual work done, any changes or amendments to the project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. Final retention will not be disbursed until the Grant Completion Report has been submitted and approved.

18. PROJECT MONITORING PLAN REQUIREMENTS. Exhibit A of this Grant Agreement shall contain activities to develop and submit to State a Project Monitoring Plan. The Project Monitoring Plan should include, at a minimum:

    a) Baseline conditions.
    b) Brief discussion of monitoring systems to be used.
    c) Methodology of monitoring.
    d) Frequency of monitoring.
    e) Location of monitoring points.

    A Project Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.

19. STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of California Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.

20. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:

    a) Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.
    b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.
    c) Should construction activities occur, final inspection of any completed work on the project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), in accordance with

Standard Condition D.19 in Exhibit D. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.

21. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:

    a) By delivery in person.
    b) By certified U.S. mail, return receipt requested, postage prepaid.
    c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
    d) By electronic means.

    Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 22. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

22. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

23. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

    Department of Water Resources
    Art Hinojosa
    Chief, Division of IRWM
    P.O. Box 942836
    Sacramento CA 94236-0001
    Phone: (916) 653-4736
    e-mail: Arthur.Hinojosa@water.ca.gov

    Monterey County Water Recourses Agency
    David E. Chardavoyne
    General Manager
    P.O. Box 930
    Salinas, CA 93902
    Phone: (831) 755-4860
    e-mail: chardavoynede@co.monterey.ca.us

    Direct all inquiries to the Project Manager:

    Department of Water Resources
    Jason M. Brabec
    Division of Integrated Regional Water Management
    P.O. Box 942836
    Sacramento, CA 94236-0001
    Phone: (916) 657-4893
    e-mail: Jason.Brabec@water.ca.gov

    Monterey County Water Resources Agency
    Winifred Chambliss
    Grant Administrator
    P.O. Box 930
    Salinas, CA 93902
    Phone: (831) 755-4896
    e-mail: chamblissws@co.monterey.ca.us

    Either party may change its Project Representative or Project Manager upon written notice to the other party.

24. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

    Exhibit A – Work Plan
    Exhibit B – Budget
    Exhibit C – Schedule
    Exhibit D – Standard Conditions
    Exhibit E – Authorizing Resolution
    Exhibit F – Report Formats and Requirements
    Exhibit G – Requirements for Statewide Monitoring and Data Submittal
    Exhibit H – State Audit Document Requirements
    Exhibit I – Project Monitoring Plan Components

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

_____
Art Hinojosa, P.E., Chief
Division of Integrated Regional Water Management

Date_____

Approved as to Legal Form and Sufficiency

_____
Robin Brewer, Assistant Chief Counsel
Office of Chief Counsel

Date_____

MONTEREY COUNTY WATER RESOURCES AGENCY

_____
David E. Chardavoyne
General Manager

Date_____

Approved as to Legal Form and Sufficiency

_____
Jesse J. Avila, Deputy County Counsel
Monterey County Counsel

Date_____

EXHIBIT A
WORK PLAN

Project Name: Interlake Tunnel and Spillway Modification Project

This Grant Agreement provides funding for the development of the Interlake Tunnel and Spillway Modification Project (Project) located at Lake Nacimiento and Lake San Antonio along the Monterey and San Luis Obispo County boundary, near Paso Robles, California. Monterey County Water Resources Agency (Grantee) is the implementing entity for the Project.

The Interlake Tunnel and Spillway Modification Project (Project) involves the preliminary engineering and environmental clearance of a gravity flow water conveyance tunnel from the Nacimiento Reservoir to the San Antonio Reservoir and the modification of the spillway at San Antonio Reservoir to affect an increase of storage in the San Antonio Reservoir. The goal of the Project is to increase flood control for the Salinas River basin and to provide additional water storage in the reservoirs for additional conservation releases benefitting the Salinas River basin. The development work consists of engineering and environmental clearance work for the Design-Build construction of the Project.

Work Plan Tasks

The Work Plan tasks will be presented in accordance with the Budget Categories. The Budget Categories are: Project Administration; Land Purchase / Easements; Planning / Design / Engineering and Environmental Documentation; and Construction.

