

**Exhibit B2**

**FUNDING AGREEMENT BETWEEN THE SAN LUIS OBISPO COUNTY  
FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND  
THE COUNTY OF SAN LUIS OBISPO  
INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT  
CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

This Funding Agreement is entered into by and between the San Luis Obispo County Flood Control and Water Conservation District, a public agency in the County of San Luis Obispo, State of California, duly organized, existing, and acting pursuant to the laws thereof (FCWCD), and the County of San Luis Obispo, a public agency (COUNTY), which parties do hereby agree as follows:

1. PURPOSE. On March \_\_, 2013, FCWCD and the California Department of Water Resources (State) entered into Grant Agreement No. 460000717 attached hereto and incorporated herein by this reference (Grant Agreement). Pursuant to the Grant Agreement, the State shall provide a grant from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to the FCWCD to assist in financing projects associated with the San Luis Obispo Integrated Regional Water Management (IRWM) Plan (Grant). One of the projects identified in the Grant Agreement is the Los Osos Community Wastewater Project (Project) to be locally sponsored by the COUNTY. The purpose of this Funding Agreement is to set forth the terms and conditions under which the FCWCD will disburse funds provided by the State for the Project pursuant to the Grant Agreement to the COUNTY.
2. GENERAL RESPONSIBILITIES. As the Grant administrator and fiscal agent for the Grant, FCWCD is responsible for disbursing to COUNTY Grant funds provided by the State for implementation of the Project subject to the terms and conditions of this Funding Agreement. The COUNTY shall be responsible for faithfully and expeditiously performing or causing to be performed all Project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Schedule) and Exhibit C (Budget). The COUNTY shall comply with all of the terms and conditions of this Funding Agreement and applicable California Public Resources Code (PRC) requirements. In addition, COUNTY acknowledges and agrees that this Funding Agreement is subject to the obligations and limitations imposed on the FCWCD by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it. The COUNTY further acknowledges that if the Grant Agreement is terminated by the State, the FCWCD shall have the right to terminate or amend this Funding Agreement by giving written notice. The COUNTY hereby expressly agrees to the provisions of the Grant Agreement and to take all actions (and provide all information) necessary for the FCWCD to satisfy its obligations thereunder. The COUNTY further agrees that the FCWCD has the right to enter into amendments to the Grant Agreement and shall not be restricted or impaired, in any way, by this Funding Agreement.
3. TERM OF FUNDING AGREEMENT. The term of this Funding Agreement begins on the date this Funding Agreement is executed by FCWCD, and terminates on May 30, 2018 or when all of the Parties' obligations under this Funding Agreement are fully satisfied, whichever occurs earlier. The Execution Date is the date the FCWCD signs this Funding Agreement as indicated on page 8.
4. AMOUNT OF FUNDS AVAILABLE. In accordance with the allocation set forth in the Grant Agreement, the maximum amount of funds available to COUNTY under this Funding Agreement shall not exceed \$5,945,444.00.
5. COUNTY COST SHARE. The estimated total Project cost is \$\_\_\_\_\_. The COUNTY shall provide a Cost Share (Funding Match) in the amount of at least 25% (unless a Disadvantaged Community project waiver is granted) of the total Project cost. The COUNTY's Funding Match is estimated to be \$\_\_\_\_\_. COUNTY's Funding Match may include cost share performed after September 30, 2008.
6. BASIC CONDITIONS. A Commitment Letter from the State to FCWCD dated September 20, 2011 provides that the Grant is contingent upon the IRWM Regional Water Management Group adopting an updated IRWM Plan within two (2) years of the effective date of the Grant Agreement. In accordance with Paragraph 4.4 of the San Luis Obispo County Region IRWM Program Participants Memorandum of Understanding, COUNTY shall contribute its proportionate share to the costs of the update. FCWCD has determined COUNTY's proportionate share to be \$91,060.00, and COUNTY shall remit payment in full to the

address listed in Paragraph 9 within forty five (45) days of the Execution Date. FCWCD shall have no obligation to disburse any Grant funds to COUNTY until it receives full payment.

In addition, FCWCD shall have no obligation to disburse money for the Project under this Funding Agreement unless and until the COUNTY has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

- a) COUNTY demonstrates the availability of sufficient funds to complete the Project by submitting the most recent 3 years of audited financial statements.
- b) COUNTY complies with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project construction if that tribe has traditional lands located within the area of the Project.
- c) To the extent that the Project is a groundwater management and recharge project or has potential groundwater impacts, the COUNTY must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
- d) For the term of this Funding Agreement, the COUNTY submits timely Quarterly Progress Reports to FCWCD as required by Paragraph 16, "Submission of Reports." The deadlines set forth in Paragraph 16 are intended to give the FCWCD sufficient time to prepare and submit combined Quarterly Progress Reports (covering all projects funded by the Grant) to the State before the deadlines prescribed in the Grant Agreement.
- e) COUNTY submits all deliverables as specified in this Paragraph of the Funding Agreement and the Work Plan in Exhibit A.
- f) Prior to the commencement of construction or implementation activities, the COUNTY shall submit to the FCWCD (for submittal to the State) the following:
  - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the Project.
  - 2) COUNTY shall not proceed with any work on the Project that is subject to the California Environmental Quality Act (CEQA) and/or environmental permitting until the following actions are performed:
    - i. COUNTY submits all applicable environmental permits as indicated on the Environmental Information Form to the FCWCD (for submittal to the State),
    - ii. Documents that satisfy the CEQA process are received by the State,
    - iii. State has completed its CEQA compliance review as a Responsible Agency, and
    - iv. COUNTY receives written concurrence from the State of COUNTY's CEQA document(s) and State notice of verification of environmental permit submittal.
  - 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."

Pursuant to the Grant Agreement, State's concurrence of COUNTY's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (ex. construction or implementation activities) for which it is required. Therefore, the COUNTY should get concurrence from the State on CEQA before beginning any of the work that is subject to CEQA. 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. The COUNTY 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.

7. DISBURSEMENT OF FUNDS. Provided that the COUNTY has satisfied the Basic Conditions set forth in Paragraph 6, has submitted proper invoicing to FCWCD pursuant to Paragraph 9 and is otherwise in full compliance with the terms of this Funding Agreement as determined by FCWCD (including the requirement that COUNTY submit timely Quarterly Progress Reports), the FCWCD shall disburse to COUNTY funds provided by the State to FCWCD specifically for the Project within four (4) weeks of receipt of said funds. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, the Grant Agreement, 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

COUNTY under this Funding Agreement and any and all interest earned by COUNTY on such money shall be used solely to pay Eligible Project Costs, as defined in Paragraph 8, "Eligible Project Costs."

8. ELIGIBLE PROJECT COSTS. COUNTY shall apply any and all funds received pursuant to this Funding Agreement only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit C. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and Project construction. Work performed after the date of Grant award, August 16, 2011, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the Project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the Project, including the portion of overhead and administrative expenses that are directly related to the Project in accordance with the standard accounting practices of the COUNTY.

Advanced funds will not be provided. Costs that are not reimbursable with Grant funds cannot be counted as Cost Share. Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
  - b) Operation and maintenance costs, including post construction performance and monitoring costs.
  - c) Purchase of equipment not an integral part of the Project.
  - d) Establishing a reserve fund.
  - e) Purchase of water supply.
  - f) Monitoring and assessment costs for efforts required after Project construction is complete.
  - g) Replacement of existing funding sources for ongoing programs.
  - h) Travel and per diem costs.
  - i) Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
  - j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the Grant award with the State.
  - k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of the Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as COUNTY cost share (i.e. Funding Match)
  - l) Overhead not directly related to Project costs.
9. METHOD OF PAYMENT. Invoices submitted by COUNTY to FCWCD shall include the following information:
- a) Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
  - b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the construction, operation, or maintenance of the Project.
  - c) Appropriate receipts and reports for all costs incurred.
  - d) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
    - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
    - 2) Invoices must be itemized based on the categories specified in Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
    - 3) Sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
    - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant allocation for the Project, as depicted in Paragraph 4, "Amount of Funds Available" and those costs that represent COUNTY's costs, as applicable, in Paragraph 5, "COUNTY Cost Share."

- 5) Original signature and date (in ink) of COUNTY's Project Manager.

Payment will be made no more than monthly, in arrears, upon receipt of the invoice. Submit the original and three (3) copies of the invoice form to the following address:

San Luis Obispo County Flood Control and Water Conservation District  
Courtney Howard, Water Resources Engineer  
County Government Center, Room 207  
San Luis Obispo, CA 93408

10. WITHHOLDING OF DISBURSEMENT BY STATE OR FCWCD. If the State or FCWCD determines that the Project is not being implemented in accordance with the provisions of the Grant Agreement or this Funding Agreement, or that COUNTY has failed in any other respect to comply with the provisions of the Grant Agreement or this Funding Agreement, and if COUNTY does not remedy any such failure to State's or FCWCD's satisfaction, State or FCWCD may withhold from COUNTY all or any portion of the Amount of Funds Available pursuant to Paragraph 4 and take any other action that they deem necessary to protect their interests. State or COUNTY may require COUNTY to immediately repay all or any portion of the disbursed Grant amount with interest, consistent with their determination. State or FCWCA may consider COUNTY's refusal to repay the requested disbursed Grant amount a contract breach subject to the default provisions in Paragraph 12, "Default Provisions."

If State notifies FCWCA or COUNTY of its decision to withhold the entire Amount of Funds Available for the Project pursuant to Paragraph 11 of the Grant Agreement, this Funding Agreement shall terminate upon receipt of such notice by COUNTY or FCWCA and shall no longer be binding on either party.

11. CONTINUING ELIGIBILITY. COUNTY must meet the following ongoing requirements to remain eligible to receive Grant funds:
- An urban water supplier that receives grant funds governed by the Grant Agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
  - If the Project is a groundwater management and recharge project or has potential groundwater impacts, COUNTY must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
12. DEFAULT PROVISIONS. COUNTY will be in default under this Funding Agreement if any of the following occur:
- Breach of this Funding Agreement, or any supplement or amendment to it, or any other agreement between COUNTY and FCWCA evidencing or securing COUNTY's obligations.
  - Failure to comply with the terms, provisions, conditions and written commitments set forth in the Grant Agreement or failure to take the actions (or provide the information) necessary for FCWCD to satisfy its obligations under the Grant Agreement.
  - Making any false warranty, representation, or statement with respect to this Funding Agreement.
  - Failure to operate or maintain the Project in accordance with this Funding Agreement.
  - Failure to make any remittance required by this Funding Agreement.
  - Failure to comply with Labor Compliance Program (LCP) requirements.
  - Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

Should an event of default occur, State or FCWCD may do any or all of the following:

- Declare the disbursed funds 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.
  - Terminate any obligation to make future payments to COUNTY.
  - Terminate the Funding Agreement.
  - Take any other action that they deem necessary to protect their interests.
13. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. COUNTY shall be responsible for ensuring any and all permits, licenses, and approvals required for performing its obligations under this Funding Agreement are obtained, and shall comply with CEQA (PRC Section 21000 *et seq.*) and other applicable

federal, State and local laws, rules, and regulations, guidelines, and requirements for the Project as described in Exhibit A.

