

**SUBGRANT AGREEMENT BETWEEN THE SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY AND MONTEREY COUNTY WATER RESOURCES AGENCY, RELATED TO GRANT AGREEMENT NUMBER 4600014638 SUSTAINABLE GROUNDWATER PLANNING MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT**

THIS SUBGRANT AGREEMENT (Agreement) is entered into by and between Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA), a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," and the Monterey County Water Resources Agency (MCWRA) also a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Subgrantee" which parties do hereby agree as follows:

- 1) **PURPOSE.** The State has provided funding from the Budget Act of 2021 (Stats. 2021, ch. 240, § 80) to the Grantee to assist in financing the 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (the "Project"). Grantee is the recipient of funds made available by the State ("Grant Funds") pursuant to an agreement ("Grant Agreement") with the State.
- 2) **TERM OF AGREEMENT.** The term of this Grant Agreement begins on the date of Grant Agreement execution, and ends 30 months following the final payment to the Subgrantee unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by February 28, 2025, and no funds may be requested after June 30, 2025.
- 3) **SUBGRANTEE ELIGIBLE GRANT FUND AMOUNT.** The Subgrantee is only eligible to receive Grant Funds for **Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Recycled Water Plant; Component 3: Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades; Component 5 Aquifer Storage and Recovery – assistance with Task 2 and 4 ; and Component 7: Compliance Reporting and Data Expansion – Task 5 Well Registration and Metering and Task 6 Modeling Updates ("Subgrantee Projects")**. The not to exceed costs for the four Components are \$1,185,000 for Component 2; \$2,150,000 for Component 3; \$45,000 for Component 5; and \$310,000 for Component 7 as estimated by SVBGSA. Eligible costs for the Subgrantee Projects include those directly related to Exhibit A incurred after December 17, 2021, but before February 28, 2025.
- 4) **SUBGRANTEE COST SHARE.** No cost share is required by the Subgrantee for the Subgrantee Projects. However, it is requested that MCWRA track associated cost share for reporting purposes for the full cost of the Subgrantee Projects if possible.
- 5) **BASIC CONDITIONS.** The Grantee shall have no obligation to disburse money for the Subgrantee Project under this Agreement until the Subgrantee has satisfied the following conditions (if applicable):
  1. For the term of this Agreement, the Subgrantee submits Quarterly Progress Reports, associated invoices, and invoice backup documentation within 60 days following the end of the calendar quarter (e.g. submitted by April 30, July 30, November 30, and January 28) and all other deliverables as required by Paragraph 16, "Submission of Reports" and Exhibit A.
  2. The Subgrantee will be issued payment for invoices submitted within 30 days after the Grantee is issued reimbursement by DWR.
  3. For the term of this Agreement, the Subgrantee agrees to be bound by all sections and attachments of the DWR Grant Agreement which is attached as Exhibit D and made of this Subgrantee Agreement.
- 6) **ELIGIBLE SUBGRANTEE PROJECT COSTS.** The Grantee and Subgrantee shall apply Grant Funds received only to eligible Subgrantee Project costs in accordance with applicable provisions of the law and

Exhibit B, "Budget". Eligible Subgrantee Project costs include the reasonable costs of studies, engineering, design, preparation of environmental documentation, environmental mitigations, monitoring, project construction, and/or any other scope of work efforts as described in Exhibit A.

Reimbursable administrative expenses are the necessary costs incidental but directly related to the Subgrantee Projects included in this Agreement.

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

1. Costs, other than those noted above, incurred prior to the award date of the Grant Agreement by the State.
  2. Costs for preparing and filing a grant application.
  3. Operation and maintenance costs, including post construction performance and monitoring costs.
  4. Purchase of equipment that is not an integral part of a project.
  5. Establishing a reserve fund.
  6. Purchase of water supplies.
  7. Replacement of existing funding sources for ongoing programs.
  8. For all Proposition 68 grant funds, travel and per diem costs.
  9. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
  10. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the execution date of the Grant Agreement.
  11. Overhead and indirect costs. "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 funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Subgrantee; non-project-specific accounting and personnel services performed within the Subgrantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. This prohibition applies to the Subgrantee and any subcontract or sub-agreement for work on the Subgrantee Projects that will be reimbursed pursuant to this Agreement.
- 7) **METHOD OF PAYMENT.** After the disbursement requirements are met by the Grantee, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice or an electronic invoice certified and transmitted via DocuSign for costs incurred, including Local Cost Share, and timely Quarterly Progress Reports as required by Paragraph 16 of the Grant Agreement, "Submission of Reports." The Grantee intends to distribute funds to the Subgrantee in accordance with the requirements of the Grant Agreement. Payment will be made to Subgrantee no more frequently than quarterly, in arrears, upon receipt of an invoice from Subgrantee bearing the Grant Agreement number. Invoices must accompany a Quarterly Progress Report and shall be submitted within 60 days following the end of the calendar quarter (i.e. invoices due May 30, August 30, December 30, and February 28). The Subgrantee will be responsible for submitting a Quarterly Progress Report to the Grantee. The State will notify the Grantee and the Grantee will notify the Subgrantee, in a timely manner, whenever, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee and Subgrantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee or Subgrantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

The Subgrantee shall submit the following information for each invoice submitted to the Grantee:

1. Costs incurred for work performed in implementing the Subgrantee Project during the period identified in the particular invoice.
2. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
3. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
  - a. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
  - b. Invoices must be itemized based on the categories (i.e., tasks) specified in the Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
  - c. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
  - d. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent the Subgrantee's costs, as applicable, in Paragraph 4, "Grantee Cost Share." Subgrantee is responsible for Component 3 Cost Share.

All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Subgrantee shall 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 eligible costs for which the Subgrantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Exhibit D of the Grant Agreement, 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. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

- 8) WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of the Grant Agreement, or that the Grantee or Subgrantee has failed in any other respect to comply with the provisions of the Grant Agreement, and if the Grantee, or pursuant to this agreement the Subgrantee, does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee, and to the Subgrantee from the Grantee, and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 13 of the Grant Agreement, "Continuing Eligibility," the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by the State. Subgrantee shall immediately repay to Grantee all such disbursed Grant Funds it has received that need to be repaid to the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 12 of the Grant Agreement, "Default Provisions." A failure of the Subgrantee to reimburse Grant Funds it has received shall be consider a contract breach of this Agreement. If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this paragraph, this Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under the Grant Agreement and the Grant Agreement shall no longer be binding on either party. Grantee shall notify Subgrantee of any such communication.

9) DEFAULT PROVISIONS. The Grantee considers the Subgrantee to be in default under this Agreement if any of the following occur:

1. Substantial breaches of this Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the Subgrantee evidencing or securing the Subgrantee's obligations;
2. Making any false warranty, representation, or statement with respect to this Agreement or the application filed to obtain the Grant Agreement;
3. Failure to make any remittance required by this Agreement.
4. Failure to comply with Labor Compliance Plan requirements of the Grant Agreement.
5. Failure to submit quarterly progress reports pursuant to Paragraph 5.
6. Failure to invoice Grantee pursuant to Paragraph 7.
7. Failure to repay disbursed Grant Funds as provided in Paragraph 8.

Should an event of default occur, the Grantee shall provide a notice of default to the Subgrantee and shall give the Subgrantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Subgrantee. If the Subgrantee fails to cure the default within the time prescribed by the Grantee, the Grantee may do any of the following:

1. Declare the funding be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default.
2. Terminate any obligation to make future payments to the Subgrantee.
3. Terminate this Agreement.
4. Take any other action that it deems necessary to protect its interests.

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

10) NOTIFICATION OF GRANTEE. The Subgrantee will promptly notify the Grantee, in writing, of the following items:

1. Events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Subgrantee agrees that no substantial change in the scope of the Subgrantee Projects will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
2. Any public or media event publicizing the accomplishments and/or results of the Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The State shall be notified at least fourteen (14) calendar days prior to the event.

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

1. By delivery in person.
2. By certified U.S. mail, return receipt requested, postage prepaid.
3. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
4. By electronic means.
5. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed

effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

The Project Representatives during the term of this Agreement are as follows:

<b>Monterey County Water Resources Agency</b>  Shaunna Murray Senior Water Resources Engineer 1441 Schilling Place, North Building Salinas, CA 93901	<b>Salinas Valley Basin Groundwater Sustainability Agency</b>  Donna Meyers General Manager P.O. Box 1350 Carmel Valley, CA 93924
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12) STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – DWR Agreement

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

Monterey County  
Water Resources Agency

DocuSigned by:



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Brent Buche, General Manager

Date 10/10/2022

DocuSigned by:



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Kelly Donlon, Counsel

Date 10/3/2022

Salinas Valley Basin  
Groundwater Sustainability Agency

DocuSigned by:



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Donna Meyers, General Manager

Date 10/3/2022

DocuSigned by:



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Leslie Girard, Counsel

Date 10/3/2022

## **EXHIBIT A**

### **WORK PLAN**

**Project Title:** 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project)

#### **COMPONENT 2: DRY CHLORINE SCRUBBER UPGRADE AT MONTEREY ONE WATER RECYCLE WATER PLANT**

Component 2 involves construction of a dry scrubber system for the Salinas Valley Reclamation Project (SVRP) which is owned and operated by the Monterey One Water (M1W) Recycled Water Plant. This will allow the recycled water system to operate year-round, which will improve both the ability to reliably irrigate agricultural land with recycled water and the sustainability of the Salinas Valley Groundwater Basin and decrease the need to rely on groundwater. Component 2 will enable reduced use of MCWRA's Supplemental Wells during wintertime chlorine system shutdowns by approximately 345 acre-feet per year. This pumping reduction estimate is based on three weeks per year of system shutdown and 115 acre-feet per week of deliveries, the average weekly demand in January between 2012 and 2019. Reducing Supplemental Well use by 345 acre-feet per year will reduce the potential for increased seawater intrusion by improving the overall water balance of the groundwater basin and maintaining the groundwater elevations in the vicinity of these wells, which primarily draw water from the 400-Foot Aquifer of the Subbasin.

#### **Category (c). Implementation/Construction**

##### **Task 1. Construction of Scrubber Upgrade**

Construct the upgrades to the chlorine building to install the new scrubber system including assessing general conditions, installing new tanks and media, modifying ductwork, upgrading electrical systems and instrumentation, as well as demolition of existing equipment. Construction activities will include minor excavation of pipelines and conduits, pavement demolition and removal, cutting, laying, and welding pipelines and pipe connections; pouring concrete footings for foundations, sluice gate structure, and other support equipment; installing piping, sluice gates and electrical equipment; testing and commissioning facilities; and Supervisory Control and Data Acquisition (SCADA) changes to control new equipment.

##### **Deliverables:**

- Photographs of key construction site improvements
- Record drawings/as-built drawings
- Certification of project completion

#### **COMPONENT 3: CSIP DISTRIBUTION SYSTEM UPGRADES**

Component 3 enhances water production from recycled sources and conveyance through the CSIP Distribution System via several upgrades that remedy conveyance limitations and distribution reductions by producing a water scheduling system for use by agriculture. The CSIP Distribution System will result in operational efficiencies and new operational conditions and terms including rules, requirements and/or enforcement methods. The water scheduling system will allow for ongoing monitoring to ensure that CSIP irrigators use recycled water as ordered. The system will result in proactive CSIP system management and reduce supplemental well use in the 180/400-Foot Aquifer Subbasin. This Component will upgrade 165 linear feet of critical CSIP pipeline, specifically at the A-1 Monitoring Station (herein referred to as the A-1 Site), to be able to convey higher flows to most of the CSIP system and to optimize pressure. This will result in total pumping reduction from supplemental wells in a range from a low of 248 acre-feet per year (AFY) to a high of 1,625 AFY, with a long-term average of 1,200 to 1,600 AFY.

#### **Category (a): Component Administration**

Prepare reports detailing component work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly

Progress Reports. Collect and organize backup documentation by the Component 2 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90-days before the end date for the component as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30-days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30-days before the Component end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30-days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

Deliverables:

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental**

**Task 1. Hydraulic Modeling**

Prepare and run a dynamic hydraulic model of the regional systems, focusing on the Salinas Valley Reclamation Plant production, system storage, CSIP distribution system conveyance capacity (pressure and flows throughout the system), and current irrigation flow demands to inform the programming and control narrative for safe, efficient operations of the system and appropriate demand limits throughout the system to inform the design process described in Site Upgrade tasks.

