
CITY OF SUSANVILLE
66 North Lassen Street ♦ Susanville CA
Kathie Garnier, Mayor
Joseph Franco, Mayor pro tem
Mendy Schuster * Kevin Stafford * Brian R. Wilson

SUSANVILLE COMMUNITY DEVELOPMENT AGENCY SUSANVILLE MUNICIPAL ENERGY CORPORATION SUSANVILLE
PUBLIC FINANCING AUTHORITY

Susanville City Council
Regular Meeting ♦ City Council Chambers
January 3, 2018 – 6:00 p.m.

Call meeting to order

Roll call of Councilmembers present

Next Resolution No. 17-5467

Next Ordinance No. 17-1013

- 1 **APPROVAL OF AGENDA:** (Additions and/or Deletions)

- 2 **PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS** (if any): Any person may address the Council at this time upon any subject for discussion listed under Closed Session.

- 3 **CLOSED SESSION:**
 - A CONFERENCE WITH LEGAL COUNSEL - SIGNIFICANT EXPOSURE TO LITIGATION – Pursuant to Government Code section 54956.9(b)
 - B PUBLIC EMPLOYMENT – Pursuant to Government Code Section §54957
 - 1 City Administrator

- 4 **RETURN TO OPEN SESSION:** (recess if necessary)
 - *Reconvene in open session at 7:00 p.m.*
 - *Pledge of allegiance*
 - *Report any changes to agenda*
 - *Report any action out of Closed Session*
 - *Moment of Silence or Thought for the Day: Councilmember Stafford*
 - *Proclamations, awards or presentations by the City Council:*

- 5 **BUSINESS FROM THE FLOOR:**

Any person may address the Council at this time upon any subject on the agenda or not on the agenda within the jurisdiction of the City Council. However, comments on items on the agenda may be reserved until the item is discussed and any matter not on the agenda that requires action will be referred to staff for a report and action at a subsequent meeting. Presentations are subject to a five-minute limit

- 6 **CONSENT CALENDAR:** No business.

- 7 **PUBLIC HEARINGS:** No business.

- 8 **COUNCIL DISCUSSION/ANNOUNCEMENTS:**

Commission/Committee Reports:

9 **NEW BUSINESS:**

- A Consider **Resolution No. 18-5436** approving Cooperative Agreement with Susanville Indian Rancheria Housing Authority
- B Consider **Resolution No. 18-5458** approving Amendment 1 to the Agreement between the City of Susanville and the Honey Lake Valley Recreation Authority for Administrative, Management and Operational Services
- C Consider **Resolution No. 18-5463** approving the Spaulding Community Services District (CSD) Agreement and Authorizing the City Administrator to Execute the Agreement
- D Consider **Resolution No. 18-5464** calling for the holding of a general municipal election to be held on Tuesday, June 5, 2018 for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities;
Consider **Resolution No. 18-5465** requesting the Board of Supervisors of the County of Lassen to consolidate a general municipal election to be held on Tuesday, June 5, 2018 with the statewide primary election to be held pursuant to §10403 of the *Elections Code*;
Consider **Resolution No. 18-5466** adopting regulations for candidates for elective office pertaining to Candidates' Statements submitted to the voters at an election to be held on Tuesday, June 5, 2018.

10 **SUSANVILLE COMMUNITY DEVELOPMENT AGENCY:** No business.

11 **SUSANVILLE MUNICIPAL ENERGY CORPORATION:** No business.

12 **CONTINUING BUSINESS:** No business.

13 **CITY ADMINISTRATOR'S REPORTS:**

- A Sales Tax Measure

14 **COUNCIL ITEMS:**

- A AB1234 travel reports:

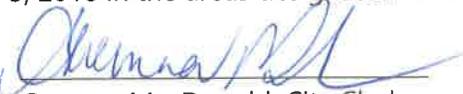
15 **ADJOURNMENT:**

- ***The next regular City Council meeting will be held on January 17, 2018 at 6:00 p.m.***

Reports and documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours and at the meeting. These reports and documents are also available at the City's website www.cityofsusanville.org, unless there were systems problems posting to the website.

Accessibility: An interpreter for the hearing-impaired may be made available upon request to the City Clerk seventy-two hours prior to a meeting. A reader for the vision-impaired for purposes of reviewing the agenda may be made available upon request to the City Clerk. The location of this meeting is wheelchair-accessible.

I, Gwenna MacDonald, certify that I caused to be posted notice of the regular meeting scheduled for January 3, 2018 in the areas designated on December 29, 2017.