Budget Category A: Project Administration

Task A.1 Grant Administration

This task consists of Grantee staff support for the administration of the Grant; including coordination of Project development activities, review and approval of environmental and engineering work related to the Project. Development of invoices, tracking of expenditures and Grant-related reporting is also included in this task. In addition, take all measures necessary to ensure compliance with applicable California Labor Code requirements, as per Exhibit D.

Deliverables

- Quarterly time and cost accounting
- Invoices
- Meeting Minutes
- Proof of Labor Compliance, upon request

Task A.1.1 Reporting

Grantee will prepare and submit project progress reports detailing work completed during the reporting period as outlined in Exhibit F of this Agreement. Prepare draft Final Completion report and submit to DWR for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare Final Report addressing DWR's comments. The report shall be prepared and presented in accordance with the provisions outlined in Exhibit F. A Grant Completion Report will also be required to drafted and prepared by Grantee. The standard requirements for this report can be included in the Final Completion Report for one submittal. Final Retention Invoice will not be paid until the Grant Completion Report is submitted, reviewed, and approved by DWR.

Deliverables

- Project Progress Reports
- Final Project Completion Report
- Grant Completion Report (if not included in Final Project Completion Report)

Task A.2 Project Support

This task consists of Grantee staff support for all aspects of the Project; including Hydrologic Modeling Support, Environmental Support, and Engineering Support. This task reflects the work Grantee staff will perform in support of the Project, not related to Grant Administration.

Task A.3 Program Management

This task involves the program management services provided to the Grantee to assist in the delivery of the Project. The work includes Project and finance planning; scheduling, estimating and budgeting; conceptual design; coordination of consultants, sub-consultants and third parties; progress reporting, presentations and weekly coordination meetings. The work includes management and oversight of environmental and engineering consultant services procured for the Project by the Grantee.

Deliverables

- Monthly progress reports
- Program schedule and budget updates
- Special reports and presentations to assist in project communications

Budget Category B: Land Purchase / Easements

Task B.1 Right-of-Way Easements

This task includes the identification, negotiation and procurement of easements for the Project's facilities; surveys; obtaining title reports; and, cultural coordination.

Deliverables

- Executed easement agreements

Budget Category C: Planning / Design / Engineering and Environmental Documentation

Task C.1 Hydrologic Modeling

This task involves hydrologic modeling analysis of the Projects using the basin model prepared by United States Geological Survey for Monterey County and support to the development of a project description for the Environmental Impact Report (EIR) process.

Deliverables

- Technical Memorandum describing modal type, configuration and application. The memorandum will also include a discussion of analysis methodology and summary of modeling results.

Task C.2 Environmental and Permitting

This task includes all activities necessary to obtain environmental clearance and regulatory permits for the Project. This task includes compliance with CEQA's consultation requirements with Native American Tribes. The task is divided into eight sub-tasks described as follows:

Task C.2.1 Project Management and Team Coordination for Environmental and Permitting

This task includes the management of the environmental services work and the coordination of all sub-consultants in the performance of the environmental clearance and permitting work. The work includes coordination with the engineering and design consultants for the Projects. The task includes quality assurance / quality control (QA/QC), staffing, budget management, and schedule control.

Deliverables

- Monthly progress reports

Task C.2.2 Prepare Draft EIR

This task consists of the preparation of a draft EIR document in accordance with CEQA's requirements including preparation of a project description; performance of biological and cultural surveys; and project impact analysis. This task includes compliance with CEQA's consultation requirements with Native American Tribes. The task includes subtasks leading to the preparation, conduct of a public review, and receipt of comments on the Draft EIR.

Deliverables

- Draft EIR

Task C.2.3 Prepare Final EIR

This task consists of the preparation of the Final EIR document incorporating responses to all comments on the Draft EIR and conduct of additional public review process.

Deliverables

- Final EIR

Task C.2.4 Preparation of Findings, Statements of Overriding Considerations (SOC), Notice of Determination (NOD), and Mitigation Monitoring and Reporting Plan (MMRP)

This task involves the preparation of findings/statements of overriding considerations, drafting a Notice of Determination, drafting a Mitigation Monitoring and Reporting Plan and public hearings and EIR certification by Grantee. This task includes compliance with CEQA's consultation requirements with Native American Tribes.

