



*Service, Quality, Community*

**BOARD OF WATER AND POWER COMMISSIONERS  
SPECIAL MEETING AGENDA  
AUGUST 3, 2018  
1:00 PM**

**CITY OF BIG BEAR LAKE,  
DEPARTMENT OF WATER AND POWER  
41972 GARSTIN DRIVE  
BIG BEAR LAKE, CALIFORNIA 92315  
[WWW.BBLDWP.COM](http://WWW.BBLDWP.COM)**

**BOARD MEMBERS**

Don Smith, Chair  
Bob Tarras, Vice-Chair  
Craig Hjorth, Treasurer  
Alan Lee, Commissioner  
Barbara Willey, Commissioner

**OPEN SESSION**

**CALL MEETING TO ORDER**

**PLEDGE OF ALLEGIANCE**

**PUBLIC FORUM**

The public may address the Board by completing a speaker card. All remarks shall be addressed to the Board as a body only. There is a three minute maximum time limit when addressing the Board. Please note that California law prohibits the Board from taking action on any item not appearing on the agenda.

**1. DISCUSSION/ACTION ITEMS**

**1.1 Resolution No. DWP 2018-XX – DWR Grant Funding Application for 2017 Sustainable Groundwater Planning Grant Program**

Board to review and consider adopting Resolution No. DWP 2018-XX authorizing staff to submit a grant application to DWR.

**1.2 Resolution No. DWP 2018-XX – Requesting City Council Adopt a Resolution Declaring the Intent to Reimburse DWP Expenditures**

Board to review and consider adopting Resolution No. DWP 2018-XX Requesting City Council adopt a resolution declaring the intent to reimburse expenditures for the City's water system from proceeds of a USDA loan.

**1.3 Resolution No. DWP 2018-XX – Authorizing the DWP General Manager to Sign the USDA Letter of Intent to Meet Conditions and Request for Obligation of Funds**

Board to review and consider adopting Resolution No. DWP 2018-XX to authorize the GM to sign the letter of intent and request to obligate funds for the USDA to move forward with the loan/grant application process.

**ADJOURNMENT**

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted in accordance with the applicable legal requirements. Dated this 31<sup>st</sup> day of July, 2018.

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Jack Roberts, Secretary to the Board of Commissioners  
DWP Board of Commissioners

# AGENDA REPORT



*Service, Quality, Community*

**DATE:** August 3, 2018

**TO:** Board of Commissioners

**FROM:** Reginald A. Lamson, General Manager

**PREPARED BY:** Jack Roberts, Secretary to the Board

**RE:** **RESOLUTION NO. DWP 2018-XX – DWR Grant Funding Application for 2017 Sustainable Groundwater Planning Grant Program**

## **Background**

The State notified DWP that the award for the Sawmill Pumping Plant is \$782,298, which will fund 100% of the construction project and some engineering costs. Staff has begun processing the Prop 1 paperwork. The attached Resolution authorizes the General Manager and staff to prepare necessary data, conduct investigations, file the application, and execute a grant agreement with the California Department of Water Resources.

## **Financial Impact**

A grant of \$782,298 will reimburse expenditures for the construction of the Sawmill Well Pumping Plant.

## **Recommendation**

Please review and adopt Resolution No. DWP 2018-XX, authorizing the GM to enter into the grant agreement with CA DWR.

**RESOLUTION NO. DWP 2018-XX**

**A RESOLUTION OF THE BOARD OF WATER AND POWER COMMISSIONERS  
OF THE CITY OF BIG BEAR LAKE, DEPARTMENT OF WATER AND POWER,  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,  
REGARDING THE APPLICATION FOR FUNDING FROM THE  
CALIFORNIA DEPARTMENT OF WATER RESOURCES – 2017  
SUSTAINABLE GROUNDWATER PLANNING GRANT PROGRAM**

WHEREAS, the City of Big Bear Lake was incorporated on November 28, 1980, and

WHEREAS, the electors of the City of Big Bear Lake did in 1985 adopt an Amendment to the City of Big Bear Lake Charter which created a Department of Water and Power;

NOW, THEREFORE BE IT RESOLVED by the Board of Water and Power Commissioners, that the application be made to the California Department of Water Resources to obtain a grant under the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et seq.), and to enter into an agreement to receive a grant for the: Bear Valley Basin Resiliency Sawmill Well Pumping Plant Project. The General Manager of the City of Big Bear Lake, Department of Water and Power, or designee is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with California Department of Water Resources.

PASSED, APPROVED, and ADOPTED this 3<sup>rd</sup> day of August, 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

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V. Don Smith, Chair  
DWP Board of Commissioners

ATTEST:

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Jack Roberts, Secretary  
DWP Board of Commissioners