Gwenna MacDonald, City Clerk

Reviewed by:  Interim City Administrator
 City Administrator

- Motion Only
- Public Hearing
- X Resolution
- Ordinance
- Information

Submitted by: Jessica Ryan, City Attorney

Action Date: January 3, 2018

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 18-5436** Approving Cooperative Agreement with Susanville Indian Rancheria Housing Authority

PRESENTED BY: Dan Newton, Interim City Administrator

SUMMARY: At the November 11, 2017 City Council meeting the City Council considered entering into a payment in lieu of tax agreement with the Susanville Indian Rancheria Housing Authority (SIRHA). The SIRHA needed to discuss the language that the City Attorney for the City of Susanville proposed for certain sections of the agreement before City Council could consider the agreement. Attached is a new draft of the agreement that the City of Susanville received from the attorney for the SIRHA.

FISCAL IMPACT: \$150 per dwelling unit annually

ACTION REQUESTED: Pass Resolution No. 18-5436, approving the cooperative agreement between the City of Susanville and SIRHA

ATTACHMENTS: Resolution No. 18-5436
Cooperative Agreement
Staff Report from 11/15/17 City Council Meeting

LOCAL COOPERATION AGREEMENT

This Agreement is made and entered on _____, 2018, between the Susanville Indian Rancheria Housing Authority (“SIRHA”), a political subdivision of the Susanville Indian Rancheria, a federally recognized Indian Tribe, and the City of Susanville (“City”), a political subdivision of the State of California. The SIRHA and City may be referred to herein a “Party” or together as the “Parties.”

RECITALS:

1. The Susanville Indian Rancheria (“Tribe”) has acquired three (3) parcels of property (“the Parcels,” APN #'s: 103-061-19-11, 103-061-20-11 and 107-090-06-11) upon which SIRHA is constructing an affordable low income residential development. The Parcels are located in the city limits of Susanville, Lassen County. The Tribe has leased the Parcels to SIRHA for a 50 year term to be used exclusively as rental or lease-purchase housing for low income families. In the future, the Tribe or SIRHA may acquire additional parcels within the City to develop “affordable housing” under the Native American Housing Assistance and Self-Determination Act of 1996. (“NAHASDA,” 25 U.S.C. §4101 et seq.)

2. NAHASDA provides block grants to federally recognized Indian Tribes and “Tribally Designated Housing Entities” or “TDHE’s” (“recipient” or “recipients”) to undertake affordable housing activities.

3. NAHASDA prohibits a recipient from using NAHASDA block grants for rental or lease-purchase housing for low income tribal members which is owned by a TDHE, unless the local government with jurisdiction over the proposed housing site or sites enters an agreement with the recipient for local cooperation.

5. Where the property is exempt from real and personal property taxes, NAHASDA requires the recipient to agree in the cooperation agreement to make payments to the City in lieu of taxes.

6. The purpose of this Agreement is to satisfy these requirements of NAHASDA.

AGREEMENT: In reliance upon these recitals and the contents of this Agreement, the parties agree as follows:

1. This agreement applies to any real property in the City of Susanville owned by the Tribe or SIRHA in fee and on which SIRHA has or will construct, own or administer housing units for rent to low income households as defined in NAHASDA (the “Property”).

2. For each dwelling unit on the Property as to which the County Tax Assessor has approved an exemption from taxation under Revenue and Taxation Code Section 237, NAHASDA at 25 U.S.C. §4111(d)(2) requires the SIRHA to pay \$150 to the City Tax Collector

each year on or before April 10 in lieu of such taxes or other amounts as prescribed therein. The Parties agree that \$150 per dwelling unit is the correct amount for these in lieu payments. If there is a change in the law that allows the City to collect a larger payment in lieu of taxes or that reduces or eliminates the City's right to collect payments in lieu of taxes as provided herein, the Parties shall negotiate in good faith a different in lieu payment that is allowed or required by any such change in the applicable law. If they fail to reach agreement within a period of 90 days from the date either party gives written notice of the change in law to the other party, this Agreement may be terminated by either party upon giving written notice of such termination to the other party.

3. Payments by SIRHA under paragraph 2 shall not exceed the amount of taxes which would have been paid on the Property for such year if the Property were not exempt from taxes.

4. Even if the Property is exempted from real and personal property taxes under Revenue and Taxation Code Section 237 and without regard to its ownership by a federally recognized Indian tribe or the SIRHA, the City shall provide the same services to the Property as it provides to other similarly situated property in the City. The Property shall not receive different or less services or on different terms solely as a result of the provisions of this agreement or because the Property is exempt from real or personal property taxes or because it is owned by a federally recognized Indian tribe or the SIRHA. In order to receive City services for which fees are normally charged, the SIRHA shall pay all such fees and charges.

