

**FUNDING AGREEMENT BETWEEN THE SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND
COASTAL SAN LUIS RESOURCE CONSERVATION DISTRICT
INTEGRATED REGIONAL WATER MANAGEMENT PLANNING 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 Coastal San Luis Resource Conservation District, a special district of the State of California (RCD).

WHEREAS, on February 7, 2013, the FCWCD received a Commitment Letter from the Department of Water Resources (State) awarding to the FCWCD a grant from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Grant) for the purpose of updating the San Luis Obispo Regional Integrated Regional Water Management Plan (IRWM Plan) subject to a number of conditions, including execution of a grant agreement with the State (Grant Agreement); and

WHEREAS, one of the components of the update identified in the Grant application is a Regional Water Shed Management Planning Study (Project) to be locally co-sponsored by the RCD (the Upper Salinas - Las Tablas Resource Conservation District is the other co-sponsor); and

WHEREAS, as the Grant Agreement has not yet been executed, Grant funds are not currently available to reimburse the RCD for costs incurred in connection with the Project; and

WHEREAS, it is critical that the Project not be delayed due to its relationship to the FCWCD-led and State-mandated update to the IRWM Plan; and

WHEREAS, the FCWCD is willing to advance reimbursements to the RCD in order that the RCD can complete work on the Project prior to approaching State deadlines; and

WHEREAS, any reimbursements advanced to the RCD prior to the Execution Date (as defined in Paragraph 3) for the performance of Project work (as set forth in Exhibit A) are subject to the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree with the above recitals, incorporated herein by this reference, and hereby further agree as follows:

1. PURPOSE. The purpose of this Funding Agreement is to set forth the terms and conditions under which the FCWCD will advance reimbursements to the RCD for Eligible Project Costs as defined in Paragraph 9.
2. GENERAL RESPONSIBILITIES. The RCD 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 RCD shall comply with all of the terms and conditions of this Funding Agreement and applicable California Public Resources Code (PRC) requirements. In addition, RCD acknowledges and agrees that this Funding Agreement is subject to the obligations and limitations that will be imposed on the FCWCD by the Grant Agreement, and all amendments to the Grant Agreement, and is intended to be in conformance and harmony with it. The RCD further acknowledges that if the Grant Agreement is not timely executed or 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 RCD hereby expressly agrees to the provisions of the Grant Agreement, including, without limitation, any provisions that amend the Work Plan, Schedule or Budget, and agrees to take all actions (and provide all information) necessary for the FCWCD to satisfy its obligations thereunder. The RCD further agrees that the FCWCD has the right to enter into the Grant Agreement and any amendments thereto and shall not be restricted or impaired, in any way, by this Funding Agreement.

The FCWCD will provide the RCD with a copy of the Grant Agreement and any amendments thereto upon execution.

3. TERM OF FUNDING AGREEMENT. The term of this Funding Agreement begins on the date this Funding Agreement is executed by FCWCD, and terminates when all of the parties' obligations under this Funding Agreement have been fully satisfied. The Execution Date is the date the FCWCD signs this Funding Agreement.
4. AMOUNT OF FUNDS AVAILABLE. The maximum amount of funds available to RCD under this Funding Agreement shall not exceed \$125,000.00.
5. RCD COST SHARE. The reasonable cost of the Project is estimated to be \$250,000.00. The Upper Salinas - Las Tablas Resource Conservation District is also eligible to receive up to \$125,000.00 for the Project. The RCD Cost Share (Funding Match) is estimated to be \$0.00. The RCD's Funding Match may include in-kind services that are part of Exhibit A (Work Plan) and are performed after September 30, 2008.
6. BASIC CONDITIONS. FCWCD shall have no obligation to disburse money for the Project under this Funding Agreement unless and until RCD has satisfied for the Project the State's requirements for disbursement in accordance with the IRWM Guidelines and Planning Grant PSP which include:
 - a. RCD demonstrates the availability of sufficient funds for the RCD Cost Share described in Paragraph 5 and for any anticipated costs necessary to complete the Project over and above the Amount of Funds Available identified in Paragraph 4.
 - b. RCD shall furnish a copy of permits, licenses, and approvals required in performing its obligations under this Funding Agreement.
 - c. Work that is subject to the California Environmental Quality Act (CEQA) shall not proceed under this Funding Agreement until documents that satisfy the CEQA process are received by the State and State has completed its CEQA compliance responsibilities. Work that is subject to a CEQA document shall not proceed until and unless approved by the State's Project Manager. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the Project or to require changes, alterations or other mitigation.
 - d. RCD performs tribal notifications per PRC §75102.
 - e. RCD performs Surface Water Diversion Reporting as required by California Water Code (CWC) Sections 5101 and 5103.
 - f. If RCD is an urban water supplier, it shall maintain compliance with the Urban Water Management Planning Act (CWC §10610 *et. seq.*)
 - g. RCD submits all deliverables as specified in Paragraphs 10 and 11 of this Agreement and Exhibit A (Work Plan).
7. SUBMITTAL OF INVOICES. Invoices submitted by RCD 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 implementation 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 (i.e., line items) specified in the Exhibit C (Budget). The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked multiplied by 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, as depicted in Paragraph 4, "Amount of Funds Available" and those costs that represent RCD's costs, as applicable, in Paragraph 5, "RCD Cost Share."
 - 5) Original signature and date (in ink) of RCD's appropriately authorized 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

8. ADVANCEMENT OF REIMBURSEMENT. Provided that the RCD has satisfied the Basic Conditions set forth in Paragraph 6, has submitted proper invoicing to FCWCD pursuant to Paragraph 7 and is otherwise in full compliance with the terms of this Funding Agreement as determined by FCWCD (including the requirement that the RCD submit timely progress reports), the FCWCD shall pay each invoice within 30 days of receipt. Notwithstanding any other provision of this Funding Agreement, no payment 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 paid to RCD under this Funding Agreement and any and all interest earned by RCD on such money shall be used solely to pay Eligible Project Costs, as defined in Paragraph 9, "Eligible Project Costs."

The RCD shall have no right or entitlement to any funds disbursed by the State for Project costs already reimbursed by FCWCD pursuant to this Funding Agreement. In the event that the RCD receives any such disbursements from the State, it shall immediately deliver them to the FCWCD.

9. ELIGIBLE PROJECT COSTS. RCD 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 (Budget). Eligible Project Costs include the reasonable costs of conducting meetings, stakeholder outreach and engagement, collecting data and information, and developing and writing the IRWM Plan, including administrative costs and incidental costs. Work performed after the date of Grant award, November 29, 2012, 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 and collaboration. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the Project, including an appropriate pro-rata allocation of overhead and administrative expenses that are regularly assigned to the Project in accordance with the standard accounting practices of the RCD.

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. Costs for preparing and filing a grant application belonging to another solicitation.
- c. Operation and maintenance costs, including post construction Project performance and monitoring costs.
- d. Purchase of equipment not an integral part of the Project.
- e. Establishing a reserve fund.
- f. Purchase of water supplies.
- g. Replacement of existing funding sources for ongoing programs.
- h. Support of existing punitive regulatory agency requirements and/or mandates in response to negligent behavior.
- i. 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.
- j. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after the effective date of the Grant award, 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 reimbursable Project costs.
- k. Overhead not directly related to Project costs.
- l. Meals, food items, or refreshments other than those allowed per Standard Condition D-47, "Travel."

