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**GROUNDWATER**

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MONTEREY COUNTY WATER RESOURCES AGENCY

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



IMPLEMENTATION GRANT

PROTECTION OF DOMESTIC DRINKING WATER SUPPLIES FOR THE LOWER SALINAS  
VALLEY

AGREEMENT NO. SWRCB0000000000D1912532

PROJECT FUNDING AMOUNT: \$4,927,729

ELIGIBLE WORK START DATE: OCTOBER 18, 2019

WORK COMPLETION DATE: FEBRUARY 28, 2023

FINAL REIMBURSEMENT REQUEST DATE: MARCH 31, 2023

RECORDS RETENTION END DATE: FEBRUARY 28, 2059

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## AGREEMENT

## 1. AUTHORITY.

The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to Section 79771 of the Water Code, and Resolution No. 2017-0075.

## 2. INTENTION.

- (a) The Recipient desires to receive financial assistance for and undertake work required for the groundwater implementation project (Project) set forth on the Cover Page and described in Exhibit A of this Agreement from the State Water Board according to the terms and conditions set forth in this Agreement.
- (b) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.

## 3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

- (a) The State Water Board hereby makes a grant to the Recipient in accordance with the provisions of this Agreement.
- (b) Subject to the satisfaction of any condition precedent to this Agreement, this Agreement shall become effective upon the signature of both the Recipient and the State Water Board. Conditions precedent are not limited to the following:
  - (1) The Recipient must deliver an opinion of general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.
  - (2) The Recipient must deliver to the Division a resolution authorizing the Recipient to enter into this Agreement and identifying its Authorized Representative by title.
- (c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Records Retention End Date.
- (d) This Agreement includes the following exhibits and attachments thereto:

EXHIBIT A – SCOPE OF WORK

EXHIBIT B – FUNDING TERMS

EXHIBIT C – GENERAL AND PROGRAMMATIC TERMS AND CONDITIONS

EXHIBIT D – SPECIAL CONDITIONS

**4. PARTY CONTACTS.**

The Party Contacts during the term of this Agreement are:

State Water Board		Monterey County Water Resources Agency	
Section:	Division of Financial Assistance		
Name:	Diana Conkle, Project Manager	Name:	Brent Buche, Project Director
Address:	1001 I Street, 17th Floor	Address:	1441 Schilling Place, North Building
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Salinas, CA 93902
Phone:	(916) 341-5660	Phone:	(831) 755-4860
Fax:	(916) 341-5296	Fax:	(831) 424-7935
Email:	Diana.Conkle@waterboards.ca.gov	Email:	BucheB@co.monterey.ca.us

Direct inquiries to:

State Water Board		Monterey County Water Resources Agency	
Section:	Division of Financial Assistance		
Name:	Brittani Evans, Program Analyst	Name:	Howard Franklin, Grant Contact
Address:	1001 I Street, 17 <sup>th</sup> Floor	Address:	1441 Schilling Place, North Building
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Salina, CA 93902
Phone:	(916) 341-5930	Phone:	(831) 755-4860
Fax:	(916) 341-5296	Fax:	(831) 424-7935
Email:	Brittani.Evans@waterboards.ca.gov	Email:	franklinh@co.monterey.ca.us

The Recipient may change its Project Director upon written notice to the Project Manager, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Project Director of any changes to its Party Contacts.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

**5. DEFINITIONS.**

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

“Agreement” means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.

“Cover Page” means the front page of this Agreement.

“Days” means calendar days unless otherwise expressly indicated.

“Deputy Director” means the Deputy Director of the Division.

“District Office” means District Office of the Division of Drinking Water of the State Water Board.

"Division" means the Division of Financial Assistance of the State Water Board or any other division or unit of the State Water Board authorized to administer this Agreement.

“Division of Drinking Water” means the Division of Drinking Water of the State Water Board.

“Eligible Work Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any costs may be incurred and eligible for reimbursement hereunder.

“Event of Default” means the occurrence of any of the following events:

- (a) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
- (b) A material adverse change in the condition of the Recipient, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
- (c) Failure to operate the Project without the Division's approval;
- (d) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
- (e) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;
- (f) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code;

- (g) Loss of the Recipient's rights, licenses, permits, or privileges necessary for the Project, or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Final Reimbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds reimbursements or disbursements may be requested.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year.

"Force Account" means the use of the Recipient's own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Grant Contact" means the employee of the Recipient who has been delegated by the Project Director to oversee the day-to-day activities of the Project. The Grant Contact is set forth in Section 4 of this Agreement.

"Guidelines" means the State Water Board's "Proposition 1 Groundwater Grant Program Funding Guidelines," in effect as of the execution date of this Agreement.

"Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

"Match Funds" means funds provided by the Recipient towards the Project Costs incurred on or after November 4, 2014. Funds spent on ineligible Project Costs are not Match Funds.

"Material Obligation" means an obligation of the Recipient that is material to this transaction.

"Party Contact" means, for the Recipient, the Authorized Representative of the Recipient or any designee of the Authorized Representative, and, for the State Water Board, the Division staff set forth in Section 4 of this Agreement.

"Project" means the Project funded by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Completion" means, as determined by the Division, that the Project is complete to the reasonable satisfaction of the Division.

"Project Costs" means the incurred costs of the Recipient which are eligible for funding under this Agreement, pursuant to applicable statutes, policy, regulation, or guidelines.

"Project Director" means an employee of the Recipient designated by the Authorized Representative to be responsible for the overall management of the administrative and technical aspects of the executed Agreement. The Project Director is set forth in Section 4 of this Agreement.

"Project Funding Amount" means the maximum amount payable under this Agreement, as set forth on the Cover Page.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

"Project Manager" means the person designated by the State Water Board to manage performance of this Agreement. The Project Manager is set forth in Section 4 of this Agreement.