Deliverables:

- Information Needs List
- M1W Regional Water Balance Visual Model Output – SVRP Flow Volume Projections
- Final Existing System Deficiencies Technical Memorandum
- Final Modeling Results Technical Memorandum

**Task 2. Development of Water Scheduling System**

Develop water scheduling protocols that will provide MCWRA and M1W the ability to schedule water orders from CSIP irrigators to use recycled water based on the results of the dynamic hydraulic modeling in Task 1. Conduct ongoing monitoring to ensure that CSIP irrigators use recycled water as ordered and to manage the CSIP system proactively and adaptively to reduce Supplemental Well use in the critically over- drafted basin. Conduct interested party involvement through the Water Quality and Operations Committee, Basin Management Advisory Committee, Board of Directors, and Board of Supervisors.

Deliverables:

- Agricultural Irrigation Water Scheduling Protocols

**Task 3. Review Technical Studies/Basis of Design Technical Memorandum**

Collect and review relevant project reports, records, data, maps, and other documents relevant to defining the limits and the scope of the project design. Identify the anticipated tests and evaluations that will be needed to complete the design. Verify as-built conditions in the field and make necessary modifications observed during field trip to the existing drawings to assure that proposed modifications are constructible. Conduct a site survey, geotechnical investigations/borings, and property/land surveys, if necessary.

Conduct field review site visit with meeting and delivery of a technical summarizing results of the evaluation and supporting information for the selected design. Provide the Draft Memorandum to M1W and MCWRA staff for their comment and discussion.

Deliverables:

- Basis of Design Technical Memorandum
- Geotechnical Investigation Technical Memorandum
- Property Survey

**Task 4. Design Plans, Specifications, Estimates, & Bids**

Develop the 60% design plans and specifications for the component and submit them to the DWR Grant Manager for review and concurrence prior to completing the final design plans and specifications. After review of the 60% design plans and specifications by Grantee and concurrence by the DWR Grant Manager, prepare the 100% design plans and specifications in accordance with requirements for public bidding for construction. Submit the 100% design plans and specifications to the DWR Grant Manager for review and concurrence prior to advertising the component for bids. Field checked plans for accuracy and coordination between disciplines, including with M1W operators and maintenance crews. Prepare the Bid Documents that will include the plans, specifications, and an engineer's cost estimate for the component. Advertise bid as required by public contracting requirements and award the contract.

Deliverables:

- 60% design plans and specifications
- 100% design plans and specifications
- Bid documents
- Summary of Bids and Staff Report requesting approval of contract

**Task 5. Site Permitting and Entitlements**

Prepare and obtain all necessary permits to construct the component. Obtain access agreements, entitlements, for temporary or permanent access to the properties for construction and long-term operations and maintenance of the component. Submit all permits to the DWR Grant Manager for review and concurrence prior to beginning construction activities.

Deliverables:

- Easement agreement(s)
- All required permit(s)

**Task 6. Environmental Documentation**

Prepare the appropriate CEQA documentation(s) for the component and file the document(s) with the County Clerk's Office. Submit the CEQA documentation(s) to the DWR Grant Manager for review and concurrence prior to beginning construction activities. Construction may not begin and no costs for Task 5 of this Component may be incurred until the State has reviewed the CEQA document(s), completed its CEQA responsible agency responsibilities and given its environmental clearance in accordance with Paragraphs 5 and D.8 of this Agreement. Any costs incurred for Task 5 of this Component prior to DWR giving its environmental clearance shall not be reimbursed and any such amounts shall be deducted from the total Grant Amount in Paragraph 3.

Deliverables:

- CEQA document(s)

**Category (c). Implementation / Construction****Task 7. Construction of A-1 Site Piping Upgrades**

Construct the component per the final plans and specifications as outlined in the awarded bid contract. Provide photo documentation of construction activities and include those in the associated quarterly Progress Report(s). Perform engineering services during construction and construction management consultant services, which include reviewing project submittals and responding to the Contractor with the Engineer's review comments, attending construction meetings, special as-needed field visits, reviewing and responding



to requests for information and contract change orders, and redesign as necessary to accommodate unforeseen field conditions.

Deliverables:

- Photograph documentation and construction progress
- Record drawings/as-built drawings
- Certification of project completion

**Task 8. Engineering Design Services During Construction and Construction Management and**

**Support**

Provide engineering services during construction including reviewing project submittals and responding to the Contractor with the Engineer's review comments, attending construction meetings, reviewing and responding to requests for information (RFI) and contract change orders, and redesign as necessary to accommodate unforeseen field conditions. Provide consultant and legal services needed for the implementation of the construction contract, including the following: contractor prevailing wage compliance (if required), legal, asset management, review and integration of operations and maintenance plans into M1W electronic O&M manual system, SCADA programming and integration and associated start-up services by engineers and technical experts.

Deliverables:

- Copy of issued-for-construction (IFC) plans and specifications
- Construction progress reports to include in the quarterly Progress Report(s)
- O&M Manuals and Lucity Asset Management Database

**Category (d): Monitoring / Assessment**

**Task 9: Monitoring Plan**

Monitor operations to track performance and include results in annual reporting. Organize the monitoring results in accordance with the Post-Performance Report requirements listed in Exhibit F.

Deliverables:

- Monitoring plan
- Data organized for future development of the Post-Performance Report

**COMPONENT 5: CONDUCT FEASIBILITY STUDY ON AQUIFER STORAGE AND RECOVERY**

Component 5 will conduct a feasibility assessment of Salinas River Diversion Facility (SRDF) Winter Flow Injection (Preferred Project 9 in the 180/400-Foot Subbasin GSP) which would divert winter flows from the Salinas River using the existing SRDF facilities and inject the water into the 180/400-Foot Aquifer Subbasin to maintain groundwater elevations, improve water quality, and prevent further seawater intrusion, or alternatively, diverted water could be treated used for beneficial reuse that would reduce groundwater pumping. The feasibility assessment will include technical feasibility as well as determining the operational permitting constraints and alignment with existing water rights and permitting and the future Habitat Conservation Plan for the reservoir operations. The component further utilizes the CSIP Distribution System Model to understand operational constraints.

**Category (b): Planning / Design / Environmental (15% effort over Tasks 2 and 4)**

**Task 2: Assessment of Project Constraints**

Analyze the existing MCWRA permits and policies that will require revisions for implementing the project. Detail the specific permit requirements that may serve as constraints and engage with Monterey County Water Resources Agency to discuss opportunities and constraints with pursuit of identified revisions. Complete project permitting memorandum detailing necessary permitting actions and estimating potential costs and timelines associated with completing revisions of permits which will be used to assess the viability of the project, compare to other projects, and plan next steps.

Deliverables:

- Memorandum describing identified project constraints and feasibility assessment
- Project permitting memorandum

**Task 4: Distribution System Modeling**

Model how the injection and extraction wells will work in the existing CSIP system. Identify modifications to the CSIP system needed for efficient operation with the injection/extraction wells. Assess how winter water can be delivered to CSIP users from Monterey One Water while river water is injected into ASR wells.

Deliverables:

- Model results memorandum including modifications outcomes and delivery options.

**COMPONENT 7: COMPLIANCE REPORTING AND DATA EXPANSION**

Component 7 includes the completion of two Annual Reports and filling data gaps. Four Aquifer properties tests will provide characterization data for the aquifer that was identified as a data gap in the 180/400-Foot Aquifer GSP. These data will add to the hydrologic conceptual model for the subbasin. The well registration will establish a relatively accurate count of all active wells in the Subbasin. Through collaboration with other local agencies, well registration will result in a data set of active wells. Well metering will improve estimates of the amount of groundwater extracted from the 180/400-Foot Aquifer Subbasin. Well metering will not include *de minimus* well users. The well registration and well metering work will occur in collaboration with the Monterey County Water Resources Agency (MCWRA) and the existing Groundwater Extraction Management System (GEMS) program.

**Category (c): Implementation / Construction****Task 5: Well Registration and Metering**

Commence a process to register all wells in the 180/400-Foot Aquifer. Initiate discussions with Monterey County Environmental Health and Monterey County Water Resources Agency to understand the existing system, conducting interested parties' outreach, identify a software system for registration of all production wells, and initiate well registration effort. Well metering technologies and options will be evaluated, assessed with interested parties, and proposed to improve measuring and reporting of the amount of groundwater extracted from the Aquifer. Address issues identified by DWR in its 180/400-Foot Subbasin GSP approval letter.

Deliverables:

- Well Registration Completion Report

**Task 6: Modeling Updates**

Support model updates under the Salinas Valley Cooperative Model and Decision Tool Development including model version updates, climate data updates, software updates and collaborative Salinas Valley Operational Model evaluation. Complete a publicly published model.

Deliverables:

- Technical Report on Model Updates and publicly published model.

## EXHIBIT B BUDGET

**Project Title:** 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project)

### Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Recycled Water Plant

Budget Categories	Grant Amount
(a) Component Administration	\$0
(b) Planning / Engineering / Design	\$0
(c) Implementation / Construction	\$1,185,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$1,185,000</b>

### Component 3: Castroville Seawater Intrusion Project Distribution System Upgrades

Budget Categories	Grant Amount
(a) Component Administration	\$5,000
(b) Planning / Engineering / Design	\$520,000
(c) Implementation / Construction	\$1,622,000
(d) Monitoring / Assessment	\$3,000
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$2,150,000</b>

### Component 5: Conduct Feasibility Study on Aquifer Storage and Recovery

Budget Categories	Grant Amount
(a) Component Administration	\$0
(b) Planning / Engineering / Design – Primary Tasks for engagement will by Task 2 and Task 4	\$45,000
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$45,000</b>

**Component 7: Compliance Reporting and Data Expansion**

<b>Budget Categories</b>	<b>Grant Amount</b>
(a) Component Administration	\$0
(b) Planning / Engineering / Design	\$0
(c) Implementation / Construction – Task to be Co-Implemented: [1] Well Registration and Metering (\$200,000) and [2] Modeling Updates (\$100,000)	\$310,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$310,000</b>

## EXHIBIT C SCHEDULE

### GRANT PROPOSAL TITLE: 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project)

Categories	Start Date	End Date
<b>Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Recycled Water Plant</b>	<b>July 1, 2022</b>	<b>November 30, 2023</b>
(a) Component Administration	NA	NA
(b) Planning / Engineering / Design	NA	NA
(c) Implementation / Construction	July 1, 2022	November 30, 2023
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	NA	NA
<b>Component 3: Castroville Seawater Intrusion Project Distribution System Upgrades</b>	<b>December 17, 2021</b>	<b>December 31, 2024</b>
(a) Component Administration	December 17, 2021	December 31, 2023
(b) Environmental / Engineering / Design	December 17, 2021	May 31, 2023
(c) Implementation / Construction	July 1, 2022	November 30, 2024
(d) Monitoring / Assessment	September 1, 2023	December 31, 2024
(e) Engagement / Outreach	NA	NA
<b>Component 7: Compliance Reporting and Data Expansion</b>	<b>Earliest Start Date</b>	<b>Latest End Date</b>
(a) Component Administration	December 17, 2021	December 31, 2024
(b) Reporting and Data Expansion	December 17, 2021	June 30, 2024
(c) Implementation / Construction	August 1, 2022	June 30, 2024
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach		NA

#### NOTES:

<sup>1</sup>Exhibit C Schedule only dictates the work start date and the work end date for the Budget Category listed. The Grantee must adhere to the Deliverable Due Date Schedule that has been approved by the DWR Grant Manager. The dates listed in Exhibit C Schedule are date ranges that correlates to the Deliverable Due Date Schedule. Eligible costs for each line item will only be approved if the work completed falls within the date ranges listed in Exhibit C.