10. PROGRESS REPORTS. RCD shall submit progress reports to FCWCD on a regular and consistent basis (in accordance with specific deadlines to be set by FCWCD) to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail, to the FCWCD's Project Manager at the frequency specified in Exhibit B (Schedule). The progress reports shall provide a brief description of the work performed, RCD activities, milestones achieved, any accomplishments, during the reporting period, and any problems encountered in the performance of the work under this Funding Agreement. A recommended progress report format is attached as Exhibit E.
11. PROJECT COMPLETION REPORT. Upon completion of the Project, RCD shall prepare and submit to FCWCD, for review and approval by FCWCD and State, a Project Completion Report. The Project Completion Report shall be provided in hard copy and digital format. Final payment of Eligible Project Costs withheld will not be made until the FCWCD and State approve the Project Completion Report. Project Completion Report format is attached as Exhibit E.
12. RCD REPRESENTATIONS. RCD accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the FCWCD or RCD in the application, accompanying documents, and communications filed in support of FCWCD's request for grant funding. RCD shall comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, policies and regulations.
13. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, RCD'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 RCD.
14. LABOR COMPLIANCE. RCD agrees to comply with all applicable California Labor Code requirements, including prevailing wage provisions. RCD must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code section 1771.5 for the Project. RCD's failure to comply with this Paragraph 14 is a breach of this Funding Agreement. At the request of State or FCWCD, RCD must promptly submit written evidence of RCD's adoption of an LCP.
15. WITHHOLDING OF DISBURSEMENT BY STATE OR FCWCD. If 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 RCD has failed in any other respect to comply with the provisions of this Funding Agreement, and if RCD does not remedy any such failure to the satisfaction of State or FCWCD, State or FCWCD may withhold from RCD all or any portion of the Amount of Funds Available pursuant to Paragraph 4 and may take any other action that they deem necessary to protect their interests, including demanding repayment of any portion of the disbursed funds. State and FCWCD may consider RCD's refusal to repay the requested disbursed funds a contract breach subject to the default provisions in Paragraph 16, "Default Provisions."
16. DEFAULT PROVISIONS. RCD will be in default under this Funding Agreement if any of the following occur:
 - a. Breach of this Funding Agreement, or any supplement or amendment to it, or any other agreement between RCD and FCWCD evidencing or securing RCD's obligations;
 - b. 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;
 - c. Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain Grant funding from the State;
 - d. Failure to operate or maintain the Project in accordance with this Funding Agreement;
 - e. Failure to make any remittance required by this Funding Agreement;
 - f. Failure to comply with Labor Compliance Plan requirements.

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

- h. 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.

- i. Terminate any obligation to make future payments to RCD.
 - j. Terminate the Funding Agreement.
 - k. Take any other action that they deem necessary to protect their interests.
17. 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 sent 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 transmission (i.e. e-mail). 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 by electronic transmission will be effective on the date successfully received. Notices shall be sent to the addresses below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below. FCWCD will notify RCD if it receives notice of a change of address from the State.
18. NOTIFICATIONS TO STATE AND FCWCD. RCD shall promptly notify FCWCD and State, in writing, of the following items:
- a. Substantial changes in the scope, budget, or schedule and
 - b. Any public or media event publicizing the accomplishments and/or results of the Grant Agreement or this Funding Agreement.

RCD agrees that no substantial change will be undertaken until written notice of the proposed change has been provided to State and FCWCD and State and FCWCD have given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or agreement term, and budget. RCD shall make notification at least fourteen (14) calendar days prior to a public or media event to provide opportunity for attendance and participation by representatives of State and FCWCD.

19. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement will be:

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

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.

Coastal San Luis Resource Conservation District
Neil Havlik
President
645 Main Street, Suite F
Morro Bay, CA 93442
Phone : (805) 772-4391
e-mail: neilhavlik@aol.com

Direct all inquiries to the Project Manager:

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

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: Monica.Reis@water.ca.gov

Coastal San Luis Resource Conservation District
Nicole Smith
Project Manager
645 Main Street, Suite F
Morro Bay, CA 93442
Phone : (805) 772-4391
e-mail: nsmith@coastalrccd.org

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

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

Exhibit A	Project Work Plan
Exhibit B	Project Schedule
Exhibit C	Project Budget
Exhibit D	Standard Conditions
Exhibit E	Report Format and Requirements
Exhibit F	Grantee Resolution (intentionally omitted)
Exhibit G	Guidelines for Grantee and Borrowers
Exhibit H	Statewide Monitoring
Exhibit I	Template Grant Agreement (pursuant to Paragraph 2, "The FCWCD will provide the RCD with a copy of the Grant Agreement and any amendments upon execution).

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

<p>COUNTY OF SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT</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>COASTAL SAN LUIS RESOURCE CONSERVATION DISTRICT</p> <p>By:  JEAN-PIERRE WOLFF VICE CHAIR</p> <p>Date: <u>OCT. 23</u>, 20<u>13</u></p>
<p>APPROVED AS TO FORM AND LEGAL EFFECT: RITA L. NEAL County Counsel</p> <p>By:  Deputy County Counsel</p> <p>Date: <u>October 21</u>, 20<u>13</u></p>	<p>APPROVED AS TO FORM AND LEGAL EFFECT: RITA L. NEAL County Counsel</p> <p>By:  Chief Deputy County Counsel</p> <p>Date: <u>10/24</u>, 20<u>13</u></p>
<p>ATTEST:</p> <p>_____ 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</p> <p>Date: _____, 20__</p>	

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EXHIBIT A
PROJECT WORK PLAN

Exhibit A Planning Grant Work Plan

The District is the Lead Agency for updating the San Luis Obispo County Region’s IRWM Plan. Upper Salinas-Las Tablas Resource Conservation District and Coastal San Luis Resource Conservation District (RCDs) are leading specific planning efforts associated with Task 4 Watershed Management Planning to supplement the IRWM Plan. The table below provides an overview of work associated with the DWR Grant Agreement. The Funding Agreement Project Scope of Work is identified as Task 4.

Task	Description	Lead Agency
1.1 – 1.15, 6	Update and Compile IRWM Plan	District
2	Engage Stakeholders in IRWM Plan Update	District
3	Engage Disadvantaged Communities in IRWM Plan Update	District
4	Watershed Management Planning	RCDs
5	Salt and Nutrient and Recycled Water Planning	
5.1	Salt and Nutrient Management Planning Priorities	District
5.2	Paso Robles Basin Salt and Nutrient Management Plan	Paso Robles
5.3	Paso Robles Basin Groundwater Model Update	District
5.4	Santa Maria Basin Characterization	District
5.5	Regional Recycled Water Planning	District

Task 4. Watershed Management Planning

This focused planning study will be led by the Coastal San Luis Resource Conservation District (CSLRCD) and Upper Salinas Las Tablas Resource Conservation District (USLTRCD) (or “RCDs” collectively). It is the preliminary effort to better understand regional watershed issues and priorities and to take a comprehensive look at the region’s watersheds and the associated concerns, challenges, data gaps, and priorities. The focused planning study includes:

Task 4.1 Regional Watershed Management Plan (WMP): Phase I (*WMP Visioning, Framework & Prioritization Methodology Development*)

Task 4.2 Conduct Instream Flow Study: Stage 1

Task 4.1 Regional Watershed Management Plan: Phase 1

Task 4.1.1 Regional Watershed Management Plan - Project Administration

This task includes project management efforts required by CSLRCD and USLTRCD to complete the Regional Watershed Management Plan.

Task 4.1.2 Develop a Regional Watershed Management Plan Framework & Methodology

This task involves developing a unified WMP framework and methodology by identifying and aligning multiple conservation/resource management stakeholders through a series of planning sessions to identify goals and achieve a common vision for a regional watershed plan, including selecting the best possible framework to use for the WMP, such as watershed scope, scale, protocols and the rationale for those decisions.

Activities include:

- Coordinate and host a minimum of three technical advisory committee meetings with conservation organizations, natural resource managers, and municipalities with knowledge of County natural resources to 1) identify elements of a regional watershed plan, 2) develop a shared vision, goals and methodology for WMP development, 3) identify data gaps, and 4) identify next steps toward a regional watershed plan.
- Identify Successful Regional Plans as potential models by researching regional natural resource planning efforts in other counties or states that are successful, and list and summarize examples for consideration by the technical advisory committee group to identify a model plan or elements of a plan.
- Develop Plan Framework, using identified model plan/elements and technical advisory committee comments to draft goals, strategies, and a watershed plan framework.
- Develop Plan Methodology (Goals and Vision) to evaluate restoration and enhancement priorities.
- Coordinate with IRWM Plan Update on Climate Change Vulnerability Assessment.

Task 4.1.3 Identify Existing Data

This task involves identifying holders of existing ecosystem data as related to SLO Region watersheds and collaboratively compiling the data for use in the regional WMP. Focus will be given to existing watershed plans and regional data sets. Watersheds without watershed plans will be identified.

Task 4.1.4 Identify Data Gaps

This task involves using data collected under Task 4.1.3 as a guide to identify data gaps within each watershed. The technical advisory committee group may begin to use the prioritization methodology from Task 4.1.2 to evaluate data gaps, if found to be appropriate.

Task 4.1.5 Develop Regional Watershed GIS Repository

This task involves organizing data on the SLO Region's watersheds to be readily available to the community. GIS technicians will try to identify a place for data, gather data from organizations, identify missing data and create watershed maps, as possible.