14. RELATIONSHIP OF PARTIES. COUNTY is solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by State or FCWCD is solely for the purpose of proper administration of Grant funds by State or FCWCD and shall not be deemed to relieve or restrict COUNTY's responsibilities under this Funding Agreement.
15. COUNTY REPRESENTATIONS. COUNTY accepts and agrees to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by FCWCD or COUNTY in the application, documents, amendments, and communications filed in support of FCWCD's request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing for the Project.
16. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding 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 FCWCD. All reports shall be submitted to FCWCD, and shall be submitted in both electronic and hard copy forms. If requested, COUNTY shall promptly provide any additional information deemed necessary by State or FCWCD for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of Grant funds. Submittal and subsequent approval by the State and FCWCD of a Project Completion Report for the Project is a requirement for the release of any funds retained for the Project.
  - Quarterly Progress Reports: COUNTY shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State and FCWCD's requirement for disbursement of funds. Quarterly Progress Reports shall be sent via e-mail to the FCWCD as specified in Exhibit B. Quarterly Progress Reports shall provide a brief description of the work performed, COUNTY activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Quarterly Progress Report should be submitted to FCWCD no later than June, 15, 2013 with future reports then due on successive three month increments based on the invoicing schedule and this date. Quarters for this contract are designated as follows: March 1 – May 31, June 1 – August 31, September 1 – November 30, and December 1– February 28(or 29). Reports are due 15 days after the last month of the report period.
  - Project Completion Reports: COUNTY shall prepare and submit to FCWCD a Project Completion Report for the Project. COUNTY shall submit a Project Completion Report within sixty (60) calendar days of Project completion. The Project Completion Report shall include a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of the final Project by a registered civil engineer, consistent with Standard Condition D-15,"Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State.
  - Project Performance Reports: COUNTY shall submit a Project Performance Report for the Project. The Project Performance Report shall be submitted to FCWCD within sixty (60) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed Project begins operation.
17. COUNTY PERFORMANCE AND ASSURANCES. COUNTY agrees to faithfully and expeditiously perform or cause to be performed all work as described in the final plans and specifications for the Project under this Funding Agreement and implement the Project in accordance with applicable provisions of the law. In the event State or COUNTY finds it necessary to enforce Paragraph 18 of the Grant Agreement or this provision of the

Funding Agreement in the manner provided by law, COUNTY agrees to pay all costs incurred by State or FCWCD including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

18. LABOR COMPLIANCE. COUNTY will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these *Guidelines*, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3.
19. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of the Project and in consideration of the funds made available by State, COUNTY 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 COUNTY hereby expressly assumes all operations and maintenance costs of the facilities and structures; neither FCWCD nor State shall be liable for any cost of such maintenance, management, or operation. COUNTY may be excused from operations and maintenance only upon the written approval of the State's Project Manager. For purposes of this Funding Agreement, "useful life" means the 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 COUNTY to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State or FCWCA, be considered a breach of this Funding Agreement and may be treated as a default under Paragraph 12, "Default Provisions."
20. STATEWIDE MONITORING REQUIREMENTS. If the Project is a groundwater project or a project that includes groundwater monitoring requirements, COUNTY shall ensure that the Project is consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of the California Water Code (CWC)) and, if the Project affects water quality, COUNTY 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.
21. PROJECT MONITORING PLAN REQUIREMENTS. The Funding Agreement work plan should contain activities to develop and submit to FCWCD a monitoring plan for the Project that is the subject of this Funding Agreement. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:
  - a) Baseline conditions.
  - b) Brief discussion of monitoring systems to be utilized.
  - c) Methodology of monitoring.
  - d) Frequency of monitoring.
  - e) Location of monitoring points.A monitoring plan shall be submitted to the FCWCD prior to disbursement of Grant funds for construction or monitoring activities for the Project. See Exhibit G ("Requirements for Data Submittal") for web links and information regarding other State monitoring and data reporting requirements.
22. NOTIFICATION OF FCWCD. COUNTY shall promptly notify FCWCD, in writing, of the following items:
  - a) Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. COUNTY agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to FCWCD and State and FCWCD and

State have given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. See Exhibit H for guidance on Agreement Amendment requirements.

- b) Any public or media event publicizing the accomplishments and/or results of this Funding Agreement or the Grant Agreement and provide the opportunity for attendance and participation by FCWCD and State representatives. COUNTY shall make such notification at least fourteen (14) calendar days prior to the event.
- c) Completion of work on the Project shall include final inspection of the Project by a Registered Civil Engineer, as determined and required by FCWCD or State, and in accordance with Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." Furthermore, the COUNTY shall provide the FCWCD and State the opportunity to participate in the inspection. COUNTY shall make such notification at least fourteen (14) calendar days prior to the final inspection.

23. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party or to the State under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below. FCWCD will notify COUNTY if it receives notice of a change of address from the State.

24. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, COUNTY's performance will be evaluated by the FCWCD and State and a copy of the evaluations will be placed in the State and FCWCD files. Copies will be sent to the COUNTY.

25. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows.

County of San Luis Obispo  
Dave Flynn  
Deputy Director of Public Works  
County Government Center, Room 207  
San Luis Obispo, CA 93408  
Phone : (805) 781-5252  
e-mail: [dflynn@co.slo.ca.us](mailto:dflynn@co.slo.ca.us)

San Luis Obispo County Flood Control and  
Water Conservation District  
Paavo Ogren  
Director of Public Works  
Public Works Department  
County Government Center, Room 207  
San Luis Obispo, CA 93408  
Phone: (805) 781-5252  
e-mail: [pogren@co.slo.ca.us](mailto:pogren@co.slo.ca.us)

Department of Water Resources  
Paula Landis  
Chief, Division of IRWM  
P.O. Box 942836  
Sacramento CA 94236-0001  
Phone: (916) 651-9220  
e-mail: [plandis@water.ca.gov](mailto:plandis@water.ca.gov)

Direct all inquiries to the Project Manager:

## Exhibit B2

County of San Luis Obispo  
John Waddell  
Project Manager  
County Government Center, Room 207  
San Luis Obispo, CA 93408  
Phone: (805) 788-2713  
e-mail: [jwaddell@co.slo.ca.us](mailto:jwaddell@co.slo.ca.us)

San Luis Obispo County Flood Control and  
Water Conservation District  
Courtney Howard  
Public Works Department  
County Government Center, Room 207  
San Luis Obispo, CA 93408  
Phone: (805) 781-1016  
e-mail: [choward@co.clo.ca.us](mailto:choward@co.clo.ca.us)

Department of Water Resources  
Monica Reis  
Division of Integrated Regional Water  
Management  
P.O. Box 942836  
Sacramento CA 94236-0001  
Phone: (916) 651-9291  
e-mail: [mreis@water.ca.gov](mailto:mreis@water.ca.gov)

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

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

- Exhibit A – Work Plan
- Exhibit B – Schedule
- Exhibit C – Budget
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Local Project Sponsors (intentionally omitted)
- Exhibit G – Requirements for Data Submittal
- Exhibit H – Guidelines for Grantees
- Exhibit I – Grantee Resolution (intentionally omitted)
- Exhibit J – Grant Agreement

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

<p><b>COUNTY OF SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT</b></p> <p>By: _____ Chairperson of the Board County of San Luis Obispo Flood Control and Water Conservation District, State of California</p> <p>Date: _____, 20__</p>	<p><b>COUNTY OF SAN LUIS OBISPO</b></p> <p>By: _____</p> <p>Date: _____, 20__</p>
<p><b>APPROVED AS TO FORM AND LEGAL EFFECT:</b> RITA L. NEAL County Counsel</p> <p>By: _____ Deputy County Counsel</p> <p>Date: _____, 20__</p>	<p><b>APPROVED AS TO FORM AND LEGAL EFFECT:</b> RITA L. NEAL County Counsel</p> <p>By: _____ Deputy County Counsel</p> <p>Date: _____, 20__</p>
<p><b>ATTEST:</b></p> <p>_____ <b>County Clerk and Ex-Officio Clerk of the Board of Supervisors, County of San Luis Obispo Flood Control and Water Conservation District, State of California</b></p> <p>Date: _____, 20__</p>	

## **Project 2: Los Osos Community Wastewater Project**

The Los Osos Wastewater Project includes design, construction, and operation of a gravity wastewater collection system and tertiary treatment facility intended for water reuse in the Los Osos Groundwater Basin. The overall collection system project will be built within the project service area (see Figure 1). The Los Osos Wastewater Project (LOWWP) will provide wastewater collection, conveyance, treatment, and recycled water reuse for the community of Los Osos that is currently unsewered and utilizes septic tanks. The LOWWP consists of area construction divided into four geographical areas (Area A, Area B, Area C, and Area D), Pump Station construction, Habitat site restoration (commonly known as Midtown Restoration), water recycling facility, and roadway improvement, including storm drainage facilities.

The total project budget is estimated at \$173.4M. These values and basic discussion of the overall project are simply described for an understanding of the overall project that will be constructed (see Figure 2); however, only certain portions of this work are described and monitored under this scope.

The community's water is currently supplied entirely by groundwater, divided into an upper aquifer and a lower aquifer. Presently the lower aquifer is experiencing seawater intrusion while the upper aquifer shows signs of nitrate contamination. Recognizing that septic tank discharge was contributing to high nitrate levels within the upper aquifer, in 1983 the Regional Water Quality Control Board (RWQCB) issued Resolution 83-13, an amendment to its Basin Plan. This resolution prohibited waste discharge from septic tanks with leach fields and seepage pits within a Los Osos prohibition zone effective January 1, 1988, halting new construction or major expansions until the water pollution problem was solved. Resolution No. 83-13 necessitated development of a community wastewater treatment system and set a timeline for design and construction of a treatment plant. The new infrastructure and ongoing operations will enable the community to comply with Resolution 83-13. The planned effluent reuse/disposal system will both reduce fresh water demand from the aquifer and return highly treated water back to the aquifer, both of which will help mitigate seawater intrusion. In May 2011 the RWQCB issued Order No. R3-2011-0001, which identified the waste discharge requirements for the LOWRF. The California Coastal Commission issued the Coastal Development Permit (CDP) in September 2010. All the pre-construction CDP conditions were approved on May 22, 2012.

Both the RWQCB and the CDP have provided specific requirements regarding the use of recycled water as an essential component of the wastewater treatment system. The RWQCB issued both effluent and recycled water quality requirements. The CDP states that the Los Osos Recycled Water Reuse Program shall place the highest priority on replacing existing potable water use with recycled water use where feasible, including both urban and agricultural use.

The final approved project description is depicted in Figure 1 as a map with the collection system layout, treatment facility site, recycled water reuse areas, and other project components.

## Project 2: Los Osos Community Wastewater Project

### **Budget Category (a): Direct Project Administration**

Work completed under Budget Category (a) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

#### **Project Management**

Ongoing project management tasks during the final design and construction will be conducted by following an established project management plan. Project management activities will focus on factors that are critical to the success of the project by tracking schedule and budget details. Project management roles also include project documentation, quality control, public and team communications, and risk management.