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND**

**<GRANTEE NAME>**

**AGREEMENT NUMBER <46000XXXX>**

**2017 PROPOSITION 1 SUSTAINABLE GROUNDWATER PLANNING (SGWP) 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" and the <insert Grantee Name>, a <select appropriate descriptor and delete others – public agency, non-profit, etc.> 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.** State shall provide funding from the **Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1)** to assist the Grantee in financing the planning and/or selected project activities (Project) that will improve sustainable groundwater management, pursuant to Water Code Section 79700 et seq. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the Groundwater Sustainability Plan (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 the Department of Water Resources as required by the Sustainable Groundwater Management Act and implementing regulations.
- 2) **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on the date this Grant Agreement is executed by the State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Grant Agreement. However, all work shall be completed in accordance with the Schedule as set forth in Exhibit C.
- 3) **GRANT AMOUNT.** The maximum amount payable by the State under this Grant Agreement shall not exceed \$<INSERT AMOUNT>.
- 4) **GRANTEE COST SHARE.** Grantee is required to provide a Local Cost Share (non-state funds) of not less than 50 percent of the Total Project Cost unless a Disadvantaged Community waiver (DAC Waiver), Economically Distressed Areas (EDA Waiver), or Severely Disadvantaged Community (SDAC Waiver) is granted. Grantee agrees to provide a Local Cost Share (non-state funds) for the amount as documented in Exhibit B Budget. Local Cost Share may include expenses directly related to Exhibit A after January 1, 2015.
- 5) **BASIC CONDITIONS.** State shall have no obligation to disburse money for a project under this Grant Agreement until Grantee has satisfied the following conditions (if applicable):
  1. Prior to execution of this Grant Agreement, selected applicants (Groundwater Sustainability Agency) for Category 2 projects must submit evidence of a notification to the public and DWR prior to initiating development of a GSP in compliance with California Code of Regulations, title 23, Section 350 et seq. (GSP Regulations) and Water Code Section 10727.8.
  2. Grantee must demonstrate compliance with all relevant eligibility criteria as set forth on pages 7 and 8 of the 2015 Grant Program Guidelines for the SGWP Grant Program.
  3. For the term of this Grant Agreement, Grantee submits timely reports and all other deliverables as required by Paragraph 16, "Submission of Reports" and Exhibit A.
  4. Prior to the commencement of construction or implementation activities, if applicable, Grantee shall submit the following to the State:

**Not applicable to Category 2 planning or feasibility studies.**

- a. Final plans and specifications certified, signed, and stamped by a California Registered Civil Engineer as to compliance for each approved project as listed in Exhibit A of this Grant Agreement.
- b. Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
  - (1) Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form to the State,
  - (2) Documents that satisfy the CEQA process are received by the State,
  - (3) State has completed its CEQA compliance review as a Responsible Agency, and
  - (4) Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

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

- c. A monitoring plan as required by Paragraph 18, "Project Monitoring Plan Requirements", if applicable for Category 1 Implementation Project(s).

- 6) **DISBURSEMENT OF FUNDS.** State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, 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 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.** Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, 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 Project included in this Agreement. Work performed on the Project after July 1, 2017, but before January 31, **{2020 (Category 2, Tier 1) or 2022 (Category 2, Tier 2)}** (end date), shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with State funds cannot be counted as Cost Share. 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 this Grant.
2. Costs for preparing and filing a grant application belonging to another solicitation.
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 supply.
7. Monitoring and assessment costs for efforts required after project construction is complete.
8. Replacement of existing funding sources for ongoing programs.
9. Travel and per diem costs. <Remove if Grantee has a DAC, EDA, or SDAC Waiver>
10. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
11. 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 this Grant Agreement.
12. Payment of principal or interest of existing indebtedness or any interest payments, unless:
  - a. The debt is incurred after execution of this Grant Agreement,
  - b. The State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred,
  - c. The purposes for which the debt is incurred are otherwise eligible costs, and
  - d. If all the above is met, Grantee submits indebtedness or any interest payments as Cost Share only.
13. 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; 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 FOR REIMBURSEMENT.** After the disbursement requirements in Paragraph 5 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16, "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. State will notify Grantee, in a timely manner, whenever, upon review of an Invoice, 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 State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Grantee fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by Grantee shall include the following information:

1. Costs incurred for work performed in implementing the 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 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 Grantee's costs, as applicable, in Paragraph 4, "Grantee Cost Share."
- e. Original signature and date (in ink) of Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the address listed in Paragraph 23, "Project Representative."

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 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). 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 disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Exhibit D 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.)

- 9) **ADVANCED PAYMENT.** Water Code Section 10551 authorizes advance payment by the State for projects which are sponsored by a nonprofit organization; a DAC; or the proponent of a project that benefits a DAC. If these projects are awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of up to 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee shall provide the State an Advanced Payment Request. The Advanced Payment Request must contain the following:
1. Documentation demonstrating that each Local Project Sponsor (if different from Grantee, as listed in Exhibit I) was notified about their eligibility to receive an advanced payment and a response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.
  2. If the Local Project Sponsor is requesting the advanced payment, the request must include:
    - a. A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution (i.e., for what, how much, and when)
    - b. A discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended, and include an "Audited Financial Statement Summary Form" specific to the DAC.
  3. If a Local Project Sponsor is requesting advanced payment, Grantee shall also submit a single Advance Payment Form Invoice, containing the request for each qualified project, to the State Project Manager with "wet signature" and date of Grantee's Project Representative, as indicated in Paragraph 23, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds to the respective Local Project Sponsor(s). Within sixty (60) calendar days of receiving the Advanced Payment Form Invoice and subject to the availability of funds, State will authorize payment of the advanced funds sought of up to 50% of the grant award for the qualified project(s). The Advanced Payment Form Invoice shall be submitted on forms provided by State and shall meet the following format requirements:

- a. Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
  - b. Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
  - c. State Project Manager will notify Grantee, in a timely manner, when, upon review of an Advance Payment Form Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). After the distribution requirements in Paragraph 5, "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16, "Submission of Reports."
4. On a quarterly basis, the Grantee will submit an Accountability Report to State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
    - a. An itemization of how advanced funds have been expended to-date (Expenditure Summary), including documentation that supports the expenditures (e.g., contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
    - b. A funding plan which shows how the remaining advanced funds will be expended.
    - c. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
    - d. State Project Manager will notify Grantee, in a timely manner, when, upon review of the Expenditure Summary, the State determines that any portion of the expenditures claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, the State will reject the claim and remove them from the Expenditure Summary.
  5. Once Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 8, "Method of Payment for Reimbursement.", and any remaining requirements of Paragraph 5, "Basic Conditions."
- 10) **REPAYMENT OF ADVANCES.** State may demand repayment from Grantee of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State, and take any other action that it deems necessary to protect its interests for the following conditions:
1. A project is not being implemented in accordance with the provisions of the Grant Agreement.
  2. Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction.
  3. Repayment amounts may also include:
    - a. Advance funds which have not been expended within 18 months of the Grant Agreement's execution by the Local Project Sponsor.
    - b. Actual costs incurred are not consistent with the activities presented in Exhibit A, not supported, or are ineligible.
    - c. At the completion of the project, the funds have not been expended.

For conditions 10) 3.a. and 10) 3.b., repayment may consist of deducting the amount from future reimbursement invoices. State may consider Grantee's refusal to repay the requested advanced amount a substantial breach of this Grant Agreement subject to the default provisions in Paragraph 12, "Default



Provisions.” If State notifies Grantee of its decision to demand repayment or withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

11) WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State’s satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 13, “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 State. State may consider Grantee’s refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 12, “Default Provisions.” If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

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

1. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee’s obligations;
2. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
3. Failure to operate or maintain project in accordance with this Grant Agreement.
4. Failure to make any remittance required by this Grant Agreement.
5. Failure to comply with Labor Compliance Plan requirements.
6. Failure to submit timely progress reports.
7. Failure to routinely invoice State.
8. Failure to meet any of the requirements set forth in Paragraph 13, “Continuing Eligibility.”

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give 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, State may do any of the following:

9. Declare the funding be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
10. Terminate any obligation to make future payments to Grantee.
11. Terminate the Grant Agreement.
12. Take any other action that it deems necessary to protect its interests.

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

- 13) **CONTINUING ELIGIBILITY.** Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:
1. An urban water supplier that receives grant funds pursuant to this Grant Agreement must maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) by doing the following:
    - a. Have submitted their 2015 UWMP and had it deemed consistent by DWR. If the 2015 UWMP has not been submitted to DWR funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website:.
    - b. All urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim gallons per capita per day (GPCD) target. If not meeting the interim target, the Grantee must submit a schedule, financing plan, and budget for achieving the GPCD target, as required pursuant to Water Code Section 10608.24. Urban water suppliers that did not meet their 2015 interim GPCD target must also submit annual reports that include a schedule, financing plan, and budget for achieving the GPCD target by June 30 of each year.
  2. An agricultural water supplier receiving grant funding must:
    - a. Comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq. Submit to the State a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code Section 10608.48.
    - b. Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. To maintain eligibility and continue funding disbursements, an agricultural water supply must have their 2015 AWMP identified on the State's website. For more information, visit the following website: <http://www.water.ca.gov/wateruseefficiency/sb7/planlist2015.cfm>.
  3. Grantee diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
  4. If applicable, Grantee must demonstrate compliance with the Groundwater Management Act set forth on pages 7 and 8 of the 2015 SGWP Grant Program Guidelines, dated October 2015.
  5. Grantees that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code Section 10932 and the CASGEM Program.
- 14) **PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project(s). Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Grantee shall provide copies of permits and approvals to State.
- 15) **RELATIONSHIP OF PARTIES.** If applicable, Grantee is 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 State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.
- 16) **SUBMISSION OF REPORTS.** The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for

technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted via Department of Water Resources (DWR) "Grant Review and Tracking System" (GRanTS). If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.

1. Progress Reports: Grantee shall submit Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall be shall be uploaded via GRanTS, and the State's Project Manager notified of upload. Progress Reports shall, in part, provide a brief description of the work performed, 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 Progress Report should be submitted to the State no later than <insert a reasonable date, generally at least 1 quarter after the execution of the agreement> with future reports then due on successive three-month increments based on the invoicing schedule and this date.
  2. Groundwater Sustainability Plan: Grantee shall submit a Final Groundwater Sustainability Plan (GSP) to DWR by the date as specified per SGMA. The GSP 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.
  3. Coordination Agreement: Grantee shall provide State a copy of the executed Coordination Agreement, and any and all supporting documentation. This condition is only required in basins where GSAs develop multiple GSPs pursuant to Water Code Section 10727(b)(3). Refer to the GSP Regulations for necessary details and requirements to prepare and submit a Coordination Agreement.
  4. Accountability Report: Grantee shall prepare and submit to State an Accountability Report on a quarterly basis if the Grantee received an Advanced Payment, consistent with the provisions in Paragraph 9, "Advanced Payment."
  5. Project Completion Report: Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of project completion. Each Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Project Completion Report shall also include, if applicable for Category 1 Implementation Project(s), certification of final project by a registered civil engineer, consistent with Exhibit D. A "Certification of Project Completion" form will be provided by the State.
  6. Post-Performance Reports: Grantee shall prepare and submit to State Post-Performance Reports on each applicable implementation type Project(s). Post-Performance Reports shall be submitted to 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. <NOTE: Post-Performance Reports are not required for GSP submittal Projects or other planning Projects. Only include in Grant Agreement for Category 1 Implementation type Projects. Remove this requirement if not applicable.>
- 17) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects (pertinent to Implementation Projects (Category 1)) and in consideration of the funding made by State, 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. Grantee or their successors may, with the written approval of 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 Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 12, "Default Provisions."