Task 4.1.6 Identify Next Steps for Regional Watershed Management Plan: Phase II

This task involves outlining steps for Regional WMP: Phase II (*Watershed Management Plan Development and Implementation*) and identifying potential strategies for implementation. In the event that work tasks are completed more efficiently than anticipated, remaining funds will be directed toward filling identified data gaps and/or taking next steps toward the Regional WMP: Phase II.

Task 4.1 Deliverables:

- **Description of regional WMP methodology for prioritization**
- **Outline of regional WMP**
- **Watershed snapshots created for each watershed (scale as defined by technical advisory committee)**
- **List of common data gaps**
- **Watershed Data Repository for SLO Region watersheds**
- **Summary of next steps for final Regional WMP: Phase II**

Task 4.2 Conduct Instream Flow Study: Stage 1

Task 4.2.1 Compile and Review Existing Data

Compile and review existing precipitation, hydrology, consumptive water use, special-status aquatic species (e.g., tidewater goby and steelhead/rainbow trout) distributions, physical spatial data, and instream flow studies and requirements.

Task 4.2.2 Physical Landscape Unit Stratification

Use existing spatial data to stratify watersheds in SLO County into geologic/ topographic/ hydrologic "physical landscape units". Evaluate these physical landscape units in consideration of special-status aquatic species distributions and consumptive water use patterns (e.g., number of and predominant type of water use methods, such as surface water diversions and/or groundwater pumping) to refine the list of units to be included in the study.

Task 4.2.3 Conduct Stakeholder Meetings

A minimum of two stakeholder meetings will be conducted to allow regional participation in development of the instream flow study. The first meeting will be convened with interested stakeholders to review and discuss study purpose and tasks, and to receive feedback on the refined list of physical landscape units to be included in the study. This will ensure that the study includes watersheds (and their waterbodies) that are not currently the subject of consumptive water use and/or water use planning considerations, but may be considered in the future. The second meeting will be convened after Task 4.2.6 to review and discuss study methods and results, and to receive feedback on the instream flow assessment priorities and proof-of-concept (i.e., how Stage 1 study results and Stage 2 instream flow studies can and will be used to estimate environmental water demand). This meeting is intended to ensure that SLO Region stakeholders are aware of the resources provided by the study, and have an opportunity for their regulatory questions or concerns to be addressed.

Task 4.2.4 Conduct Focused Field Effort

Conduct a focused field effort to physically truth the physical landscape units on the refined list and identify appropriate unit boundaries and refine their characteristics.

Task 4.2.5 Extrapolate Existing Study Results

As feasible and appropriate, use existing instream flow study results and requirements and apply to streams/watersheds in analogous physical landscape units of SLO County to extrapolate potential environmental water demand. Due to the low number of instream flow studies in SLO County, studies and requirements from other coastal California counties may be considered, so long as they are based on physical landscape units that also occur in San Luis Obispo County. Identify key data gaps, and provide initial recommendations for using these data to determine environmental water demand.

Task 4.2.6 Prioritize Streams/Watersheds for Instream Flow Assessment

Identify stream/watershed priorities for instream flow assessment implementation to strategically fill these data gaps and use physical landscape unit conditions to identify an appropriate instream flow assessment approach. Instream flow assessment priorities will be compared with California Department of Fish and Game and National Marine Fisheries Service priorities for instream flow studies and/or protected species recovery planning in SLO County, but will ultimately be prioritized based on the study's ability to inform the environmental water demand estimate. Instream flow assessment methods will be selected based on the method's ability to cost-effectively provide the instream flow information necessary to refine the environmental water demand estimate; methods may or may not conform to regulatory agency protocols or guidelines for instream flow studies.

Task 4.2.7 Develop Final Instream Flow Study Report

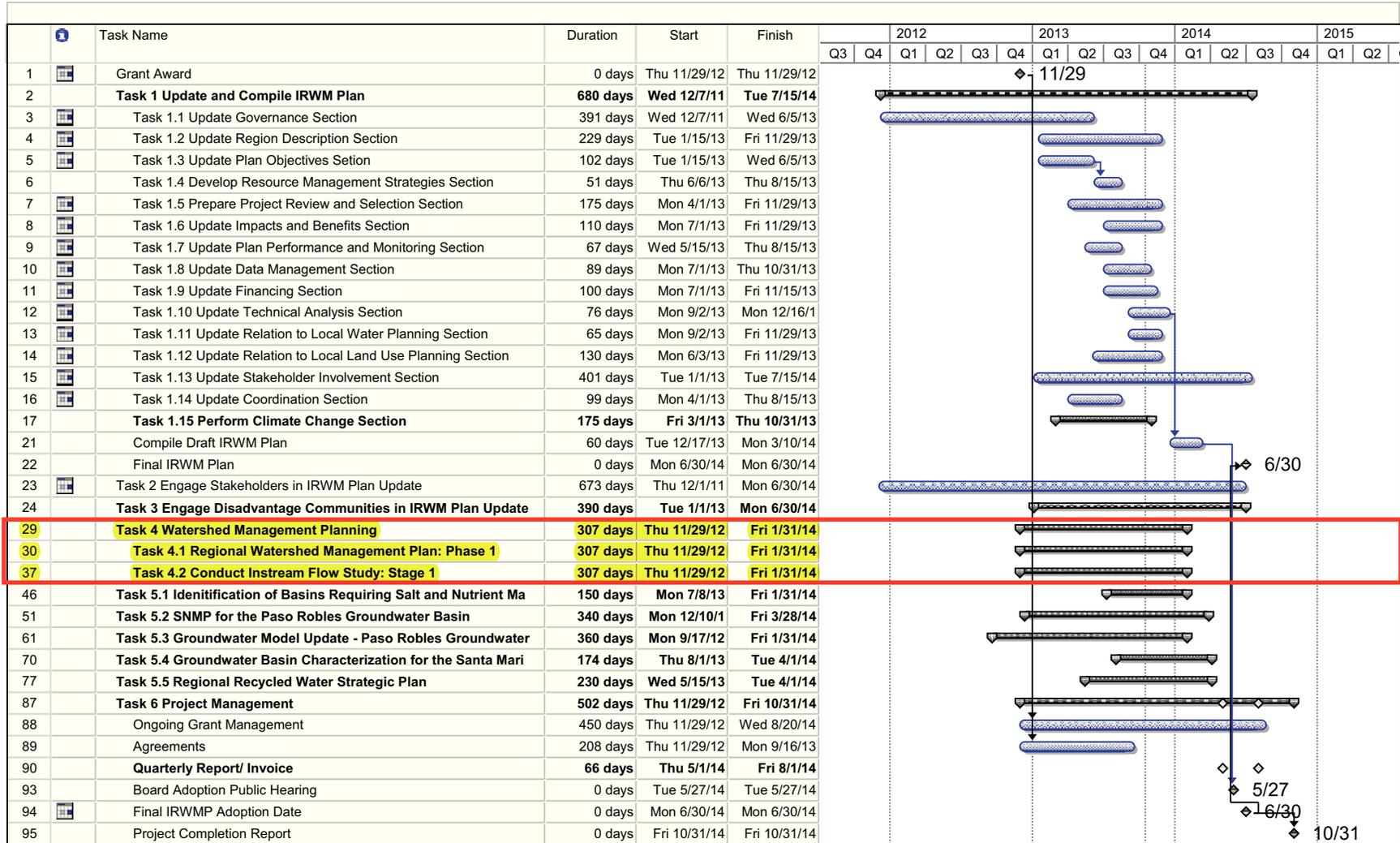
Develop a final report summarizing the Stage 1 study methods, results (including spatial products such as hardcopy and/or interactive web-based maps), and proof-of-concept. The Stage 1 final report will also describe the instream flow assessment priorities and approaches to guide Stage 2 of the study.