5. Except as provided in Section 2, above, this Agreement shall remain in effect as long as the Property is owned in fee by the Tribe and is leased to SIRHA. This agreement shall terminate as to any portion of the Property which is accepted by the United States into trust for a federally recognized Indian tribe.

6. Any amounts owed to SIRHA or City under the terms of this Agreement shall be enforceable as an ordinary, unsecured debt.

7. Any disputes between the parties concerning the terms of this Agreement shall be resolved by binding arbitration under Part 3, Title 9 of the California Code of Civil Procedure, commencing with Section 1280. The SIRHA hereby waives any sovereign immunity from unconsented suit it may enjoy for the limited purpose of enforcing the provision of this agreement requiring the arbitration of disputes or for confirming the award of an arbitrator. The SIRHA does not waive its sovereign immunity or consent to suit as to any party other than the City or for any claim other than a claim for breach of this agreement or as to any claim for consequential or punitive damages. The SIRHA does not waive its immunity from suit or consent to suit as to any claim as to which the City has not served the SIRHA with a written request for arbitration within 90 days after the cause of action accrues or as to which it has not filed an action to confirm an arbitrator's award within 90 days after the arbitrator has served the parties with his or her written decision. SIRHA does not waive the sovereign immunity of the Susanville Indian Rancheria or any other entity or person.

8. This Agreement constitutes the entire agreement between the Susanville Indian Rancheria Housing Authority (“SIRHA”) and the City of Susanville concerning the development by SIRHA of rental housing for low income families on land in the City of Susanville which is located outside the boundaries of the Susanville Indian Rancheria and payments in lieu of taxes. It supersedes and replaces any prior agreements or understandings between the parties concerning this same subject matter.

9. This Agreement is the product of negotiation and preparation by and among each party hereto and its attorneys. Therefore, the parties acknowledge and agree that this Agreement shall not be deemed to have been prepared or drafted by one party or another, and that it shall be construed accordingly.

10. No supplement, modification, waiver or amendment with respect to this Agreement shall be binding unless executed in writing by the party against whom enforcement of such supplement, modification, waiver, or amendment is sought.

11. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Facsimile or other electronically transmitted signatures on this Agreement shall constitute originals signatures of the parties.

12. The signatories to this Agreement warrant and represent that they have authority to execute this Agreement and to bind the parties on whose behalf they execute this Agreement.

13. The parties hereto shall reasonably cooperate with each other, including executing all necessary further documents, if any, to carry out the purpose and intent of this Agreement.

14. Whenever notice, payment or other communication is required or permitted under this Agreement it shall be deemed to have been given when personally delivered, telefaxed or deposited in the United States mail with proper first class postage affixed thereto and addressed as follows:

CITY OF SUSANVILLE:

City Administrator
City Attorney
66 North Lassen Street
Susanville, CA 96130
530.257.1000
info@cityofsusanville.org

SIRHA:

Wanda Brown, Chairperson
807 Joaquin Street, Suite G
Susanville, CA 96137
(530)257-5033

Either party may change the address to which notices must be sent by providing notice of that change as provided in this paragraph.

WHEREFORE, this agreement is effective on the date first written above.

**SUSANVILLE INDIAN RANCHERIA
HOUSING AUTHORITY**

CITY OF SUSANVILLE

By: _____
Wanda Brown, Chairperson

By: _____
Kathie Garnier, Mayor

ATTEST:

ATTEST:

Secretary

Gwenna MacDonald, City Clerk

Approved as to form:

Approved as to form:

David J. Rapport, SIRHA Attorney

Jessica Ryan, City Attorney

Reviewed by: Interim City Administrator
 City Attorney

 Motion only
 Public Hearing
 X Resolution
 Ordinance
 Information

Submitted by: Heidi Whitlock, Assistant to the City Administrator

Action Date: November 15, 2017

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 17-5436** Approving Cooperative Agreement with Susanville Indian Rancheria Housing Authority

PRESENTED BY: Dan Newton, Interim City Administrator

SUMMARY: The Susanville Indian Rancheria (SIR) is acquiring three parcels located within the City's municipal boundaries, which are intended for affordable, low income housing. SIR has leased the parcels to the Susanville Indian Rancheria Housing Authority (SIRHA) and the parcels must be used as rental or lease purchasing housing for low income families. However, the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) prohibits a recipient from using grant funds for rental of lease-purchase housing for low income members unless the local government, to address property taxes with tax exempt agencies with City jurisdiction over the proposed housing site, enters into a cooperative agreement. At this time, the City is being requested to enter into the attached local cooperative agreement.