- 18) PROJECT MONITORING PLAN REQUIREMENTS. Pertinent to Implementation Projects (Category 1), a Project Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. The Project Monitoring Plan should incorporate items defined and listed in Exhibit K.
- 19) STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Wat. Code, § 10780 et seq.) and, where applicable, projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.
- 20) NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:
1. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
  2. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
  3. Applicable to Category 1 Projects only, Final inspection of the completed work on a project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/license Professional), in accordance with Exhibit D. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
- 21) NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
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.

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

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

Department of Water Resources

<insert Grantee name>

<Insert DWR Project Representative, title, name, mailing address and contact information>

<Insert Grantee Project Representative title, name, mailing address and contact information>

Direct all inquiries to the Project Manager:

Department of Water Resources

<insert Grantee name>

<Insert DWR Project Manager name, mailing address and contact information>

<Insert Grantee Project Manager name, mailing address and contact information>

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

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

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Grantee Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – State Audit Document Requirements and Cost Share Guidelines for Grantees

Exhibit I – Local Project Sponsors

Exhibit J – Project Location

Exhibit K – Monitoring and Maintenance Plan Components

Exhibit L – Appraisal Specifications <Delete if not applicable>

Exhibit M – Information Needed for Escrow Process and Closure <Delete if not applicable>

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

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

<Insert Grantee name>

\_\_\_\_\_  
<Insert DWR Project Representative,  
Title, and Division>

Date\_\_\_\_\_

\_\_\_\_\_  
<Insert Grantee Project Representative  
Name and title>

Date\_\_\_\_\_

Approved as to Legal Form and Sufficiency

\_\_\_\_\_  
<Insert name and title>

Office of Chief Counsel

Date\_\_\_\_\_

DRAFT

## EXHIBIT A WORK PLAN

The work plan must consist of the scope of work, including tasks and project deliverables.

### Category (a): Project Administration <Use the following template for Category (a), modify with tasks as needed>

#### Task 1: Administration

Manage Grant agreement including Agreement execution and Amendment(s) (if necessary), communication with DWR on a timely basis, and maintenance of project files related to implementation of the grant agreement.

- Deliverables
  - Executed Grant Agreement. Amendment(s) (if necessary)
  - Executed contract(s) with consultants <if applicable>

#### Task 2: Invoicing

Prepare and submit invoices to DWR, track task progress and schedule, and manage contracts and budgets associated with the Grant Agreement. The Grantee, or its designee, will administer and track any contracts with consultants or other agencies that are necessary to complete tasks in the Work Plan and compile the required invoice back-up information.

- Deliverables
  - Invoices and associated backup documentation

#### Task 3: Reporting

The Grantee will be responsible for compiling progress reports for submittal to DWR. The Grantee will retain consultants as needed to prepare and submit quarterly progress reports, at a minimum and the Final Grant Completion Report.

Reports will meet generally accepted professional standards for technical reporting and the requirements outlined in Exhibit F of this Agreement. Upon completion of this Work Plan, a final Grant Completion Report will be prepared and submitted to DWR.

- Deliverables
  - Progress reports
  - Draft and Final Grant Completion Report

**EXHIBIT B  
BUDGET**

Table B is an example that provides an outline of the format that may be submitted for this grant program. The budget must be consistent with the work plan and schedule. Table B must be completed as a summary or roll-up budget for the entire work plan.

<b>Table B - Budget</b>					
<b>Project Title:</b>					
<b>Tasks</b>		<b>Grant Amount</b>	<b>*Required Local Cost Share (non-state source)</b>	<b>Other Cost Share</b>	<b>Total Project Cost</b>
(a)	Task 1 –				
(b)	Task 2 –				
(c)	Task n...				

\*Footnote should explain if the grantee received a cost share waiver or reduction.



**EXHIBIT C  
SCHEDULE**

Table C is an example that provides an outline of the format for a schedule that may be submitted for this grant program. The schedule must be consistent with the work plan and budget.

<b>Tasks</b>	<b>Start Date</b>	<b>End Date</b>
Task 1 –		
Task 2 –		
Task n...		

**EXHIBIT D**  
**STANDARD CONDITIONS**

**D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

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

**D.2) ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** 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 Water Quality, Supply, and Infrastructure Improvement Act of 2014 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. State shall have no obligation to agree to an amendment.

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

**D.5) AUDITS:** 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 State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests.

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

preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the Funding Recipient's activities. (Wat. Code, § 79708, subd. (c).)

- 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 State to make any payments under this Grant Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant Agreement and Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide 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 State, or offer a Grant Agreement amendment to Grantee to reflect the reduced amount.
- D.7) **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 Grant Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under the Grant Agreement subject to a CEQA document shall not proceed until and unless approved by State Project Manager. 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 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 11.
- D.8) **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.9) **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. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10) **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.
- D.11) **COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

- D.12) **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.13) **DELIVERY OF INFORMATION, REPORTS, AND DATA:** Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14) **DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15) **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (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) 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 Grantee's drug-free policy statement, and
  - ii) Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.16) **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 providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to 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 can result in termination of this Agreement.