Task 4.2 Deliverables:

- **Google Earth analysis points of watershed boundaries and physical landscape units**
- **Final Instream Flow Study: Stage 1 Report**

EXHIBIT B
PROJECT SCHEDULE

EXHIBIT B: PROJECT SCHEDULE



Project: IRWMPUpdate_Schedule
20130708
Date: Thu 10/17/13

Task Milestone External Tasks

Split Summary External Milestone

Progress Project Summary Deadline

EXHIBIT C
PROJECT BUDGET

EXHIBIT C: PROJECT BUDGET (Task 4)

IRWM Proposition 84 Round 2 Planning Grant Funding

DWR Grant Agreement Line Item Budget: San Luis Obispo County - Watershed Planning

Updated: 10/16/2013
(DWR Format Requested in Commitment Letter)

Proposal Title: San Luis Obispo County Integrated Planning Proposal

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Line Item	Resource Category	Grantee Cost Share	DWR Grant Funding ¹	Other Funding Sources: ² RCD General Fund	DAC Funding ³	Total ⁴
1	Personnel Services ⁵	\$0	\$121,370	\$0	\$0	\$121,370
2	Land/ Right-of-Way Acquisition	\$0	\$0	\$0	\$0	\$0
3	Operating Expenses <\$5,000 ⁶	\$0	\$4,200	\$0	\$0	\$4,200
4	Equipment >\$5,000 ⁷	\$0	\$0	\$0	\$0	\$0
5	Professional & Consultant Services ⁸	\$0	\$124,430	\$0	\$0	\$124,430
TOTAL		\$0	\$250,000	\$0	\$0	\$250,000

Notes:

1 All grant funds including DAC funding.

2 List all sources of funding and use multiple columns as required.

3 The portion of Grant funds from Column 4 that will be used for DAC involvement/ participation.

4 Total = Column 3 + Column 4 + Column 5

5 Personnel Services includes the hours and wages of the Grantee or Project Proponent employees, by classification, who will be working on the project (be sure to keep a separate accounting code to charge to for audit purposes). If CEQA or construction services are done by Grantee's employee, costs are incurred in the hours/total.

Examples: Document Reproduction, Office Supplies, Office Expenses, Travel, Permit Fees, Lab Equipment. NOTE: If an item is described as "Equipment" it must be followed by "(less than \$5000)".

7 Itemize each piece of equipment over \$5000. Example: Automatic Sampler, Monitoring Equipment, etc.

This category includes but is not limited to: Pre-design Geotechnical Services, Site Survey, Design Plans and Specifications, Monitoring, Lab Services, Permit Fees, Lab Work, 8 Monitoring Plan Preparation, Report Preparation, Sanitary Sewer Surveys, CEQA/NEPA, etc.

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF DISBURSEMENT:

- a) **Separate Accounting of Disbursement and Interest Records.** RCD shall account for the money disbursed pursuant to this Funding Agreement separately from all other RCD funds. RCD shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. RCD shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. RCD 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) **Disposition of Money Disbursed.** All money disbursed pursuant to this Funding Agreement shall be deposited, administered, and accounted for pursuant to the Grant Agreement and the provisions of applicable law.
- c) **Remittance of Unexpended Funds.** RCD, within a period of forty-five (45) calendar days from the final disbursement from FCWCD to RCD of funds or within fifteen (15) days of the expiration of the Funding Agreement, whichever comes first, shall remit to FCWCD any unexpended funds that were disbursed to RCD under this Funding Agreement and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: RCD 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.

D.3 AIR OR WATER POLLUTION VIOLATION: Under State laws, the RCD shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

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

D.5 AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, RCD 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.6 APPROVAL: This Funding Agreement is of no force or effect until signed by all parties to the Funding Agreement. RCD may not submit invoices or receive payment until all required signatures have been obtained.

D.7 AUDITS: RCD 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 RCD to conduct a final audit, at RCD's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by RCD 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, RCD shall be subject to the examination and audit by State for a period of three (3) 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 RCD 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.7 BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for the Integrated Regional Water Management Grant Program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State or FCWCD to make any payments of any kind. In this event, neither State nor the FCWCD shall have any liability to pay any funds whatsoever to RCD or to furnish any other considerations under the Grant Agreement or this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide RCD with a right of priority for payment over any other local project sponsors. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act for purposes of this program, FCWCD shall have the option to either cancel this Funding Agreement with no liability occurring to FCWCD, or offer a Funding Agreement amendment to RCD to reflect the reduced amount.
- D.8 CALIFORNIA CONSERVATION CORPS:** As required in CWC Section 79038(b), RCD shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the Work Plan (Exhibit A), and shall use the services of one of these organizations whenever feasible.
- D.9 CEQA:** Activities funded under this Funding Agreement regardless of funding source must be in compliance with the California Environmental Quality Act (CEQA) (PRC §21000 *et seq.*). Information on CEQA can be found at the following links:

Environmental Information: ceres.ca.gov/index.html

California State Clearinghouse Handbook: ceic.resources.ca.gov/

- D.10 CHILD SUPPORT COMPLIANCE ACT:** RCD acknowledges in accordance with Public Contract Code Section 7110 that:
- a. The RCD 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. RCD, 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.11 CLAIMS DISPUTE:** Any claim that the RCD may have regarding 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) days of the RCD's knowledge of the claim. FCWCD and RCD shall then attempt to negotiate a resolution of such claim.
- D.12 COMPETITIVE BIDDING AND PROCUREMENTS:** RCD shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in RCD'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.13 COMPUTER SOFTWARE:** The RCD 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.14 CONFIDENTIALITY:** RCD acknowledges that by participating in the Grant application, it waives its rights to the confidentiality of that application. After the Projects are selected, all applications (those selected *and* those not) are public documents.
- D.15 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 Employees.** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) **Employees of the RCD.** Employees of the RCD shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 *et seq.*
 - d) **Employees and Consultants to the RCD.** Individuals working on behalf of RCD may be required by the State to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.16 DELIVERY OF INFORMATION, REPORTS, AND DATA:** The RCD 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.17 DISPOSITION OF EQUIPMENT:** RCD 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. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item.
- D.18 NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** RCD certifies by signing this Funding Agreement, under penalty of perjury under the laws of State of California that RCD is in compliance with Public Contract Code section 10295.3.
- D.19 DRUG-FREE WORKPLACE CERTIFICATION:** By signing this Funding Agreement, RCD, 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. RCD'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 RCD's drug-free policy statement, and
 - 2. Will agree to abide by terms of RCD's condition of employment, contract or subcontract.

This Funding Agreement may be subject to suspension of payments or termination, or both, and RCD may be subject to debarment if the State or FCWCD determines that:

- a) RCD, its contractors, or subcontractors have made a false certification, or
- b) RCD, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted above.

D.20 EASEMENTS: Where the RCD acquires property in fee title or funds improvements to real property already owned in fee by the RCD using funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State and FCWCD, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State and FCWCD. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State and FCWCD. Where the RCD acquires an easement under this Funding Agreement, the RCD agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State and FCWCD permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner. Failure to provide an easement acceptable to the State and FCWCD can result in termination of the Grant Agreement and this Funding Agreement.

D.21 RCD COMMITMENTS: RCD accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement and all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by RCD or FCWCD in the application, documents, amendments, and communications filed in support of FCWCD's request for California Disaster Preparedness and Flood Prevention Bond Act of 2006 and the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 funding for the Project.

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

D.23 INDEMNIFICATION: RCD shall indemnify and hold and save the FCWCD and the State, their officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and the Grant Agreement or this Funding Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of the Grant Agreement or this Funding Agreement.

Without limiting the foregoing, the RCD expressly agrees to indemnify, defend and hold harmless the FCWCD against any loss or liability arising out of any claim or action brought against FCWCD by State for breach of the Grant Agreement (or any related cause of action)

based on RCD's failure to comply with the terms, provisions, conditions and written commitments set forth therein.

D.24 INSURANCE: RCD, 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 RCD'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 aggregateThe general aggregate limits shall apply separately to RCD'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. RCD 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 RCD and approved by FCWCD before work is begun pursuant to this Funding Agreement. At the option of the FCWCD, RCD 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 and State, their officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of the RCD'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. RCD 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 RCD to immediately cease all activities with respect to this Funding Agreement if it determines that RCD fails to carry, in full force and effect, 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 RCD'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 RCD.
- 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, RCD, or each of RCD'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 RCD 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.25 INDEPENDENT CAPACITY: RCD, and the agents and employees of RCD, if any, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the FCWCD or State.

D.26 INSPECTIONS OF BOOKS, RECORDS, AND REPORTS: During regular office hours, FCWCD and State and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of RCD pertaining to this Funding Agreement or matters related hereto. The RCD shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by RCD to comply with this provision shall be considered a breach of this Funding Agreement, and State and FCWCD may withhold disbursements to FCWCD or take any other action they deem necessary to protect their interests.