In support of the IRWM Implementation Grant administration, quarterly project reports will be provided to the Department of Water Resources (DWR) via the County that describes the progress and accomplishments for the quarter and is in accordance with the Project Performance Monitoring Plan. An assessment of the project schedule and budget, and updated schedules and budgets, if appropriate, will also be included. Following project completion, the County will prepare a Project Completion Report summarizing the project implementation, demonstrating completion of all task items, and documenting the project costs and grant distributions. The quarterly reports and final report shall be prepared consistent with State grant guidelines.

Costs for this scope includes staff and other direct costs to oversee tasks associated with all of the budget categories.

Additional costs were incurred from mid-2006 to mid-2011, prior to the County officially accepting (Due Diligence) the Los Osos Wastewater project. These costs were reimbursed by the USDA.

#### **Project Performance and Monitoring Plan**

The Project Performance and Monitoring Plan (PPMP) will be prepared at the initiation of implementation to outline how the project performance will be assessed and evaluated. The PPMP will lay out an evaluation and assessment process based on the San Luis Obispo County Prop 84 Integrated Proposal goals and outcomes.

There are nine project goals that the completed project will be evaluated against to determine the project's performance.

1. Eliminate wastewater discharges from septic systems in high-density residential areas, including failing septic systems.
2. Reduce nitrate concentrations in groundwater to below the drinking water standard.
3. Decrease pathogen levels in groundwater seeps, storm water runoff, and Morro Bay Estuary.
4. Reduce high water table conditions and flooding in low-lying areas, while preserving existing wetland habitat.
5. Reduce average indoor water use to 50 gal/person/day through implemented water conservation measures.
6. Recycle all collected wastewater and reuse within the groundwater basin area.
7. Increase the safe yield of the Los Osos Valley Groundwater Basin.
8. Mitigate sea water intrusion.
9. Improve the community's ability to manage water resources.

Performance will be measured through comparison of pre-project baseline information and surveys with surface and ground water, habitat, water usage, wastewater collection, treatment and reuse data produced from the following monitoring programs and project implementation components discussed as a part of the various work tasks as noted: A simple memorandum will be used to describe the various existing monitoring programs relative to the nine project goals and how those will be used to monitor the operational project once constructed.

## Exhibit A

- Groundwater Level Monitoring and Management Plan (CDP Condition 87)
- Habitat Conservation Plan (CDP Condition 92)
- Treated Effluent Re-use (CDP Condition 97)
- Water Conservation Program (CDP Condition 99)
- Verification of Retrofits (CDP Condition 103)
- Verification of Water Metering (CDP Condition 108)
- Habitat Management Plan (CDP Condition Coastal 3, 3b)
- Basin Recycled Water Management Plan (CDP Condition Coastal 5)
- Interlocutory Stipulated Judgment Basin Management and Monitoring Requirements
- MBNEP Volunteer Monitoring Program (independent of project)
- Central Coast Ambient Monitoring Program (independent of project)
- RWQCB Storm Water Runoff Monitoring (independent of project)
- County Water Level Monitoring (independent of project)
- Los Osos Nitrate Monitoring Program
- Water Purveyor Supply Well Monitoring
- Sea Water Intrusion Monitoring Program

### ***Deliverables:***

Quarterly Reports  
Project Completion Report  
Labor Compliance Program Documentation  
Project Performance Monitoring Plan  
Invoices

### **Budget Category (b): Land Purchase/Easements**

Work completed under Budget Category (b) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

The collection system pipeline alignments and pump station locations were largely determined during the Los Osos Community Services District (LOCSD) project development. Existing County right of way will be utilized for most pipeline alignments and pump stations with a few exceptions. The LOCSD acquired most of the required easements and property, which will be transferred to the County for use on the project. Negotiations for the remaining collection system easements are in progress. Additional costs associated in this category includes costs of legal, appraisals, and acquisitions work efforts performed by outside consultants.

The treatment plant will be sited on a parcel of land east of Los Osos and 1500 feet north of the intersection of Los Osos Valley Road and Clark Valley Road. The 25-acre site is commonly called the Giacomazzi site. And even though the price is still being negotiated, the County has legal right of entry to the property to access, build, and operate the Plant on the Giacomazzi site.

### ***Deliverables:***

Easements – Collection System  
Easements Treatment Facility  
Giacomazzi Site Easement

### **Budget Category (c): Planning/Design/Engineering/Environmental Documentation**

The design of project facilities is planned to be completed in concurrent efforts for each of the major engineering components: collection system, treatment system, and disposal/reuse system. Although design will occur concurrently, the design packages will be completed at different times, allowing construction to begin in phases as designs are completed.

Each of these designs will be according to civil and mechanical engineering industry best practices with national standards used for materials, piping, equipment, and general construction specifications. Construction documents and contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan.

### **Collection System Design**

The collection system design will include: gravity collectors, pump stations and force mains, and recycled water distribution design for the whole system.

The scope of services includes modifications and design updates to the LOCSO 2005 collection system design to make the necessary changes related to the relocated treatment facility and mitigations in the CDP conditions.

The collection system contracts are divided into several separate bid packages and contracts, consistent with the LOCSO approach. The multiple contracts allowed for phasing of the design and construction. The majority of the gravity collection design requires minimal changes and can be completed in a relatively short time frame, based on the 100% construction documents prepared by the LOCSO. Pump stations, force mains, and recycled water mains that require additional design work, will be included in a separate contract to be released for bid several months after the gravity collection portion.

Design of the recycled water distribution system is included in the design services for the collection system. Pipeline alignments are parallel to the collection system lines throughout the community and most of the system alignments were previously designed by the LOCSO. Turn-outs to urban and agricultural irrigation users are included in the design, including standard details for future turn-outs as irrigation users are added to the system. The design addresses applicable regulatory requirements including Regional Water Board waste discharge requirements and State Department of Health Services reuse and recharge regulations.

#### ***Deliverables:***

Collection System Area A/D Design  
Collection System Area B/C Design  
Collection System Pump Station Design

### **Treatment Facility Design**

The CDP approved construction of a wastewater treatment plant. The plant will be designed for an average daily flow of 1.2 MGD and will consist of the following:

- Headworks and bar screens covered for odor control
- Extended aeration secondary treatment process designed to meet total nitrogen limits of 7 mg/L
- Tertiary filter process with ultraviolet disinfection designed to meet California Title 22 standards for tertiary recycled water
- Mechanical sludge dewatering (belt filter press or screw press) enclosed in a building for odor control

An outside engineering consulting firm will be performing both preliminary and final design of the wastewater treatment plant. They will be preparing construction documents which includes plans, specifications and engineering estimate.

## Exhibit A

### ***Deliverables:***

Treatment Facility Design Plans and Specifications

### **Environmental Documentation**

The Environmental Impact Report (EIR) Notice of Preparation was distributed to responsible, trustee, and interested State agencies through the State Clearinghouse (SCH# 2007121034) on December 7, 2007, with responses due back by January 7, 2008. The County met on a regular basis with staff from the California Coastal Commission, the Regional Water Quality Control Board, the California Department of Fish and Game, and the U.S. Fish and Wildlife Service. The comments, concerns, and requirements of these agencies were included in the EIR scope to ensure that the issues relevant to each agency's statutory responsibilities toward the project are addressed.

The County did not develop a single "proposed project" on which to focus the EIR and base the alternatives analysis. Using 30% design information, the California Environmental Quality Act (CEQA)/ National Environmental Policy Act (NEPA) process, in concert with on-going efforts to define project costs and consider community preferences, moved through an alternative analysis process that results in multiple fully developed project descriptions. Based upon the volumes of documentation produced for the project over the past decades, the most recent work produced by the County team, and the clear project purposes of wastewater treatment and water supply, the County examined the widest possible range of feasible alternatives on a co-equal basis.

Public review of the draft EIR coincided with a community preferences survey and the issuance of a design/build Request for Qualifications for two different collection system alternatives (gravity and STEP/STEG). This approach allowed the County to identify the preferred alternative using environmental, economic, and community preferences information.

A Final EIR was prepared and circulated for the project. Impacts were identified and mitigation measures were proposed for: visual resources, agricultural resources, air quality, biological resources, cultural resources, geology & soils, public health and safety, noise, traffic/circulation, groundwater resources, drainage and surface water quality, environmental justice, and land use & planning. The Final EIR also considered several project alternatives. Significant and unavoidable impacts to agricultural resources were identified for the project alternative (Giacomazzi treatment plant site) that was selected by the Planning Commission at the July 24, 2009 hearing. The EIR process was completed in accordance with CEQA and a Final EIR was certified by the Planning Commission. On September 29, 2009, the County Board of Supervisors adopted the Final EIR and a Notice of Determination was filed with the State Clearinghouse.

Only work efforts after September 30, 2008 are part of this agreement.

### ***Deliverable:***

Final Environmental Impact Report and Notice of Determination

**Budget Category (d): Construction/Implementation**

**Contractor Outreach**

Contractor outreach is necessary to ensure that an acceptable number of qualified bidders are prepared to respond to the bidding process. Initial outreach, prior to the release of the collection system bid documents, will be made with informal contacts through industry councils and associations to ensure that potential bidders are aware of the upcoming project, informed of the project goals, and aware of the County's financial and contracting history. Outreach will be in compliance with applicable State public contracting code.

**Bid Advertise/Award**

A multi-phased contract advertisement and competitive bidding process will be utilized for the construction of the collection system with multiple bid packages. The bid packages will be divided by collection zone based on the previous LOCS design, as delineated below.

- Collection System Areas A and D;
- Collection System Areas B and C; and
- Collection System Pump Stations.

After design of the treatment plant is complete it will go through the construction contract bidding process. Contractors who meet the licensing and bonding requirements will be eligible to submit a construction cost bid to construct the treatment plant per the approved plans and specifications.

This process will follow State public contracting code with the construction contract awarded to the lowest responsible and responsible bidder.

**Collection System Areas A and D Construction**

Areas A and D Work includes, but is not limited to, the following:

1. Wastewater collection system consisting of approximately 111,020 linear feet of gravity mains ranging in size from 8-inch to 18-inch diameter, 10,183 linear feet of sewer force mains ranging in size from 2-inch to 14-inch diameter, 305 manholes, 3,038 service laterals and 35,424 linear foot of fiber optic conduit.
2. Recycled water system consisting of 8,088 linear feet of 6- and 4-inch diameter recycled effluent water force mains.
3. Wetwells and ancillary items, consisting of 11 Pocket Pump Stations, 4 Duplex Submersible Stations, and 1 Triplex Submersible Station.

The associated construction contract work is described below.

**MOBILIZATION**

Preparatory work and operations, including, but not limited to, those necessary for the movement of personnel, equipment, supplies and incidentals to the project site, for the establishment of all offices, buildings and other facilities necessary for work on the project, and for all other work and operations which must be performed or costs incurred prior to beginning work on the various items on the project site.