D.17) **FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** Upon completion of the Project, Grantee shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist, that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.

D.18) **GRANTEE'S RESPONSIBILITY.** Grantee and its representatives shall:

- a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A and in accordance with Project Exhibit B and Exhibit C.
- b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
- c) Comply with all applicable California, federal, and local laws and regulations.
- d) Implement the Project in accordance with applicable provisions of the law.
- e) Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.
- f) 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. Grantee shall provide copies of permits and approvals to State.
- g) 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 State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Agreement.

- h) Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Grant 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.19) **GOVERNING LAW:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.20) **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.
- D.21) **INDEMNIFICATION:** Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.22) **INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.23) **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.24) **INSPECTIONS OF PROJECT BY STATE:** State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.
- D.25) **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. The Grantee certifies that it has a Labor Compliance Program (LCP) in place or has contracted with a third party that has been approved by the Director of the Department of Industrial Relations (DIR) to operate an LCP. Current 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.26) **MODIFICATION OF OVERALL WORK PLAN:** At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibit A which concern the budget and

schedule without formally amending this Grant Agreement. 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 Grant Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Grant Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.

- D.27) **NONDISCRIMINATION:** During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the 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 Commission implementing the California Fair Employment and Housing Act are incorporated into this Agreement by reference. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.28) **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.29) **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.30) **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.31) **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.32) **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 Project Completion 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.33) **RIGHTS IN DATA:** Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of

this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

- D.34) 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.35) SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- a) Grantee, its contractors, or subcontractors have made a false certification, or
  - b) Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.36) SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.37) TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.38) TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 11, the State may terminate this Grant Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 11.
- D.39) 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.40) 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.41) TIMELINESS: Time is of the essence in this Grant Agreement.
- D.42) TRAVEL – DAC, EDA, or SDAC Project: If a Project obtains a DAC, EDA, or SDAC Waiver, the Grantee may submit travel and per diem costs for eligible reimbursement with State funds. Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State. All travel approved expenses will be reimbursed at the percentage rate of the DAC, EDA, or SDAC Waiver. For example, if the Grantee obtains a 100% Waiver, 100% of all approved travel expenses can be invoiced for reimbursement. If the Grantee obtains a 50% Waiver, only 50% of eligible travel expenses will be reimbursed by these grant funds.



- D.43) TRAVEL – NON-DAC, EDA, or SDAC PROJECT: Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, unless the Grantee's service area is considered a DAC, EDA, or SDAC and shall NOT be eligible for computing Grantee Local Cost Share. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.44) UNION ORGANIZING: Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Grant Agreement. Furthermore, 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) 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) 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 Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- D.45) 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.46) 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**

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## **EXHIBIT F**

### **REPORT FORMATS AND REQUIREMENTS**

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

#### **PROGRESS REPORTS**

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

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

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

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

#### **PROJECT COMPLETION REPORT**

The Grant Completion Report shall generally use the following format.

##### **Executive Summary**

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

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

##### **Reports and/or Products**

The following items should be provided, unless already submitted as a deliverable:

- A copy of the Groundwater Sustainability Plan (GSP) that meets all the requirements of the GSP Regulations (for Category 2 Projects)
- A copy of any final technical report or study, produced for or utilized in this Project as described in the Work Plan
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final Project schedule showing actual progress versus planned progress

Additional information that may be applicable for Category 1 Implementation Projects includes the following:

- As-built drawings
- Final geodetic survey information
- Project photos

## **Cost & Disposition of Funds**

A list showing:

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

## **Additional Information**

- Benefits derived from the project, with quantification of such benefits provided, applicable for Category 1 Implementation Projects.
- A final project schedule showing actual progress versus planned progress as shown in Exhibit C.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report.

## **GRANT COMPLETION REPORT**

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

### **Executive Summary**

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

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

- Summary of the regional priorities, objectives, and water management strategies of the IRWM Plan.
- Brief comparison of work proposed in the original 2017 SGWP Grant application and actual work done.
- Brief description of the projects completed and how they achieve either or both of the following:
  - Serve SDAC(s) and support groundwater sustainability planning and management in the basin (Category 1 Projects); and/or
  - Support planning, development, and/or preparation of GSP(s) that will comply with and meet the requirements of the GSP Regulations (Category 2 Projects).
- Identify remaining work and mechanism for their implementation (Category 1 Implementation Projects).
- If applicable, a discussion of the benefits to DAC, EDA, SDAC as part of this Grant Agreement.

### **Cost & Disposition of Funds Information**

- A summary of final funds disbursement for each project.

### **Additional Information**

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

**POST-PERFORMANCE REPORT**

The Post-Performance Report should be concise, and focus on how (each/the) project is actually performing compared to its expected performance; whether the project is being operated and maintained, and providing intended benefits as proposed (for Category 1 Implementation Projects).