"Recipient" means Monterey County Water Resources Agency.

"Records Retention End Date" means the last date that the Recipient is obligated to maintain records related to this Agreement and is set forth on the Cover Page of this Agreement.

"Regional Water Quality Control Board" or "Regional Water Board" means the appropriate Regional Water Quality Control Board.

"Reimbursement Period" means the period during which Project Funds may be disbursed.

"Reimbursement Request" means the Recipient's request for Project Funds from the State Water Board as set forth in Exhibit B.

"State" means State of California.

"State Water Board" means the State Water Resources Control Board.

"Useful Life" means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

"Work Completion" means the Recipient's submittal of all work set forth under Exhibit A for review and approval by the Division.

"Work Completion Date" means the date set forth on the Cover Page of this Agreement and is the last date on which Project Costs may be incurred under this Agreement.

"Year" means calendar year unless otherwise expressly indicated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

MONTEREY COUNTY WATER RESOURCES AGENCY:

By: \_\_\_\_\_  
Name: Brent Buche  
Title: General Manager

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

STATE WATER RESOURCES CONTROL BOARD:

By: \_\_\_\_\_  
Name: Leslie S. Laudon  
Title: Deputy Director  
Division of Financial Assistance

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

## EXHIBIT A – SCOPE OF WORK

## A.1. PROJECT DESCRIPTION, USEFUL LIFE, AND SCOPE OF WORK.

- (a) The Project is for the benefit of the Recipient. The funding under this Agreement is for the purpose of destroying a minimum of one hundred (100) abandoned and dormant wells to prevent conduits that are allowing vertical migration of seawater- and nitrate-contaminated groundwater to drinking water supply wells in the Salinas Valley Groundwater Basin.
- (b) The Useful Life of this Project is at least twenty (20) years, which may consist of the length of time the Project must be operated and maintained in order to achieve the environmental outcome(s) identified herein, and the length of time that the environmental outcome of the Project will be sustained after the Project is no longer operated or maintained.
- (c) Scope of Work.

The Recipient agrees to do the following:

## 1. Project Management

Provide all technical and administrative services as needed for Project completion; monitor, supervise, and review all work performed; and coordinate budgeting and scheduling to ensure the Project is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations.

- 1.2 Notify the Project Manager at least fifteen (15) working days in advance of upcoming meetings, workshops, trainings, and fieldwork or construction activities.
- 1.3 Develop and update appropriately a detailed Project schedule, including key Project milestones, and submit to the Project Manager.
- 1.4 Conduct periodic and final site visits with the Project Manager and other staff designated by the Division.
- 1.5 Conduct pre-, during, and post-construction photo monitoring at the Project site and submit to the Project Manager.

## 2. General Compliance Requirements/Project Effectiveness and Performance

- 2.1 Submit Global Positioning System (GPS) information for project site(s) and well location(s) for this Project to the Project Manager. Submittal requirements for GPS data are available at:  
[http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/grant\\_info/docs/gps.pdf](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/grant_info/docs/gps.pdf).



- 2.2 Prepare a Monitoring and Reporting Plan (MRP) and submit to the Technical Advisory Committee (TAC) in Item 4 for comment and the Project Manager for approval. The MRP becomes final upon Project Manager approval. Any changes to the MRP, including sampling methodology and frequency, must be submitted to the TAC for comment and the Project Manager for approval. The MRP shall include the following:
- 2.2.1 A Monitoring Plan (MP) that includes the following sections:
- 2.2.1.1 Purpose: Describe the purpose of the MRP, including conducting a single groundwater monitoring and sampling event to determine current chloride and nitrate concentrations and groundwater elevations and gradients and define the areas impacted by saltwater intrusion within the Project area. Describe the relation of the proposed monitoring activities to any other monitoring activities in the Project area. The results of the groundwater monitoring and sampling event shall be incorporated into the Well Locations Report in Item 5.1.
- 2.2.1.2 Project Area: Provide a map and narrative description of the location of the Project, monitoring wells, and wells proposed for destruction.
- 2.2.1.3 Sampling Plan: Describe the sampling and analytical methods to be used, selection of monitoring locations, frequency of monitoring, and process to make any necessary changes to achieve the purpose of the MRP.
- 2.2.1.4 Field Procedures: Provide a description of field procedures including sample collection methods, equipment decontamination, sample identification and handling, and documentation procedures.
- 2.2.2 A Project Assessment and Evaluation Plan (PAEP) which describes the way the Project performance will be assessed, evaluated, and reported to the Project Manager for approval. The PAEP shall detail the Project's goals, desired outcomes, purpose and objectives, and the methods of measuring and reporting the Project benefits.
- 2.3 Prepare, maintain, and implement a Quality Assurance Project Plan (QAPP) in accordance with the United States Environmental Protection Agency's (USEPA) QAPP guidance documents (EPA QA/G-5 and EPA QA/R-5). Water quality monitoring data includes physical or chemical monitoring of any groundwater. Submit the QAPP to the Project Manager for approval. Any costs related to monitoring data collected prior to and not supported by the approved QAPP will not be reimbursed. A template for the USEPA QAPP is available from the Project Manager.