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### SHEETING, SHORING, AND BRACING

For sheeting, shoring, and/or bracing of open cut excavation; inclusive of all construction conforming to applicable safety orders; preparing and submitting shoring designs, labor, tools, materials, equipment, power and fuels for doing all required work,

### DEWATERING

Comprises of dewatering system design, installation, operation, and removal of dewatering systems inclusive of all labor, equipment, materials, and incidentals necessary to handle groundwater and surface water including but not limited to sinking well points, furnishing, installing and maintaining pumping systems including all pumps, piping, casing, and other appurtenances, filter sand required for pumping systems, erosion and sediment control, excavation of monitoring wells, providing power, maintaining excavation free of water on a continuous basis, sedimentation or other means of removing suspended solids, disinfection and neutralization, and disposal of water consistent with requirements as set forth in the Contract Documents and RWQCB permit(s).

### SITE PREPARATION

Provide for removal of debris, clearing, grubbing, protection of trees, shrubbery, and other plantings not designated for removal, certified arborist services, and other incidental work pertaining to site preparation.

### HOT MIX ASPHALT PAVEMENT (HMA)

Furnish all HMA, labor, materials, tools, equipment, and incidentals for work involved in placing HMA for all pavement repair and resurfacing, including dikes, berms, and miscellaneous

### AGGREGATE BASE

All work to replace aggregate base beneath existing roadway pavement, sidewalk, curb and gutter

### PULVERIZED COMPACTED SUBGRADE/PULVERIZED TREATED AND COMPACTED SUBGRADE

Provide pulverization of existing pavement, base, and subgrade materials and compacting and treating the material prior to complete paving

### TRAFFIC CONTROL

Traffic control for all phases of work and include furnishing and installing: traffic control equipment and personnel; flagging; sign panels, including all mounting hardware; furnishing and installing signal equipment and controllers

### GRAVITY SEWER PIPES

Fittings for service laterals installed in the completed project shall be included in the cost of installed pipe. The per linear foot cost shall be full compensation for: furnishing and installing PVC pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; casing pipe; bedding; backfill to road subbase; geotextile fabric; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to pipes 0 – 8 feet deep. An additional unit price shall be paid for pipes 8 – 15 feet deep and over 15 feet deep on a per linear foot basis.

### GRAVITY SEWER MANHOLES

All pre-cast concrete manhole sections; cast in place concrete; manhole frames and covers; reinforced concrete work; metal castings; steel reinforcement; sealing gaskets; sewer drop manhole piping; PVC lining and protective coatings; excavation; bedding; backfill; compaction; cleaning; testing; and all incidental work pertaining to

## Exhibit A

manholes up to 8 feet deep. An additional unit price shall be paid for gravity sewer manholes over 8 feet deep on a per vertical foot basis.

### SEWER LATERALS

Installation of sewer laterals; cleanouts; cleanout boxes; plugs; chimneys; fittings; tracer wire; warning tape; excavation; bedding; backfill to road subbase; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to sewer laterals

### SEWER FORCE MAIN

Installation of pipes, fittings, valves, and manholes. Furnishing and installing pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; bedding; backfill to road subbase; geotextile fabric; thrust restraints; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to sewer force mains. A different unit price shall be paid for sewer force main 4" diameter and less on a per linear foot basis.

### RECYCLED WATER FORCE MAIN

Installation of pipe, fittings, valves, blowoffs, and manholes. Furnishing and installing pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; bedding; backfill to road subbase; geotextile fabric; thrust restraints; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to the recycled water force main. The unit price shall be paid for recycled water force main over 4" diameter on a per linear foot basis. A different unit price shall be paid for recycled water force main 4" diameter and less on a per linear foot basis.

### POCKET PUMP STATION SITEWORK AND WETWELLS

Consists of all precast concrete sections; cast in place concrete; PVC lining and protective coatings; vaults; hatches; valves; discharge piping to force main connection; odor control canisters and venting; water service connections, meters, and backflow preventers; excavation; backfill; compaction; removal and disposal of excavation spoils; site accessories; testing; cleaning; and all incidental work pertaining to pocket pump station sitework and wetwells up to 12 feet deep. A different unit price shall be paid for pocket pump station wetwells over 12 feet deep on a per vertical foot basis.

### DUPLEX SUBMERSIBLE LIFT STATION SITEWORK AND WETWELLS

Consists of all precast concrete sections; cast in place concrete; PVC lining and protective coatings; vaults; hatches; valves; discharge piping to force main connection; odor control canisters and venting; water service connections, meters, and backflow preventers; excavation; backfill; compaction; removal and disposal of excavation spoils; site accessories; testing; cleaning; and all incidental work pertaining to duplex submersible lift station sitework and wetwells up to 14 feet deep. A different unit price shall be paid for pocket pump station wetwells over 14 feet deep on a per vertical foot basis.

### FIBEROPTIC AND ELECTRIC CONDUITS/DUCTS

Includes furnishing and installing conduits of the class and size specified; trench excavation; pull ropes; warning tape; duct encasement concrete; bedding; backfilling to road subbase; compaction; removal and disposal of trench spoils; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to fiber optic and electric conduits/ducts. The unit price shall be paid for fiber optic and electric conduits/ducts on a linear foot basis.

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MISCELLANEOUS CONCRETE

Includes furnishing and installing concrete used for driveways, cross gutters, sidewalks as part of pavement restoration and will be the number of cubic yards placed in the Work to the lines and grades shown or to restore existing concrete.

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### **Collection System Areas B and C Construction**

Areas B and C Work includes, but is not limited to, the following:

1. Wastewater collection system consisting of approximately 81,306 linear feet of gravity mains ranging in size from 8-inch to 18-inch diameter, 17,515 linear feet of sewer force mains ranging in size from 3-inch to 16-inch diameter, 283 manholes, 1,757 service laterals and 27,019 linear foot of fiber optic conduit.
2. Recycled water system consisting of 27,264 linear feet of recycled effluent water force mains ranging in size from 2-inch to 12-inch.
3. Wetwells and ancillary items, consisting of one Pocket Pump Station, three Duplex Submersible Stations, and one Triplex Submersible Station.
4. Broderson effluent disposal system consisting of effluent disposal site preparation and installation of 19,776 linear feet of subsurface horizontal perforated pipe and arched infiltration chambers and five monitoring wells

The associated construction contract work is described below.

#### MOBILIZATION

Preparatory work and operations, including, but not limited to, those necessary for the movement of personnel, equipment, supplies and incidentals to the project site, for the establishment of all offices, buildings and other facilities necessary for work on the project, and for all other work and operations which must be performed or costs incurred prior to beginning work on the various items on the project site.

#### SHEETING, SHORING, AND BRACING

For sheeting, shoring, and/or bracing of open cut excavation; inclusive of all construction conforming to applicable safety orders; preparing and submitting shoring designs, labor, tools, materials, equipment, power and fuels for doing all required work,

#### DEWATERING

Comprises of dewatering system design, installation, operation, and removal of dewatering systems inclusive of all labor, equipment, materials, and incidentals necessary to handle groundwater and surface water including but not limited to sinking well points, furnishing, installing and maintaining pumping systems including all pumps, piping, casing, and other appurtenances, filter sand required for pumping systems, erosion and sediment control, excavation of monitoring wells, providing power, maintaining excavation free of water on a continuous basis, sedimentation or other means of removing suspended solids, disinfection and neutralization, and disposal of water consistent with requirements as set forth in the Contract Documents and RWQCB permit(s).

#### SITE PREPARATION

Provide for removal of debris, clearing, grubbing, protection of trees, shrubbery, and other plantings not designated for removal, certified arborist services, and other incidental work pertaining to site preparation.

#### HOT MIX ASPHALT PAVEMENT (HMA)

Furnish all HMA, labor, materials, tools, equipment, and incidentals for work involved in placing HMA for all pavement repair and resurfacing, including dikes, berms, and miscellaneous

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### AGGREGATE BASE

All work to replace aggregate base beneath existing roadway pavement, sidewalk, curb and gutter

### PULVERIZED COMPACTED SUBGRADE/PULVERIZED TREATED AND COMPACTED SUBGRADE

Provide pulverization of existing pavement, base, and subgrade materials and compacting and treating the material prior to complete paving

### TRAFFIC CONTROL

Traffic control for all phases of work and include furnishing and installing: traffic control equipment and personnel; flagging; sign panels, including all mounting hardware; furnishing and installing signal equipment and controllers

### GRAVITY SEWER PIPES

Fittings for service laterals installed in the completed project shall be included in the cost of installed pipe. The per linear foot cost shall be full compensation for: furnishing and installing PVC pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; casing pipe; bedding; backfill to road subbase; geotextile fabric; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to pipes 0 – 8 feet deep. An additional unit price shall be paid for pipes 8 – 15 feet deep and over 15 feet deep on a per linear foot basis.

### GRAVITY SEWER MANHOLES

All pre-cast concrete manhole sections; cast in place concrete; manhole frames and covers; reinforced concrete work; metal castings; steel reinforcement; sealing gaskets; sewer drop manhole piping; PVC lining and protective coatings; excavation; bedding; backfill; compaction; cleaning; testing; and all incidental work pertaining to manholes up to 8 feet deep. An additional unit price shall be paid for gravity sewer manholes over 8 feet deep on a per vertical foot basis.

### SEWER LATERALS

Installation of sewer laterals; cleanouts; cleanout boxes; plugs; chimneys; fittings; tracer wire; warning tape; excavation; bedding; backfill to road subbase; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to sewer laterals

### SEWER FORCE MAIN

Installation of pipes, fittings, valves, and manholes. Furnishing and installing pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; bedding; backfill to road subbase; geotextile fabric; thrust restraints; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to sewer force mains. A different unit price shall be paid for sewer force main 4" diameter and less on a per linear foot basis.

### RECYCLED WATER FORCE MAIN

Installation of pipe, fittings, valves, blowoffs, and manholes. Furnishing and installing pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; bedding; backfill to road subbase; geotextile fabric; thrust restraints; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to the recycled water force main. The unit price shall be paid for sewer

## Exhibit A

recycled water force main over 4" diameter on a per linear foot basis. A different unit price shall be paid for recycled water force main 4" diameter and less on a per linear foot basis.

### POCKET PUMP STATION SITEWORK AND WETWELLS

Consists of all precast concrete sections; cast in place concrete; PVC lining and protective coatings; vaults; hatches; valves; discharge piping to force main connection; odor control canisters and venting; water service connections, meters, and backflow preventers; excavation; backfill; compaction; removal and disposal of excavation spoils; site accessories; testing; cleaning; and all incidental work pertaining to pocket pump station sitework and wetwells up to 12 feet deep. A different unit price shall be paid for pocket pump station wetwells over 12 feet deep on a per vertical foot basis.

### DUPLEX SUBMERSIBLE LIFT STATION SITEWORK AND WETWELLS

Consists of all precast concrete sections; cast in place concrete; PVC lining and protective coatings; vaults; hatches; valves; discharge piping to force main connection; odor control canisters and venting; water service connections, meters, and backflow preventers; excavation; backfill; compaction; removal and disposal of excavation spoils; site accessories; testing; cleaning; and all incidental work pertaining to duplex submersible lift station sitework and wetwells up to 14 feet deep. A different unit price shall be paid for pocket pump station wetwells over 14 feet deep on a per vertical foot basis.