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA  
(DEPARTMENT OF WATER RESOURCES) AND  
SALINAS VALLEY BASIN GROUNDWATER MANAGEMENT AGENCY  
AGREEMENT NUMBER 4600014638**

**SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Salinas Valley Basin Groundwater Management Agency, a public agency, in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. **PURPOSE.** The State shall provide funding from the Budget Act of 2021 (Stats. 2021, ch. 240, § 80) to the Grantee to assist in financing the 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is to implement SGMA as outlined in the Grantee's Groundwater Sustainability Plan (GSP) or Alternative to a GSP. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the Groundwater Sustainability Plan (GSP) or Alternative to GSP, or any components of the GSP, implemented in accordance with the Work Plan as set forth in Exhibit A will be: adopted by the applicable Groundwater Sustainability Agency (GSA); obtain the necessary desirable results of Sustainable Management Criteria; or, meet all of the evaluation and assessment criteria when submitted to DWR as required by the SGMA and implementing regulations.
2. **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on the date of grant execution and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by APRIL 30, 2025, and no funds may be requested after JUNE 30, 2025.
3. **GRANT AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$7,600,000.
4. **GRANTEE COST SHARE.** Not applicable.
5. **BASIC CONDITIONS.** The State shall have no obligation to disburse money for the Project under this Grant Agreement until the Grantee has satisfied the following conditions:
  - A. The Grantee must demonstrate compliance with all eligibility criteria set forth on Pages 7 through 13 of the *SGM Grant Program 2021 Guidelines* (2021 Guidelines).
  - B. For the term of this Grant Agreement, the Grantee submits Quarterly Progress Reports, associated quarterly invoices, and all invoice backup documentation no later than sixty (60) days following the end of the calendar quarter (e.g. submitted by May 30<sup>th</sup>, August 29<sup>th</sup>, November 29<sup>th</sup>, and February 28<sup>th</sup>) and all other deliverables as required by Paragraph 12, "Submission of Reports" and Exhibit A, "Work Plan".
  - C. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State:
    - i. Final plans and specifications certified by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A, "Work Plan" of this Grant Agreement.
    - ii. Work that is subject to the California Environmental Quality Act (CEQA) process and/or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
      - a. The Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form (EIF) to the State,
      - b. Documents that satisfy the CEQA process are received by the State,
      - c. The State has completed its CEQA compliance review as a Responsible Agency, and

- d. The Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

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

iii. A monitoring plan as required by Paragraph 14, "Project Monitoring Plan Requirements."

- 6. DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.
- 7. ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after DECEMBER 17, 2021, shall be eligible for reimbursement.

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

- A. Costs for preparing and filing a grant application and/or Spending Plan.
- B. Costs associated with the formation of a GSA(s) or other board formation that is responsible for implementing SGMA.
- C. Operation and maintenance costs, including post construction performance and monitoring costs.
- D. Purchase of equipment not an integral part of a project.
- E. Establishing a reserve fund.
- F. Purchase of water supplies.
- G. Replacement of existing funding sources for ongoing programs.
- H. Travel and per diem costs, except for mileage.
- I. Support of existing agency requirements and mandates.
- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
- K. Meals, food items, or refreshments.
- L. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.

M. Overhead and indirect costs: "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 funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

8. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via US mail or Express mail delivery of a "wet signature" invoice or an electronic invoice certified and transmitted via DocuSign for costs incurred and timely Quarterly Progress Reports as required by Paragraph 12, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Invoices must accompany a Quarterly Progress Report and shall be submitted within no later than sixty (60) days following the end of the calendar quarter (e.g. submitted by May 30<sup>th</sup>, August 29<sup>th</sup>, November 29<sup>th</sup>, and February 28<sup>th</sup>). The State will notify the Grantee, in a timely manner, whenever, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice. If backup documentation provided is outside of the period identified in the particular invoice, the Grantee must provide justification within the associated Quarterly Progress Report and note the discrepancy on the Invoice Submittal Summary Sheet.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
  - i. Invoices must contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
  - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget". The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
  - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
  - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount".

Original signature and date (in ink) of the Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: Maria Jochimsen at P.O. Box 942836, Sacramento, CA 94236-0001 or an electronic signature certified and transmitted via DocuSign from authorized representative to Maria Jochimsen at [Maria.Jochimsen@water.ca.gov](mailto:Maria.Jochimsen@water.ca.gov).

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall 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/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds. Additionally, the State may request an audit pursuant to Paragraph D.5 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. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

9. WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 10, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 10. If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

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

- A. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
- B. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
- C. Failure to operate or maintain the Project in accordance with this Grant Agreement.
- D. Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
- E. Failure to submit quarterly progress reports pursuant to Paragraph 5.
- F. Failure to routinely invoice the State pursuant to Paragraph 8.
- G. Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

Should an event of default occur, the State shall provide a notice of default to the Grantee and shall give the Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:

- A. Declare the funding be immediately repaid.
- B. Terminate any obligation to make future payments to the Grantee.
- C. Terminate the Grant Agreement.
- D. Take any other action that it deems necessary to protect its interests.

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

11. CONTINUING ELIGIBILITY. The Grantee must meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2021 Guidelines to remain eligible to receive State funds:
- A. The Grantee must continue to demonstrate eligibility and the groundwater basin must continue to be an eligible basin as outlined in the 2021 Guidelines and 2021 PSP.
  - B. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
  - C. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
  - D. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
  - E. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq.
  - F. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
12. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Grant Manager, and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS), or an equivalent online submittal tool. If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.
- A. Quarterly Progress Reports: The Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be uploaded via GRanTS, or an equivalent online submittal tool, and the State's Grant Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, the Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report and associated quarterly invoice should be submitted to the State no later than NOVEMBER 30, 2022, with future reports then due on successive three-month increments based on the invoicing schedule and this date. The DWR Grant Manager will provide a Quarterly Progress Report template that shall be used for the duration of the Agreement.

- B. Groundwater Sustainability Plan or Alternative: The Grantee shall ensure that any updates to the GSP or Alternative shall be formatted, drafted, prepared, and completed as required by the GSP Regulations, and in accordance with any other regulations or requirements that are stipulated through SGMA.
- C. Component Completion Report(s): The Grantee shall prepare and submit to the State a separate Component Completion Report for each component included in Exhibit A, "Work Plan". The Grantee shall submit a Component Completion Report within ninety (90) calendar days of component completion or before the work completion date in Paragraph 2, whichever is earliest. Each Component Completion Report shall include, in part, a description of actual work done, any changes or amendments to each component, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Component Completion Report shall also include, if applicable, certification of final component by a California Registered Civil Engineer (or equivalent registered professional as appropriate), consistent with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.
- D. Grant Completion Report: Upon completion of the Project included in Exhibit A, "Work Plan" the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final project to be completed under this Grant Agreement, as outlined in Exhibit F, "Report Formats and Requirements". Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to be approved by the State. The Grantee must submit the draft Grant Completion Report to the DWR Grant Manager for comment and review 90 days before the work completion date listed in Paragraph 2. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date listed in Paragraph 2. The Grantee must obtain the DWR Grant Manager's approval of the report within 30 days after the work completion date.
- E. Post-Performance Reports (PPRs): The Grantee shall submit PPRs to the State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the completed project begins operation.
- F. Deliverable Due Date Schedule: The Grantee shall submit a Deliverable Due Date Schedule within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the Deliverable Due Date Schedule has been received by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager and the revised schedule saved in the appropriate project files.
- G. Environmental Information Form (EIF): Prepare and submit the EIF within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager.
13. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material

and labor needed for operations, utilities, insurance, and similar expenses, and “maintenance costs” include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 10, “Default Provisions.”

14. PROJECT MONITORING PLAN REQUIREMENTS. As required in Exhibit A, “Work Plan”, a Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. The Monitoring Plan should incorporate Post Performance Monitoring Report requirements as defined and listed in Exhibit J, “Monitoring and Maintenance Plan Components”. The SGM Grant Program has developed post construction monitoring methodologies that shall be used for the Post Performance Reporting.
15. STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Wat. Code, § 10780 et seq.) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G, “Requirements for Data Submittal” for web links and information regarding other State monitoring and data reporting requirements.
16. NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
  - B. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State’s representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
  - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees 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 State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
  - D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
  - E. For implementation/construction Projects, final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.18, “Final Inspections and Certification of Registered Civil Engineer.” The Grantee shall notify the State’s Grant Manager of the inspection date at least fourteen (14) calendar days prior to the inspection in order to provide the State the opportunity to participate in the inspection.
17. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
  - B. By certified U.S. mail, return receipt requested, postage prepaid.
  - C. By “overnight” delivery service; provided that next-business-day delivery is requested by the sender.

D. By electronic means.

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

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

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

Department of Water Resources

Arthur Hinojosa  
Manager, Division of Regional Assistance  
P.O. Box 942836  
Sacramento, CA 94236-0001  
Phone: (916) 902-6713  
Email: Arthur.Hinojosa@water.ca.gov

Salinas Valley Basin GSA

Donna Meyers  
General Manager,  
P.O. Box 1350  
Carmel Valley, CA 93924  
Phone: (831) 471-7512 x203  
Email: meyersd@svbgsa.org

Direct all inquiries to the Grant Manager:

Department of Water Resources

Maria Jochimsen  
Environmental Scientist,  
P.O. Box 942836  
Sacramento, CA 94236-0001  
Phone: (916) 902-7423  
Email: Maria.Jochimsen@water.ca.gov

Salinas Valley Basin GSA

Donna Meyers,  
General Manager,  
P.O. Box 1350  
Carmel Valley, CA 93924  
Phone: (831) 471-7512 x203  
Email: meyersd@svbgsa.org

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

20. STANDARD PROVISIONS AND INTEGRATION. This Grant Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A– Work Plan

Exhibit B– Budget

Exhibit C– Schedule

Exhibit D– Standard Conditions

Exhibit E– Authorizing Resolution Accepting Funds

Exhibit F– Report Formats and Requirements

Exhibit G– Requirements for Data Submittal

Exhibit H– State Audit Document Requirements and Funding Match Guidelines for Grantees

Exhibit I– Project Location

Exhibit J– Monitoring and Maintenance Plan Components

Exhibit K– Local Project Sponsors

Exhibit L– Appraisal Specifications

Exhibit M– Information Needed for Escrow Process and Closure

Exhibit N– Project Monitoring Plan Guidance

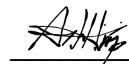
Exhibit O– Invoice Guidance for Administrative and Overhead Charges

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

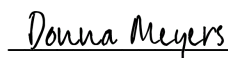
STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

Salinas Valley Basin GSA



Arthur Hinojosa  
Manager, Division of Regional Assistance



Donna Meyers  
General Manager

Date 8/23/2022

Date 8/22/2022

Approved as to Legal Form and Sufficiency



\_\_\_\_\_ for

Robin Brewer  
Assistant General Counsel,  
Office of the General Counsel

Date 8/22/2022

## **Exhibit A**

### **WORK PLAN**

**Project Title:** 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project)

**Project Description:** This Work Plan includes activities associated with planning, development, preparation and/or implementation of the Dry Chlorine Scrubber Upgrade, Castroville Seawater Intrusion Project Distribution System Upgrades, Interested Parties Outreach and Engagement, Feasibility Studies on Aquifer Storage and Recovery, Demand Management Feasibility, Compliance Reporting and Data Expansion and Operationalize Deep Aquifer Study Recommendations along with grant administration tasks for the 180/400 Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022 – 2024). The Project consists of nine Components:

- Component 1: Grant Agreement Administration
- Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Recycled Water Plant
- Component 3: Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades
- Component 4: Interested Parties Outreach and Engagement
- Component 5: Conduct Feasibility Study on Aquifer Storage and Recovery
- Component 6: Demand Management Feasibility
- Component 7: Compliance Reporting and Data Expansion
- Component 8: Implement Deep Aquifer Study Recommendations
- Component 9: Seawater Intrusion Feasibility Study

#### **COMPONENT 1: GRANT AGREEMENT ADMINISTRATION**

##### **Category (a): Grant Agreement Administration**

Prepare reports detailing work completed during reporting period as outlined in Exhibit F, “Report Formats and Requirements” of this Agreement. Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports and should be submitted to the DWR Grant Manager for review to receive reimbursement of Eligible Project Costs. Collect and organize backup documentation by component, budget category, and task and prepare a summary Excel document detailing contents of the backup documentation organized by component, budget category, and task.