FISCAL IMPACT: \$150 per dwelling unit annually

ACTION REQUESTED: Motion to approve Resolution No. 17-5436 approving the cooperative agreement between the City of Susanville and SIRHA.

ATTACHMENTS: Resolution No. 17-5436
Cooperative Agreement

Reviewed by: D Interim City Administrator
 City Attorney

 Motion only
 Public Hearing
 X Resolution
 Ordinance
 Information

Submitted by: Heidi Whitlock, Assistant to the City Administrator

Action Date: January 3, 2018

CITY COUNCIL AGENDA ITEM

SUBJECT: Resolution No. 18-5458, approving Amendment 1 to the Agreement between the City of Susanville and the Honey Lake Valley Recreation Authority for Administrative, Management and Operational Services.

PRESENTED BY: Dan Newton, Interim City Administrator

SUMMARY: The Honey Lake Valley Recreation Authority (HLVRA), since December 2013, has utilized the administrative services of the City of Susanville. In April 2017, the HLVRA entered into an agreement for Administrative, Management and Operational services with the City of Susanville which included Appendix "A" reflecting rates at which the City would be reimbursed for each position. On November 27, 2017, the HLVRA met to discuss the currently vacant Pool Manager/Director position and the upcoming recruitment. In order to better reflect the duties of the position and attract qualified individuals who desire to serve in the position, it was believed that the salary should be increased. City Council, at its December 6, 2017 meeting, approved the increase in salary from Range 930 (\$18.42 per hour) to Range 938 (\$22.44 per hour). Staff is requesting the Council approve Resolution No. 14-5458, approving Amendment 1 to the Agreement between the City of Susanville and the Honey Lake Valley Recreation Authority for Administrative, Management and Operational Services which reflects the salary change.

FISCAL IMPACT: Reimbursable costs as reflected in Amendment 1 of the Agreement with the HLVRA

ACTION REQUESTED: Motion to Approve Resolution No. 18-5458, approving Amendment 1 to the Agreement between the City of Susanville and the Honey Lake Valley Recreation Authority for Administrative, Management and Operational Services.

ATTACHMENTS: Resolution No. 18-5458
Amendment 1

RESOLUTION NUMBER 18-5458
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
AUTHORIZING AMENDMENT 1 OF THE AGREEMENT BETWEEN THE CITY AND
HONEY LAKE VALLEY RECREATION AUTHORITY TO PROVIDE MANAGERIAL,
ADMINISTRATIVE AND OPERATIONAL SERVICES

WHEREAS, the City of Susanville began providing management and administrative services to the Honey Lake Valley Recreation Authority in December 2013; and

WHEREAS, the Parties have an existing agreement for Managerial, Administrative and Operational Services per Resolution 17-5447; and

WHEREAS, the Honey Lake Valley Recreation Authority agreed to reimburse the City of Susanville for Administrative, Management and Operational Services and direct costs based on the terms of the Agreement; and

WHEREAS, rates for reimbursement have been amended as per the attached "Amendment 1".

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Susanville that Amendment 1 of the Agreement for the City to provide Administrative, Management and Operational Services to the Honey Lake Valley Recreation Authority is hereby approved.

Dated: January 3, 2018

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 18-5458 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 3rd day of January 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

**AMENDMENT NO. 1 TO AGREEMENT WITH CITY OF SUSANVILLE FOR
ADMINISTRATIVE AND OPERATIONAL SERVICES
FOR THE HONEY LAKE VALLEY RECREATION AUTHORITY**

This Amendment No. 1 to the Agreement for Administrative and Operational Services for the Honey Lake Valley Recreation Authority, dated November 1, 2017 ("Agreement"), between the Honey Lake Valley Recreation Authority ("HLVRA") and the City of Susanville ("City") is made and entered into this 3rd day of January, 2018.

RECITALS

WHEREAS, under the Agreement, the City provides HLVRA with administrative, managerial and operational services; and

WHEREAS, the Agreement states that the HLVRA shall reimburse the City for personnel and direct costs incurred by the City in providing said services at the hourly rates as included in Appendix "A" to the Agreement; and

WHEREAS, the parties desire to update Appendix A, as the Pool Director/Manager hourly rate has been increased by the City as requested by the HLVRA.