### TRIPLEX SUBMERSIBLE LIFT STATION SITEWORK AND WETWELL

Construction of triplex submersible lift station sitework and wetwell shall include all precast concrete sections; cast in place concrete; PVC lining and protective coatings; vaults; hatches; valves; discharge piping to force main connection; odor control canisters and venting; water service connections, meters, and backflow preventers; excavation; backfill; compaction; removal and disposal of excavation spoils; site accessories; testing; cleaning; and all incidental work pertaining to triplex submersible lift station sitework and wetwell.

### BRIDGE CROSSING

Installation of the ductile iron pipe recycled effluent water (REW) and force main (FM) crossings of the Los Osos Creek Bridge between REW stations 43+38 and 44+90 and between FM stations 402+68 and 405+50. Fittings, valves, and manholes installed in the completed project shall be included in the cost of installed pipe. Includes furnishing and installing pipe of the class and size specified; in open cut trench excavations; bridge supports; tape wrapping; potholing; bedding; backfill to road subbase; geotextile fabric; thrust restraints; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining the bridge crossing

### BRODERSON EFFLUENT DISPOSAL SYSTEM

Construction of an effluent disposal system includes fittings, valves, blowoffs, turnouts, isolation and flow control valves and vaults, and manholes in the cost of installed pipe. Includes furnishing and installing pipe of the class and size specified; in open cut trench and trenchless excavations; warning tape; tracer wire; potholing; bedding; backfill to road subbase; geotextile fabric; thrust restraints; compaction; removal and disposal of trench spoils; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to broderson effluent disposal system.

### MONITORING WELLS

Installation of monitoring wells will include well drilling, casing and backfill; well piping, fittings and valves; removal and disposal of spoils; backfill to road subbase; compaction; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to monitoring wells.

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### INSTALL NATIVE VEGETATION

Installation of native vegetation shall comprise of soil preparation, provision and installation of native plantings and irrigation system installation at the Broderson Effluent Disposal Site

### FIBEROPTIC AND ELECTRIC CONDUITS/DUCTS

Includes furnishing and installing conduits of the class and size specified; trench excavation; pull ropes; warning tape; duct encasement concrete; bedding; backfilling to road subbase; compaction; removal and disposal of trench spoils; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to fiber optic and electric conduits/ducts. The unit price shall be paid for fiber optic and electric conduits/ducts on a linear foot basis.

### MISCELLANEOUS CONCRETE

Includes furnishing and installing concrete used for driveways, cross gutters, sidewalks as part of pavement restoration and will be the number of cubic yards placed in the Work to the lines and grades shown or to restore existing concrete.

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### **Pump Station Construction**

Pump Station Work includes, but is not limited to, the following:

1. Nine sewage lift stations equipped with submersible solids-handling pumps.
2. Twelve 'pocket pumps stations' equipped with submersible grinder-type sewage pumps.
3. Each of the sewage lift stations will be equipped with back-up generators, associated system controls, valves, and accessories. The pocket pumps stations will have associated system controls, valves, and accessories.

Pump Stations Contract scope consists of installation of pump equipment within the wetwells and valve vaults constructed in the Areas A and D and B and C contracts. The back up generator buildings and control system will also be constructed in this contract. The associated construction contract work is described below.

#### POCKET PUMP STATIONS

Scope of work including but not limited to: grout; pumps; pump removal accessories; valves; control panels; wiring; instrumentation; discharge piping to force main connection; site accessories; complete as specified and as indicated per the contract documents

#### DUPLEX SUBMERSIBLE LIFT STATIONS

Scope of work including but not limited to: grout; pumps; pump removal accessories; valves; control panels; wiring; instrumentation; discharge piping to force main connection; site accessories; complete as specified and as indicated on contract documents.

#### TRIPLEX SUBMERSIBLE LIFT STATIONS

Scope of work including but not limited to: grout; pumps; pump removal accessories; valves; control panels; wiring; instrumentation; discharge piping to force main connection; site accessories; complete as specified and as indicated on the contract documents.

#### STANDBY POWER BUILDINGS

Scope of work including but not limited to: generators; control panels; conduit and wiring; site grading; structural excavation, backfill, and compaction; perimeter footings; equipment foundation; building concrete and masonry; framing; thermal and moisture protection; trusses; roofing; doors; interior and exterior finishes; lighting; site work; complete as specified and as indicated on the contract documents.

#### INSTALL NATIVE VEGETATION

Installation of native vegetation comprises of soil preparation, provision and installation of native plantings and irrigation system installation at the pump station sites, ornamental gates, complete as specified and shown on the contract documents.

### **Treatment Facility Construction**

Construction will include the following:

- Construction of treatment facility and appurtenances
- Construction coordination with related interconnections and integrated uses with other current and planned County facilities
- Compliance with all County and industry construction standards
- Compliance with all Federal and State labor and wage requirements
- Compliance with all environmental mitigation requirements (CEQA, etc.)
- Completion of all required equipment and plant acceptance tests
- Assist County with obtaining final regulatory permit approvals for facility operation

### **Water Conservation Implementation**

The CDP approved by the California Coastal Commission in 2010 imposed water conservation requirements on the County in connection with approval of the Los Osos project. Condition 99 and Special Condition 5b of the CDP permit require the County to implement a water conservation program, in consultation with the Los Osos Water Purveyors, within the Wastewater Service Area for the Los Osos community. The County is required to provide \$5 million of funding towards the water conservation program, of which a portion will be funded by this Proposition 84 grant. The following section outlines the necessary actions to achieve the measures of the Water Conservation Program, Condition 5b of the CDP.

The County will implement water conservation measures that will be broken into three categories:

- Residential;
- Commercial & Institutional; and
- Educational & Outreach.

The table below provides a summary of the water conservation measures. An implementation plan has been developed for each measure. The implementation plan provides sufficient detail for the County, Water Purveyors, and the customers to understand the process of how to implement each measure and what actions are required to meet the goals of the measure. Each implementation page provides the following information:

- Action Item
- Measure Objective and Goals
- Fixtures to be Replaced
- Detailed Measure Description
- Rebates
- Measure Implementation Costs
- Approved Manufacturers
- Activities to be Conducted by the County of San Luis Obispo
- Activities to be Conducted by Water Purveyors and Property Owners
- Measure Implementation Target, Schedule, and Cost
- Rebate Values in Surrounding Areas

The goals of all the water conservation measures are the following:

1. Reduce average residential indoor per capita water use below 50 gallons per capita per day.
2. Maintain a flexible program with multiple ways for all customers to participate before their mandated connection to the Project.
3. Encourage early implementation and installation of high efficiency units.

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4. Require existing and new buildings to meet or exceed the current state and federal plumbing code and building code (Cal Green) standards.
5. Recommend technology that is proven and readily / locally available for installations.
6. Encourage coordination of programs and contractors / County staff during installations. Limit visits to customers who participate in the subsidized community program (Measure 1A and 2A), so as to be efficient and organized with resources.

Exhibit A

<b>Summary of County of San Luis Obispo Proposed Conservation Measures</b>		
<b>Measure ID</b>	<b>Measure Name</b>	<b>Description</b>
<b>Category 1: Residential</b>		
1A	Subsidize Partial Community Retrofit, Residential	Subsidize the replacement of designated fixtures before residential properties connect to the Project. Included in the retrofit would be inefficient toilets (flushing higher than 1.6 gpf), showerheads, and faucet aerators. Required to connect to the Project.
1B	Residential Clothes Washer Rebate	Residential property owners would be eligible to receive a rebate on a new high efficiency clothes washer. Not seeking grant funding.
1C	Alternatives for Fully Retrofitted Residences	Existing residences that are currently equipped with 1.28gpf or less toilets, 1.5gpm or less showerheads, and 1.5 gpm or less faucet aerators are eligible for alternative options such as water water dishwashers, hot water on demand units, or additional clothes washer rebates. These rebates cannot be used in conjunction with Measure 1A
<b>Category 2: Commercial &amp; Institutional</b>		
2A	Subsidize Partial Community Retrofit, Commercial	Subsidize the replacement of designated fixtures before commercial properties connect to the Project. Included in the retrofit would replace inefficient toilets, flushing with more than 1.6 gpf, urinals using more than 1 gallon, showerheads, and faucet aerators. Required to connect to the Project.
2B	Replace Pre-Rinse Spray Nozzles	Provide free installation of 1.6 gpm (or lower) flow pre-rinse spray nozzles for the rinse and clean operation in food establishments, grocery stores and other commercial businesses. Required to connect to the Project
2C	School Building Retrofit	A retrofit program in which schools receive grants to replace inefficient fixtures to efficient commercial fixtures and upgrade irrigation systems. Required to connect to the Project.
2D	Commercial High Efficiency Clothes Washer Rebate	Commercial property owners would be eligible to receive a rebate on a new high efficiency clothes washer. Not seeking grant funding.
<b>Category 3: Educational &amp; Outreach (In Coordination with Water Purveyors)</b>		
3A	Residential Water Surveys	Conventional indoor and outdoor water surveys for existing single- and multi-family residential customers. Required to connect to the Project.
3B	Commercial, Industrial and Institutional Surveys	Conventional indoor and outdoor water survey for commercial customers. Required to connect to the Project.
3C	Public Information Program	Public education would be used to raise awareness of conservation measures available to customers. This program could include school programs, poster contests, community presentations, conservation hotline, etc.
3D	Media Campaign	Design and run a media campaign, e.g., “20 Gallon Challenge”.
<b>Plan Development and Program Start-up</b>		
n/a	Program Start-up Costs	Program start-up includes such activities as coordination with local purveyors, hiring and training inspection and administrative staff, creating forms, coordinating recycling program for old fixtures, etc.
n/a	Plan Preparation Costs	Developing the Water Conservation Plan.

Exhibit A

The following table shows the equipment that would be upgraded. For ease of understanding and consistency among programs, the goal is to have one standard for the entire service area regardless if the structure is existing or new.

**Recommended Technology**

<b>Fixture or Appliance</b>	<b>Retrofits for Wastewater Service Area</b>
Toilets – Residential and Commercial	Over 1.6 gpf replaced with 1.28 gpf or less
Showerheads – Residential and Commercial	Over 2.0 gpm replaced with 1.5 gpm or less
Washers – Residential and Commercial	Tier 3
Faucet Aerators - Residential	1.5 gpm or less
Faucet Aerators - Commercial	0.5 gpm
Urinals - Commercial	0.5 gpf
Pre-rinse Spray Valves - Commercial	1.15 gpm

gpm = gallons per minute. gpf – gallons per flush

\*State Law AB 715 takes effect in the year 2014. This law will be in place before the completion of the Project planned for completion in the year 2015 / 2016.

Exhibit A

The table below presents the measures and estimated budget for 3 years. Year 1 refers to FY 2012-13 that begins on July, 1 2012. Year 3 refers to FY 2014-15 that begins on July 1, 2014.