Prepare and submit the Environmental Information Form (EIF) within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager. Submit a deliverable due date schedule within 30 days of the execution date of the Grant Agreement to be reviewed and approved by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager and the revised schedule saved in the appropriate project files.

If not addressed in a component category (a), Component Administration, prepare Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for each component as outlined in Exhibit C. DWR’s Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager’s comments within 30 days before each Component end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, “Report Formats and Requirements” and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with each Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

Prepare the Draft Grant Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the work completion date listed in Paragraph 2. DWR’s Grant Manager will review the Draft Grant

Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the work completion report. However, all eligible charges accrued after the work completion date in Paragraph 2 will not be reimbursed. The retention invoice must be received, process, and through DWRs accounting office by the not funds may be requested after date outlined in Paragraph 2. All deliverables listed within the Work Plan shall be submitted with the Final Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

**Deliverables:**

- EIF
- Deliverable due date schedule
- Quarterly Progress Reports, Quarterly Invoices, and all required backup documentation
- Draft and Final Component Completion Reports
- Draft and Final Grant Completion Reports

**COMPONENT 2: DRY CHLORINE SCRUBBER UPGRADE AT MONTEREY ONE WATER RECYCLE WATER PLANT**

Component 2 involves construction of a dry scrubber system for the Salinas Valley Reclamation Project (SVRP) which is owned and operated by the Monterey One Water (M1W) Recycled Water Plant. This will allow the recycled water system to operated year-round, which will improve both the ability to reliably irrigate agricultural land with recycled water, and the sustainability of the Salinas Valley Groundwater Basin by decreasing reliance on groundwater. Component 2 will enable reduced use of Monterey County Water Resources Agency's (MCWRA) Supplemental Wells during wintertime chlorine system shutdowns by approximately 345 acre-feet per year. This pumping reduction estimate is based on three weeks per year of system shutdown and 115 acre-feet per week of deliveries, the average weekly demand in January between 2012 and 2019. Reducing Supplemental Well use by 345 acre-feet per year will reduce the potential for increased seawater intrusion by improving the overall water balance of the groundwater basin and maintaining the groundwater elevations in the vicinity of these wells, which primarily draw water from the 400-Foot Aquifer of the Subbasin.

**Category (a): Component Administration**

Not applicable for this Component

**Category (b): Planning / Design / Environmental**

Not applicable for this Component

**Category (c). Implementation/Construction**

**Task 1. Construction of Scrubber Upgrade**

Construct the upgrades to the chlorine building to install the new scrubber system including assessing general conditions, installing new tanks and media, modifying ductwork, upgrading electrical systems and instrumentation, as well as demolition of existing equipment. Construction activities will include minor excavation of pipelines and conduits, pavement demolition and removal, cutting, laying, and welding pipelines and pipe connections; pouring concrete footings for foundations, sluice gate structure, and other support equipment; installing piping, sluice gates and electrical equipment; testing and commissioning facilities; and Supervisory Control and Data Acquisition (SCADA) changes to control new equipment.

**Deliverables:**

- Photographs of key construction site improvements
- Record drawings/as-built drawings
- Certification of project completion



**Category (d): Monitoring / Assessment**

Not applicable for this Component.

**Category (e): Engagement / Outreach**

Not applicable for this Component.

**COMPONENT 3: CATROVILLE SEAWATER INTRUSION PROJECT (CSIP) DISTRIBUTION SYSTEM UPGRADES**

Component 3 enhances water production from recycled sources and conveyance through the CSIP Distribution System via several upgrades that remedy conveyance limitations and distribution reductions by producing a water scheduling system for use by agriculture. The CSIP Distribution System will result in operational efficiencies and new operational conditions and terms including rules, requirements and/or enforcement methods. The water scheduling system will allow for ongoing monitoring to ensure that CSIP irrigators use recycled water as ordered. The system will result in proactive CSIP system management and reduce supplemental well use in the 180/400-Foot Aquifer Subbasin. Component 3 will upgrade 165 linear feet of critical CSIP pipeline, specifically at the A-1 Monitoring Station (herein referred to as the A-1 Site), to be able to convey higher flows to most of the CSIP system and to optimize pressure. This will result in total pumping reduction from supplemental wells in a range from a low of 248 acre-feet per year (AFY) to a high of 1,625 AFY, with a long-term average of 1,200 to 1,600 AFY.

**Category (a): Component Administration**

Prepare reports detailing Component 3 work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports. Collect and organize backup documentation by Component 3 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 3 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 3 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

**Deliverables:**

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental****Task 1. Hydraulic Modeling**

Prepare and run a dynamic hydraulic model of the regional systems, focusing on the SVRP production, system storage, CSIP distribution system conveyance capacity (pressure and flows throughout the system), and current irrigation flow demands to inform the programming and control narrative for safe, efficient operations of the system and appropriate demand limits throughout the system to inform the design process described in Site Upgrade tasks.

**Deliverables:**

- Information Needs List

- M1W Regional Water Balance Visual Model Output – SVRP Flow Volume Projections
- Final Existing System Deficiencies Technical Memorandum
- Final Modeling Results Technical Memorandum

### **Task 2. Development of Water Scheduling System**

Develop water scheduling protocols that will provide MCWRA and M1W the ability to schedule water orders from CSIP irrigators to use recycled water based on the results of the dynamic hydraulic modeling in Task 1. Conduct ongoing monitoring to ensure that CSIP irrigators use recycled water as ordered and to manage the CSIP system proactively and adaptively to reduce supplemental well use in the critically over-drafted basin. Conduct interested party involvement through the Water Quality and Operations Committee, Basin Management Advisory Committee, Board of Directors, and Board of Supervisors.

#### **Deliverables:**

- Agricultural Irrigation Water Scheduling Protocols

### **Task 3. Review Technical Studies/Basis of Design Technical Memorandum**

Collect and review relevant project reports, records, data, maps, and other documents relevant to defining the limits and the scope of the project design. Identify the anticipated tests and evaluations that will be needed to complete the design. Verify as-built conditions in the field and make necessary modifications observed during field trip to the existing drawings to assure that proposed modifications are constructible. Conduct a site survey, geotechnical investigations/borings, and property/land surveys, if necessary.

Conduct field review site visit with meeting and delivery of a technical summarizing results of the evaluation and supporting information for the selected design. Provide the Draft Memorandum to M1W and MCWRA staff for their comment and discussion.

#### **Deliverables:**

- Basis of Design Technical Memorandum
- Geotechnical Investigation Technical Memorandum
- Property Survey

### **Task 4. Design Plans, Specifications, Estimates, & Bids**

Develop the 60% design plans and specifications for Component 3 and submit them to the DWR Grant Manager for review and concurrence prior to completing the final design plans and specifications. After review of the 60% design plans and specifications by Grantee and concurrence by the DWR Grant Manager, prepare the 100% design plans and specifications in accordance with requirements for public bidding for construction. Submit the 100% design plans and specifications to the DWR Grant Manager for review and concurrence prior to advertising Component 3 for bids. Field checked plans for accuracy and coordination between disciplines, including with M1W operators and maintenance crews. Prepare the Bid Documents that will include the plans, specifications, and an engineer's cost estimate for Component 3. Advertise bid as required by public contracting requirements and award the contract.

#### **Deliverables:**

- 60% design plans and specifications
- 100% design plans and specifications
- Bid documents
- Summary of Bids and Staff Report requesting approval of contract

### **Task 5. Site Permitting and Entitlements**

Prepare and obtain all necessary permits to construct Component 3. Obtain access agreements, entitlements, for temporary or permanent access to the properties for construction and long-term operations and

maintenance of Component 3. Submit all permits to the DWR Grant Manager for review and concurrence prior to beginning construction activities.

Deliverables:

- Easement agreement(s)
- All required permit(s)

**Task 6. Environmental Documentation**

Prepare the appropriate CEQA documentation(s) for Component 3 and file the document(s) with the County Clerk's Office. Submit the CEQA documentation(s) to the DWR Grant Manager for review and concurrence prior to beginning construction activities. Construction may not begin and no costs for Task 7 of this Component may be incurred until the State has reviewed the CEQA document(s), completed its CEQA responsible agency responsibilities and given its environmental clearance in accordance with Paragraphs 5 and D.8 of this Agreement. Any costs incurred for Task 7 of this Component prior to DWR giving its environmental clearance shall not be reimbursed and any such amounts shall be deducted from the total Grant Amount in Paragraph 3.

Deliverables:

- CEQA document(s)

**Category (c). Implementation / Construction**

**Task 7. Construction of A-1 Site Piping Upgrades**

Construct Component 3 per the final plans and specifications as outlined in the awarded bid contract. Provide photo documentation of construction activities and include those in the associated quarterly Progress Report(s). Perform engineering services during construction and construction management consultant services, which include reviewing project submittals and responding to the Contractor with the Engineer's review comments, attending construction meetings, special as-needed field visits, reviewing and responding to requests for information and contract change orders, and redesign as necessary to accommodate unforeseen field conditions.

Deliverables:

- Photograph documentation and construction progress
- Record drawings/as-built drawings
- Certification of project completion

**Task 8. Engineering Design Services During Construction and Construction Management and Support**

Provide engineering services during construction including reviewing project submittals and responding to the Contractor with the Engineer's review comments, attending construction meetings, reviewing and responding to requests for information (RFI) and contract change orders, and redesign as necessary to accommodate unforeseen field conditions. Provide consultant and legal services needed for the implementation of the construction contract, including the following: contractor prevailing wage compliance (if required), legal, asset management, review and integration of operations and maintenance plans into M1W electronic O&M manual system, SCADA programming and integration and associated start-up services by engineers and technical experts.

Deliverables:

- Copy of issued-for-construction (IFC) plans and specifications
- Construction progress reports to include in the quarterly Progress Report(s)
- O&M Manuals and Lucity Asset Management Database

**Category (d): Monitoring / Assessment**

**Task 9: Monitoring Plan**

Monitor operations to track performance and include results in annual reporting. Organize the monitoring results in accordance with the Post-Performance Report requirements listed in Exhibit F.

Deliverables:

- Monitoring plan
- Data organized for future development of the Post-Performance Report

**Category (e): Engagement / Outreach**

Not applicable for this Component.

**COMPONENT 4: INTERESTED PARTIES OUTREACH AND ENGAGEMENT**

Component 4 provides interested party outreach and engagement activities by the Salina Valley Basin Groundwater Sustainability Agency (SVBGSA) for feasibility assessments completed and for the demand management discussions. Extensive interested party outreach and engagement is necessary to refine projects, assess feasibility and gain project cost understanding. Component 4 will potentially provide additional interested party outreach and engagement to DACs and SDACs in the 180/400-Foot Aquifer Subbasin with the intent to keep these communities engaged in feasibility assessment and Salinas Valley Basin conditions as projects are completed, including regularly scheduled SVBGSA Advisory Committee meetings (quarterly); Board of Directors meetings (quarterly); the 180/400-Foot Aquifer Subbasin Implementation Committee (6 meetings), the Castroville Community Services District (2 meetings), the MCWRA (6 meetings).

**Category (a): Component Administration**

Prepare reports detailing Component 4 work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports. Collect and organize backup documentation by the Component 4 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 4 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 4 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

Deliverables:

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental**

Not applicable to this Component.

**Category (c): Implementation / Construction**

Not applicable to this Component.

**Category (d): Monitoring / Assessment**

Not applicable to this Component.

**Category (e): Engagement/Outreach****Task 1: Outreach and Engagement**

Provide presentations about the feasibility study results, development of cost estimates and a structured method of assessing interested party's comments. Conduct engagement and outreach, a minimum of 25 meeting(s), with the following committees and communities over the contract period:

- SVBGSA Board of Directors (4 meetings)
- SVBGSA Advisory Committee (4 meetings)
- SVBGSA Integrated Implementation Committee (2 meetings)
- 180/400-Subbasin Implementation Committee (6 meetings)
- Underrepresented Communities, Disadvantage Communities and Severely Disadvantaged Communities – Castroville Community Services District (2 meetings)
- MCWRA (CSIP Operations Committee; Board of Directors) (6 meetings)
- Monterey 1 Water Board of Directors (1 meeting)

Produce accessible communications products including web page information, detailed project descriptions, public presentations, and hosting of public workshops.