NOW THEREFORE, in consideration of the foregoing and the mutual promises hereinafter expressed, the parties mutually agree as follows:

1. Amendment to Appendix A

Both parties hereby agree that, Appendix A of the Agreement shall be replaced with the revised version which is attached hereto as Attachment 1.

2. Remaining Terms Unaffected

Except as expressly provided herein, nothing in this Amendment No.1 shall be deemed to waive or modify any of the other provisions of the Agreement or prior amendments. In the event of any conflict between this Amendment No. 1 and the Contract, the terms of this Amendment No. 1 shall prevail.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as the date herein set forth.

Approved by HLVRA:

Brian Wilson, HLVRA President

Date: _____

Approved by City:

Kathie Garnier, Mayor

Date: _____

Approved as to Form:

Maggie Stern, HLVRA Legal Counsel

Date: _____

Approved as to Form:

Jessica Ryan, Susanville City Attorney

Date: _____

Appendix A

Management & Administrative Positions

Actual Cost Up to (weighted cost):

City Administrator	\$93.39 per hour
Assistant to the CA	\$56.19 per hour
Project Manager	\$46.86 per hour
City Engineer	\$73.21 per hour
City Planner	\$59.82 per hour
Parks Superintendent	\$40.95 per hour

Operational Positions

	Actual Cost Up to: (weighted cost)	Actual Wage Up to: (regular rate)
Pool Director/Manager	\$ 31.06 per hour	\$22.44 /hr (range 938)
Assistant Pool Manager	\$ 21.13 per hour	\$17.10 /hr (range 927)
Head Swim Instructor	\$ 19.14 per hour	\$15.49 /hr (range 923)
Swim Instructor II	\$ 16.51 per hour	\$13.36 /hr (range 917)
Swim Instructor I	\$ 15.33 per hour	\$12.41 /hr (range 914)
Swim Instructor	\$ 14.23 per hour	\$11.52 /hr (range 911)
Head Lifeguard	\$ 18.68 per hour	\$15.12 /hr (range 922)
Life Guard II	\$ 16.10 per hour	\$13.03 /hr (range 916)
Life Guard I	\$ 14.95 per hour	\$12.10 /hr (range 913)
Life Guard	\$ 13.55 per hour	\$10.97 /hr (range 909)
Maintenance Worker Parks	\$ 12.97 per hour	

Overtime Rates (Daily/Weekly Overtime Premium)

Pool Director/Manager	\$ 38.89 per hour
Assistant Pool Manager	\$ 25.65 per hour
Head Swim Instructor	\$ 23.24 per hour
Swim Instructor II	\$ 20.04 per hour
Swim Instructor I	\$ 18.62 per hour
Swim Instructor	\$ 17.28 per hour
Head Lifeguard	\$ 22.68 per hour
Life Guard II	\$ 19.55 per hour
Life Guard I	\$ 18.15 per hour
Life Guard	\$ 16.46 per hour

Reviewed by: Interim City Administrator
 City Attorney

- Motion only
- Public Hearing
- X Resolution
- Ordinance
- Information

Submitted by: Heidi Whitlock, Assistant to the City Administrator

Action Date: January 3, 2018

CITY COUNCIL AGENDA ITEM

SUBJECT: **Resolution No. 18-5463** approving the Spaulding Community Services District (CSD) Agreement and authorizing the City Administrator to execute the Agreement.

PRESENTED BY: Dan Newton, Interim City Administrator

SUMMARY: The City is a member of the Lahonton Basins Regional Water Management Group (RWMG) and is the lead agency which interacts with the California Department of Water Resources (DWR) on behalf of project sponsors for the 2015 Proposition 84 IRWM Implementation Grant Project. DWR approved funding for various projects at a total estimated value of \$1.9 million. The City executed a DWR grant agreement on August 3, 2016, and in addition to the City's projects, DWR approved \$92,500 to fund the Spaulding CSD Waste Water Pond Closure. The agreement between the City and Spaulding CSD is for the implementation and administration of the project and outlines the responsibilities of each party.

FISCAL IMPACT: Miscellaneous administrative costs to be reimbursed through the grant.

ACTION REQUESTED: Approve Resolution No. 18-5463 Approving the Spaulding CSD Agreement and Authorizing the City Administrator to Execute the Agreement.