<b>Annual Schedule and Budget for Implementation of Program Measures Year 1 - 3</b>						
<b>Implementation Program Plan Measure Number</b>	<b>Measure</b>	<b>Customer Category</b>	<b>Funding Period</b>	<b>Total Estimated Activities (1)</b>	<b>Activity Unit Cost</b>	<b>Total Estimated Budget</b>
<b>Category 1 - Residential Programs</b>						
1A	Subsidize Partial Community Retrofit, Residential	Single-Family Residential Toilets	3 Years	8,000	\$222.81	\$1,782,500
		Single-Family Residential Showerheads	3 Years	8,000	\$38.81	\$310,500
		Single-Family Residential Faucet Aerators	3 Years	13,500	\$5.75	\$77,625
1B	Residential Clothes Washer Rebate	Single-Family Residential Washer	3 years	1,200	\$172.50	\$207,000
1C	Alternatives for Fully Retrofitted Residences	Single-Family Residential	3 years	500	\$345.00	\$172,500
<b>Category 2 - Commercial and Institutional</b>						
2A	Subsidize Partial Community Retrofit, Commercial	Commercial	3 years	141	\$1,150.00	\$162,150
2B	Replace Restaurant Spray Nozzles	Commercial	3 years	45	\$55.00	\$2,475
2C	Institutional Building Retrofit	Institutional	3 years	13	\$2,750.00	\$35,750
2D	Commercial High Efficiency Clothes Washer Rebate	Commercial	3 years	40	\$315.00	\$12,600
<b>Category 3 - Education and Outreach Program</b>						
3A	Residential Water Surveys	Single-Family Residential	3 years	5,000	\$155.00	\$775,000
3B	Commercial, Industrial and Institutional Surveys	Commercial	3 years	141	\$230.00	\$32,430
3C	Public Information Program	Single-Family Residential	3 years	n/a	n/a	\$65,000
3D	Media Campaign	Single-Family Residential	3 years	n/a	n/a	\$80,000
<b>Program Start-up Costs</b>						<b>\$65,000</b>
<b>Plan preparation costs accrued before 10/23/2012</b>						<b>\$45,671</b>
<b>Total Estimated Cost</b>						<b>\$3,830,000</b>

*Note (1): Estimated activities cover the required pre- and post-rebate inspections, rebate for equipment, and associated administrative costs.*

**Deliverables:**

Notice of Completion

**Budget Category (e): Environmental Compliance/ Mitigation/ Enhancement**

Various environmental studies and reports, including related plans, are required for pre-construction compliance in addition to during construction and post construction. In addition, several required permits will be obtained that guide implementation of the project. Environmental monitoring by qualified biologists and archaeologists during the course of construction will be required due presence of environmentally and archaeologically sensitive areas.

***Deliverables***

Federal Endangered Species Act Biological Opinion  
California Coastal Development Permit  
California Department of Fish and Game Streambed Alteration Agreement  
RWQCB Waste Discharge Requirements  
Authority to Construct or Portable Construction Equipment Registration (APCD)  
Recycled Water Management Plan  
Septic System Decommissioning Plan

**Budget Category (f): Construction Administration**

The County will maintain oversight of all construction activities and develop an inspection and construction management process that ensures quality assurance and quality control. The construction management services will be completed for, and under the direction of, the county. The scope of work will include the following:

- Design constructability review
- Resident engineer services
- Management of multiple construction contracts
- Inspection
- Surveying
- Materials testing
- Contract administration
- Labor compliance administration
- GIS based project records services
- Public outreach program
- Monthly construction progress reports

The Construction Manager will also be responsible for reviewing the contractor's payroll submittals for labor compliance as required in the State Standard Specifications and Labor Compliance Program.

Qualified engineering and construction management consultant firms will be selected through competitive RFP processes prior to the completion of the design for both the collection system and treatment facility. Separate RFP processes are planned for the collection and treatment components of the project due to the different size and scope of each project.

Exhibit A

***Deliverables:***

Construction Management RFP  
Monthly Construction Progress Reports

**Budget Category (g): Other Costs**

The County is not seeking any grant reimbursement or match consideration for construction management expenditures.

**Budget Category (h): Construction/ Implementation Contingency**

The County is not seeking any grant reimbursement or match consideration for construction management expenditures.

Figure 1. Los Osos Community Wastewater Project Detailed Facilities Map

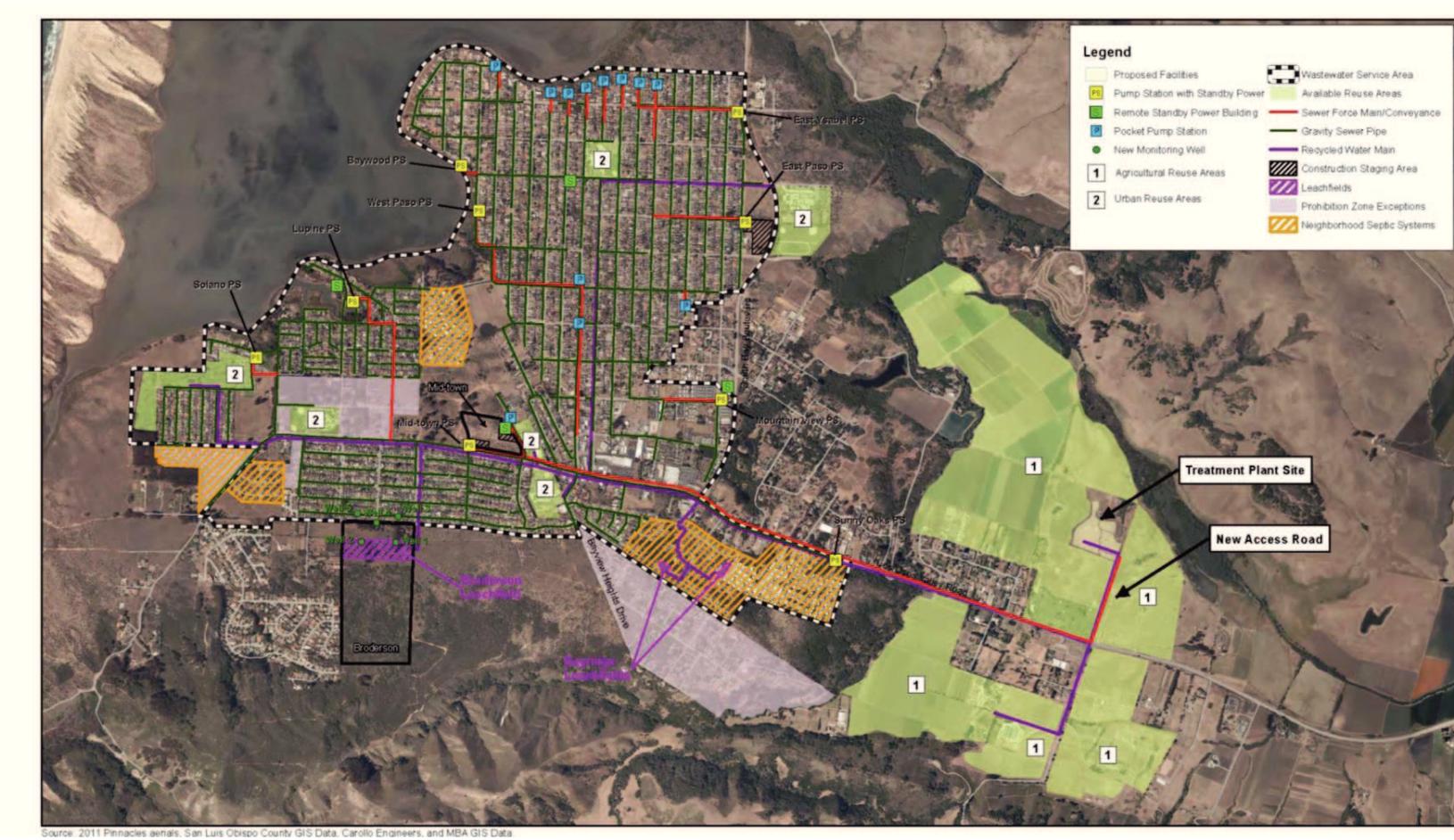




Exhibit B

ID	Task Name	Duration	st Half		1st Half											
			tr	tr	tr	tr	tr	tr	tr	tr	tr	tr	tr	tr	tr	tr
1	<b>Grant Award Date</b>	1 day														
2	<b>Budget Category (a) Direct Project Administration</b>	<b>758 days</b>														
3	<b>Grant Project Quarterly Reporting</b>	<b>652 days</b>														
22	Grant Completion Report	1 day														
23	Project Performance Monitoring Plan	1 day														
24	<b>Budget Category (b) Land Purchase/ Easements</b>	935 days														
25	<b>Budget Category (c) Planning/Design/Engineering/Environmental Documentation</b>	<b>1135 days</b>														
26	Engineers Report	435 days														
27	Collection System Design	935 days														
28	Treatment Facility Design	1022 days														
29	Environmental Documentation	457 days														
30	<b>Budget Category (d) Construction/Implementation</b>	<b>1044 days</b>														
31	Contractor Outreach	66 days														
32	<b>Bid Advertise / Award</b>	<b>92 days</b>														
33	Collection Systems Areas B & C	63 days														
34	Collection System Areas A & D	62 days														
35	Collection System Pump Stations	62 days														
36	<b>Construction</b>	<b>791 days</b>														
37	Collection System Areas A & D Construction	754 days														
38	Collection System Areas B & C Construction	725 days														
39	Pump Station Construction	746 days														
40	Treatment Facility Construction	521 days														
41	<b>Conservation Program Implementation</b>	<b>914 days</b>														
42	Conservation Program Start Date	0 days														
43	Year 1 Conservation Program	311 days														
44	Year 2 Conservation Program	261 days														
45	Year 3 Conservation Program	261 days														
46	<b>Budget Category (e) Environmental Compliance/Mitigation/Enhancement</b>	726 days														
47	<b>Budget Category (f) Construction Administration</b>	912 days														

Project: IRWM Schedule Date: Mon 3/11/13	Task		Summary		External Milestone	
	Split		Project Summary		Deadline	
	Milestone		External Tasks		Progress	

## Project Number 2. Los Osos Community Wastewater Project

	Budget Category	Total Cost	Required Funding Match (25% USDA)	IRWM Grant Funding	USDA	Other State Funds	Other Funding Sources
(a)	<b>Direct Project Administration</b>						
	Project Management	\$ 14,037,210			\$ 14,037,210	\$ -	
	Labor Compliance					\$ -	
	Project Performance and Monitoring Plan	\$ 5,000				\$ 5,000	
						\$ -	
(b)	<b>Land Purchase/Easements</b>	\$ 2,500,000			\$ 2,500,000	\$ -	
(c)	<b>Planning / Design / Engineering / Environmental Documentation</b>						
	Collection System Design	\$ 5,128,582			\$ 5,128,582	\$ -	
	Treatment Facility Design	\$ 4,325,173				\$ 4,325,173	
	Environmental Documentation	\$ 1,330,771			\$ 1,330,771	\$ -	
(d)	<b>Construction/Implementation</b>						
	Contractor Outreach	\$ -					
	Bid Advertise/Award	\$ -					
	Collection System Areas A&D Construction	\$ 28,846,240	\$ 26,611,196	\$ 2,235,044		\$ -	
	Collection System Areas B&C Construction	\$ 32,367,500	\$ 23,147,741			\$ 9,219,759	
	Pump Station Construction	\$ 9,544,550			\$ -	\$ 9,544,550	
	Treatment Plant Construction	\$ 31,034,987			\$ -	\$ 31,034,987	
	Water Conservation Implementation	\$ 3,830,000		\$ 3,610,400		\$ -	\$ 219,000
(e)	<b>Environmental Compliance / Mitigation / Enhancement</b>	\$ 503,888			\$ 503,888	\$ -	
(f)	<b>Construction Administration</b>	\$ 7,686,295			\$ 7,686,295	\$ -	
(g)	<b>Other Costs</b>	\$ 7,398,416				\$ 7,398,416	
(h)	<b>Construction/Implementation Contingency</b>	\$ 24,864,804			\$ 6,243,717	\$ 18,621,087	
	<b>Total</b>	\$ 173,403,416	\$ 49,758,937	\$ 5,845,444	\$ 37,430,463	\$ 80,148,972	\$ 219,000

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

**D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:**

- a) **Separate Accounting of Grant Disbursement and Interest Records:** COUNTY shall account for the money disbursed pursuant to this Funding Agreement separately from all other COUNTY funds. COUNTY shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. COUNTY shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. COUNTY 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 or FCWCD at any and all reasonable times.
- b) **Fiscal Management Systems and Accounting Standards:** The COUNTY agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of Grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law, the Grant Agreement or this Funding Agreement.
- c) **Remittance of Unexpended Funds:** COUNTY, within a period of forty-five (45) calendar days from the final disbursement from FCWCD to COUNTY of Grant funds, shall remit to FCWCD any unexpended funds that were disbursed to COUNTY under this Funding Agreement and were not needed to pay Eligible Project Costs.