**Deliverables:**

- Provide copies of presentation material
- Copy of committee/board meeting agendas and/or minutes
- Photo of Updated Web Home Page
- Copies of updated Mailchimp newsletter
- Agenda and minutes of at least 5 public workshops

**Task 2: Project and Management Actions Feasibility Update Report**

Provide information on interested party's preference, as well as other portfolios of projects and management actions that achieve additional outcomes to the Board of Directors in assessing possible projects to move forward for sustainability outcomes.

**Deliverables:**

- Project and Management Actions Feasibility and Costs Update Report
- Board of Directors selection of project portfolio

**COMPONENT 5: CONDUCT FEASIBILITY STUDY ON AQUIFER STORAGE AND RECOVERY**

Component 5 will conduct a feasibility assessment of Salinas River Diversion Facility (SRDF) Winter Flow Injection (Preferred Project 9 in the 180/400-Foot Subbasin GSP) which would divert winter flows from the Salinas River using the existing SRDF facilities and inject the water into the 180/400-Foot Aquifer Subbasin to maintain groundwater elevations, improve water quality, and prevent further seawater intrusion, or alternatively, diverted water could be treated used for beneficial reuse that would reduce groundwater pumping. The feasibility assessment will include technical feasibility as well as determining the operational permitting constraints and alignment with existing water rights and permitting and the future Habitat Conservation Plan for the reservoir operations. Component 5 further utilizes the CSIP Distribution System Model to understand operational constraints.

**Category (a): Component Administration**

Prepare reports detailing Component 5 work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly

Progress Reports. Collect and organize backup documentation by the Component 5 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 5 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 5 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

Deliverables:

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental**

**Task 1: Modeling Ability to Address Seawater Intrusion and Groundwater Elevations**

Quantify the project's expected outcomes, including its ability to address seawater intrusion and groundwater levels, using both the Salinas Valley Operational Model (SVOM) and the variable density seawater intrusion model. Run multiple model simulations with various injection well distributions to assess the outcomes of various project designs. Analyze project in comparison to a no-project alternative. Present outcomes as averages for the modeled period, and for drought years in the modeled period to demonstrate any specific drought benefits. Engage interested parties in establishing the assumptions for model simulations.

Deliverable:

- Model output description and technical memorandum

**Task 2: Assessment of Project Constraints**

Analyze the existing MCWRA permits and policies that will require revisions for implementing the project. Detail the specific permit requirements that may serve as constraints and engage with MCWRA to discuss opportunities and constraints with pursuit of identified revisions. Complete project permitting memorandum detailing necessary permitting actions and estimating potential costs and timelines associated with completing revisions of permits which will be used to assess the viability of the project, compare to other projects, and plan next steps.

Deliverables:

- Memorandum describing identified project constraints and feasibility assessment
- Project permitting memorandum

**Task 3: Initial Water Quality Analysis for Project Permitting**

Demonstrate a history of river water quality in order to assist in obtaining regulatory permits. Complete a river and groundwater sampling plan that establishes seasonal fluctuations in river quality.

Deliverables:

- Water quality results and findings memorandum

**Task 4: Distribution System Modeling**

Model how the injection and extraction wells will work in the existing CSIP system. Identify modifications to the CSIP system needed for efficient operation with the injection/extraction wells. Assess how winter water can be delivered to CSIP users from Monterey One Water while river water is injected into Aquifer Storage and Recovery (ASR) wells.

**Deliverables:**

- Model results memorandum including modifications outcomes and delivery options.

**Category (c): Implementation / Construction**

Not applicable to this Component.

**Category (d): Monitoring / Assessment**

Not applicable to this Component.

**Category (e): Engagement / Outreach**

Not applicable to this Component.

**COMPONENT 6: DEMAND MANAGEMENT FEASIBILITY**

Component 6 will develop a policy framework for how and when a Demand Management Program within the 180/400-Foot Aquifer Subbasin (Subbasin) could reduce the total volume of supply that needs to be generated to reach sustainability as well as determining how extraction can be fairly divided and managed within the Subbasin including voluntary, incentive-based and mandatory programs frameworks. This work will include water rights analysis, facilitated demand-side goal setting with irrigators, and demand management policy framework for adoption by the SVBGSA Board of Directors.

**Category (a): Component Administration**

Prepare reports detailing Component 6 work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports. Collect and organize backup documentation by the Component 6 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 6 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 6 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

**Deliverables:**

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environment****Task 1: Demand Management Program**

Prepare an examination of the legal basis and constraints that must be addressed for a Demand Management Program and present to interested parties, the Advisory Committee, and the Board of Directors.

**Deliverables:**

- Copy of Demand Management Legal Analysis

**Category (c): Implementation / Construction**

Not applicable to this Component.

**Category (d): Monitoring / Assessment**

Not applicable to this Component.

**Category (e): Engagement / Outreach****Task 2: Interested Party Outreach**

Facilitate discussion by interested parties to review and determine Demand Management options and expected results. Identify core policy considerations, as well as the functional components of the program, relevant SGMA statutes, and the intended approach for the program. Complete a report of facilitated interested party agreements on program type, guiding policy, and recommended type of demand-side management.

**Deliverables:**

- Copy of meeting minutes and outcomes
- Copy of Core policy memorandum
- Copy of interested party agreements and recommendations

**COMPONENT 7: COMPLIANCE REPORTING AND DATA EXPANSION**

Component 7 includes the completion of two Annual Reports and filling data gaps. Four Aquifer properties tests will provide characterization data for the aquifer that was identified as a data gap in the 180/400-Foot Aquifer GSP. These data will add to the hydrologic conceptual model for the 180/400-Foot Aquifer Subbasin (Subbasin). The well registration will establish a relatively accurate count of all active wells in the Subbasin. Through collaboration with other local agencies, well registration will result in a data set of active wells. Well metering will improve estimates of the amount of groundwater extracted from the Subbasin. Well metering will not include *de minimus* well users. The well registration and well metering work will occur in collaboration with the MCWRA and the existing Groundwater Extraction Management System (GEMS) program.

**Category (a): Component Administration**

Prepare reports detailing Component 7 work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports. Collect and organize backup documentation by the Component 7 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 7 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 7 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

**Deliverables:**

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental****Task 1: Completion of the 2023 and 2024 Annual Report**

Produce annual reports using data collected during Water Years 2023 and 2024.

**Deliverables:**

- Copies of Annual Reports for Water Years 2023 and 2024



**Task 2: Data Management System (DMS) Update**

House all data for GSP development and Annual Reports. Provide public access via a web map on the SVBGSA website. Use the DMS to develop the Annual Reports. Improve the web map, as needed.

**Deliverables:**

- Copy Updated DMS
- Website screen shot of web map tools on SVBGSA website
- Copy of Quality Assurance Quality Control of DMS
- Website screen shots and list of example products

**Task 3: Address Data Gaps Identified in 180/400-Foot Aquifer GSP**

Identify at least one but up to 3 wells in the 180-Foot Aquifer and at least one but up to 3 wells in the 400-Foot aquifer for aquifer testing. Test each well for a minimum of 8 hours and follow with a 4-hour monitored recovery period.

Conduct field reconnaissance to verify the presence of groundwater dependent ecosystems (GDEs). Extend the verification of GDEs to the entire Subbasin. Complete field verification utilizing state wetland monitoring protocols including RipRam and California Rapid Assessment Method (CRAM).

Identify existing shallow wells adjacent to the Salinas River or install one or two new shallow wells along the Salinas River to establish the level of interconnection. Fill data gaps in the CASGEM well system identified in Chapter 7 of the 180/400-Foot Aquifer GSP.

**Deliverables:**

- GDE Mapping and Identification Memorandum
- Aquifer Properties Technical Report

**Category (c): Implementation / Construction****Task 4: Well Installation**

Install four (4) nested or clustered deep wells to address groundwater level monitoring network data gaps.

**Deliverables:**

- Construction information and location of all wells installed

**Task 5: Well Registration and Metering**

Commence a process to register all wells in the 180/400-Foot Aquifer. Initiate discussions with Monterey County Environmental Health and MCWRA to understand the existing system, conducting interested parties' outreach, identify a software system for registration of all production wells, and initiate well registration effort. Well metering technologies and options will be evaluated, assessed with interested parties, and proposed to improve measuring and reporting of the amount of groundwater extracted from the Aquifer. Address issues identified by DWR in its 180/400-Foot Subbasin GSP approval letter.

**Deliverables:**

- Well Registration Completion Report

**Task 6: Modeling Updates**

Support model updates under the Salinas Valley Cooperative Model and Decision Tool Development including model version updates, climate data updates, software updates and collaborative SVOM evaluation. Complete a publicly published model.

**Deliverables:**

- Technical Report on Model Updates and publicly published model.

**Category (d): Monitoring / Assessment**

Not applicable to this Component.

**Category (e): Engagement / Outreach**

Not applicable to this Component.

**COMPONENT 8: IMPLEMENT DEEP AQUIFER STUDY RECOMMENDATIONS**

Component 8 will complete the recommendations coming from the Deep Aquifer Study currently being conducted by SVBGSA and recommended in the 180/400-Foot GSP. The study will result in recommendations for management and monitoring of the Deep Aquifers. Component 8 will implement the study recommendations and will include a Deep Aquifer ordinance outlining protection management requirements and a monitoring plan consistent with the GEMS system. The study results, ordinance and monitoring program will be adopted by the SVBGSA Board of Directors.

**Category (a): Component Administration**

Prepare reports detailing component work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports. Collect and organize backup documentation by the Component 8 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task.

Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 8 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 8 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

**Deliverables:**

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental****Task 1: Assess Implementation of Interim Local Management Options**

Implement interim local management options in partnership with Monterey County, including staff development of recommended management actions, legal review and Board approval.

**Deliverables:**

- Interim Management Recommendations Memorandum

**Task 2: Development of Long-Term Local and Long-Term Regional Management Actions**

Operationalize both local and regional management actions that will be recommended for immediate action which will include policy development, legal review, and Board approval.

**Deliverables:**

- Management Recommendations Memorandum
- Draft and Final Ordinance
- Monitoring Plan

**Category (c): Implementation / Construction**

Not applicable to this Component.

**Category (d): Monitoring / Assessment**

Not applicable to this Component.

**Category (e): Engagement / Outreach**

Not applicable to this Component.

**COMPONENT 9: SEAWATER INTRUSION FEASIBILITY STUDY**

Component 9 will conduct feasibility studies for seawater intrusion with a focus on evaluating the technical efficacy of groundwater desalting, developing facility descriptions and locations, and estimates of capital and operating costs. Additional feasibility analysis will include well location determination, land acquisition needs, conveyance and distribution systems, and end-user assessment. Discussions with Monterey One Water and other agencies will lead to a conceptual agreement on the brine disposal options for the desalting plant. The feasibility study will include outreach to assess the willingness and ability of beneficial users, including agriculture and domestic users, to fund the project.

**Category (a): Component Administration**

Prepare reports detailing Component 9 work completed during reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement, for inclusion in Component 1 Quarterly Progress Reports. Quarterly Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports. Collect and organize backup documentation by the Component 9 budget category and task and prepare a summary Excel document detailing contents of the backup documentation organized by task. Prepare the Draft Component Completion Report and submit to the DWR Grant Manager for comment and review 90 days before the end date for Component 9 as outlined in Exhibit C. DWR's Grant Manager will review the Draft Component Completion Report and provide comments and edits within 30 days of receipt, when possible. Prepare a Final Component Completion Report addressing the DWR Grant Manager's comments within 30 days before the Component 9 end date outlined in Exhibit C. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements" and approved by the DWR Grant Manager within 30 days after the end date. All deliverables listed within the Work Plan shall be submitted with the Final Component Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

**Deliverables:**

- Component reporting to be included in Quarterly Progress Reports and Invoices
- Draft and Final Component Completion Reports

**Category (b): Planning / Design / Environmental****Task 1: Feasibility Study**

Conduct feasibility study that includes:

- **Determining location options for extraction wells and brackish water treatment plant.** Locations for the extraction wells and brackish water treatment plant will balance land availability, right of way needs, land costs, proximity to power or other infrastructure needs, and proximity to brine disposal options among other requirements. More than one location for the wells and treatment plant may be chosen for further analysis.
- **Estimate seawater intrusion conditions over time.** Use the Salinas Valley seawater intrusion model that is currently being developed to estimate future seawater intrusion conditions. This will include estimating how the location of the 500 mg/L chloride concentration front moves when the extraction well barrier is activated. Additionally, the model will estimate the concentration of brackish water extracted by the barrier, which will feed into the treatment feasibility study.