**Reports and/or products**

- Time period of the annual report (e.g., January 2018 through December 2018)
- Short project description
- Discussion of the project benefits
- An assessment of any explanations for any differences between the expected versus actual project benefits as stated in the original 2017 SGWP Grant application. Where applicable, the reporting should include quantitative metrics (i.e., 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.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 18 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

## **EXHIBIT G**

### **REQUIREMENTS FOR DATA SUBMITTAL**

#### **Surface and Groundwater Quality Data:**

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

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

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at: [http://www.waterboards.ca.gov/water\\_issues/programs/gama/](http://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: [http://www.swrcb.ca.gov/water\\_issues/programs/gama/contact.shtml](http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml)

#### **Groundwater Level Data**

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

Information regarding the CASGEM program can be found at:

<http://www.water.ca.gov/Programs/Groundwater-Management/Groundwater-Elevation-Monitoring--CASGEM>

**EXHIBIT H****STATE AUDIT DOCUMENT REQUIREMENTS AND COST SHARE GUIDELINES FOR GRANTEES**

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 Grantee's 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 Grantee's 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.

**Cost Share Guidelines**

Cost Share (often referred to as cost share) consists of non-State funds, including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties) directly related to the execution of the funded project. Examples include volunteer services, equipment use, and use of facilities. The cost of in-kind service can be counted as cost share in-lieu of actual funds (or revenue) provide by the Grantee. Other cost share and in-kind service eligibility conditions may apply. Provided below is guidance for documenting cost share with and without in-kind services.

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Such documentation should include the following:
  - a. Detailed description of the contributed item(s) or service(s)
  - b. Purpose for which the contribution was made (tied to project work plan)
  - c. Name of contributing organization and date of contribution
  - d. Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
  - e. Person's name and the function of the contributing person
  - f. Number of hours contributed
  - g. If multiple sources exist, these should be summarized on a table with summed charges
  - h. Source of contribution if it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
3. Cost Share contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Grant Agreement. These services, furnished by professional and technical



personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the project funded by the Grant Agreement.

4. Cash contributions made to a project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Grantee's accounting system.

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**EXHIBIT I**  
**LOCAL PROJECT SPONSORS**

Grantee has assigned, for each project, a Local Project Sponsor according to the roles of the participating agencies identified in **<Exhibit A, Work Plan – or other appropriate reference such as the GSP >**. Local Project Sponsors may act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors are identified for each Sponsored Project below:

<b>Local Project Sponsor Agency Designations</b>		
<b>Sponsored Project</b>	<b>Sponsor Agency</b>	<b>Agency Address</b>
Project 1 - <Title>		
Project 2 - <Title>		
Project 3 - <Title>		

**EXHIBIT J**  
**PROJECT LOCATION**

Project Location/Site/Vicinity Map – Provide a map and/or diagrams depicting the project location with a marker or service area (may represent the area covered by a GSP for Category 2 Projects); the basin boundary (per DWR Bulletin 118), facilities of the project (if applicable); DACs, EDAs, or SDACs within the project area (if applicable); and any other project features that may apply.

Project Drawings and Sketches – Provide drawings or sketches of project features in adequate detail to describe them.

If needed, provide a description of the project location including overlying jurisdiction (City, County, State, or Federal land), Assessor Parcel Numbers, property addresses, legal descriptions, and Latitude/Longitude of project site.

## EXHIBIT K

### MONITORING AND MAINTENANCE PLAN COMPONENTS

#### For Category 1 Implementation Projects Only

##### Introduction

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

##### Monitoring and Maintenance Plan

- Monitoring Metrics (e.g., Plant establishment, bank erosion, hydraulic characteristics, habitat expansion)
- Maintenance Metrics (e.g., irrigation, pest management, weed abatement, continuous invasive species removal until natives established)
- Special Environmental Considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)
- Performance Measures, or success/failure criteria monitoring results measured against (e.g., percent canopy cover after 1, 5, 10 years, water temperature decrease, site specific sediment scour or retention)
- Method of Reporting (e.g., paper reports, online databases, public meetings)
- Frequency of Duration Monitoring and Reporting (daily, weekly, monthly, yearly)
- Frequency and Duration of Maintenance Activities
- Responsible Party (i.e., who is who is responsible for monitoring and maintenance)
- Implementing responsibility (i.e., conducting monitoring and/or maintenance)
- Adaptive Management Strategies (i.e., what happens when routine monitoring or maintenance encounters a problem)

**EXHIBIT L**  
**APPRAISAL SPECIFICATIONS**

**For Category 1 Implementation Projects that include Land Acquisition Only:**

For property acquisitions funded by this Funding 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 a 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 California 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 property, 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/recordation 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) An analysis of other 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**

**For Category 1 Implementation Projects that include Land Acquisition Only:**

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 Funding 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 (i.e., 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



# AGENDA REPORT



*Service, Quality, Community*

**DATE:** August 3, 2018  
**TO:** Board of Commissioners  
**FROM:** Reginald A. Lamson, General Manager  
**PREPARED BY:** Danielle D. McGee, Chief Financial Officer  
**RE:** **Resolution No. DWP 2018-XX – Requesting City Council Adopt a Resolution Declaring the Intent to Reimburse DWP Expenditures**

**Background:**

The DWP has filed an application for funding from the United State Department of Agriculture – Rural Development (the “USDA”). The application anticipates a combination of federal funding in the form of a grant and low-interest tax-exempt bond.

Staff is requesting authorization to proceed with design and engineering services in advance of completion of the bond documents with the intention of seeking reimbursement of these costs from the bond proceeds. Should the DWP expend funds on items relating to the project prior to the issuance of the tax-exempt obligations, and expect to be reimbursed from the proceeds, it is necessary under federal tax law for the DWP to declare its intent to reimburse itself from the proceeds of the tax-exempt obligations.