Deliverables

- Findings/Statement of Overriding Considerations
- Notice of Determination
- Mitigation Monitoring and Reporting Plan

Task C.2.5 Public Meetings

This task provides for the preparation and conducting of Draft and Final EIR Public Meetings.

Deliverables

- Meeting notes and documentation of comments

Task C.2.6 Public Outreach

This task involves the preparation of newsletters, as well as providing public meeting support services during the EIR development review and approval processes.

Deliverables

- Periodic newsletters and publications

Task C.2.7 Permitting

This task includes the preparation of permit applications with all appropriate regulatory agencies and follow-up responses. Scope includes determination of Federal and State regulatory jurisdictions and coordination with regulatory agencies to obtain regulatory approval and permits.

Deliverables

- Jurisdictional Delineation Report
- Biological Assessment – Wildlife
- Biological Assessment – Fisheries
- Other Permit applications as applicable

Task C.2.8 Additional Environmental Services

This task provides additional environmental clearance services for the geotechnical exploration program. Clearance services include obtaining drilling permits, underground utility surveys, and other applicable pre-drilling services or permits required by the County. Provide tunnel model outreach and coordination services.

Deliverables

- Geotechnical exploration environmental and site(s) clearance work plan
- Tunnel model outreach documentation

Task C.3 Water Rights

This task involves the preparation of water rights applications and payment of applicable fees to the State Water Resources Control Board and associated legal services.

Deliverables

- Water rights applications

Task C.4 LiDAR Survey

This task involves topographic mapping using LiDAR technology showing planimetric features for the Project areas.

Deliverables

- Work Plan
- Ground Truth Variance and Ground Control Survey Reports
- Bare-earth and classified LiDAR data in LAS File Format, Version 1.4 or ASCII format.
- 1-ft contours derived from LiDAR data as GIS files
- DEM developed from LiDAR data
- Digital CAD topographic mapping that includes planimetric information.
- Digital orthophotography of the entire reaches.

Task C.5 San Antonio Spillway Design

This task involves the preliminary and final design of the spillway modification on San Antonio Dam which includes evaluation of alternatives, hydraulic design, embankment stability evaluation, and preparation of construction bid documents. The work includes coordination with DWR's Division of Safety of Dams (DSOD) and support to the EIR permitting process. This task is divided into nine sub-tasks described as follows:

Task C.5.1 Evaluate Spillway Alternatives

This task includes collection and review of reservoir, dam and spillway data; preparation of work plans for geotechnical analysis and survey; surveying and mapping; geotechnical investigations; Probable Maximum Flood (PMF) review and update, structural and seismic analysis; preparation of alternatives analysis; and DSOD coordination.

Deliverables

- Geotechnical Investigation Report
- PMF Routing Update
- Final Alternatives Technical Memorandum

Task C.5.2 Spillway Hydraulic Design

Perform hydraulic design and physical modeling of the recommended spillway modification. The task is further defined by the deliverables:

Deliverables

- Final Updated PMF Routing Technical Memorandum
- Physical Model Study Report
- Final Hydraulic Design Technical Memorandum

Task C.5.3 Embankment Stability Evaluation

Perform review and analysis of embankment stability.

Deliverables

- Final Stability Analysis Technical Memorandum

Task C.5.4 Preliminary Design (30%)

Develop 30% design drawings and AACE Class 4 cost opinion and design criteria technical memorandums.

Deliverables

- 30% Drawings and AACE Class 4 Cost Opinion
- DSOD Meeting Agendas
- Responses to DSOD
- Design Criteria Technical Memorandum

Task C.5.5 Final Design

Prepare final design and prepare Planning, Specifications, and Engineering (PS&E) at 50%, 75% and 100% design completion. Prepare contract documents for bidding.

Deliverables

- 50% PS&E (AACE Class 3 Estimate; Outline Specs)
- 75% PS&E (Updated AACE Class 3)

- Final Basis of Design Technical Memorandum
- 100% PS&E for DSOD Review/Approval
- Final Bid/Contract Documents

Task C.5.6 DSOD Review and Approval

Conduct design workshops with DSOD. DSOD will also provide input during Alternatives Analysis.

Deliverables

- DSOD review meeting reports at 50%, 75%, and 100% design
- Responses to DSOD comments

Task C.5.7 EIR Permitting Support

Provide assistance to the environmental consultant in the preparation of a project description, participation in public meetings, and construction impact analyses.