- **Initiate Feasibility Study through Draft and Final Reports.** The study will include an assessment of treatment technologies, provide anticipated annual amounts of treated water, present a conceptual treatment plant layout, provide conceptual maps of distribution systems for the treated water, and estimate capital, operating, and maintenance costs.
- **Initiate brine disposal option discussions.** Discussions regarding the options for brine disposal will be initiated with Monterey one Water (M1W) and other agencies as necessary. The outcome of these discussions will be a conceptual agreement on what modifications or upgrades to the Monterey One Water outfall and diffuser may be necessary for brine disposal.
- **Identify end users.** End users of the treated brackish water will be identified through both a public outreach process and conversations with municipalities and small water systems. This task will result in a memorandum that outlines the potential end users of the treated brackish water.
- **Final Feasibility Study to SVBGSA Committees, Advisory Committee, and Board of Directors for direction and receive direction from Board.** The findings of the Feasibility Study will be presented to appropriate SVBGSA committees and the Board.

Deliverables:

- Final Feasibility Study

**Category (c): Implementation / Construction**

Not applicable to this Component.

**Category (d): Monitoring / Assessment**

Not applicable to this Component.

**Category (d): Engagement / Outreach**

Not applicable to this Component.

Exhibit B  
BUDGET

**Grant Title:** 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project)

**Grantee:** Salinas Valley Basin GSA

Components	Grant Amount
Component 1: Grant Agreement Administration	\$400,000
Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Recycled Water Plant	\$1,185,000
Component 3: Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades	\$2,150,000
Component 4 : Interested Parties Outreach and Engagement	\$279,500
Component 5 : Conduct Feasibility Study on Aquifer Storage and Recovery	\$300,000
Component 6 : Demand Management Feasibility	\$200,000
Component 7 : Compliance Reporting and Data Expansion	\$1,850,500
Component 8 : Implement Deep Aquifer Study Recommendations	\$40,000
Component 9 : Seawater Intrusion Feasibility Study	\$1,195,000
<b>Total:</b>	<b>\$7,600,000</b>

**Component 1: Grant Agreement Administration**

Component serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Grant Agreement Administration	\$400,000
<b>Total:</b>	<b>\$400,000</b>

**Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Recycled Water Plant**

Component 2 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$0
(b) Planning / Design / Environmental	\$0
(c) Implementation / Construction	\$1,185,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$1,185,000</b>

**Component 3: Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades**

Component 3 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$5,000
(b) Planning / Design / Environmental	\$520,000
(c) Implementation / Construction	\$1,622,000
(d) Monitoring / Assessment	\$3,000
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$2,150,000</b>

**Component 4: Interested Parties Outreach and Engagement**

Component 4 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$2,500
(b) Planning / Design / Environmental	\$0
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$277,000
<b>Total:</b>	<b>\$279,500</b>

**Component 5: Conduct Feasibility Study on Aquifer Storage and Recovery**

Component 5 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$20,000
(b) Planning / Design / Environmental	\$280,000
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$300,000</b>

**Component 6: Demand Management Feasibility**

Component 6 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$10,000
(b) Planning / Design / Environmental	\$170,000
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$20,000
<b>Total:</b>	<b>\$200,000</b>

**Component 7: Compliance Reporting and Data Expansion**

Component 7 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$5,000
(b) Planning / Design / Environmental	\$945,500
(c) Implementation / Construction	\$900,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$1,850,500</b>



**Component 8: Implement Deep Aquifer Study Recommendations**

Component 8 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$5,000
(b) Planning / Design / Environmental	\$35,000
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$40,000</b>

**Component 9: Seawater Intrusion Feasibility Study**

Component 9 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(check all that apply): ☒DAC, ☒SDAC, ☐Tribe, and/or ☒Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$10,000
(b) Planning / Design / Environmental	\$1,185,000
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
<b>Total:</b>	<b>\$1,195,000</b>

## Exhibit C

### SCHEDULE

#### GRANT PROPOSAL TITLE: 180/400-Foot Aquifer Subbasin Groundwater Sustainability Plan Phase 1 Implementation (2022-2024) (Project)

Categories	Start Date	End Date
<b>Component 1: Grant Agreement Administration</b>	<b>December 17, 2021</b>	<b>March 31, 2025</b>
(a) Grant Agreement Administration	December 17, 2021	March 31, 2025
<b>Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Recycled Water Plant</b>	<b>July 1, 2022</b>	<b>November 30, 2023</b>
(a) Component Administration	NA	NA
(b) Planning / Design / Environmental	NA	NA
(c) Implementation / Construction	July 1, 2022	November 30, 2023
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	NA	NA
<b>Component 3: Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades</b>	<b>December 17, 2021</b>	<b>December 31, 2024</b>
(a) Component Administration	December 17, 2021	December 31, 2023
(b) Planning / Design / Environmental	December 17, 2021	May 31, 2023
(c) Implementation / Construction	July 1, 2022	November 30, 2023
(d) Monitoring / Assessment	September 1, 2023	December 31, 2024
(e) Engagement / Outreach	NA	NA
<b>Component 4: Interested Parties Outreach and Engagement</b>	<b>December 17, 2021</b>	<b>January 30, 2025</b>
(a) Component Administration	December 17, 2021	January 30, 2025
(b) Planning / Design / Environmental	NA	NA
(c) Implementation / Construction	NA	NA
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	December 17, 2021	January 30, 2025
<b>Component 5: Conduct Feasibility Study on Aquifer Storage and Recovery</b>	<b>December 17, 2021</b>	<b>June 30, 2024</b>
(a) Component Administration	December 17, 2021	June 30, 2024
(b) Planning / Design / Environmental	December 17, 2021	June 30, 2024
(c) Implementation / Construction	NA	NA
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	NA	NA
<b>Component 6: Demand Management Feasibility</b>	<b>December 17, 2021</b>	<b>June 31, 2024</b>
(a) Component Administration	December 17, 2021	December 31, 2023
(b) Planning / Design / Environmental	December 17, 2021	December 31, 2023
(c) Implementation / Construction	NA	NA
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	December 17, 2021	June 30, 2024
<b>Component 7: Compliance Reporting and Data Expansion</b>	<b>December 17, 2021</b>	<b>December 31, 2024</b>
(a) Component Administration	December 17, 2021	December 31, 2024
(b) Planning / Design / Environmental	December 17, 2021	June 30, 2024
(c) Implementation / Construction	August 1, 2022	June 30, 2024
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	NA	NA

Categories	Start Date	End Date
<b>Component 8: Implement Deep Aquifer Study Recommendations</b>	<b>December 17, 2021</b>	<b>June 30, 2024</b>
(a) Component Administration	December 17, 2021	June 30, 2024
(b) Planning / Design / Environmental	December 17, 2021	June 30, 2024
(c) Implementation / Construction	NA	NA
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	NA	NA
<b>Component 9: Seawater Intrusion Feasibility Study</b>	<b>December 17, 2021</b>	<b>January 30, 2025</b>
(a) Component Administration	December 17, 2021	January 30, 2025
(b) Planning / Design / Environmental	December 17, 2021	January 30, 2025
(c) Implementation / Construction	NA	NA
(d) Monitoring / Assessment	NA	NA
(e) Engagement / Outreach	NA	NA

**NOTES:**

<sup>1</sup>Exhibit C Schedule only dictates the work start date and the work end date for the Budget Category listed. The Grantee must adhere to the Deliverable Due Date Schedule that has been approved by the DWR Grant Manager. The dates listed in Exhibit C Schedule are date ranges that correlates to the Deliverable Due Date Schedule. Eligible costs for each line item will only be approved if the work completed falls within the date ranges listed in Exhibit C.

**Exhibit D****STANDARD CONDITIONS****D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** the Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Grant Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** The Grantee shall remit to the State any unexpended funds that were disbursed to the Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from the State to the Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

**D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** The Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Grant Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Budget Act of 2021 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

**D.3. AMENDMENT:** This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." The State shall have no obligation to agree to an amendment.

**D.4. AMERICANS WITH DISABILITIES ACT:** By signing this Grant Agreement, the Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**D.5. AUDITS:** The State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit to the State's specifications, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may elect to pursue any remedies provided in Paragraph 10, "Default Provisions" or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of the Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.
- D.7. CALIFORNIA CONSERVATION CORPS: The Grantee may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. CEQA: Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the DWR Grant Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 10, "Default Provisions."
- D.9. CHILD SUPPORT COMPLIANCE ACT: The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
  - B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.10. CLAIMS DISPUTE: Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: The Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by the State under this Grant Agreement must be in writing and shall comply with all applicable laws and regulations

regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.

- D.12. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
  - B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
  - C. **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
  - D. **Employees and Consultants to the Grantee:** Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.15. **DISPOSITION OF EQUIPMENT:** The Grantee shall provide to the State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.
- D.16. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
  - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
    - i. The dangers of drug abuse in the workplace,
    - ii. The Grantee's policy of maintaining a drug-free workplace,
    - iii. Any available counseling, rehabilitation, and employee assistance programs, and
    - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
  - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
    - i. Will receive a copy of the Grantee's drug-free policy statement, and
    - ii. Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.
- D.17. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Grant Agreement, an appropriate easement or other title restriction shall be provided and approved by the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.
- Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
- Failure to provide an easement acceptable to the State may result in termination of this Agreement.
- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.
- D.19. GRANTEE'S RESPONSIBILITIES: The Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A, "Work Plan" and in accordance with Project Exhibit B, "Budget" and Exhibit C, "Schedule".
  - B. Must maintain eligibility requirements as outlined in the 2021 Guidelines and 2021 PSP and pursuant to Paragraph 11.
  - C. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
  - D. Comply with all applicable California, federal, and local laws and regulations.
  - E. Implement the Project in accordance with applicable provisions of the law.
  - F. Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.

- G. Obtain any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall provide copies of permits and approvals to the State.
  - H. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Agreement.
  - I. Be solely 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 Grantee shall be responsible for 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 will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.20. GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21. INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.
- D.22. INDEMNIFICATION: The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.23. INDEPENDENT CAPACITY: The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- D.25. INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.
- D.26. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation



or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

- D.27. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement (Level I – Informal). Non-material changes with respect to work plan are changes that help clarify the original language, addition of task without deleting others, and minor edits that will not result in change to the original scope. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.28. NONDISCRIMINATION: During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.29. OPINIONS AND DETERMINATIONS: Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.30. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.31. PRIORITY HIRING CONSIDERATIONS: If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.32. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and

assessments that could adversely affect the ability of the Grantee meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.

- D.33. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.34. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.35. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- D.37. RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.38. SEVERABILITY: Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.39. SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. The Grantee, its contractors, or subcontractors have made a false certification, or
  - B. The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.40. SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.
- D.41. TERMINATION BY THE GRANTEE: Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.42. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 10, "Default Provisions," the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 10, "Default Provisions."

- D.43. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.45. TIMELINESS: Time is of the essence in this Grant Agreement.
- D.46. UNION ORGANIZING: The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:
- A. No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
  - B. The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
  - C. The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
  - D. If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.
- D.47. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.48. WAIVER OF RIGHTS: None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

**Exhibit E****AUTHORIZING RESOLUTION ACCEPTING FUNDS**

**Before the Board of Directors of the  
Salinas Valley Basin Sustainable Groundwater Management Agency**

Resolution No. 2022-08 )  
 Resolution Authorizing Application to the )  
 California Department of Water Resources to )  
 obtain a grant under the 2021 Sustainable )  
 Groundwater Management (SGM) Grant )  
 Program Implementation – Round 1 Grant )  
 pursuant to the California Drought, Water, )  
 Parks, Climate, Coastal Protection, and )  
 Outdoor Access For All Act of 2018 )  
 (Proposition 68) (Public Resource Code § )  
 80000 et. seq.) and the California Budget Act )  
 of 2021 (Stats. 2021 ch. 240, § 80).