D.27 INSPECTIONS OF PROJECT BY STATE AND FCWCD: RCD acknowledges that the State and FCWCD shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and RCD shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to this Funding Agreement.

D.28 LABOR CODE COMPLIANCE: The RCD is 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 Labor Code Section 1771.3.

- D.29 NONDISCRIMINATION CLAUSE:** During the performance of this Funding Agreement, RCD and its sub-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. RCD and its sub-contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. RCD and its sub-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 there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Funding Agreement by reference and made a part hereof as if set forth in full. RCD and its sub-contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. RCD shall include the nondiscrimination and compliance provisions of this clause in all sub-contracts to perform work under the Funding Agreement.
- D.30 OPINIONS AND DETERMINATIONS:** Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.31 PERFORMANCE AND ASSURANCES:** RCD agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the Scope of Work and to apply funds received pursuant to this Agreement only to Eligible Project Costs in accordance with applicable provisions of the law.
- D.32 PRIORITY HIRING CONSIDERATIONS:** RCD shall give priority consideration in filling vacancies in positions funded by the Grant to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
- D.33 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE OR FCWCD PERMISSION:** RCD shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with RCD's service of water, without prior permission of State and FCWCD. RCD shall not take any action, including but not limited to, actions relating to user fees, charges, and assessments that could adversely affect the ability of RCD 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 be remitted to State.
- D.34 REIMBURSEMENT CLAUSE:** If applicable, travel and per diem expenses to be reimbursed under this Funding Agreement shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations.
- D.35 REMEDIES, COSTS, AND ATTORNEY FEES:** The RCD 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 RCD, 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.36 RIGHTS IN DATA:** The RCD 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 made available to the FCWCD and State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Cal. Gov't Code §§ 6250 *et seq.* The RCD 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. The RCD shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.37 SEVERABILITY:** Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.38 SUIT ON FUNDING AGREEMENT:** Each of the parties hereto may sue and be sued with respect to this Funding Agreement.
- D.39 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 RCD 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.40 TERMINATION FOR CAUSE:** The FCWCD may terminate this Funding Agreement and be relieved of any payments should RCD fail to perform the requirements of the Grant Agreement or this Funding Agreement at the time and in the manner herein provided.
- D.41 TERMINATION WITHOUT CAUSE:** The FCWCD may terminate this Funding Agreement without cause on 30 days advance written notice. The RCD shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.42 TIMELINESS:** Time is of the essence in this Funding Agreement.
- D.43 THIRD PARTY BENEFICIARIES:** Subject to RCD'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.44 TRAVEL:** Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Travel and per diem shall be reimbursed consistent with the rates current at the time of travel. These rates are published at: <http://www.dpa.ca.gov/jobinfo/statetravels.htm> or its successor website. For the purpose of computing such expenses, travel must be part of the scope of work and originate and terminate within the San Luis IRWM region. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State and FCWCD.
- D.45 UNION ORGANIZING:** RCD, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code 16645 through 16649 to this Funding Agreement. Furthermore, RCD, by signing this Funding Agreement, hereby certifies that:

- a) No funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
- b) RCD shall account for funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
- c) RCD shall, where funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
- d) If RCD makes expenditures to assist, promote, or deter union organizing, RCD will maintain records sufficient to show that no State funds were used for those expenditures and RCD shall provide those records to the Attorney General and FCWCD upon request.

D.46 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.

D.47 WITHHOLDING OF DISBURSEMENTS (RETENTION):

- a) Withholding Clause: The RCD acknowledges that the FCWCD, at its discretion, may withhold ten percent (10%) of the funds requested by the RCD for reimbursement of Eligible Project Costs until the Project is completed and the Project Completion Report is received by FCWCD and the State. Withheld funds may be released by FCWCD upon completion of milestones indentified in the Scope of Work.
- b) Additional Conditions for Withholding: The RCD further acknowledges that if the FCWCD determines that the Project is not being completed substantially in accordance with the provisions of the Grant Agreement or that the RCD has failed in any other respect to comply substantially with the provisions of the Grant Agreement or this Funding Agreement and if the RCD does not remedy such failure to the FCWCD's satisfaction, the FCWCD may withhold from the RCD all or any portion of the Amount of Funds Available for the Project and take any other action that it deems necessary to protect its interests.

D.48 WORKER'S COMPENSATION: RCD affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and RCD affirms that it will comply with such provisions before commencing the performance of the work under this Funding Agreement and will make its contractors and subcontractors aware of this provision.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

The following reporting formats should be utilized:

PROGRESS REPORTS

Progress Reports shall generally use the following format:

PROJECT STATUS

Describe the work performed during the time period covered by the report including:

PROJECT INFORMATION

- Legal matters;
- Engineering evaluations;
- Environmental matters;
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by State, federal, and/or local agencies;
- Major accomplishments during the reporting period (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.);
- Issues/concerns that have, will, or could affect the scope, schedule, or budget, with a recommendation on how to correct the matter, including identifying possible future agreement amendment needs;
- Describe differences between the work performed and the work outlined in the Work Plan, including any change orders. Also include an estimate of the percentage of Project work completed to date.
- Identify issues not captured in above items that need to be resolved for successful completion of the Grant.

COST INFORMATION

- A discussion on how the actual budget is progressing in comparison to the Project budget included in the Work Plan, including budget percentage spent to date;
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Work Plan; and
- A discussion of whether there have been any changes to the RCD's finance plan for payment of the RCD's share of Eligible Project Costs.

SCHEDULE INFORMATION

- A schedule showing actual progress verses planned progress;
- A discussion on how the actual schedule is progressing in comparison to the original or last reported schedule; and
- A list of any changes approved to the Schedule in accordance with the Funding Agreement and a revised schedule, by task, if changed from latest reported schedule.

PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY

The Executive Summary shall consist of a maximum of one-half page summarizing the Project. The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Grant application; and
- Description of actual work completed and any deviations from the Work Plan identified in the Funding Agreement.

COST AND DISPOSITION OF FUNDS

- A summary table of all invoices showing:
 - The date each invoice was submitted to State;
 - The amount of the invoice;

- Accounting of the Cost Share and Grant share expenditures;
- The date the check from State was received; and
- The amount of the check (if a check has not yet been received for the final or retention invoice(s), then state so in this section).
- Final budget (after all amendments and costs showing Grant and Cost Share spent on the Project).

ADDITIONAL PROJECT INFORMATION

Summary of work completed during the term of the Funding Agreement and any elaboration on information provided in the executive summary, including:

- A final Project schedule showing actual progress verses planned progress.
- Discussion of problems that occurred during the work and how those problems were resolved.
- Discussion of factors that positively or negatively affected the Project cost and any deviation from the original Project cost estimate.
- Anticipated benefit from the Project as implemented vs. the anticipated benefits claimed at the time of the Grant application.

REPORTS AND/OR PRODUCTS

Provide a summary of major deliverables (including data deliverables) or products provided under the Grant including:

- Name of deliverable/product;
- When the deliverable was delivered to DWR or appropriate State Agency; and
- A sentence or two about what the deliverable/product contains or does

Note: Data submittals may be subject to provisions of Exhibit H of this Funding Agreement.

EXHIBIT F
[NOT APPLICABLE – INTENTIONALLY LEFT BLANK]

EXHIBIT G
STATE AUDIT DOCUMENT REQUIREMENTS AND
FUNDING MATCH GUIDELINES FOR GRANTEES

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 State funding and RCD's Funding Match and details the documents/records that State Auditors would need to review in the event of the Grant Agreement or this Funding Agreement is audited. RCD should ensure that such records are maintained for the 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 and deposits
 - b. Disbursements
 - c. State reimbursement requests
 - d. Expenditure tracking of State funds
 - e. Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

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

Contracts:

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

Invoices:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

- a) All supporting documentation maintained in the project files.
- b) All Funding Agreement related correspondence.

Funding Match Documentation

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

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the RCD for its own employees. Such documentation should include the following:
 - a. Detailed description of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to Project Work Plan)
 - c. Name of contributing organization and date of contribution
 - d. Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #4, below)
 - e. Person's name and the function of the contributing person
 - f. Number of hours contributed
 - g. If multiple sources exist, these should be summarized on a table with summed charges
 - h. Source of contribution if it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the RCD organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
3. Funding Match contribution (including in-kind services) shall be for costs and services directly attributed to activities included in the Funding Agreement. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the Project.
4. Cash contributions made to the Project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the RCD's accounting system.