- 2.3.1 Upload the final approved document(s) in pdf format to the Financial Assistance Application Submittal Tool (FAAST) system (available at <https://faast.waterboards.ca.gov/>).
  - 2.4 Prepare and upload historical groundwater data, data collected in accordance with the MRP in 2.2, and well destruction reports to the State Water Board's GeoTracker/Groundwater Ambient Monitoring and Assessment (GAMA) system in Electronic Deliverable Format. Locational information shall be submitted using the GEO\_XY and GEO\_WELL files. Contact the Project Manager to obtain a Global ID prior to collecting samples or destroying wells.
3. Environmental Compliance and Permitting
  - 3.1 Complete documentation required under the California Environmental Quality Act (CEQA) for the Project. Take all required steps to prepare, circulate, and certify the required CEQA document(s).
    - 3.1.1 Submit the draft CEQA document to the Project Manager for comment, if applicable.
    - 3.1.2 Submit the final CEQA document to the Project Manager.
    - 3.1.3 Obtain written environmental clearance from the Project Manager confirming the State Water Board has made its own environmental findings and concurred that implementation may proceed.
  - 3.2 Obtain all public agency approvals, entitlements, or permits required for Project implementation before field work begins. If the Project is carried out on lands not owned by the Recipient, the Recipient must obtain adequate rights-of way for the useful life of the Project. Submit a list and signed copies of such approvals, entitlements or permits to the Project Manager.
    - 3.2.1 Obtain a right-of-entry agreement for each property owner prior to construction on each individual property. Submit the right-of-entry agreement template to the Project Manager for State Water Board, Office of Chief Counsel approval, prior to use.
    - 3.2.2 Submit a copy of the applicable executed right-of entry agreement with each Reimbursement Request containing charges for construction work on private property.
4. Technical Advisory Committee
  - 4.1 Establish a TAC that includes representatives from the Division, the State Water Board Division of Drinking Water (DDW), the Central Coast Regional Water Quality Control Board, and the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA). Submit the final list of

TAC members, with their roles, responsibilities, and affiliations, to the Project Manager for approval.

- 4.2 Convene a kickoff meeting to establish TAC goals and objectives, formalize roles, and create a schedule for future meetings. Submit a summary of the kickoff meeting to the Project Manager.
- 4.3 Conduct additional TAC meetings in accordance with the schedule developed in Item 4.2 and submit agendas, meeting minutes, and sign-in sheets for each meeting to the Project Manager.

## 5. Well Locations Investigation

- 5.1 Prepare a draft Well Locations Report and submit to the TAC for review and the Project Manager for approval. The Well Locations Report shall include maps and figures of the well locations; sampling data, including, but not limited to, data from ongoing groundwater monitoring efforts and one comprehensive monitoring event; chloride and nitrate iso-concentrations; water elevations; well completion logs; and hydrogeologic cross-sections to illustrate drinking water aquifers and drinking water supply wells that would be protected from seawater intrusion and nitrate impacts by destroying inactive wells in the Project area.
- 5.2 Finalize the Well Locations Report and submit to the TAC for review and the Project Manager for approval.

## 6. Well Destruction Design Plans

- 6.1 Prepare Well Destruction Design Plans in accordance with State and local requirements including, at a minimum:
  - 6.1.1 Drilling procedures including well destruction methods, such as over drilling, mechanical casing perforation, and blast casing perforation.
  - 6.1.2 Procedures to confirm the total well depth that will be destroyed.
  - 6.1.3 Debris removal methods.
  - 6.1.4 Materials required for well destruction.
- 6.2 Submit the Well Destruction Design Plans to the TAC for review and the Project Manager for approval.
- 6.3 Complete the bid documents in accordance with the approved Well Destruction Design Plans, after receiving all required approvals, and advertise the Project for bid. Submit the advertised bid documents and bid summary to the Project Manager.

## 7. Implementation

- 7.1 Award the well destruction contract and submit the Notice to Proceed and awarded contract for the Project to the Project Manager.
- 7.2 Implement the Project in accordance with the approved Well Destruction Design Plans in Item 6.2, after obtaining environmental clearance in Item 3.1.3 and the necessary approvals, entitlements, or permits in Item 3.2.
- 7.3 Submit any proposed changes that arise during implementation that may affect the Project's schedule or costs to the Project Manager for approval.
- 7.4 Submit a Well Destruction Report, including well destruction details and a summary of any changes from the Well Destruction Design Plans in Item 6.2.

## 8. Public Outreach

- 8.1 Develop outreach materials including flyers, posters, brochures, and advertisements, and update the Recipient's website and associated social media web pages to include Project progress and outcomes. Submit copies of the outreach materials and web links to the Project Manager.
- 8.2 Conduct a minimum of one (1) public workshop to provide information on the purpose of the Project, inviting relevant non-governmental organizations and disadvantaged community representatives. Submit workshop materials, sign-in sheet(s), and photo documentation of the workshop(s) to the Project Manager.

### A.2. STANDARD PROJECT REQUIREMENTS.

#### A.2.1 Disclosure Statements.

The Recipient shall include the following disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

"Funding for this project has been provided in full or in part by Proposition 1 – the Water Quality, Supply, and Infrastructure Improvement Act of 2014 through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use."

#### A.2.2 Reports.

##### A.2.2.1 Progress Reports.

The Recipient shall submit quarterly progress reports, using a format provided by the Project Manager, within forty-five (45) days following the end of the calendar quarter (March, June, September, and December) to the Project Manager. Progress reports shall provide a brief description of activities that have occurred, milestones achieved, monitoring results (if

applicable), and any problems encountered in the performance of the work under this Agreement during the applicable reporting period. Reporting shall be required even if no Project-related activities occurred during the reporting period. The Recipient shall document all activities and expenditures in progress reports, including work performed by contractors.

A.2.2.2 Draft and Final Project Report and Project Summary for Groundwater Projects.