ATTACHMENTS: Spaulding CSD Agreement
Resolution No. 18-5463

RESOLUTION NO. 18-5463
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
APPROVING AGREEMENT WITH SPAULDING COMMUNITY SERVICES DISTRICT
AND AUTHORIZING THE CITY ADMINISTRATOR TO SIGN AGREEMENT

WHEREAS, the City is a member of the Lahonton Basins Regional Water Management Group (RWMG) and the lead agency for grant administration; and

WHEREAS, the City collaborates with the Department of Water Resources (DWR) on behalf of project sponsors for the 2015 Proposition 84 IRWM Implementation Grant Project; and

WHEREAS, the City executed a DWR grant agreement including both City projects for a total of \$1.9 million including \$92,500 to fund the Spaulding CSD Waste Water Pond Closure; and

WHEREAS, an Agreement between the parties for the implementation and administration of the project has been presented and outlines the responsibilities of each party.

NOW THEREFORE BE IT RESOLVED, that the City Council does hereby approve the Agreement between Spaulding CSD and the City of Susanville; and

BE IT FURTHER RESOLVED, that the City Council authorizes the City Administrator to sign and administer the agreement.

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Susanville, held on the 3rd day of January, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

**AGREEMENT BETWEEN THE CITY OF SUSANVILLE AND SPAULDING
COMMUNITY SERVICES DISTRICT REGARDING 2015 PROPOSITION 84
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM)
IMPLEMENTATION GRANT PROJECT FOR THE IMPLEMENTATION AND
ADMINISTRATION OF THE SPAULDING CSD WASTE WATER POND CLOSURE
(PROJECT SPONSOR AGREEMENT)**

This Agreement is made and entered into as of this _____ day of _____, 20____, by and between the City of Susanville (City), a public agency in the State of California, and the Spaulding Community Services District (Spaulding or Project Sponsor), to provide for carrying out the Spaulding CSD Waste Water Pond Closure (Project) to be funded wholly or in part by a 2015 Proposition 84 Integrated Regional Water Management (IRWM) Implementation Grant from the California Department of Water Resources (DWR).

RECITALS

- A. The City is a member of the Lahontan Basins Regional Water Management Group (RWMG), and is the agency interacting with the state of California Department of Water Resources (DWR) on behalf of project sponsors for the 2015 Proposition 84 IRWM Implementation Grant Project.
- B. Spaulding serves the CSD Spaulding area with a waste water treatment plant and is a project sponsor within the Lahontan Basins Region.
- C. Spaulding, along with other local agencies, proposed a number of projects to be funded by the IRWM implementation grant.
- D. DWR has approved funding for the Lahontan Basins IRWM Plan for all proposed projects at a total estimated cost of \$1,943,585.
- E. The City executed DWR grant agreement number 4600011520 (Grant Agreement - Appendix A), 2015 Proposition 84 IRWM Implementation Grant, on August 3, 2016 pursuant to California Public Resources Code §75026 et seq., for acquiring funds and implementing the Spaulding CSD Waste Water Pond Closure.
- F. The City and the individual project sponsors desire to carry out the projects funded wholly or in part by said Proposition 84 Implementation Grant.
- G. Spaulding will implement a project entitled: Spaulding CSD Waste Water Pond Closure as outlined in the DWR Grant Agreement.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

- 1. Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.
- 2. Implementation Projects.** The Project Sponsor desires to receive funds from the

Grant Agreement in the amount of \$92,500 to fund the Spaulding CSD Waste Water Pond Closure. See Exhibits B and F of the DWR Grant Agreement (Appendix A).

3. City and Spaulding Coordination. Spaulding as the Project Sponsor, and the City, in carrying out their individual and collective responsibilities under the Grant Agreement, will be required to coordinate the preparation and timely submittal of various grant-related documents. Coordination will generally be accomplished by email and telephone communications. If from time to time deemed necessary, meetings between the City and Project Sponsor representatives will be conducted to address issues related to the administration of the Grant and the implementation of this Agreement.