Deliverables

- Construction impact assessment reports
- Engineering reports for EIR

Task C.5.8 Construction Procurement Support

Provide assistance to Grantee with the issuance of Design-Build Request for Proposal (RFP) documents, response to technical questions, preparation of addenda to the RFP, and bid tab evaluations. The task includes coordination of site visits by prospective Design-Build proposers.

Deliverables

- RFP documents
- RFP Addendums

Task C.5.9 Project Management for Spillway Design

This task includes managing the engineering and design services as well as the coordination of all sub-consultants in the performance of the design for the spillway modification portion of the Project. The work includes coordination with the environmental consultants and providing engineering assistance to the environmental clearance work. The task includes QA/QC, staffing, budget management, and schedule control.

Deliverables

- Monthly progress reports

Task C.6 Tunnel Design

This task involves the preliminary engineering of the Project to adequately define the Project and estimate the capital costs and prepare design-build procurement documents for the final design and construction of the Projects. The task includes preparation of an Engineer's Report. Several sub-tasks are defined as follows:

Task C.6.1 Project Management and Team Coordination for Tunnel Design

This task includes the management of the engineering and design services and the coordination of all sub-consultants in the performance of the preliminary engineering for the tunnel portion of the Project. The work includes coordination with the environmental consultants and providing engineering assistance to the environmental clearance work. The task includes QA/QC, staffing, budget management, and schedule control.

Deliverables

- Monthly progress reports

Task C.6.2 Tunnel Preliminary Engineering

Conduct preliminary engineering and design and preparation of plans, specifications and estimates (PS&E) and design-build procurement contract documents. The scope is defined with the following subtasks:

Task C.6.2A Preliminary Engineering – Conceptual Design Review

Grantee review conceptual project design from consultant and provide comments and recommendations for ultimate approval by Grantee regarding the conceptual design.

Deliverables

- Conceptual Design Review Findings

Task C.6.2B Preliminary Engineering – Site Survey

Development of a site survey work plan and establishment of survey control and topographic survey of tunnel inlet and outlet structure locations and tunnel alignment. Utilize the LiDAR survey and orthographic photographic information obtained by Grantee. Provide engineering assistance in the definition of Right-Of-Way (ROW) requirements for the tunnel project facilities.

Deliverables

- ROW description drawings with meets and bounds descriptions

Task C.6.2C Preliminary Engineering – Geotechnical Investigation Program

Conduct a geotechnical investigation program for the Project including exploration, lab testing, and reporting. The task is further defined by the deliverables as follows:

Deliverables

- Geotechnical Exploration, Testing, Reporting Plan
- Final Geotechnical Data Report (GDR)
- Final Geotechnical Interpretive Report (GIR)

Task C.6.2D Preliminary Engineering – Design Criteria Memorandum

This task includes the preparation of design criteria for the Project.

Deliverables

- Final Design Criteria Memorandum

Task C.6.2E Preliminary Engineering – Report (30% Design Level)

Preparation of preliminary engineering report at 30% design completion incorporating hydraulic analysis, reservoir routing, and recommendations for physical modeling. Provide recommendations to Grantee for equipment procurement packages.

Deliverables

- Final Preliminary Engineering Report
- Recommendations for equipment procurement by the Grantee

Task C.6.3 Design-Build Documents (including PS&E)

Conduct engineering and design services and prepare design build documents including plans, specifications and estimates (PS&E) for the tunnel project. The task includes periodic milestones and coordinated design review with Grantee. The scope is further defined by the deliverables:

Deliverables

- 50% Design-Build Contract Bid Documents (Including PS&E)
- 75% Design-Build Contract Bid Documents (Including PS&E)
- 100% Design-Build Contract Bid Documents (Including PS&E)
- Final Geotechnical Baseline Report (GBR)
- Final, Issue-For-Bid Documents

Task C.6.4 Preparation of Engineer's Report

This task proves for the preparation of an Engineer's Report describing the project, capital and Operations and Maintenance costs, as well as a description of benefits to properties in the Salinas Basin. Develop a property tax assessment methodology and forecasts.