WHEREAS, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), which amended the Water Code (Part 2.74 of Division 6 of the Water Code, Sections 10720-10737.8) and provides the framework for sustainable groundwater management planning and implementation; and

WHEREAS, SGMA went into effect on January 1, 2015; and

WHEREAS, SGMA requires local public agencies and Groundwater Sustainability Agencies (GSAs) to develop and implement Groundwater Sustainability Plans (GSPs) or alternatives to GSPs for designated high and medium priority groundwater basins and subbasins; and

WHEREAS, SGMA authorizes a combination of local agencies to form a GSA by entering into a joint powers agreement as authorized by the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code); and

WHEREAS, the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) is such a joint powers authority and formed effective December 22, 2016, for the purposes of being the GSA for the Salinas Valley Groundwater Basin within the County of Monterey, but not including the area within the jurisdictional boundaries of the Marina Coast Water District, City of Marina GSA, the City of Greenfield, or the adjudicated Seaside sub-basin; and

WHEREAS, SGMA requires that a basin have an adopted GSP by no later than January 31, 2020, if a high or medium priority basin is designated as critically overdrafted, and no later than January 31, 2022, if a high or medium priority basin is not designated as critically overdrafted; and

WHEREAS, the Salinas Valley Basin managed by the SVBGSA encompasses sub-basins that are designated by the California Department of Water Resources (DWR) as medium-priority and high-priority, one of which is a critically overdrafted sub-basin, and therefore is required to be managed by a GSP or coordinated GSPs by as early as January 31, 2020; and

WHEREAS, the SVBGSA completed and filed with the Department of Water Resources the 180/400-Foot Aquifer GSP by January 31, 2020; and

WHEREAS, the California Budget Act of 2021 (Stats. 2021 ch. 240, § 80) appropriates a total of \$180 million for SGMA implementation, and the California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018 (Proposition 68) (Public Resource Code § 80000 et. seq.) authorizes the Legislature to appropriate a total of \$120 million to DWR for drought and groundwater investments to achieve regional sustainability; and

WHEREAS, DWR is administering solicitations for the Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation grant using funds authorized by the California Budget Act of 2021 and Proposition 68 for projects that encourage sustainable management of groundwater resources and support SGMA, and/or invest in groundwater recharge projects with surface water, stormwater, recycled water, and other conjunctive use projects; NOW THEREFORE,

BE IT RESOLVED by the Board of Directors of the Salinas Valley Basin Groundwater Sustainability Agency, as follows:

1. That an application be made to the California Department of Water Resources to obtain a grant under the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Round 1 Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) (Pub. Resource Code, § 80000 et seq.) and the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80) and to enter into an agreement to receive a grant for the 180/400-Foot Aquifer Groundwater Sustainability Plan 2022 Implementation Program.
2. The General Manager of the Salinas Valley Basin Groundwater Sustainability Agency, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement and any future amendments (if required), submit invoices, and submit any reporting requirements with the California Department of Water Resources.

PASSED AND ADOPTED on this 10th day of February 2022 by the following vote, to-

wit: AYES: Directors Adams, Alejo, Bramers, Brennan, Chapin, Cremers, Granillo,

McIntyre, Stefani, and Chair Pereira

NOES:

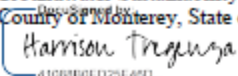
ABSENT: Director Rocha

ABSTAIN:

I, Harrison Tregenza, Clerk of the Board of Directors of the Salinas Valley Basin Groundwater Sustainability Agency, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Directors duly made and entered in the minutes thereof for the meeting of February 10, 2022.

Dated: 2/14/2022

Harrison Tregenza, Clerk of the Board of Directors of the Salinas Valley Basin  
Groundwater Sustainability Agency,  
County of Monterey, State of California

  
410000011250-001

**Exhibit F****REPORT FORMATS AND REQUIREMENTS**

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

**1. QUARTERLY PROGRESS REPORTS**

A Quarterly Progress Report template will be provided by the DWR Grant Manager. Grantees must use the template provided for all Quarterly Progress Reports to obtain reimbursement reported. The Quarterly Progress Report must accompany an Invoice and be numbered the same for ease of reference for auditing purposes. In addition, the reporting period for the Quarterly Progress Report must also align with the corresponding quarterly Invoice.

**2. COMPONENT COMPLETION REPORT**

Component Completion Reports shall generally use the following format. This report should summarize all work completed as part of this grant. This is standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports

**EXECUTIVE SUMMARY** – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement

**REPORTS AND/OR PRODUCTS** – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the Grant Agreement (e.g. 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

**COSTS AND DISPOSITION OF FUNDS** – A list of showing:

- The date each invoice was submitted to the State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Grant Agreement.
- A summary of final funds disbursement including:
  - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
  - Evaluation cost information, shown by material, equipment, labor costs, and any change orders
  - Any other incurred cost detail

- A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure;
  - Include all internal and external costs not previously disclosed; and
  - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

**ADDITIONAL INFORMATION** – Any relevant additional Information should be included.

### **3. GRANT COMPLETION REPORT**

The Grant Completion Report shall generally use the following format. This report should summarize all work completed as part of this grant. This is standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

- Executive Summary: consisting of a maximum of ten (10) pages summarizing information for the grant as well as the individual projects.
- Brief discussion whether the level, type, or magnitude of benefits of each project are comparable to the original project proposal; any remaining work to be completed and mechanism for their implementation; and a summary of final funds disbursement for each project.

**Additional Information:** Summary of the submittal schedule for the Post Performance Reports applicable for the projects in this Grant Agreement.

### **4. POST-PERFORMANCE REPORT**

The Post Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance. The PPR should be following the Methodology Report for the specific project type(s) provided by the DWR Grant Manager. The PPR should identify whether the project is being operated and maintained. DWR requirements is for all funded projects should be maintained and operated for a minimum of 15 years. If the project is not being maintained and operated, justification must be provided. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

#### **Reports and/or products**

- Header including the following:
  - Grantee Name
  - Implementing Agency (if different from Grantee)
  - Grant Agreement Number
  - Project Name
  - Funding grant source
  - Report number
- Post Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- Project Description Summary
- Discussion of the project benefits
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Any additional information relevant to or generated by the continued operation of the project.



**Exhibit G****REQUIREMENTS FOR DATA SUBMITTAL****Surface and Groundwater Quality Data:**

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

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

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/](https://www.waterboards.ca.gov/water_issues/programs/gama/). If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: [https://www.waterboards.ca.gov/water\\_issues/programs/gama/contact.shtml](https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml).

**Groundwater Level Data**

For each project that collects groundwater level data, the Grantee will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit F, "Report Formats and Requirements." Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

**Exhibit H****STATE AUDIT DOCUMENT REQUIREMENTS**

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and the Grantee's Local Cost Share and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

**State Audit Document Requirements**Internal Controls

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

State Funding:

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

Contracts:

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

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Grant Agreement related correspondence.

Exhibit I  
PROJECT LOCATION

Component 2: Dry Chlorine Scrubber Upgrade at Monterey One Water Plant



**Monterey One Water Plant**  
near Salinas



Lat 36.70527°N, 12177101°W

COMPONENT 2 Project Site



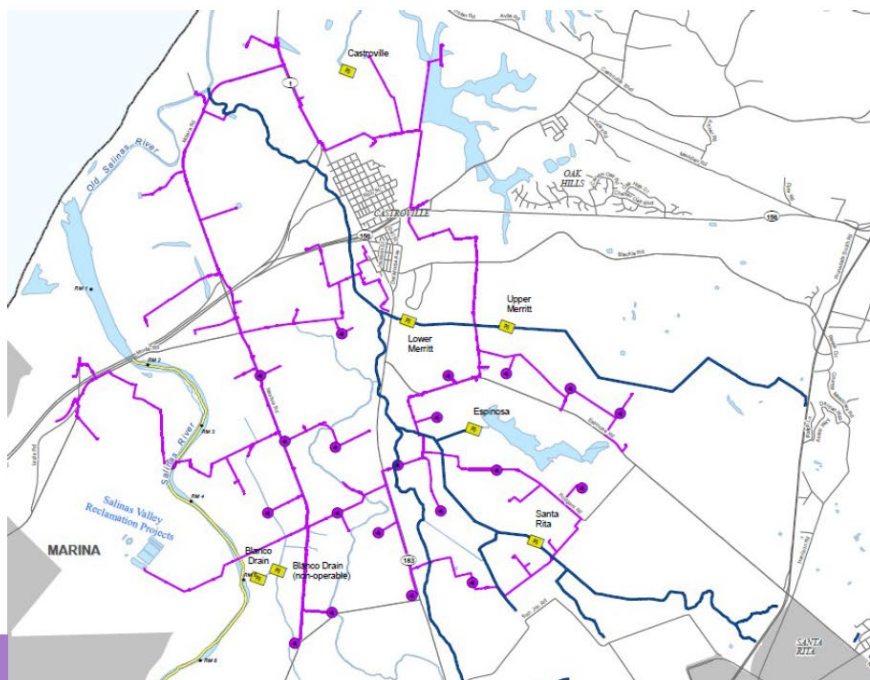
Monterey One Water  
Salinas, CA 93908  
+1 (831) 372-3367  
14811 Del Monte  
Boulevard  
Marina, CA 93933