EXHIBIT H
STATEWIDE MONITORING

REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in Project reports, as described in Exhibit 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/. If further information is required, the RCD 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

GROUNDWATER LEVEL DATA

If the Project collects groundwater level data, RCD 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). RCD will submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

**AGREEMENT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES AND
<INSERT GRANTEE NAME>, AGREEMENT NO. 460000<XXXX>
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLANNING CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, hereinafter called "State," and <INSERT NAME>, a [city, county, local district, 501 (c) (3) nonprofit – select appropriate.], hereinafter called "Grantee," which parties do hereby agree as follows:

1. PURPOSE. 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 Grantee for the purpose of developing or completing a new, or updating an existing IRWM plan, or to develop, complete, or modify a component of an IRWM plan so that the IRWM plan meets the IRWM Plan standards set forth in the IRWM Program Guidelines dated August 2010.
2. TERM OF AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on < Insert Date based on schedule, but not longer than 2 years after anticipated execution date>, or when all of the Parties' obligations under this Grant Agreement have been fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement.
3. GRANT AMOUNT. The maximum amount payable under this Grant Agreement shall not exceed \$<INSERT APPROVED GRANT AMOUNT>. Of this grant amount not less than \$<insert grant amount allocated to DAC involvement> shall be expended to facilitate and support the participation of disadvantaged communities in the IRWM planning effort funded by this Grant Agreement.
4. GRANTEE COST SHARE. The reasonable costs of the project are estimated to be \$<Total Project>. Grantee agrees to be responsible for the difference between the estimate of project cost and the Grant Amount specified in Paragraph 3, Grantee shall provide a funding match in the amount of at least 25% of the total project cost. Grantee cost share is estimated to be \$<INSERT AMOUNT (Difference between total costs and grant amount.>. Grantee's funding match may include in-kind services that are part of Exhibit A, Project Work Plan, and performed after **September 30, 2008**.
5. GRANTEE'S RESPONSIBILITIES. Grantee shall faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A, Project Work Plan and in accordance with Exhibit B, Project Schedule, and Exhibit C, Project Budget. Grantee shall comply with all of the terms and conditions of this Grant Agreement and with Chapter 2 (commencing with Section 75026 et seq.) of the California Public Resources Code (PRC).
6. BASIC CONDITIONS. State shall have no obligation to disburse money for a project under this Grant Agreement unless and until Grantee has satisfied for such project the State's requirements for disbursement in accordance with the IRWM Guidelines and Planning Grant PSP which include:
 - a. Grantee demonstrates the availability of sufficient funds to complete the project.
 - b. Grantee shall furnish a copy of permits, licenses, and approvals required in performing its obligations under this Grant Agreement.
 - c. Work that is subject to the California Environmental Quality Act (CEQA) shall not proceed under this Grant Agreement until documents that satisfy the CEQA process are received by the State and State has completed its CEQA compliance responsibilities. Work that is subject to a CEQA document shall not proceed until and unless approved by the State's Project Manager. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation.
 - d. Grantee performs tribal notifications per PRC§75102.
 - e. Grantee performs Surface Water Diversion Reporting as required by Water Code sections 5101 and 5103.

- f. An urban water supplier that receives grant funds governed by this agreement shall maintain compliance with the Urban Water Management Planning Act (California Water Code (CWC) §10610 et. seq.)
 - g. Grantee submits all deliverables as specified in Paragraph 10 and 11 of this agreement and Exhibit A, Project Work Plan.
7. SUBMITTAL OF INVOICES. Invoices submitted by Grantee 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 a project during the period identified in the particular invoice for the implementation of a 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 (i.e., line items) specified in the Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked multiplied by 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 amount, as depicted in Paragraph 3, Grant Amount and those costs that represent Grantee's costs, as applicable, in Paragraph 4, Grantee Cost Share.
 - 5) Original signature and date (in ink) of Grantee's appropriately authorized Project Manager.

Submit the original invoice form to the following address:

Department of Water Resources
 <Insert Project Manager & Appropriate Address>

8. DISBURSEMENTS. After the disbursement requirements in Paragraph 6 Basic Condition are met, State will disburse the whole or portions of the Grant Amount to Grantee, following receipt from Grantee of an invoice for costs incurred, and timely Progress Reports as required by Paragraph 10, Progress Reports. Following the review of each invoice, State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Payment will be made no more frequent than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law. Any and all money disbursed to Grantee under this Grant agreement and any and all interest earned by Grantee on such money shall be used solely to pay Eligible Project Costs.
9. ELIGIBLE PROJECT COSTS. Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit C, Project Budget. Eligible Project Costs include the reasonable costs of conducting meetings, stakeholder outreach and engagement, collecting data and information, and developing and writing the IRWM plan, including administrative costs and incidental costs. Work performed after the date of grant award, **November 29, 2012**, 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 and collaboration.

Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including an appropriate pro-rata allocation of overhead and administrative expenses that are regularly assigned to all such projects in accordance with the standard accounting practices of the Grantee.

Advanced funds cannot be provided. 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. Costs for preparing and filing a grant application belonging to another solicitation.
- c. Operation and Maintenance costs, including post construction project performance and monitoring costs.
- d. Purchase of equipment not an integral part of the project.
- e. Establishing a reserve fund.
- f. Purchase of water supplies.
- g. Replacement of existing funding sources for ongoing programs.
- h. Support of existing punitive regulatory agency requirements and/or mandates in response to negligent behavior.
- i. 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.
- j. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after effective date of the grant award, 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 reimbursable project costs.
- k. Overhead not directly related to project costs.
- l. Meals, food items, or refreshments other than those allowed per Standard Condition D.47, TRAVEL.

10. PROGRESS REPORTS. Grantee shall submit progress reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail, to the State's Project Manager at the frequency specified in Exhibit B, Project Schedule. The progress reports shall provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments, during the reporting period, and any problems encountered in the performance of the work under this Agreement. A recommended Progress Report format is attached as Exhibit E.
11. PROJECT COMPLETION REPORT. Upon completion of the Project, Grantee shall prepare and submit to State, for review and approval, a Project Completion Report. The Project Completion Report shall be provided in hard copy and digital format prior to final payment of grant funds withheld by State. Project Completion Report format is attached as Exhibit E.
12. GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, policies and regulations.
13. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

14. LABOR COMPLIANCE. Grantee agrees to comply with all applicable California Labor Code requirements, including prevailing wage provisions. Grantee must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code section 1771.5 for projects funded by:
- Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; California Public Resources Code sections 75075 *et seq.*) or
 - Any other funding source requiring an LCP.

Grantee's failure to comply with LCP requirements is a breach of this Grant Agreement. At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements.

15. WITHHOLDING OF GRANT DISBURSEMENT BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the Grant Amount and take any other action that it deems necessary to protect its interests, including demanding repayment of any portion of the Grant Amount. State may consider Grantee's refusal to repay the requested disbursed grant amount a contract breach subject to the default provisions in Paragraph 16, Default Provisions.

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

- Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations;
- Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain this Funding Agreement;
- Failure to operate or maintain project in accordance with this Funding Agreement.
- Failure to make any remittance required by this Funding Agreement.
- Failure to comply with Labor Compliance Plan requirements.

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

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

17. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be sent 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 transmission (i.e. e-mail). 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 by electronic transmission will be effective on the date successfully received. Notices shall be sent to the addresses below. Either party

may, by written notice to the other, designate a different address that shall be substituted for the one below.

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

- a. Substantial changes in the scope, budget, or schedule
- b. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement.

Grantee agrees that no substantial change will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or agreement term, and budget. Grantee shall make notification at least fourteen (14) calendar days prior to a public or media event to provide opportunity for attendance and participation by State's representatives.

19. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement will be:

Department of Water Resources
Paula Landis
Chief Division of IRWM
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9220
Fax: (916) 651-9292
e-mail: plandis@water.ca.gov

Grantee:
Name:
Project Director
Address

Phone
Fax:
e-mail:

Direct all inquiries to the Project Manager:

Department of Water Resources
PM Name
Appropriate Regional Office Address
CA XXXX-XXXX
Phone: (XXX) XXX-XXXX
Fax: (XXX) XXX-XXXX
e-mail: _____@water.ca.gov

Grantee:
Name:
Mailing Address:

Phone:
Fax:
e-mail:

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

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

- | | |
|-----------|--------------------------------------|
| Exhibit A | Project Work Plan |
| Exhibit B | Project Schedule |
| Exhibit C | Project Budget |
| Exhibit D | Standard Conditions |
| Exhibit E | Report Format and Requirements |
| Exhibit F | Grantee Resolution |
| Exhibit G | Guidelines for Grantee and Borrowers |
| Exhibit H | Statewide Monitoring |

IN WITNESS WHEREOF, the parties have executed this Grant Agreement as of the date first above written.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

INSERT GRANTEE NAME

Paula J. Landis, P.E., Chief
Division of Integrated Regional Water
Management

INSERT AUTHORIZED NAME AND TITLE

Date_____

Date_____

Approved as to legal form and sufficiency

Spencer Kenner, Assistant Chief Counsel
Office of the Chief Counsel

Date_____

EXHIBIT A
PROJECT WORK PLAN

For DWR Project Manager:

<Insert work plan that may include a project description, tasks to be performed, plan for environmental compliance and permitting, quality assurance and control measures, measures to assure performance of the project, deliverables, measures for information dissemination including any data and any other relevant sections from the Grantee's application and other information as determined in the "proposal evaluation" and by the project manager. Omit items that are not contract related, such as why they need the funds and specific names of Contractors or consultant>

**EXHIBIT B
PROJECT SCHEDULE**

For DWR Project Manager:

*<Insert original or revised project schedule including all tasks through project completion report. The schedule **must** show progress report milestones >*

**EXHIBIT C
PROJECT BUDGET**

For DWR Project Manager:

The Line Item Budget defines what resources are going to be used to accomplish the work identified in the Scope of Work. Invoices are submitted by category of resource used rather than by task. With this method of budgeting, it is especially important that the Grantee carefully document the work completed in the quarterly progress reports. Table 3 is an example of how to construct a Line Item Budget.

Table 3 is an example of a summary Line Item Budget. For projects with multiple components, each line item is the summary of all component costs for that line item.

Table 3 Example Line Item Budget						
Project Title: _____						
Column 1 Line Item	Column 2 Resource Category	Column 3 Grantee Cost Share	Column 4 DWR Grant Funding ¹	Column 5 Other Fund Sources ²	Column 6 DAC Funding ³	Column 7 Total ⁴
1	Personnel Services ⁵	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	Land/Right-of-Way Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	Operating Expenses <\$5,000 ⁶	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Equipment >\$5,000 ⁷	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Professional & Consultant Services ⁸	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

1. All grant funds including DAC funding.
2. List all sources of funding and use multiple columns as required
3. The portion of Grant funds from Column 4 that will be used for DAC involvement /participation
4. Total = Column 3 + Column 4 + Column 5
5. Personnel Services includes the hours and wages of the Grantee or Project Proponent employees, by classification, who will be working on the project (be sure to keep a separate accounting code to charge to for audit purposes). If CEQA or construction services are done by Grantee's employee, costs are incurred in the hours/total.
6. Examples: Document Reproduction, Office Supplies, Office Expenses, Travel, Permit Fees, Lab Equipment. NOTE: If an item is described as "Equipment," it must be followed by "(less than \$,5000)"
7. Itemize each piece of equipment over \$5,000. Examples: Automatic Sampler, Monitoring Equipment, etc.
8. This category includes but is not limited to: Pre-Design Geotechnical Services, Site Survey, Design Plans and Specifications, Monitoring, Lab Services, Permit Fees, Lab Work, Monitoring Plan Preparation, Report Preparation, Sanitary Sewer Surveys, CEQA/NEPA, etc.

The six line items outlined in Table 3 are the resource categories that apply to all projects. Line Items may be selected or deleted for use in the Line Item Budget; no new resource categories, however, may be created.

DWR will reimburse the grantee for costs incurred after the date of Grant Award (see Paragraph 9) once the Grant Agreement is executed, using the funding match draw down method plus retention. That is, if there is grantee funding match and DWR grant share associated with a line item; then the grantee must demonstrate the funding match dollars have been expended before grant funds for that line item are disbursed.

Costs incurred after September 30, 2008 and before grant award date, will be considered funding match, at DWR's discretion, but are not eligible for reimbursement.

10 percent retention will be withheld per Standard Condition D.50, WITHHOLDING OF GRANT DISBURSEMENTS (RETENTION) and will be released to the grantee upon: Completion of the scope of work; acceptance of the project completion report, confirmation by DWR that all deliverables shown in Exhibit A have been received, and DWR's receipt of a retention invoice.

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a. SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS. Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b. DISPOSITION OF MONEY DISBURSED. All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.
- c. REMITTANCE OF UNEXPENDED FUNDS. Grantee, within a period of sixty (60) calendar days from the final disbursement from State to Grantee of grant funds or within thirty (30) days of the expiration of the Grant Agreement, whichever comes first, shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not needed to pay Eligible Project Costs.

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

D.3 AIR OR WATER POLLUTION VIOLATION: Under State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

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

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

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

D.7 AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report

prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may take any action it deems necessary to protect its interests.

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

- D.8 BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for the Integrated Regional Water Management Grant Program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Grant Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant Agreement and Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act for purposes of this program, State shall have the option to either cancel this Grant Agreement with no liability occurring to State, or offer a Grant Agreement amendment to Grantee to reflect the reduced amount.
- D.9 CALIFORNIA CONSERVATION CORPS:** As required in Water Code section 79038(b), Grantee shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the Scope of Work (Exhibit C), and shall use the services of one of these organizations whenever feasible.
- D.10 CEQA:** Activities funded under this grant program regardless of funding source must be in compliance with the California Environmental Quality Act (CEQA) (PRC §21000 *et seq.*). Information on CEQA can be found at the following links:

Environmental Information: ceres.ca.gov/index.html

California State Clearinghouse Handbook: ceic.resources.ca.gov/

Applicants seeking Proposition 84 funding should note that PRC §75102 requires lead agencies to notify tribal entities prior to adoption of Negative Declarations or Environmental Impact Reports (EIRs) if traditional tribal lands are within the area of the proposed project.

- D.11 CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:
- a. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.12 CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of

time, shall be submitted to the Project Manager, Department of Water Resources, within thirty (30) days of the Grantee's knowledge of the claim. Project Manager and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

- D.13 COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.
- D.14 COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.15 CONFIDENTIALITY:** Applicants should note that by submitting an application, they will waive their rights to the confidentiality of that application, though Department staff will endeavor to keep all applications confidential until Project selection. After the Projects are selected, all applications (those selected and those not) will be public documents.
- D.16 CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Accordingly, before submitting an application, Applicants are urged to seek legal counsel regarding potential conflict of interest concerns and requirements for disclosure. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.
- a. CURRENT STATE EMPLOYEES. No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b. FORMER STATE 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.
 - c. EMPLOYEES OF THE GRANTEE. Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 *et seq.*
 - d. EMPLOYEES AND CONSULTANTS TO THE GRANTEE. Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

- D.17 DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.18 DISPOSITION OF EQUIPMENT:** Grantee 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 provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item. Within 60 days of receipt of such inventory, State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.19 NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury under the laws of State of California that Grantee is in compliance with Public Contract Code section 10295.3.

D.20 DRUG-FREE WORKPLACE CERTIFICATION:

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

- a. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a).
- 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. Grantee'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 Grant Agreement:
 1. Will receive a copy of Grantee's drug-free policy statement, and
 2. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

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

- a. Grantee, its contractors, or subcontractors have made a false certification, or
- b. Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted above.

- D.21 EASEMENTS:** Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using grant funds provided through this Grant Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in

perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

- a. Where the Grantee acquires an easement under this Grant Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
- b. Failure to provide an easement acceptable to the State can result in termination of this Grant Agreement.

D.22 GRANTEE COMMITMENTS: Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for California Disaster Preparedness and Flood Prevention Bond Act of 2006 and the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 funding.

D.23 GRANTEE NAME CHANGE: Approval of the State's Program Manager is required to change the Grantee's name as listed on this Grant Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

D.24 GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.25 INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

D.26 INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantee, if any, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.27 INSPECTIONS OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.28 INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.

D.29 LABOR CODE COMPLIANCE: The Grantee 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 Labor Code Section 1771.3.

For projects that receive funding pursuant to the provisions of Proposition 84, the agreement will require the sponsor to submit verification of a labor compliance program acceptable to the department that meets the requirements of California Labor Code section 1771.5. Written evidence of the labor compliance program will need to be submitted to the department before the project is funded.