- (a) At the conclusion of the Project, the Recipient must submit the following to the Project Manager:
- (1) Draft Final Project Report. Prepare and submit to the Project Manager, for review and comment, a draft Final Project Report in a format provided by the Project Manager that shall include the following information, as well as information set forth in the Scope of Work, above:
    - a. Description of the water quality problem the Project sought to address;
    - b. Description of the Project scope, cost, and schedule, with photo documentation;
    - c. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, including an evaluation and summary of relevant water quality data; and
    - d. Summary of lessons learned.
  - (2) Final Project Report. Prepare a Final Project Report that addresses, to the extent feasible, comments made by the Project Manager on the draft Final Project Report. Submit one (1) reproducible master copy and an electronic copy of the final. Upload an electronic copy of the final report in pdf format to the Financial Assistance Application Submittal Tool (FAAST) system.
  - (3) Final Project Summary. Prepare a brief summary of the information contained in the Final Project Report, using a format provided by the Project Manager. Include accomplishments, recommendations, and lessons learned, as appropriate. Upload an electronic copy of the Final Project Summary in pdf format to the FAAST system.
- (b) If the Recipient fails to submit a timely Final Project Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold reimbursements under this Agreement or other agreements, and begin administrative proceedings.

A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material

necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the State or federal government.

#### A.2.3 Signage.

- (a) The Recipient shall place a sign at least four (4) feet tall by eight (8) feet wide made of ¾-inch-thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign must include the following disclosure statement and color logos (available from the Division):



- (b) “Funding for this project has been provided in full or in part by Proposition 1 – the Water Quality, Supply, and Infrastructure Improvement Act of 2014 through an agreement with the State Water Resources Control Board.”
- (c) The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

#### A.2.4 Commencement of Operations.

Upon Work Completion, the Recipient must expeditiously initiate Project operations.

#### A.2.5 Final Project Inspection and Certification.

Upon completion of the Project, the Recipient shall provide for a final inspection and shall certify that the Project has been completed in accordance with this Agreement, any final plans and specifications submitted to the State Water Board, and any amendments or modifications thereto. If the Project involves the planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, or other professionals, the final inspection and certification shall be conducted by a California Registered Civil Engineer or other appropriate California registered professional. The results of the final inspection and certification shall be submitted to the Project Manager.

#### A.3. DATES AND DELIVERABLES.

- (a) Time is of the essence.
- (b) The Recipient must expeditiously proceed with and complete the Project.
- (c) The following dates are established as on the Cover Page of this Agreement:
- (1) Eligible Work Start Date
  - (2) Work Completion Date

- (3) Final Reimbursement Request Date
- (4) Records Retention End Date
- (d) The Recipient must begin work timely.
- (e) The Recipient must deliver any request for amendment no fewer than 120 days prior to the Work Completion date.
- (f) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its Final Reimbursement Request to the Division on or before the Final Reimbursement Request Date, unless prior approval has been granted by the Division.

Upon request by the Division, the Recipient shall submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.

## A.4. SUBMITTAL SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. However, the dates in the "Estimated Due Date" column of this table may be adjusted as necessary during the Reimbursement Period with Project Manager approval. All work or submittals must be achieved with relevant submittals approved by the Division prior to the Work Completion Date, and the final Reimbursement Request submitted, prior to the Final Reimbursement Request Date set forth in Exhibit B.

As applicable for specific submittals, the Recipient shall plan adequate time to solicit, receive, and address TAC comments prior to submitting the final submittal.

## SUBMITTAL SCHEDULE

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A - SCOPE OF WORK			
1.	Project Management		
1.2	Notification of Upcoming Meetings, Workshops, and Trainings		15 Working Days Prior
1.3	Detailed Project Schedule	60 Days After Execution	
1.4	Periodic and Final Site Visits		As Needed
1.5	Pre-, During, and Post-construction Photos		Ongoing
2.	General Compliance Requirements/Project Effectiveness and Performance		
2.1	Global Positioning System (GPS) Information	60 Days After Execution	
2.2	Monitoring and Reporting Plan		September 2020
2.2.2	Project Assessment and Evaluation Plan (PAEP)		September 2020
2.3	Quality Assurance Project Plan (QAPP)		September 2020
3.	Environmental Compliance and Permitting		
3.1.1	Draft CEQA Documents		Complete
3.1.2	Final CEQA Documents	60 Days After Execution	
3.2	List and Signed Copies of Public Agency Approvals, Entitlements, or Permits		Before Field Work Begins



ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
3.2.1	Right-of-Entry Agreement Template		September 2020
3.2.2	Executed Right-of-Entry Agreements		Ongoing
4.	Technical Advisory Committee (TAC)		
4.1	List of TAC Members, and Their Roles, Responsibilities, and Affiliations		September 2020
4.2	TAC Kick-off Meeting Summary		October 2020
4.3	TAC Meeting Agenda, Notes, Sign-in Sheets, and Action Items		As Needed
5.	Well Locations Investigation		
5.1	Draft Well Locations Report		October 2020
5.2	Final Well Locations Report		November 2020
6.	Well Destruction Design Plans		
6.2	Well Destruction Design Plans		January 2021
6.3	Advertised Bid Documents and Bid Summary		February 2021
7.	Implementation		
7.1	Notice to Proceed and Awarded Bid Contract	April 30, 2021	
7.3	Proposed Changes During Implementation		As Needed
7.4	Well Destruction Report	December 31, 2022	
8.	Public Outreach		
8.1	Outreach Materials and Weblinks	February 28, 2021	
8.2	Workshop Materials, Sign-in Sheets, and Photo Documentation		April 2021
<b>EXHIBIT A.2.2 REPORTS</b>			
A.2.2.1	Progress Reports	Quarterly	
A.2.2.2 (a)(1)	Draft Final Project Report	December 31, 2022	
A.2.2.2 (a)(2)	Final Project Report	January 31, 2023	

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
A.2.2.2 (a)(3)	Final Project Summary	Before Work Completion Date	
A.2.2.3	As Needed Reports		As Needed
<b>EXHIBIT B – FUNDING TERMS</b>			
B.1.7 (b)(6)	Final Reimbursement Request	March 31, 2023	
B.1.7 (d)	Reimbursement Requests	Quarterly	

## EXHIBIT B – FUNDING TERMS

## B.1. FUNDING AMOUNTS AND REIMBURSEMENTS.

## B.1.1 Funding Contingency and Other Sources.

- (a) If this Agreement's funding for any Fiscal Year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.
- (b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board.