Attached is a resolution declaring the intent of the DWP to be reimbursed from the proceeds of tax-exempt obligations in the event that the DWP spends money on items relating to the project.

To maintain the tax-exempt status of the bonds, the City Council should consider adopting a resolution declaring the intention to reimburse prior to spending from the bond proceeds.

The resolution does not require that the tax-exempt obligations are issued, nor does it require that funds be used for reimbursement, to provide flexibility to the DWP staff is requesting the Board adopt Resolution No. DWP 2018-XX (Exhibit “A”), recommending that the City Council adopt the resolution attached as Exhibit “B”. Resolution No. DWP 2018-XX commemorates the series of events for the future.

**Recommendation:**

Adopt Resolution No. DWP 2018-XX, request the City Council adopt a resolution declaring the intent to reimburse DWP expenditures.

Exhibit A  
**RESOLUTION NO. DWP 2018-XX**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE DEPARTMENT OF WATER & POWER  
OF THE CITY OF BIG BEAR LAKE,  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
REQUESTING THE CITY COUNCIL ADOPT A RESOLUTION  
DECLARING ITS INTENT TO REIMBURSE EXPENDITURES  
FOR THE CITY'S WATER SYSTEM FROM PROCEEDS OF  
A USDA LOAN AND WATER REVENUE BONDS**

WHEREAS, the Department of Water and Power of the City of Big Bear Lake (“DWP”) has submitted an application for grant and loan funding with the United States Department of Agriculture – Rural Development (the “USDA”) to provide for improvements to the DWP’s water systems; and

WHEREAS, the loan from the USDA is expected to be secured and repaid from a series of water revenue bonds (the “2018 Water Revenue Bond”) to be issued by the City of Big Bear Lake (the “City”) and the DWP; and

WHEREAS, the DWP expects to incur and pay a portion of the costs associated with the improvements prior to issuance of the 2018 Water Revenue Bonds and wishes to have such costs reimbursed from the proceeds of the 2018 Water Revenue Bonds; and

WHEREAS, Section 150 of the Internal Revenue Code of 1986, as amended, requires a declaration of intent by the City to reimburse such expenditures made by the DWP prior to the issuance of the 2018 Water Revenue Bonds from the proceeds of the 2018 Water revenue Bonds in order to maintain the tax-exempt status of the 2018 Water Revenue Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the DWP, City of Big Bear Lake, recommends that the City Council of the City of Big Bear Lake adopt a resolution declaring its intent to reimburse expenditures for the DWP’s water systems from proceeds of a USDA loan and the 2018 Water Revenue Bonds.

PASSED, APPROVED, AND ADOPTED this 3<sup>rd</sup> day of August, 2018.

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

\_\_\_\_\_  
Date

\_\_\_\_\_  
V. Don Smith, Chair  
DWP Board of Commissioners

ATTEST:  
  
\_\_\_\_\_  
Jack Roberts, Secretary  
DWP Board of Commissioners

Exhibit B

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG BEAR LAKE, CALIFORNIA, DECLARING ITS INTENT TO REIMBURSE EXPENDITURES FOR THE CITY'S WATER SYSTEM FROM PROCEEDS OF A USDA LOAN AND WATER REVENUE BONDS

WHEREAS, the City of Big Bear Lake, California (the "City") owns a water system enterprise (the "Water System") managed and operated by the Department of Water and Power of the City of Big Bear Lake (the "Department"); and

WHEREAS, the Department proposes to make certain improvements to the Water System, including the following: water pipeline replacement and installation; and

WHEREAS, the City and Department intend to pursue a loan and grant arrangement with the United States Department of Agriculture (the "USDA Loan") to fund the cost of the Water System Improvements; and

WHEREAS, the USDA Loan is expected to be secured by and repaid from the issuance by the City and Department from a series of water revenue bonds (the "2018 Water Revenue Bonds"); and

WHEREAS, the Department intends to incur certain expenditures for a portion of the Water System Improvements and related costs and to pay for such expenditures from the Department of Water and Power's moneys on hand prior to the receipt of proceeds of the 2018 Water Revenue Bonds (the "Reimbursement Expenditures");

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF BIG BEAR LAKE, CALIFORNIA AS FOLLOWS:

SECTION 1. Declaration of Official Intent. The City hereby declares its official intent, subject to the further approval of this City Council, to use approximately up to \$12,000,000 of the proceeds of the 2018 Water Revenue Bonds to reimburse the Department for the Reimbursement Expenditures. It is intended that this Resolution shall constitute a declaration of "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under Section 150 of the Internal Revenue Code of 1986, as amended.

SECTION 2. Effective Date. This Resolution shall take effect upon adoption.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Rick Herrick, Mayor  
City of Big Bear Lake, California

Exhibit B

\_\_\_\_\_, 2018

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution \_\_\_\_\_ adopted by the City Council of the City of Big Bear Lake, California, at its regular meeting held \_\_\_\_\_, 2018.