**D.2 ACKNOWLEDGEMENT OF CREDIT:** COUNTY shall include appropriate acknowledgement of credit to the State and FCWCD when promoting the Project or using any data and/or information developed under this Funding Agreement. During construction of the Project, COUNTY shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. COUNTY shall notify FCWCD that the sign has been erected by providing it with a site map with the sign location noted and a photograph of the sign.

**D.3 AMENDMENT:** No amendment or variation of the terms of this Funding Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Funding Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

**D.4 AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, COUNTY assures FCWCD 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:** COUNTY acknowledges that the State and FCWCD have the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State or FCWCD. After completion of the Project, the State and FCWCD have the right to require COUNTY to conduct a final audit, at COUNTY's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by COUNTY to comply with this provision shall be considered a breach of this Funding Agreement, and the State and FCWCD may take any action they deem necessary to protect their interests.

Pursuant to Government Code Section 8546.7, COUNTY shall be subject to the examination and by State for a period of three years after final payment under the Grant Agreement with respect of all matters connected with the Grant Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of COUNTY or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion. See Exhibit H for a listing of documents/records that auditors would need to review in the event of a grant being audited.

- D.6 BUDGET CONTINGENCY – LIMIT ON STATE FUNDS:** The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. Neither the State nor the FCWCD will make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.
- D.7 CHILD SUPPORT COMPLIANCE ACT:** COUNTY acknowledges in accordance with Public Contract Code 7110, that:
- a) The COUNTY recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b) The COUNTY, 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.8 COMPETITIVE BIDDING AND PROCUREMENTS:** COUNTY shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in COUNTY's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by FCWCD under this Funding Agreement.
- D.9 COMPUTER SOFTWARE:** The COUNTY certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- 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 Employee:** 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.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** COUNTY agrees to expeditiously provide, during work on the Project and throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by the State or the FCWCD.
- D.12 DISPOSITION OF EQUIPMENT:** COUNTY shall provide to State, not less than 30 days prior to submission of the final Project invoice, a final inventory list of equipment purchased with Grant funds. COUNTY shall consult with State on the scope of the inventory not less than 60 days prior to the submission of the final Project invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item.
- D.13 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the COUNTY. Payment shall be deemed complete upon deposit of the payment, properly

addressed, postage prepaid, in the United States mail. Any claim that COUNTY may have regarding the performance of this Funding Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the FCWCD within thirty (30) calendar days of COUNTY's knowledge of the claim. FCWCD and COUNTY shall then attempt to negotiate a resolution of such claim and process an amendment to the Funding Agreement to implement the terms of any such resolution.

**D.14 DRUG-FREE WORKPLACE CERTIFICATION**

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

- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a).
- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors, or subcontractors about all of the following:
  1. The dangers of drug abuse in the workplace,
  2. COUNTY's policy of maintaining a drug-free workplace,
  3. Any available counseling, rehabilitation, and employee assistance programs, and
  4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide as required by Government Code Sections 8355(c), that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
  1. Will receive a copy of COUNTY's drug-free policy statement, and
  2. Will agree to abide by terms of COUNTY's condition of employment, contract or subcontract.

**D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER:** Upon completion of the Project and as determined by State, COUNTY shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement and to the State's satisfaction.

**D.16 GOVERNING LAW:** This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

**D.17 COUNTY COMMITMENTS:** COUNTY accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement and all incorporated documents, including, without limitation, the Grant Agreement, and to fulfill all assurances, declarations, representations, and statements made by COUNTY or FCWCD in the application, documents, amendments, and communications filed in support of FCWCD's request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing for the Project.

**D.18 INCOME RESTRICTIONS:** COUNTY agrees that any refunds, rebates, credits, or other amounts (including any interest thereon, accruing to or received by the COUNTY under this Funding Agreement) shall be paid by the COUNTY to the State, to the extent that they are properly allocable to costs for which the COUNTY has been reimbursed by the FCWCD or the State under the Grant Agreement or this Funding Agreement.

**D.19 INDEPENDENT CAPACITY:** COUNTY, and the agents and employees of COUNTY, if any, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of FCWCD or the State.

- D.20 INSPECTIONS:** COUNTY acknowledges that the State and FCWCD shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the Funding Agreement. COUNTY acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 *et seq.*). State and FCWCD shall have the right to inspect these documents at any and all reasonable times after completion of the Project to ensure compliance with the terms and conditions of the Grant Agreement and this Funding Agreement. During regular office hours, State and FCWCD shall have the right to inspect and to make copies of any books, records, or reports of the COUNTY relating to the Grant Agreement or this Funding Agreement. COUNTY shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by COUNTY to comply with this provision shall be considered a breach of this Funding Agreement, and State or FCWCD may withhold disbursements to COUNTY or take any other action they deem necessary to protect their interests.
- D.21 NONDISCRIMINATION:** During the performance of this Funding Agreement, COUNTY and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. COUNTY and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. COUNTY and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Funding Agreement by reference and made a part hereof as if set forth in full. COUNTY and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. COUNTY shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Funding Agreement.
- D.22 NO THIRD PARTY RIGHTS:** Subject to COUNTY's obligations to the State, as set forth in this Funding Agreement, the parties do not intend to create rights in, or grant remedies to, any third party.
- D.23 OPINIONS AND DETERMINATIONS:** The parties agree that review or approval of any Project applications, documents, permits, plans and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the COUNTY of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.
- D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** COUNTY shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Funding Agreement. COUNTY shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to expending any funds disbursed pursuant to this Funding Agreement.

Without limiting the foregoing, COUNTY shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements, including but not limited to Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done under this Funding Agreement. Pursuant to the provisions of Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Cal. Pub. Res. Code § 75076 *et seq.*, the COUNTY must have a labor compliance program that meets the requirements of California Labor Code Section 1771.5.

- D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE OR FCWCD PERMISSION:** COUNTY 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 without prior permission of State and FCWCD. COUNTY shall not take any action concerning the performance of this Funding Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of COUNTY to meet its obligations under this Funding Agreement, without prior written permission of State and FCWCD. State or FCWCD may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this Funding Agreement be remitted to State.
- D.26 REMEDIES, COSTS, AND ATTORNEY FEES:** The COUNTY agrees that any remedy provided in this Funding Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the FCWCD as a result of breach of this Funding Agreement by the COUNTY, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Funding Agreement by the FCWCD shall not preclude the FCWCD from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Funding Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
- D.27 RETENTION:** Notwithstanding any other provision of this Funding Agreement, the COUNTY acknowledges that the State will be withholding five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter, of the funds requested by FCWCD for reimbursement of Eligible Project Costs. The Project will be eligible to release its retention when the Project is completed and COUNTY has met the requirements of Paragraph 16, "Submissions of Reports" as follows. At such time as the "Project Completion Report" required under Paragraph 16 is submitted to and approved by State, State will disburse the retained funds for the Project to FCWCD, unless the Project is the last project to be completed under the Grant Agreement, in which case retention for the Project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State. The FCWCD will timely release the retention to COUNTY upon receipt of said funds from the State.
- D.28 RIGHTS IN DATA:** To the extent permitted by law, the COUNTY 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 Funding Agreement shall be in the public domain. COUNTY may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to the State and FCWCD for financial support. COUNTY shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- D.29 SEVERABILITY OF UNENFORCEABLE PROVISION:** If any provision of this Funding Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Funding Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
- D.30 STATE OR FCWCD REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the COUNTY of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, COUNTY agrees to indemnify, defend and hold harmless the FCWCD and State against any loss or liability arising out of any claim or action brought against the FCWCD and/or State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:
- a) The Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof;
  - b) Performing any of the terms contained in this Funding Agreement or any related document;

- c) Any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and CWC Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the natural water system; or
- d) Any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the COUNTY for use in any disclosure document utilized in connection with any of the transactions contemplated by this Funding Agreement. COUNTY agrees to pay and discharge any judgment or award entered or made against the FCWCD or State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of the Funding Agreement.

Without limiting the foregoing, the COUNTY expressly agrees to indemnify, defend and hold harmless the FCWCD against any loss or liability arising out of any claim or action brought against the FCWCD by State for breach of the Grant Agreement (or any related cause of action) based on COUNTY's failure to comply with the terms, provisions, conditions and written commitments set forth therein.

**D.31 INSURANCE:** COUNTY, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Funding Agreement. Such policies shall be maintained for the full term of this Funding Agreement and the related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of COUNTY's work under this Funding Agreement and acceptance by the FCWCD. Any failure to comply with the reporting provision(s) of the policies referred to above shall not affect coverage provided to the FCWCD, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "FCWCD" shall include officers, employees, volunteers and agents of the FCWCD, individually or collectively.

- a) Minimum Scope and Limits of Required Insurance Policies. The following policies shall be maintained with insurers authorized to do business in the State of California and shall be used under forms of policies satisfactory to the FCWCD:
  1. Commercial General Liability Insurance Policy (CGL). Policy shall include coverage at least as broad as set forth in Insurance Services Office (ISO) Commercial General Liability coverage (Occurrence Form CG 0001) with policy limits of not less than the following:
    - \$1,000,000 each occurrence (combined single limit);
    - \$1,000,000 for personal injury liability;
    - \$1,000,000 aggregate for products-completed operations; and
    - \$1,000,000 general aggregate
 The general aggregate limits shall apply separately to COUNTY's work under this Funding Agreement.
  2. Business Automobile Liability Policy (BAL). Policy shall include coverage at least as broad as set forth in ISO Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than one-million dollars (\$1,000,000) for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any activities associated with this Funding Agreement. COUNTY shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of the FCWCD.
  3. Workers' Compensation and Employers Liability Insurance Policy (WC/EL). This policy shall include at least the following coverages and policy limits:
    - i. Workers' Compensation Insurance as required by the State of California; and
    - ii. Employer's Liability Insurance Coverage B with coverage amounts not less than one million dollars (\$1,000,000) each accident/bodily Injury (BI); one million dollars (\$1,000,000) policy limit BI by disease; and one million dollars (\$1,000,000) each employee BI by disease.