## B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project is NINE MILLION ONE HUNDRED TWENTY-FIVE THOUSAND FIVE HUNDRED TWENTY-FOUR DOLLARS (\$9,125,524).

## B.1.3 Project Funding Amount.

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

## B.1.4 Match Funds.

- (a) The Recipient agrees to provide Match Funds in the amount of FOUR MILLION ONE HUNDRED NINETY-SEVEN THOUSAND SEVEN HUNDRED NINETY-FIVE DOLLARS (\$4,197,795).
- (b) This Match Funds amount is based on the budget, funding sources, and amounts submitted by the Recipient in its application and during the negotiation of this Agreement. Any Match Funds changes or adjustments requested by the Recipient must be approved, in advance and in writing, by the Project Manager and may require an amendment to this Agreement.
- (c) Only expenses that would be considered eligible under the Guidelines will be counted towards the Recipient's Match Funds.
- (d) Any costs incurred prior to the adoption of Proposition 1 on November 4, 2014, will not count towards the Recipient's Match Funds.

If, at Work Completion, the Recipient has provided Match Funds in an amount that is less than the Match Funds amount set forth above, the State Water Board may

proportionately reduce the Project Funds amount and/or Recipient's Match Funds amount, upon approval of the Deputy Director of the Division, provided the reduced amount(s) satisfy statutory requirements and Guidelines.

#### B.1.5 Budget Costs.

Budget costs are contained in the Project Cost Table below:

LINE ITEM	PROJECT FUNDS	MATCH FUNDS*	TOTAL PROJECT COSTS
Direct Project Administration Costs	\$229,462	\$56,430	\$285,892
Planning/Design/Engineering/Environmental	\$642,437	\$101,079	\$743,516
Construction/Implementation	\$3,810,960	\$2,892,813	\$6,703,773
Monitoring/Performance	\$125,290	\$1,147,473	\$1,272,763
Education/Outreach	\$119,580	\$0	\$119,580
<b>TOTAL</b>	<b>\$4,927,729</b>	<b>\$4,197,795</b>	<b>\$9,125,524</b>

\* Match is reduced. The Project benefits a disadvantaged community.

- (a) Subject to the prior review and approval of the Project Manager, adjustments between existing line items may be used to defray allowable direct costs up to fifteen percent (15%) of the total Project Funding Amount, including any amendment(s) thereto. Line Item adjustments approved by the Project Manager must be de minimis, less than fifteen percent (15%) of the total Project Funding Amount and may not include any changes to the Scope of Work. Line item adjustments in excess of fifteen percent (15%) or line item adjustments that result in a change to the scope of work will require an Agreement amendment. If the detailed budget includes an amount for the Recipient's personnel costs, that amount is based on the hours, classifications, and rates submitted by the Recipient in its application. Any changes to the hours, classifications, and rates must be approved, in advance and in writing, by the Project Manager.
- (b) The Recipient may submit a request for an adjustment in writing to the Project Manager. Such adjustment may not increase or decrease the total Project Funding Amount. The Recipient shall submit a copy of the original Agreement budget sheet reflecting the requested changes and shall note proposed changes by striking out the original amount(s) followed with proposed change(s) in bold and underlined. Budget adjustments deleting a budget line item or adding a new

budget line item shall require a formal amendment. The Division may also propose budget adjustments.

- (c) The sum of adjusted line items shall not exceed the total budget amount.
- (d) In the event the Recipient does not submit invoices requesting all of the funds encumbered under this Agreement, any remaining funds revert to the State. The State Water Board will mail a Notice of Project Completion letter to the Recipient stating that the project file is closed, the final invoice is being processed for payment, and any remaining balance will be disencumbered and unavailable for further use under the Agreement.

#### B.1.6 Contingent Disbursement.

- (a) Notwithstanding any other provision of this Agreement, the Recipient agrees that the State Water Board may retain an amount equal to ten percent (10%) of the Project Funding Amount until Project Completion. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon Project Completion.
- (b) The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.
- (c) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.
- (d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.
- (e) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.
- (f) The Recipient agrees to ensure that its Final Reimbursement Request is received by the Division no later than the Final Reimbursement Request Date, unless prior approval has been granted by the Division. If the Final Reimbursement Request is not received timely, the undisbursed balance of this Agreement will be deobligated.

- (g) The Recipient is not entitled to interest earned on undisbursed funds.

#### B.1.7 Reimbursement Procedure.

Except as may be otherwise provided in this Agreement, reimbursement of Project Funds will be made as follows:

- (a) Upon execution and delivery of this Agreement, the Recipient may request reimbursement of any eligible Project Costs as well as to support Match Funds as specified in this Exhibit through submission to the State Water Board using the reimbursement request forms provided by the Project Manager.
- (b) Reimbursement Requests shall contain the following information:
- (1) The date of the request;
  - (2) The time period covered by the request, i.e., the term “from” and “to”;
  - (3) The total amount requested;
  - (4) Documentation of Match Funds used;
  - (5) Original signature and date (in ink) of the Recipient’s Project Director or his/her designee; and
  - (6) The Final Reimbursement Request shall be clearly marked “FINAL REIMBURSEMENT REQUEST” and shall be submitted NO LATER THAN the Final Reimbursement Request Date.
- (c) Reimbursement Requests must be itemized based on the line items specified in the budget in this Exhibit. Reimbursement Requests must be complete, signed by the Recipient’s Project Director or his/her designee, and addressed to the Project Manager as set forth in Section 4 of this Agreement. Reimbursement Requests submitted in any other format than the one provided by the State Water Board will cause a Reimbursement Request to be disputed. In the event of such a dispute, the Project Manager will notify the Recipient. Payment will not be made until the dispute is resolved and a corrected Reimbursement Request submitted. The Project Manager has the responsibility for approving Reimbursement Requests. Project Costs incurred prior to the Eligible Work Start Date of this Agreement will not be reimbursed.
- (d) Project Funds must be requested quarterly via Reimbursement Request for eligible costs incurred during the reporting period of the corresponding Progress Report, describing the activities and expenditures for which the reimbursement is being requested. Each Reimbursement Request must be accompanied by a Progress Report. Failure to provide timely Reimbursement Requests may result in such requests not being honored.
- (e) The Recipient agrees that it will not submit any Reimbursement Requests that include any Project Costs until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the

Recipient is not required as a condition of Reimbursement Request. Supporting documentation (e.g., receipts) must be submitted with each Reimbursement Request as well as to support Match Funds claimed, if any. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Reimbursement Request.

- (f) The Recipient will not seek reimbursement of any Project Costs that have been reimbursed from other funding sources.
- (g) The Recipient shall use Project Funds within thirty (30) days of receipt to reimburse contractors, vendors, and other Project Costs. Any interest earned on Project Funds shall be reported to the State Water Board and will either be required to be returned to the State Water Board or deducted from future reimbursements. In the event that the Recipient fails to disburse Project Funds to contractors or vendors within thirty (30) days from receipt of the Project Funds, the Recipient shall immediately return such Project Funds to the State Water Board. Interest shall accrue on such Project Funds from the date of reimbursement through the date of mailing of Project Funds to the State Water Board. If the Recipient held such Project Funds in interest-bearing accounts, any interest earned on the Project Funds shall also be due to the State Water Board.
- (h) Recipient shall submit its final Reimbursement Request no later than the Final Reimbursement Request Date specified herein unless prior approval is granted by the Division. If the Recipient fails to do so, then the undisbursed balance of this Agreement will be deobligated.
- (i) The Recipient agrees that it will not request a reimbursement unless that cost is allowable, reasonable, and allocable.
- (j) Notwithstanding any other provision of this Agreement, no reimbursement shall be required at any time or in any manner that is in violation of or in conflict with federal or state laws, policies, or regulations.
- (k) The Recipient agrees that it shall not be entitled to interest earned on undisbursed Project Funds.
- (l) No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. No work or travel outside the United States of America is authorized. Failure to comply with this restriction may constitute an Event of Default and result in termination of this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. as of the date costs are incurred by the Recipient.
- (m) The Recipient must include any other documents or requests required or allowed under this Agreement.

### B.1.8 Withholding of Reimbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- (a) The Recipient's failure to maintain reasonable progress on the Project as determined by the Division;
- (b) Commencement of litigation or a judicial or administrative proceeding related to the Project, that the State Water Board determines may impair the timely satisfaction of the Recipient's obligations under this Agreement;
- (c) Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
- (d) A material adverse change in the condition of the Recipient, or the Project, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement,
- (e) The Recipient's material violation of, or threat to materially violate, any term of this Agreement;
- (f) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents regarding the Project;
- (g) An event requiring Notice as set forth in Exhibit C; or
- (h) An Event of Default or an event that the Division determines may become an Event of Default.

### B.1.9 Fraud and Misuse of Public Funds.

All requests for reimbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the immediate repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the



Division may request an audit and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability.

**B.2. RECIPIENT'S PAYMENT OBLIGATION.**

**B.2.1 Project Costs.**

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

**B.3. NO LIENS.**

The Recipient must not make any pledge of or place any lien on the Project or Project Assets except upon consent of the Division.

## EXHIBIT C – GENERAL AND PROGRAMMATIC TERMS AND CONDITIONS

## C.1. REPRESENTATIONS &amp; WARRANTIES.

The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement, which shall be at least until the Records Retention End Date.

## C.1.1 Application and General Recipient Commitments.

The Recipient has not made any untrue statement of a material fact in its application for this financial assistance, or omitted to state in its application a material fact that makes the statements in its application not misleading.

The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

## C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.

## C.1.3 No Violations.

The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date set forth on the Cover Page.

## C.1.4 No Litigation.

There are no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect the financial condition or operations of the Recipient and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain any of the real or personal property related to or necessary for the Project.

## C.1.5 Property Rights.

The Recipient owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not subject to third-party revocation during the Useful Life of the Project.

#### C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

#### C.1.7 Legal Status and Eligibility.

The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. The Recipient acknowledges that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.

#### C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.

The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.

#### C.1.9 No Other Material Debt.

The Recipient has no Material Obligations other than those set forth in Exhibit D.

#### C.1.10 Compliance with State Water Board Funding Agreements.

The Recipient represents that it is in compliance with all State Water Board funding agreements to which it is a party.

#### C.2. DEFAULTS AND REMEDIES.

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.

### C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

- (a) return to the State Water Board any project funds received pursuant to this Agreement;
- (b) pay interest at the highest legal rate on all of the foregoing; and
- (c) pay any Additional Payments.

### C.2.2 Judicial Remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

- (a) by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
- (b) by mandamus or other proceeding, compel the performance by the Recipient and any of its officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement; and
- (c) take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to enforce performance of any obligation or covenant of the Recipient under this Agreement.