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Sarah Siep, Deputy City Clerk  
City of Big Bear Lake, California

# AGENDA REPORT



*Service, Quality, Community*

**DATE:** August 3, 2018  
**TO:** Board of Commissioners  
**FROM:** Reginald A. Lamson, General Manager  
**PREPARED BY:** Jack Roberts, Secretary to the Board  
**RE:** **Resolution No. DWP 2018-XX – Authorizing the DWP General Manager to Sign the USDA Letter of Intent to Meet Conditions and Request for Obligation of Funds**

## **Background**

Staff anticipates the USDA will issue a Letter of Intent to Meet Conditions and Request for Obligation of Funds in the coming weeks. With the past USDA funding opportunities, it was required that these documents be signed within 10 days of issuance. In anticipation of this, staff is requesting permission for the GM to have authority to sign the documents so the application will receive further consideration for USDA. This is not official approval of the loan/grant or a guarantee of funding availability. If the DWP wishes the USDA to consider this application further, we must deliver completed forms RD 1940-1 and RD 1942-46, Request For Obligation of Funds and Letter of Intent to Meet Conditions, respectively.

## **Financial Impact**

The Pipeline Project (account number 22-55-9265, Capital Outlay – Mains and Services) being considered for funding from USDA has a funding limit of \$15M. At this time it is estimated that the loan amount will \$12M and a grant for \$3M.

## **Recommendation**

- 1) Approve Resolution No. DWP 2018-XX
- 2) Instruct staff to process Form RD 1942-46 and Form RD 1940-1 and deliver them to the USDA.

**RESOLUTION NO. DWP 2018-XX**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE CITY OF BIG BEAR LAKE,  
DEPARTMENT OF WATER AND POWER,  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
ACCEPTING THE TERMS AND CONDITIONS OF A  
USDA LOAN/GRANT ARRANGEMENT, AUTHORIZING THE  
GENERAL MANAGER OR HIS DESIGNEE TO CARRY OUT SUCH  
TERMS AND CONDITIONS AND DECLARING ITS INTENT TO  
ISSUE TAX-EXEMPT OBLIGATIONS TO BE USED TO REIMBURSE  
THE CITY OF BIG BEAR LAKE, DEPARTMENT OF WATER AND POWER  
FOR EXPENDITURES PRIOR TO THE ISSUANCE OF SUCH  
TAX-EXEMPT OBLIGATIONS**

WHEREAS, the United States Department of Agriculture Rural Development (“USDA”) is in the process of approving a low interest loan in an amount not to exceed \$12,000,000 and a grant in an amount of approximately \$3,000,000 (the “Loan Arrangement”) to the City of Big Bear Lake Department of Water and Power (the “DWP”) to enable the DWP to make certain necessary improvements and modifications to the DWP’s water system (the “Project”); and

WHEREAS, certain terms and conditions of such Loan Arrangement will be established in a Letter of Conditions from USDA to the DWP (the “Letter of Conditions”) which terms and conditions include the establishment of certain reserves, security and bonding requirements; compliance with certain laws and environmental reviews with respect to the Project; and establishing certain conditions with respect to the construction and acquisition of the Project all as more specifically set forth in the Letter of Conditions; and

WHEREAS, the DWP Board of Commissioners has determined that it is in its best interests to enter into the Loan Arrangement and to authorize the general manager or his designee to comply with the provisions of the Letter of Conditions; and

WHEREAS, the DWP has determined to secure the Loan Arrangement issuing tax-exempt obligations in a principal amount of not to exceed \$12,000,000 (the “Obligations”); and

WHEREAS, the DWP intends to incur certain expenditures for a portion of the Project and expects to incur certain other expenditures relating to the Project and to pay for such expenditures from the DWP’s moneys on hand prior to the receipt of proceeds of the Loan Arrangement and the execution and delivery of the Obligations (the “Reimbursement Expenditures”); and

WHEREAS, the DWP reasonably expects to use a portion of the proceeds of the Obligations and the Loan Arrangement to reimburse the DWP for expenditures made prior to the date the Obligations are entered into;

NOW, THEREFORE BE IT RESOLVED as follows by the Board of Commissioners of the City of Big Bear Lake Department of Water and Power:

SECTION 1. Approval of Loan Arrangement. The Board of Commissioners hereby authorizes and directs the appropriate DWP officers to undertake any and all necessary or desirable action to satisfy the conditions set forth therein. The Board of Commissioners also hereby authorize and direct the General Manager of the DWP, or his designee, to execute and deliver on behalf of the DWP any necessary or desirable documentation to proceed with the Loan Arrangement. Any and all action taken by officers and employees of the DWP with respect to the Loan Arrangement is hereby ratified and confirmed.

SECTION 2. Declaration of Official Intent. The Board of Commissioners hereby declares its official intent, subject to the further approval of the City Council of the City of Big Bear Lake, to use approximately up to \$12,000,000 of the proceeds of the Obligations to reimburse itself for the Reimbursement Expenditures. It is intended that this Resolution shall constitute a declaration of “official intent” within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under Section 150 of the Internal Revenue Code of 1986, as amended.

SECTION 3. Other Approvals. The adoption of this Resolution shall not bind the DWP or the City of Big Bear Lake to proceed with execution and delivery of the Obligations until and unless all other necessary actions and approvals are taken or received in accordance with all applicable laws.

PASSED, APPROVED AND ADOPTED this 3<sup>rd</sup> day of August, 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Date

\_\_\_\_\_  
V. Don Smith, Chair  
DWP Board of Commissioners

Attest:

\_\_\_\_\_  
Jack Roberts, Secretary  
DWP Board of Commissioners