4. Role of Project Sponsors. The Project Sponsor acknowledges that the City has executed a Grant Agreement with the California Department of Water Resources (DWR) (DWR Grant Agreement) to accept the 2015 Proposition 84 IRWM Implementation Grant. The Project Sponsor shall assume responsibility of its individual project management, oversight, compliance, and operations and maintenance of its respective project, and shall fulfill all obligations of the City under the Grant Agreement as if the Project Sponsor has signed the Grant Agreement itself, relating to and for purposes of the Spaulding CSD Waste Water Pond Closure. The Project Sponsor shall also act on behalf of the Lahontan Basins RWMG in the fulfillment of responsibilities as specified in the Grant Agreement with DWR. Specified responsibilities are identified in Exhibit 1 of this Project Agreement. Except as set forth in paragraph 5 of this agreement, the City will have no obligation to prepare and submit invoices or take any other actions on behalf of Project Sponsor relating to the Spaulding CSD Waste Water Pond Closure, or liability for failing to take any action in regard to obtaining reimbursement for costs or fees associated with the Spaulding CSD Waste Water Pond, or any Project Sponsor that breaches one or more of its responsibilities provided in this Agreement or Exhibit 1 hereof and that fails to cure such breach promptly after receipt of notice from the City of the breach and requirements for curing the breach. The City also will have no liability to the Project Sponsor for the unavailability of grant funds from the DWR or any other state or federal agency. Project Sponsor will prepare invoices including relevant supporting documents for submittal to DWR via the City as stated in Exhibit A in the DWR Grant Agreement.

5. Role of the City. The City Administrator of the City as assigned by the City Council of the City of Susanville (see Exhibit E in the DWR Grant Agreement) will: (a) administer the 2015 Proposition 84 IRWM Implementation Grant with DWR on behalf of the Lahontan Basins RWMG and the Project Sponsor consistent with the terms of the DWR Grant Agreement and the provisions of this Agreement, (b) provide information to the Project Sponsor on grant administration status and related matters of mutual interest, (c) organize coordination meetings as necessary with Project Sponsors, and (d) administer and execute City sponsored projects where the City is the lead agency, namely the City of Susanville Sustainable Water Supply and Conjunctive Use Project, the Spaulding CSD Waste Water Pond Closure, and the Lassen Land and Trails Trust Municipal Water Assessment as outlined in the DWR Grant Agreement. The City will collect invoices from the Project Sponsor and compile the information into a DWR Invoice Packet for submittal to DWR.

6. Disbursement of Grant Funds to Spaulding, a Project Sponsor. The City will disburse to the Project Sponsor within 30 days of receipt of the grant funds approved and paid through normal State processes. Funds will be disbursed by the City consistent with each State approved invoice and in accordance with the project budgets contained in Exhibit B of the DWR Grant Agreement. Any and all money disbursed to the Project Sponsor under this agreement and any and all interest earned by Project Sponsors on such money shall be used solely to pay Eligible Costs as defined in Exhibit 1 attached hereto.

7. Authorization to Proceed with the Project. The Project is authorized to proceed upon execution of this Agreement.

8. Term. This Agreement will remain in effect for as long as any obligations under the Grant Agreement remain outstanding.

9. Amendments. This Agreement may be amended by the parties hereto only in writing and signed by both parties.

10. General Provisions. Any notice to be given under this Agreement may be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by facsimile copy; (c) transmission by electronic mail; or (d) personal delivery.

This Agreement shall be governed by the laws of the State of California.

This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

The City of Susanville and Spaulding 2015 Proposition 84 IRWM Implementation Grant Project for the Implementation and Administration of the Project Sponsor Agreement is hereby consented to and authorized by the City and Spaulding.

Dated: _____

Signed: _____

Dan Newton,
Interim City Administrator
City of Susanville

Dated: _____

Signed: _____

Printed: _____

Spaulding CSD

EXHIBIT 1
PROJECT SPONSOR OBLIGATIONS UNDER DWR 2015
PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT
(IRWM) IMPLEMENTATION GRANT AGREEMENT

Spaulding, the Project Sponsor, has agreed in accordance with Section 4 of the Project Sponsor Agreement that it will fully and timely perform all Project Sponsor obligations. Under Article 7 of the 2015 Proposition 84 grant agreement between the City and DWR ("DWR Grant Agreement"), the Project Sponsor is required to act on behalf of the City for the purposes of its individual project management (i.e., projects identified in the 2017 Lahontan Basins IRWM Grant Proposal), oversight, compliance, and operations and maintenance, and to act on behalf of the City in the fulfillment of the City's responsibilities under the grant agreement.

The executed Grant Agreement is attached as Appendix A to this Exhibit 1 and made a part hereof.

The Project Sponsor will include all applicable provisions in this Exhibit 1 as contract terms, conditions or specifications in any consulting, construction or other contract let to a contractor or subcontractor to carry out any portion of a project funded under the DWR Grant Agreement.

With reference to the attached DWR Grant Agreement, Project Sponsor is required to:

I. Financial Provisions

A. Cost Share. The Project Sponsor shall be obligated to provide its agreed local cost share for its project in the amount agreed between the City and DWR and approved by Project Sponsor.