Deliverables

- Final Project Description
- Draft and pre-final Assessment Methodology
- Final Engineer's Report including Project Description and Assessment Methodology

Task C.6.5 Bidding Phase Services

Provide assistance to Grantee with the issuance of Design-Build RFP, response to technical questions, preparation of addenda to the RFP, and proposal evaluations. The task includes coordination of site visits by prospective Design-Build proposers.

Deliverables

- RFP Addendums

Task C.6.6 EIR Support

Provide engineering assistance to the environmental consultants in the development of a project description for the EIR, technical evaluation of alternatives, preparation of appropriate EIR documents, and review of EIR documents.

Deliverables

- Engineering analyses in support of EIR

Task C.6.7 General Engineering Support

Conduct optimization and value engineering studies for tunnel and intake structure, and gate shaft design. Conduct review and analysis of groundwater data in proximity to the tunnel alignment.

Deliverables

- Optimization study report for tunnel facilities
- Groundwater analysis

Task C.6.8 Project Support Tasks

Develop detailed exhibits for ROW requirements. Conduct physical hydraulic model of energy dissipation structure. Assist in reservoir modeling for the Project Benefits Analysis.

Deliverables

- ROW exhibits
- Energy dissipation modeling results

Budget Category D: Construction

This Budget Category is a placeholder should funds remain from other Budget Categories. Those unspent funds may be reallocated for applicable construction work as approved through an appropriate amendment process.

EXHIBIT B
BUDGET

BUDGET CATEGORY	Grant Amount	Cost Share	Project Cost
A) Project Administration	$2,374,858	$0	$2,374,858
B) Land Purchase / Easements	$244,000	$0	$244,000
C) Planning / Design / Engineering and Environmental Documentation	$7,381,142	$0	$7,381,142
D) Construction (placeholder if funds remain for construction work)	$0	$0	$0
GRAND TOTAL	**$10,000,000**	**$0**	**$10,000,000**

EXHIBIT C

SCHEDULE

Interlake Tunnel and Spillway Modification Development Schedule

Description	Start	Finish	Duration (Months)
Budget Category (A) Project Administration	**9/13/2016**	**6/30/2019**	**33.4**
Task A.1 - MCWRA Grant Administration	9/13/2016	6/30/2019	33.4
Task A.2 - MCWRA Project Support	9/13/2016	6/30/2019	33.4
Task A.3 - Program Management	9/13/2016	6/30/2019	33.4
Budget Category (B) Land Purchase / Easements	**5/24/2017**	**11/7/2017**	**5.6**
Task B.1 - Right-of-Way Easements	5/24/2017	11/7/2017	5.6
Budget Category (C) Planning / Design / Engineering and Environmental Documentation	**10/1/2016**	**4/30/2018**	**19.2**
Task C.1 - Hydrologic Modeling	12/1/2016	10/26/2017	11.0
Task C.2 - Environmental and Permitting	10/1/2016	4/5/2018	18.4
Task C.3 - Water Rights	11/8/2017	4/24/2018	5.6
Task C.4 - LiDAR Survey	10/3/2016	2/2/2017	3.0
Task C.5 - San Antonio Spillway Design	10/1/2016	9/5/2018	23.5
Task C.6 - Tunnel Design	12/6/2016	4/4/2018	16.1
Budget Category (D) Construction	**NA**	**NA**	**NA**

EXHIBIT D
STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

a) Separate Accounting of Funding Disbursements and Interest Records: Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.

b) Fiscal Management Systems and Accounting Standards: The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.

c) Disposition of Money Disbursed: All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

d) Remittance of Unexpended Funds: Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2) ACKNOWLEDGMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State for their support when promoting the Project or using any data and/or information developed under this Grant Agreement.

D.3) AIR OR WATER POLLUTION VIOLATION: This Standard Condition does not apply to this Grant Agreement .

D.4) AMENDMENT: This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. State shall have no obligation to agree to an amendment.

D.5) AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.6) APPROVAL: This Agreement is of no force or effect until signed by all parties to the agreement. Grantee may not submit invoices or receive payment until all required signatures have been obtained.

D.7) AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may elect to pursue any remedies provided in Paragraph 12 or take any other action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Grant Agreement with respect to all matters connected with this Grant Agreement, including but not limited to, the cost of

administering this Grant Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after final payment under this Agreement.