### C.2.3 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

### C.2.4 Damages for Breach of Tax-Exempt Status.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

### C.2.5 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given

hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any dispute of the Recipient is limited to the rights, remedies, and claims procedures provided to the Recipient under this Agreement.

#### C.2.6 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's obligation to undertake work under this Agreement or shall affect or impair the right of the State Water Board to bring suit to enforce such work. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

#### C.2.7 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

### C.3. STANDARD CONDITIONS.

#### C.3.1 Access, Inspection, and Public Records.

The Recipient must ensure that the State Water Board, the State Auditor, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times through the Records Retention End Date or Useful Life of the Project, whichever is longer. The Recipient acknowledges that, except for a subset of information regarding archaeological records and personally identifiable information, the Project records and locations may be public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, Reimbursement Requests, and supporting documentation submitted hereunder.

#### C.3.2 Accounting and Auditing Standards; Financial Management Systems; Records Retention.

- (a) The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets. Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:
  - (1) Establish an official file for the Project which adequately documents all significant actions relative to the Project;

- (2) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all Project Funds received under this Agreement;
  - (3) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to Project Funds disbursed under this Agreement;
  - (4) Establish an accounting system which will accurately depict final total costs of the Project if authorized under this Agreement;
  - (5) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
  - (6) If the Recipient uses its own employees, equipment, or resources for any phase of the Project, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Costs from Force Account are not eligible for funding.
- (b) The Recipient must maintain separate books, records and other material relative to the Project. The Recipient must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Work Completion. The Recipient must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

### C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee and approved as required.

### C.3.4 Assignability.

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board. Amendment of the Agreement may be required.

### C.3.5 Audit.

The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of State or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division. The Recipient must return, or ensure the return of, any audit disallowances with thirty (30) days.

### C.3.6 Bonding.

Where construction contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

### C.3.7 Competitive Bidding.

The Recipient must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws. If the Recipient is a private entity, any construction contracts related in any way to the Project must be let by competitive bid procedures which assure award of such contracts to the lowest responsive and responsible bidders. The Recipient must not award a construction contract until a summary of bids and identification of the selected lowest responsible bidder is submitted to and approved in writing by the Division. The Recipient must provide a full explanation if the Recipient is proposing to award a construction contract to anyone other than the lowest responsible bidder.

### C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements and with provisions of the adopted environmental mitigation plan, if any, for the Useful Life of the Project.

### C.3.9 Computer Software.

The Recipient certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

### C.3.10 Conflict of Interest.

The Recipient certifies that it, its owners, officers, directors, agents, representatives, and employees are in compliance with applicable State and federal conflict of interest laws and will remain in compliance for the Useful Life of the Project. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances. Public entities are required to have adopted conflict of interest codes and may be required to provide documentation of those codes to the Division.

### C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

The Recipient agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

### C.3.12 Data Management.

The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

### C.3.13 Disputes.

- (a) The Recipient may appeal a staff decision within thirty (30) days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within thirty (30) days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.
- (b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
- (c) The Recipient must continue with the responsibilities under this Agreement during any dispute.
- (d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

### C.3.14 Drug-Free Workplace.

The Recipient certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers of



drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

#### C.3.15 Environmental Clearance.

No work that is subject to California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA) may proceed under this Agreement until the State Water Board has provided approval to proceed. Upon receipt and review of the Recipient's environmental documents, the State Water Board shall make the appropriate environmental findings before determining whether to approve construction or implementation funding for the Project under this Agreement. Providing approval for such construction or implementation funding is fully discretionary. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. The Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement. If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

#### C.3.16 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

#### C.3.17 Income Restrictions.

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

#### C.3.18 Indemnification and State Reviews.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any

loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

#### C.3.19 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

#### C.3.20 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.

#### C.3.21 No Discrimination.

- (a) The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 11140 et seq.) including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are

defined under California law, for as long as the Recipient retains ownership or possession of the Project.

- (b) If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.
- (c) The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).
- (d) The Recipient's obligations under this section shall survive the term of this Agreement.
- (e) During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.
- (f) The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- (g) The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subs. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- (h) The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (i) The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

#### C.3.22 No Third Party Rights.

This Agreement creates no rights in and grants no remedies to any third party as a beneficiary of this Agreement.

#### C.3.23 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

### C.3.24 Notice.

Upon the occurrence of any of the following events, the Recipient must notify the Division's Deputy Director and Project Manager by phone and email within the time specified below:

- (a) The Recipient must notify the Division within twenty-four (24) hours of any discovery of any potential tribal cultural resource and/or archaeological or historical resource. Should a potential tribal cultural resource and/or archaeological or historical resource be discovered during construction, the Recipient must ensure that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Recipient must implement appropriate actions as directed by the Division.
- (b) The Recipient must notify the Division within five (5) business days of the occurrence of any of the following events:
  - (1) Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
  - (2) Change of ownership of the Project;
  - (3) Loss, theft, damage, or impairment to Project;
  - (4) Events of Default, except as otherwise set forth in this section;
  - (5) Failure to observe or perform any covenant or comply with any condition in this Agreement;
  - (6) An offer from a public entity to purchase the Project or any portion thereof, or any of the real or personal property related to or necessary for the Project; or
  - (7) A proceeding or action by a public entity to acquire the Project by power of eminent domain.
- (c) The Recipient must notify the Division in writing within ten (10) business days of the following events:
  - (1) Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity to operate the or the Recipient's continued existence;
  - (2) Consideration of dissolution, or disincorporation;
  - (3) Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds; or

- (4) Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board.
- (d) The Recipient must notify the Division promptly of any of the following events:
- (1) The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
  - (2) Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
  - (3) Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - (4) Any circumstance, combination of circumstances, or condition, which is expected to or does delay Work Completion for a period of ninety (90) days or more;
  - (5) Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
  - (6) Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state representatives with at least ten (10) working days' notice to the Division;
  - (7) Work Completion, and actual Project Completion;
  - (8) The award of the prime construction contract for the Project; or
  - (9) Initiation of construction of the Project.