- b) Deductibles and Self Insurance Retentions. Any deductible and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by COUNTY and approved by FCWCD before work is begun pursuant to this Funding Agreement. At the option of the FCWCD, COUNTY shall either reduce or eliminate such deductibles or self-insured retentions as respect to the FCWCD, its officers, employees, volunteers and agents or shall provide a financial guarantee satisfactory to the FCWCD guaranteeing payment of losses and related investigations, claim administration and/or defense expenses.
- c) Endorsements. All of the following clauses and endorsements, or similar provisions, are required to be made a part of the insurance policies indicated in parentheses below:
  - 1. A "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);
  - 2. The FCWCD, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of the COUNTY's performance of work under this Funding Agreement (CGL & BAL);
  - 3. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL);
  - 4. This policy shall be considered primary insurance with respect to any other valid and collective insurance FCWCD may possess, including any self-insured retention FCWCD may have, and any other insurance FCWCD does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL & BAL &);
  - 5. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to FCWCD at the address set forth in Paragraph 25 (CGL, BAL & WC/EL &);
  - 6. COUNTY and its insurers shall agree to waive all rights of subrogation against FCWCD, its officers, employees, volunteers and agents for any loss arising under this Funding Agreement (CGL); and
  - 7. Deductibles and self-insured retentions must be declared (all policies).
- d) Absence of Insurance Coverage. FCWCD may direct COUNTY to immediately cease all activities with respect to this Funding Agreement if it determines that COUNTY fails to carry, in full force and affect, all insurance policies with coverage at or above the limits specified in this Funding Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered COUNTY's delay and expense. At the FCWCD's discretion, under conditions of lapse, the FCWCD may purchase appropriate insurance and charge all costs related to such policy to COUNTY.
- e) Proof of Insurance Coverage and Coverage Verification. Prior to commencement of work under this Funding Agreement and annually thereafter for the term of this Funding Agreement, COUNTY, or each of COUNTY's insurance brokers or companies, shall provide FCWCD a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage certifications, as evidence of the stipulated coverages. All of the insurance companies providing insurance for COUNTY shall have and provide evidence of a Best Rating Service Rate of A VI or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to FCWCD at the address set forth in Paragraph 25.

**D.32 SUCCESSORS AND ASSIGNS:** This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the COUNTY shall be valid unless and until it is approved by FCWCD and made subject to such reasonable terms and conditions as FCWCD may impose.

**D.33 TIMELINESS:** Time is of the essence in this Funding Agreement.

**D.34 TRAVEL:** COUNTY agrees that travel and per diem costs shall NOT be eligible for reimbursement with Grant funds, and shall NOT be eligible for computing COUNTY cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement.

**D.35 WAIVER OF RIGHTS:** None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding 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**  
**REPORT FORMAT AND REQUIREMENTS**

The following reporting formats should be utilized:

**QUARTERLY PROGRESS REPORT**

COUNTY shall submit Quarterly Progress Reports on a consistent basis to meet the State's requirement for disbursement of funds. The quarterly progress report should describe the work performed during the reporting period, including:

**CONTINUING ELIGIBILITY**

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- In areas that receive water supplied from the Sacramento-San Joaquin Delta, the IRWM Plan must reduce dependence on the Sacramento-San Joaquin Delta for water supply (SB 855 (Stats. 2010) Section 31(c)(1)(B)).
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs.
- An update on efforts to adopt a Groundwater Management Plan.

**PROJECT INFORMATION (INCLUDE ANY OF THE BELOW THAT WERE APPLICABLE DURING THE REPORTING PERIOD)**

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.).
- Discussion of data submittal effort(s) for the previous quarter, including a description of the data submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the Project work plans.

**COST INFORMATION**

- Provide a list showing all costs incurred during the quarter by the COUNTY, and each contractor working on the Project. The list should include for all non-construction, or implementation costs, (i.e., design, and admin charges) the hours per task worked on during the quarter for above personnel.
- A discussion on how the actual budget is progressing in comparison to the Project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from the latest budget shown in Appendix C, Budget. Note, a revised budget may require an official amendment to the Grant Agreement as well as this Funding Agreement before it is accepted as final.

## **SCHEDULE INFORMATION**

- A schedule showing actual progress versus planned progress as shown in Exhibit B.
- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit B.
- A revised schedule, by task, if changed from latest schedule in Exhibit B. Note, a revised schedule may require an official amendment to the Grant Agreement as well as this Funding Agreement before it is accepted as final.

## **ANTICIPATED ACTIVITIES NEXT QUARTER**

- Provide a description of anticipated activities for the next quarterly reporting period.

## **PROJECT COMPLETION REPORT**

A Project Completion Report is required for the Project and shall include the following Sections:

### **EXECUTIVE SUMMARY**

The Executive Summary consists of a maximum of ten (10) pages summarizing Project information (see report status section below for topics). The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application.
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement or Funding Agreement. List any official amendments to the Grant Agreement or Funding Agreement, with a short description of the amendment.
- Describe the mechanism or process that allows for continued performance monitoring of the Project in meeting the objectives of the IRWM Plan.

### **REPORTS AND/OR PRODUCTS**

- Provide a copy of any final technical report or study, produced for the Project as described in the Work Plan, if applicable.
- Provide a map and shapefile(s) showing the location of the completed Project. A description of the geographic projection and datum used for the shapefile must be submitted with the shapefile (a NAD '83 datum and either a UTM 10 or UTM 11 projection, dependent on the Project's location in the state, should be utilized).
- If any wells were constructed as part of the Project, provide the following information: well logs; borehole geophysical logs; state well number; site information to include horizontal (NAD '83) and vertical (NAVD '88) datum to be determined within 0.5 feet.
- Provide an electronic copy of any as-built plans (media: CD-ROM; PDF format).
- Provide copies of any data collected along with location maps.
- If applicable, describe the findings of any study and whether the study determined the engineering, hydrologic, hydrogeologic, environmental, economic and financial feasibility of the Project.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Funding Agreement.

### **COST & DISPOSITION OF FUNDS INFORMATION**

- A list of invoices showing:
  - The date each invoice was submitted to FCWCD.
  - The amount of the invoice.

- The date the check was received.
- The amount of the check (If a check has not been received for the final invoice, then state this in this section).
- A spreadsheet summary of the original budget costs by task versus the final Project costs.
- A summary of final funds disbursement including:
  - Labor cost of personnel of agency/major consultant/sub-consultants (indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
  - Construction cost information, shown by material, equipment, labor costs, and change orders.
  - Any other incurred cost detail.
  - A statement verifying separate accounting of Grant disbursements.
- Summary of Project cost including:
  - Accounting of the cost of Project expenditure.
  - Include all internal and external costs not previously disclosed.
  - A discussion of factors that positively or negatively affected the Project cost and any deviation from the original Project cost estimate.

### **ADDITIONAL INFORMATION**

- Benefits derived from the Project, with quantification of such benefits provided, if applicable.
- A final Project schedule showing actual progress verse planned progress.
- Certification from a California Registered Civil Engineer that the Project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

### **POST-PERFORMANCE REPORT**

A Post Performance Report is required annually for a period of 10 (ten) years beginning after the first year of operation and shall include the following:

#### **REPORTS AND/OR PRODUCTS**

- Time period of the annual report, i.e., Oct 2014 through September 2015.
- Short Project description.
- Brief discussion of the Project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual Project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the Project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Funding Agreement.
- Any additional information relevant to or generated by the continued operation of the Project.

### **ELECTRONIC REPORT FORMATTING**

COUNTY agrees that work funded under this Funding Agreement will be provided in an electronic format to FCWCD. Electronic submittal of final reports, plans, studies, data, and other work performed under this Grant shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR-required naming convention; and Appendix number/letter and named in the TOC.
- If the Project involves a modeling component, COUNTY shall provide the major input data files, parameters, calibration statistics, output files, and other information requested by State's Project Manager.

**EXHIBIT F**  
**[NOT APPLICABLE – INTENTIONALLY LEFT BLANK]**

**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 E.

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 the 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 COUNTY 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**

If the Project collects groundwater level data, COUNTY will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in Project reports, as described in Exhibit E. Information regarding the WDL and in what format to submit data in can be found at: <http://wdl.water.ca.gov/>.

DWR's WDL has been replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). COUNTY will submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

**Exhibit H**  
**STATE AUDIT DOCUMENT REQUIREMENTS AND GUIDELINES FOR GRANTEES**  
**UNDER DWR FINANCIAL ASSISTANCE PROGRAMS**

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

**List of Documents for Audit**

Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the Project).
2. Written internal procedures and flowcharts for the following:
  - a. Receipts, deposits and disbursements
  - b. State reimbursement requests
  - c. Funding expenditure tracking
  - d. Guidelines, policy, and procedures on grant 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 grant funded Program/Project.

Agreements and Contracts:

1. Original signed Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants received from the State.
3. A listing of all other funding sources for each project.
4. All subcontractor and consultant contracts and related or partners documents, if applicable.
5. Contracts between the Agency and member agencies as related to this funding agreement.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under this Funding Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related budget line items under this Funding Agreement.
3. Reimbursement requests submitted to the State for this Funding 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 this Funding Agreement.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for 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 reimbursement.

Administration Costs: Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

1. All supporting documentation maintained in the project files.
2. All correspondence related to this Funding Agreement.

**General Funding Agreement Guidelines**

Amendment Requirements:

Amendments to the Work Plan, Budget, and/or Schedule of the Grant Agreement and this Funding Agreement are triggered when the proposed changes are deemed by the State to be substantial. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. For example, a formal budget change to the Grant Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged.

Funding Match Contribution

Funding Match (often referred to as COUNTY Cost Share) is the amount defined in Paragraph 5 of this Agreement. Funding Match 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 COUNTY (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can be counted as funding match in-lieu of actual funds (or revenue) provided by the COUNTY. Other funding match and in-kind service eligibility conditions apply (see paragraph 8). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the COUNTY for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
  - o Describe contributed item(s) or service(s)
  - o Purpose for which contribution was made (tie to scope of work)
  - o Name of contributing organization and date of contribution
  - o 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 #4, below)
  - o Person's name and function of the contributing person
  - o Hours of contribution
  - o If multiple sources exist, summarize these on a table with summed charges
  - o Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in this Funding Agreement Work Plan. 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 this Funding Agreement. Evaluate eligibility with DWR Project Manager in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.
4. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the COUNTY 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. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

**EXHIBIT I**  
**[NOT APPLICABLE – INTENTIONALLY LEFT BLANK]**

**EXHIBIT J**  
**GRANT AGREEMENT NO. 460000717**