D.8) **BUDGET CONTINGENCY:** If the Budget Act of the current year and/or subsequent years covered under this Grant Agreement does not appropriate sufficient funds for this Grant Agreement, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other grantee. If this Grant Agreement's funding for any fiscal year is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to Grantee to reflect the reduced amount.

D.9) **CALIFORNIA CONSERVATION CORPS:** This Standard Condition does not apply to this Grant Agreement.

D.10) **CEQA:** Activities funded under this Grant Agreement must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.). Information on CEQA may be found at the following links:

Environmental Information: http://resources.ca.gov/ceqa/

California State Clearinghouse Handbook:
https://www.opr.ca.gov/docs/SCH_Handbook_2012.pdf

D.11) **CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of $100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:

a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.12) **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the State's Project Manager, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

D.13) **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.

D.14) **COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

D.15) **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 contract being declared void. Other legal action may also be taken. 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.

a) 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.

b) Former State Employees: For the two-year period from the date he or she left 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 from the date he or she 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) Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.

d) Employees and Consultants to the Grantee: Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

D.16) **DELIVERY OF INFORMATION, REPORTS, AND DATA:** Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by State.

D.17) **DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than $5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.

D.18) **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 *et seq*.) and have or will provide a drug-free workplace by taking the following actions:

a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a)(1).

b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
   i) The dangers of drug abuse in the workplace,
   ii) Grantee's policy of maintaining a drug-free workplace,
   iii) Any available counseling, rehabilitation, and employee assistance programs, and
   iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

c) Provide, as required by Government Code Sections 8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
   i) Will receive a copy of Grantee's drug-free policy statement, and
   ii) Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.19) **FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** In the event that physical construction activities occur, and upon completion of the Project, Grantee shall provide for a final inspection and certification by the appropriate registered professional (California Registered Civil Engineer or Geologist) that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.

D.20) **GRANTEE COMMITMENTS:** Grantee accepts and agrees to comply with all terms, provisions, conditions and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.

D.21) **GRANTEE NAME CHANGE:** Approval of the State's Program Manager is required to change the Grantee's name as listed on this Grant Agreement. Upon receipt of legal documentation of the name change the State will process an amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

D.22) **GOVERNING LAW:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.23) **INDEMNIFICATION:** Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.

D.24) **INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.25) **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.26) **INSPECTIONS OF PROJECT BY STATE:** State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.

D.27) **INVOICE DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the DWR Project Manager within

thirty (30) calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.

D.28) **LABOR CODE COMPLIANCE:** The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at http://www.dir.ca.gov/lcp.asp. For more information, please refer to DIR's Public Works Manual at: http://www.dir.ca.gov/dlse/PWManualCombined.pdf. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

D.29) **NONDISCRIMINATION:** During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medical and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) *et seq*.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq*.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

D.30) **NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over $100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury under the laws of State of California that Grantee is in compliance with Public Contract Code section 10295.3.

D.31) **OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

D.32) **PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A and to apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law.

D.33) **PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of $200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

D.34) **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any

action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.

D.35) **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

D.36) **RETENTION:** Notwithstanding any other provision of this Grant Agreement, State shall, for each project, withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%), thereafter, of the funds requested by Grantee for reimbursement of Eligible Costs. Each project in this Grant Agreement will be eligible to release its respective retention when that project is completed and Grantee has met requirements of Paragraph 17, except in the case of the last project to be completed under this Grant Agreement, in which case retention for such project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State. State shall disburse retained funds to the Grantee.

D.37) **RIGHTS IN DATA:** Grantee 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 Grant 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 (Gov. Code §6250 *et seq*. Provided, however, that nothing in this Agreement shall require the Grantee to make available to the State, or place in the public domain, any documents that may be considered critical infrastructure, as defined in any law or regulation, including (without limitation) Homeland Security Presidential Directive 7, as further defined in FERC Order No. 630, issued February 21, 2003. Any such documents submitted to the State must be labeled "confidential" at the time they are submitted to the State. Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or 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.

D.38) **SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.

D.39) **STATE REVIEWS:** The parties agree that review or approval of project, documents, permits, plans, and specifications or other project information by the State is for administrative purposes only and does not relieve the Grantee of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the project.