#### C.3.25 Operation and Maintenance; Insurance.

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the Project during its Useful Life in accordance with all applicable state and federal laws, rules, and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the Project with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the Project) as are usually covered in connection with systems similar to the Project. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the Project caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Project. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the Project must be free and clear of all claims and liens.

The Recipient agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

#### C.3.26 Permits, Subcontracting, and Remedies.

The Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction or implementation begins.

The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at [http://www.waterboards.ca.gov/water\\_issues/programs/enforcement/fwa/dbp.shtml](http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml)

#### C.3.27 Professionals.

The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

#### C.3.28 Prevailing Wages.

If applicable, the Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. If applicable, the Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met. Division 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>.

#### C.3.29 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

#### C.3.30 Recipient's Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project, including, but not limited to, payment disputes with contractors and subcontractors. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

#### C.3.31 Related Litigation.

Under no circumstances may the Recipient use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to complete the Project funded by this Agreement or to repay all of the disbursed funds plus interest.

#### C.3.32 Rights in Data.

The Recipient 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 Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request. The Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

#### C.3.33 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

#### C.3.34 Timeliness.

Time is of the essence in this Agreement. The Recipient must expeditiously proceed with and complete the Project. Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.

#### C.3.35 Unenforceable Provision; Severability.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

#### C.3.36 Venue.

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

#### C.3.37 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

### C.4. MISCELLANEOUS STATE REQUIREMENTS.

#### C.4.1 State Program Requirements for Proposition 1 Groundwater.

- (a) Eminent Domain Prohibited. (Wat. Code, § 79711.) Where land acquisition is otherwise authorized under this Agreement, Project Funds and Match Funds shall not be used to acquire land via eminent domain.
- (b) Governor's Infrastructure Plan. (Gov. Code, § 13100.) The Recipient shall ensure that the Project shall maintain consistency with section 13100 of the Government Code (five-year infrastructure plan).
- (c) Groundwater Monitoring. (Wat. Code, § 10920.) The Recipient shall comply with Water Code section 10920 et seq., which requires groundwater monitoring and reporting of groundwater elevations.
- (d) Remediation Costs Limited. (Wat. Code, § 79771.) Project Funds shall not be used to pay any share of the costs of remediation recovered from parties



responsible for the contamination of a groundwater storage aquifer, but may be used to pay costs that cannot be recovered from responsible parties. Recipients that have received Project Funds for remediating groundwater storage aquifers shall exercise reasonable efforts to recover the costs of groundwater cleanup from the parties responsible for the contamination. Funds recovered from responsible parties may only be used to fund treatment and remediation activities, consistent with 4.1 (d) in exhibit C.

- (e) SBx7-7: Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.). SBx7-7 conditions the receipt of a water management grant or loan for urban water suppliers on achieving gallons per capita per day reduction targets with the end goal of a twenty percent (20%) reduction by 2020. Recipients that are urban water suppliers shall provide proof of compliance with SBx7-7.
- (f) Sustainable Groundwater Management Act (SGMA) Compliance. Wat. Code, § 10720-10737.8. To the extent required under SGMA, the Recipient shall comply with the following:
  - (1) If, after July 1, 2017, the Project is or will be located in a non-adjudicated high- or medium-priority California Statewide Groundwater Elevation Monitoring (CASGEM) basin, the Recipient shall ensure that a Groundwater Sustainability Agency (GSA) has formed or an alternative has been submitted to DWR. (Wat. Code, § 10735.2 (a)(1).)
  - (2) If, after January 31, 2020, the Project is or will be located in a non-adjudicated high- or medium CASGEM basin that is subject to critical conditions of overdraft, the Recipient shall ensure that the Project is consistent with an adopted Groundwater Sustainability Plan (GSP).
  - (3) If, after January 31, 2022, the Project is or will be located in a non-adjudicated high- or medium CASGEM basin that is not subject to critical conditions of overdraft, the Recipient shall ensure that the Project is consistent with an adopted GSP.
- (g) Water Quality Compliance. (Wat. Code, § 79707.) The Recipient shall ensure that the Project shall maintain consistency with Division 7 of the Water Code (commencing with section 13000) and Government Code section 13100.
- (h) Water Quality Monitoring. (Wat. Code, § 79704.) If water quality monitoring is required as part of the Project, the Recipient shall collect and report water quality monitoring data to the State Water Board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the State Water Board.
- (i) Wild and Scenic Rivers. (Wat. Code, § 79711.) The Recipient shall ensure that the Project will not have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

#### C.4.2 State Cross-Cutters.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following for the term of the Agreement:

- (a) The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- (b) Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- (c) Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- (d) Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- (e) Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- (f) Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- (g) Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- (h) Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- (i) Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- (j) Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.

## EXHIBIT D – SPECIAL CONDITIONS

- D.1. If the Recipient recovers funds from any responsible parties, the Recipient shall immediately notify the Division. The amount of this Agreement may be reduced to reflect the recovered funds.
- D.2. Prior to the disbursement of any Project Funds under this Agreement, the Recipient shall secure all Match Funds for the Project. The Recipient shall provide the Division with documentation, to the satisfaction of the Division, of the secured Match Funds. Match Funds must be secured no later than August 31, 2020, unless a time extension, demonstrating good cause, is requested by the Recipient and approved by the Project Manager. Notwithstanding an approved time extension, the Division will not disburse any Grant Funds under this Agreement until the Recipient has provided the Division with satisfactory documentation that all Match Funds for the Project has been secured.