D.30 MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibit A which concern the budget and schedule without formally amending this Grant Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Grant Agreement which is set forth in paragraph (3) of the Grant Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Grant Agreement which is set forth in paragraph (2) of the Grant Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.

D.31 NONDISCRIMINATION CLAUSE: During the performance of this Grant Agreement, Grantee and its sub-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. Grantee and sub-contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and sub-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 there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its sub-contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Grantee shall include the nondiscrimination and compliance provisions of this clause in all sub-contracts to perform work under the Grant Agreement.

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

D.32 OPINIONS AND DETERMINATIONS: Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

D.33 PERFORMANCE AND ASSURANCES: Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the Scope of Work and to apply State

funds received only to Eligible Project Costs in accordance with applicable provisions of the law.

- D.34 PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
- D.35 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.36 REIMBURSEMENT CLAUSE:** If applicable, travel and per diem expenses to be reimbursed under this Agreement shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations.
- D.37 REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.38 RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Cal. Gov't Code §§ 6250 et seq. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.39 SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.40 SUIT ON GRANT AGREEMENT:** Each of the parties hereto may sue and be sued with respect to this Grant Agreement.
- D.41 SUCCESSORS AND ASSIGNS:** This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.42 TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.43 TERMINATION FOR CAUSE:** Subject to the right to cure under paragraph 16, the State may terminate this Grant Agreement and be relieved of any payments should Grantee fail to

perform the requirements of this Grant Agreement at the time and in the manner herein provided included but not limited to reason of default under paragraph 16.

- D.44 TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.45 TIMELINESS:** Time is of the essence in this Grant Agreement.
- D.46 THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.47 TRAVEL:** Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement. Travel and per diem shall be reimbursed consistent with the rates current at the time of travel. These rates are published at: <http://www.dpa.ca.gov/jobinfo/statetravels.htm> or its successor website. For the purpose of computing such expenses, travel must be part of the scope of work and originate and terminate within the <insert IRWM region name> IRWM region. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.
- D.48 UNION ORGANIZING:** Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code 16645 through 16649 to this Grant Agreement. Furthermore, Grantee, by signing this Grant Agreement, hereby certifies that:
- a) No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
 - b) Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
 - c) Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - d) If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- D.49 WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- D.50 WITHHOLDING OF GRANT DISBURSEMENTS (RETENTION):**
- a) Withholding Clause: The State, at its discretion, may withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Project Completion Report is received. Withheld funds may be released upon completion of milestones identified in the Scope of Work.
 - b) Additional Conditions for Withholding: If the State determines that the Project is not being completed substantially in accordance with the provisions of this Agreement or that the Grantee has failed in any other respect to comply substantially with the provisions of this Agreement, and if the Grantee does not remedy such failure to the State's satisfaction,

the State may withhold from the Grantee all or any portion of the State Grant commitment and take any other action that it deems necessary to protect its interests.

D.51 WORKER'S COMPENSATION: Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Grant Agreement and will make its contractors and subcontractors aware of this provision.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

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

1. PROGRESS REPORTS

Progress Reports shall generally use the following format.

PROJECT STATUS

Describe the work performed during the time period covered by the report including:

PROJECT INFORMATION

- Legal matters;
- Engineering evaluations;
- Environmental matters;
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by other State, federal, and/or local agencies;
- Major accomplishments during the reporting period (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.);
- Issues/concerns that have, will, or could affect the scope, schedule, or budget, with a recommendation on how to correct the matter, including identifying possible future agreement amendment needs;
- Describe differences between the work performed and the work outlined in the Overall Work Plan, including any change orders. Also include an estimate of the percentage of project work completed to date.
- Identify issues not captured in above items that need to be resolved for successful completion of the grant.

COST INFORMATION

- A discussion on how the actual budget is progressing in comparison to the project budget included in the Overall Work Plan, including budget percentage spent to date;
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Overall Work Plan; and
- A discussion of whether there have been any changes to the Grantee's finance plan for payment of the Grantee's share of Eligible Project Costs.

SCHEDULE INFORMATION

- A schedule showing actual progress verses planned progress;
- A discussion on how the actual schedule is progressing in comparison to the original or last reported schedule; and
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule.

2. PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of one-half page summarizing the project. The Executive Summary should include the following:

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

COST AND DISPOSITION OF FUNDS

- A summary table of all invoices showing:
 - The date each invoice was submitted to State;
 - The amount of the invoice;
 - Accounting of the cost share and grant share expenditures;
 - The date the check from DWR was received; and
 - The amount of the check. (If a check has not yet been received for the final or retention invoice(s), then state so in this section).
- Final budget (after all amendments and costs showing grant and cost share spent on the project).

ADDITIONAL PROJECT INFORMATION

Summary of work completed during the course of the grant and any elaboration on information provided in the executive summary. Including:

- A final project schedule showing actual progress verses planned progress.
- Discussion of problems that occurred during the work and how those problems were resolved.
- Discussion of factors that positively or negative affected the project cost and any deviation from the original project cost estimate.
- Anticipated benefit from the project as implemented vs. the anticipated benefits claimed at the time of application.

REPORTS AND/OR PRODUCTS

Provide a summary of major deliverables (including data deliverables) or products provided under the grant including:

- Name of deliverable/product.
- When the deliverable was delivered to DWR or appropriate State Agency
- A sentence or two about what the deliverable/product contains or does

Note: Data submittals may be subject to provisions of Exhibit H of this agreement.

**EXHIBIT F
GRANTEE RESOLUTION**

<To DWR Grant Manager: Include a copy of the resolution from the application or other resolution that documents authority for the grantee to enter into agreement with the State> If the grantee's resolution in the application did not cover the appropriate party for the grantee or did not authorize entering into an agreement with the state, the sample resolution below can be used.

EXAMPLE AUTHORIZING RESOLUTION TEMPLATE

RESOLUTION No. _____

RESOLVED BY THE _____ **OF THE** _____ **THAT:**
(Board of Directions, Supervisors, etc) (Agency, City, County, etc)

WHEREAS, pursuant and subject to all of the terms and provisions of the _____
(Legal Authority, Bond, Act, etc)
that the funds awarded to _____ by the California Department of
(Agency, City, County, etc)
Water Resources for a _____ project titled _____ have been
(Feasibility/Design/Construction) (Project Name)
accepted.

WHEREAS, ...

WHEREAS, ...

NOW, THEREFORE, BE IT RESOLVED that, pursuant and subject to all of the terms and provisions of the _____, the _____ of the _____
(Legal Authority, Bond, Act, etc) (Title of Authorized Representative)
_____ is hereby authorized and directed to sign a Funding Agreement
(Agency, City, County, etc)
with the California Department of Water Resources and to sign requests for disbursements to be made under this Funding Agreement.

PASSED AND ADOPTED by the _____ of _____ on
(Board of Directions, Supervisors, etc) (Agency, City, County, etc)

(Date)

(Authorizing Signature)

(Printed Name)

(Title)

(Clerk/Secretary)

EXHIBIT G

STATE AUDIT DOCUMENT REQUIREMENTS AND FUNDING MATCH GUIDELINES FOR GRANTEES

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and Funding Recipient's Funding Match and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Grantees 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 State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a. Receipts and deposits
 - b. Disbursements
 - c. State reimbursement requests
 - d. Expenditure tracking of State funds
 - e. Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

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

Contracts:

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

Invoices:

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

4. Bank statements showing the deposit of the receipts.

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

- a) All supporting documentation maintained in the project files.
- b) All Funding Agreement related correspondence.

Funding Match Documentation

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

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Funding Recipient for its own employees. Such documentation should include the following:
 - a. Detailed description of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to project work plan)
 - c. Name of contributing organization and date of contribution
 - d. Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #4, below)
 - e. Person's name and the function of the contributing person
 - f. Number of hours contributed
 - g. If multiple sources exist, these should be summarized on a table with summed charges
 - h. Source of contribution if it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Funding Recipient organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.

3. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Funding Agreement. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the project funded by the Funding Agreement.
4. Cash contributions made to a project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Funding Recipient's accounting system.

Exhibit H Statewide Monitoring

REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

Surface and Groundwater Quality Data:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit 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 a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

Groundwater Level Data

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

In the near future, DWR's WDL will be replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Once this Program comes online Grantee will then submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>