D.40) **SUSPENSION OF PAYMENTS:** This Grant Agreement may be subject to suspension of payments or termination, or both, and Grantee may be subject to debarment if the State determines that:

a) Grantee, its contractors, or subcontractors have made a false certification, or
b) Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.

D.41) **SUCCESSORS AND ASSIGNS:** This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.

D.42) **TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.

D.43) **TERMINATION FOR CAUSE:** Subject to the right to cure under Paragraph 12, the State may terminate this Grant Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 12.

D.44) **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.

D.45) **THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.

D.46) **TIMELINESS:** Time is of the essence in this Grant Agreement.

D.47) **TRAVEL:** Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.

D.48) **WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

D.49) **VENUE:** The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.

EXHIBIT E
AUTHORIZING RESOLUTION

File ID WRA RES 16-005 No. 2

Monterey County
Water Resources Agency

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

TO BE UPDATED

Resolution No.: 16-309
Upon motion of Supervisor Salinas, seconded by Supervisor Potter and carried by those members present, the Board of Supervisors hereby:

Adopt Resolution No. 16-309 to:

1. Accept the State Grant Funds, subject to an agreement with State Department of Water Resources.
2. Direct the General Manager of the Agency to prepare a grant agreement, subject to review and approval as to legal form and content by Agency Counsel.
3. Direct the General Manager to present the proposed grant agreement on November 21, 2016, for recommendation by the Agency Board of Directors, and thereafter to the Board of Supervisors at its next available meeting.

PASSED AND ADOPTED on this 1st day of November 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on November 1, 2016.

Dated: November 17, 2016
File ID: WRA RES 16-005

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____ Deputy

File ID WRA RES 16-005 No. 2

MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF SUPERVISORS

Resolution No. 16-309

Adopt Resolution No. 16-309 of the Board of Supervisors of the Monterey County Water Resources Agency accepting a grant from the State of California, Department of Water Resources (DWR), for $10 million for the Interlake Tunnel and San Antonio Spillway Modification Project; and directing the General Manager and Agency Counsel to prepare the grant agreement for consideration by the Board of Directors and Board of Supervisors.....

TO BE UPDATED

WHEREAS, the Legislature of the State of California enacted and the Governor signed into law Senate Bill No. 831 (Stats. 2016, ch. 368) to provide funds in the form of a grant (State Grant Funds) for the Monterey County Water Resource Agency's (Agency) Interlake Tunnel and San Antonio Spillway Modification Project (Project); and

WHEREAS, Senate Bill No. 831 delegates the responsibility for the administration of this grant, including establishing necessary procedures for disbursement of the State Grant Funds, to the State Department of Water Resources; and

WHEREAS, the Agency wishes to accept the State Grant Funds to carry out the Project, subject to an agreement with State Department of Water Resources and subject to approval as to legal form and content by Agency Counsel.

NOW THEREFORE, BE IT RESOLVED that the Monterey County Water Resources Agency Board of Supervisors:

1. Accepts the State Grant Funds, subject to an agreement with State Department of Water Resources.
2. Directs the General Manager of the Agency to prepare a grant agreement, subject to review and approval as to legal form and content by Agency Counsel.
3. Directs the General Manager to present the proposed grant agreement on November 21, 2016, for recommendation by the Agency Board of Directors, and thereafter to the Board of Supervisors at its next available meeting.

PASSED AND ADOPTED upon motion of Supervisor Salinas, seconded by Supervisor Potter carried this 1st day of November 2016, by the following vote, to wit:

File ID WRA RES 16-005 No. 2

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on November 1, 2016.

Dated: November 1, 2016
File Number: WRA RES 16-005

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____ Deputy

TO BE UPDATED

EXHIBIT F
REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each project, discuss the following at the task level, as organized in Exhibit A:

- Percent complete estimate.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.

For each project, discuss the following at the project level, as organized in Exhibit A:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by DWR during the reporting period.

PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

Executive Summary
Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- Description of actual work completed and any deviations from Exhibit A. List any official amendments to this Grant Agreement, with a short description of the amendment.

Reports and/or Products
The following items should be provided, unless already submitted as a deliverable:

- Provide a copy of any final technical report or study, produced for this project as described in the Work Plan, if applicable
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

Costs and Dispositions of Funds
A list of showing:

- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure;
  - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
  - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

Additional Information

- Benefits derived from the project, with quantification of such benefits provided, if applicable.
- A final project schedule showing actual progress versus planned progress as shown in Exhibit C.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report.

GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This format may be modified as necessary to effectively communicate information on the various projects in the IRWM Program funded by this Grant Agreement, and includes the following:

Executive Summary

The Executive Summary consists of a maximum of twenty (20) pages summarizing information for the grant as well as the individual projects.

Reports and/or products

- Summary of the regional priorities, objectives, and water management strategies of the IRWM Plan.
- Brief description of the projects completed and how they will further the goals identified in the Agency's final approved IRWM Plan.
- Describe how the implemented projects will meet the regional priorities identified in the final approved IRWM Plan and how the projects contribute to regional integration.
- Identify remaining work and mechanism for their implementation.
- Identify any changes to the IRWM Plan as result of project implementation.
- If applicable, a short discussion on how the IRWM Plan will assist in reducing dependence on Delta water supplies.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Grant Agreement.

Cost & Disposition of Funds Information

- A summary of final funds disbursement for each project.

Additional Information

- Summary of the submittal schedule for the Post Performance Reports for each of the projects in this Grant Agreement.

POST-PERFORMANCE REPORT

Report should be concise, and focus on how (each/the) project is actually performing compared to its expected performance; whether the project is being operated and maintained, and providing intended benefits as proposed.

Reports and/or products

- Time period of the annual report (e.g., January 2015 through December 2015)
- Short project description
- Discussion of the project benefits
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.

- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 18 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

EXHIBIT G
REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

Surface and Groundwater Quality Data

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit F.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: http://www.ceden.org.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/gama/geotracker_gama.shtml. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program.

Groundwater Level Data

Grantee shall submit to DWR groundwater level data collected as part of this grant. Water level data must be submitted using the California Statewide Groundwater Elevation Monitoring (CASGEM) online data submission system. Grantee should use their official CASGEM Monitoring Entity or Cooperating Agency status to gain access to the online submittal tool and submit data. If the data is from wells that are not part of the monitoring network, the water level measurements should be classified as voluntary measurements in the CASGEM system. If the grantee is not a Monitoring Entity or Cooperating Agency, please contact your DWR grant project manager for further assistance with data submittal. The activity of data submittal should be documented in appropriate progress or final project reports, as described in Exhibit F. Information regarding the CASGEM program can be found at http://www.water.ca.gov/groundwater/casgem/.

EXHIBIT H
STATE AUDIT DOCUMENT REQUIREMENTS

State Audit Document Requirements

The list below details the documents/records that State Auditors typically reviewed in the event of a Grant Agreement being audited. Grantees should ensure that such records are maintained for each State funded Program/Project. Where applicable, this list of documents also includes documents relating to the Grantee's funding match which will be required for audit purposes.

Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for this Grant Agreement's funded project.
2. Written internal procedures and flowcharts for the following:
   a) Receipts and deposits
   b) Disbursements
   c) State reimbursement requests
   d) State funding expenditure tracking
   e) Guidelines, policy(ies), and procedures on State funded Program/Project
3. Audit reports of the Grantee's internal control structure and/or financial statements within the last two years.
4. Prior audit reports on State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A list of all grants, loans, or subventions received from the State.
3. A list of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related, if applicable.
2. Contracts between the Grantee, member agencies, and project partners as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips or bank statements showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Grant Agreement.

Accounting Records:

1. Ledgers showing receipts and cash disbursement entries for State funding.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to reimbursement requests submitted to the State for the Grant Agreement

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Grantee staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Grantee's

Project Files:

1. All supporting documentation maintained in the Program/Project files.
2. All Grant Agreement related correspondence.

EXHIBIT I
PROJECT MONITORING PLAN COMPONENTS

Introduction

Please include a brief description of the project (maximum ~150 words) including project location, implementation elements, and need for project (what problem will the project address).

Project Monitoring Plan Components

The Project Monitoring Plan should contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (upon project completion, five years after completion, etc.)
- How often will monitoring be undertaken (monthly yearly, etc.).
- Where are monitoring point locations (ex: meter located at.., at stream mile…)? Include relevant maps.
- How will the project be maintained (ex: irrigation, pest management, weed abatement..)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g., paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?