## Project Location

### Component 3: Castroville Seawater Intrusion Project (CSIP) Distribution System Upgrades

#### DISTRIBUTION SYSTEM

#### Castroville Seawater Intrusion Project (CSIP)



36.74630° N, 121.77600° W



September 28, 2020

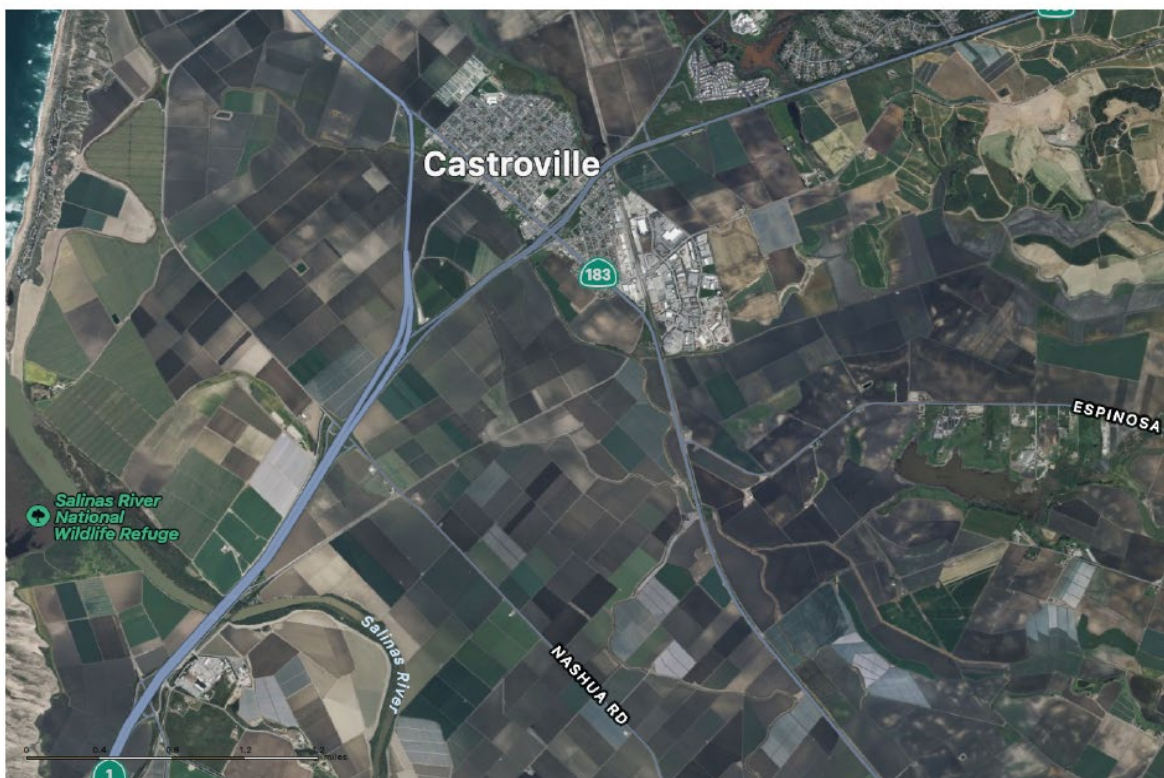
9



Salinas  
California

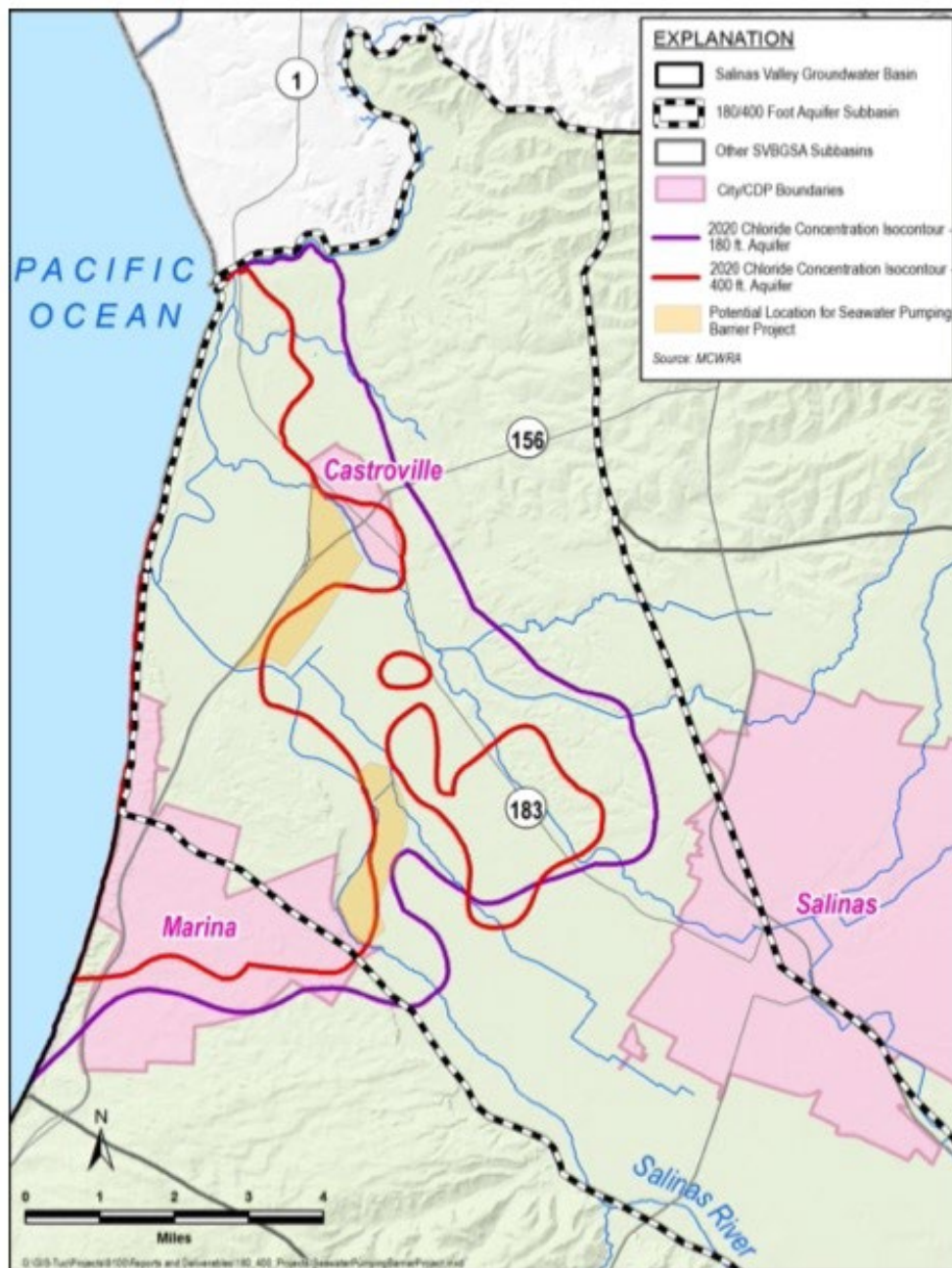
Component 3 Project Location - CSIP

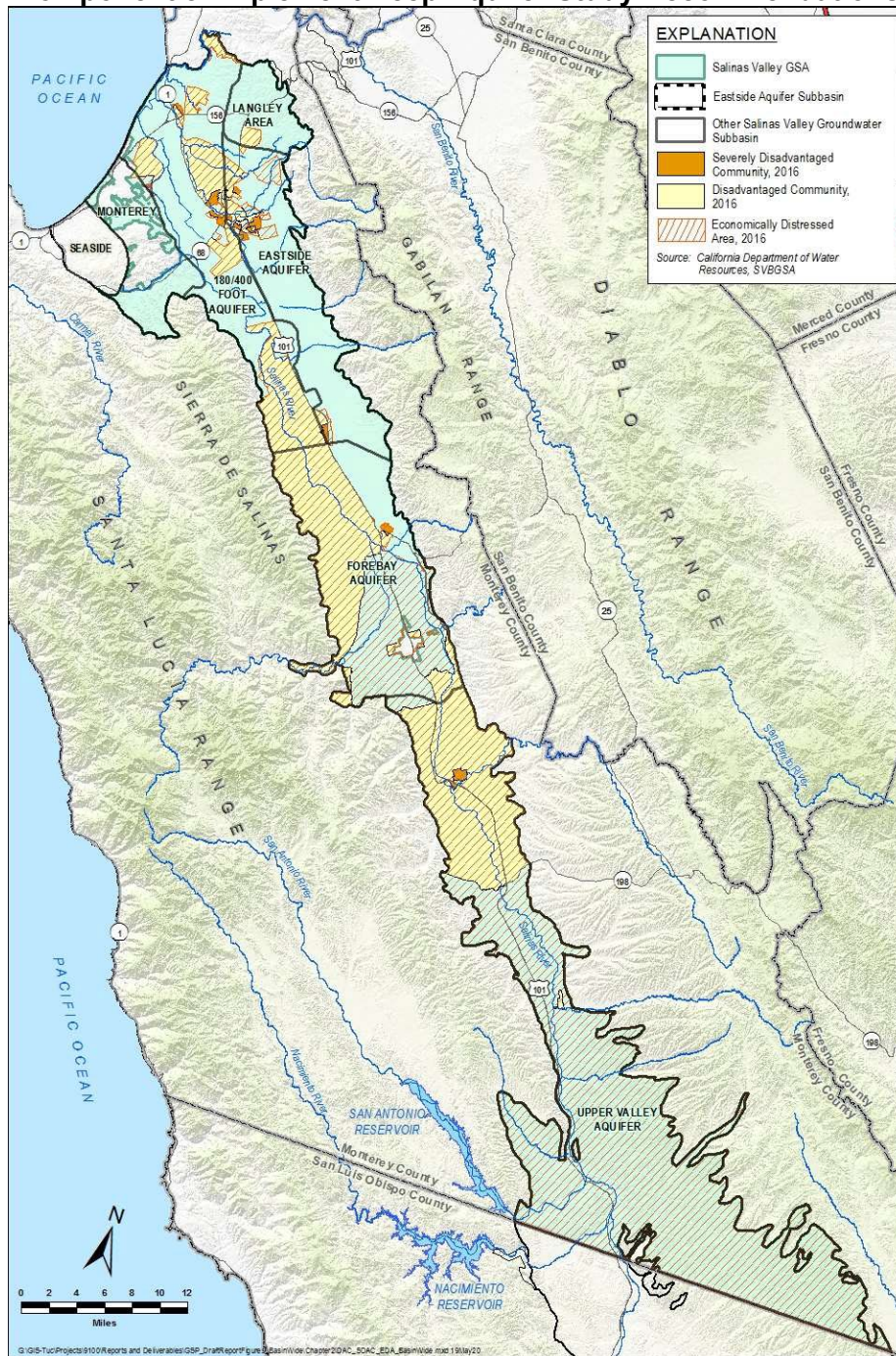
36.74630° N, 121.77600° W





**Project Location**  
**Component 9: Seawater Intrusion Feasibility Study**



**Project Location (Entire GSA Area)****Components 1: Grant Agreement Administration****Component 4: Interested Parties Outreach and Engagement****Component 5: Conduct Feasibility Study on Aquifer Storage and Recovery****Component 6: Demand Management Feasibility****Component 7: Compliance Reporting and Data Expansion****Component 8: Implement Deep Aquifer Study Recommendations**

## **Exhibit J**

### **MONITORING AND MAINTENANCE PLAN COMPONENTS**

#### **Introduction**

- Goals and objectives of project
- Site location and history
- Improvements implemented

Detailed monitoring methods and protocols specific to the components listed in Exhibit A will be provided by the Grant Manager later. The full monitoring method report is available on the SGM Grant Program website at: [www.water.ca.gov/sgmgrants](http://www.water.ca.gov/sgmgrants).



**Exhibit K**  
**LOCAL PROJECT SPONSORS**  
*NOT APPLICABLE*

**Exhibit L****APPRAISAL SPECIFICATIONS**

For property acquisitions funded this Grant Agreement, the Grantee must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the State. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
  - a) For sales, include information on grantor/Grantee, sale/recording dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
  - b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
  - c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.

27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.
34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
  - a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
  - b) Analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

**Exhibit M**

**INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE**

The Grantee must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Grant Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

## **EXHIBIT N**

### **PROJECT MONITORING PLAN GUIDANCE**

#### **Introduction**

For each component contained in Exhibit A, please include a brief description of the component (maximum ~150 words) including component location, implementation elements, need for the component (what problem will the component address) and responds to the requirements listed below.

#### **Component Monitoring Plan Requirements**

Detailed monitoring methods and protocols specific to the components listed in Exhibit A will be provided by the Grant Manager later. The full monitoring method report is available on the SGM Grant Program website at: [www.water.ca.gov/sgmgrants](http://www.water.ca.gov/sgmgrants).

## EXHIBIT O

### INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

The funds provided pursuant to this Agreement may only be used for costs that are directly related to the funded Project. The following provides a list of typical requirements for invoicing, specifically providing guidance on the appropriate methods for invoicing administrative and direct overhead charges.

#### Administration Charges

Indirect and General Overhead (i.e., indirect overhead) charges are not an allowable expense for reimbursement. However, administrative expenses that are apportioned directly to the project are eligible for reimbursement. Cost such as rent, office supplies, fringe benefits, etc. can be "Direct Costs" and are eligible expenses as long as:

- There is a consistent, articulated method for how the costs are allocated that is submitted and approved by the Grant Manager. The allocation method must be fully documented for auditors.
- A "fully-burdened labor rate" can be used to capture allowable administrative costs.
- The administrative/overhead costs can never include:
  - Non-project specific personnel and accounting services performed within the Grantee or an LPS' organization
  - Generic markup
  - Tuition
  - Conference fees
  - Building and equipment depreciation or use allowances
- Using a general overhead percentage is never allowed

#### Labor Rates

The Grantee must provide DWR with supporting documentation for personnel hours (see personnel billing rates letter in example invoice packet). The personnel rate letter should be submitted to the DWR Grant Manager prior to submittal of the first invoice. The supporting documentation must include, at a minimum, employee classifications that will be reimbursed by grant funds and the corresponding hourly rate range. These rates should be "burdened"; the burdened rate must be consistent with the Grantee's/Local Project Sponsors standardized allocation methodology. The supporting documentation should also provide an explanation of what costs make up the burdened rate and how those costs were determined. This information will be used to compare against personnel hours summary table invoice back up documentation. Periodic updates may be needed during the life of the grant which would be handled through a revised billing rate letter.