B. General Funding Conditions. In order to be eligible for reimbursement of project costs, the Project Sponsor is required to comply with the following general conditions: (1) demonstrate the availability of sufficient funds to complete its project by submitting the most recent 3 years of audited financial statements; (2) if applicable, comply with Public Resources Code section 75102 to notify any California Native American tribe with traditional lands located within the project area of project construction (using contact list maintained by the Native American Heritage Commission); and (3) for groundwater management and recharge projects and projects with potential groundwater impacts, demonstrate compliance with the groundwater compliance options set forth on page 14 of the IRWM Program Guidelines, dated May 2015.

C. Eligible Project Costs. Project Sponsors may only apply grant funds to eligible project costs in accordance with applicable provisions of the law and Exhibit B of the attached DWR Grant Agreement. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Project Costs, depending on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. For a more detailed description of project costs that are eligible for reimbursement and costs that are not eligible for reimbursement, the Project Sponsor should review Article 10, pages 2-3, of the attached DWR Grant Agreement.

D. Invoice Information. Invoices must include all of the information provided in Article 11, pages 3-4 of the attached DWR Grant Agreement. The City will provide the Project Sponsor with information

on preparing reimbursement requests and the information required to prepare and submit invoices to DWR. The Project Sponsor will promptly respond to any City request for additional information necessary for City staff to prepare reimbursement requests acceptable to DWR.

E. Accounting and Return of Grant Disbursement. The Project Sponsor is obligated to account for the expenditure of all grant funds received. Project Sponsor's obligations include all of the accounting, disclosure and return of funds provisions set forth in Article D.1, Exhibit D of the attached DWR Grant Agreement.

II. Permitting and Environmental Compliance

A. Environmental Compliance. The Project Sponsor may not proceed with any project work that is subject to CEQA and any other environmental permitting requirements until it: (1) submits all applicable environmental permits indicated on the Environmental Information Form to DWR; (2) provides copies of any CEQA documents required for its project to DWR; and (3) after DWR completes any required CEQA compliance review as a Responsible Agency, receives written concurrence from the DWR of Project Sponsor's CEQA documents and DWR's notice of verification of environmental permit submittal.

B. Permits, Licenses, and Approvals. The Project Sponsor shall be responsible for ensuring that any and all permits, licenses, and approvals required for performing its project are obtained, and shall comply with federal, State and local laws, rules, and regulations, guidelines, and requirements applicable to its project. A partial list of such applicable laws is set forth in the attached DWR Grant Agreement.

III. Reporting and Audit Obligations

A. Submission of Reports. The Project Sponsor will provide all reports (including Quarterly Progress, Project Completion, Grant Completion, and Post-Performance Reports), data, information, and certifications necessary for the City to comply with all DWR reporting requirements provided in the DWR Grant Agreement. City and/or its consultants will provide the Project Sponsor with template report forms, reporting instructions and related assistance to ensure the timely preparation and submittal of all reports in the necessary formats required under the DWR Grant Agreement. The Project Sponsor will timely respond to any City requests for additional information and work on required reports. The types, format, content, and timing of required reports is provided in Exhibit C and Exhibit G to the attached DWR Grant Agreement and the Project Sponsor are encouraged to review and familiarize themselves with that information.

B. State Audits. The State reserves the right to conduct an audit at any time between the execution of the DWR Grant Agreement and the completion of any or all projects funded by the DWR Grant Agreement. After completion of all projects, the State may require the City to obtain a final audit conducted by an independent Certified Public Accountant. In addition, under Government Code section 8546.7, the State may audit the performance of the DWR Grant Agreement or of individual projects for a period of three years after final payment under the DWR Grant Agreement (i.e., completion of all projects and payment of closing invoice). The Project Sponsor, and their contractors and subcontractors, are required to preserve all project-related records and data for a minimum of three years after final payment under the DWR Grant Agreement. See Exhibit I to the attached DWR Grant Agreement for a listing of documents and records that State Auditors would require for review if this grant or any individual project(s) funded by it are audited.

C. Disposition of Equipment. Upon the City's request, the Project Sponsor shall provide a final inventory list of equipment purchased with grant funds provided by DWR with a current estimated fair market value of more than \$5,000 per item. Under the DWR Grant Agreement, DWR reserves the right to take title and possession of any items listed in the inventory that it identified in writing within 60 days of receipt of such inventory. All other listed items shall become the Project Sponsor's property.

D. Retention. DWR will retain 10% of the funds requested by the City for reimbursement of project costs until after all projects are completed and the City has complied with its obligation to submit all required reports as provided in Section III.A., above, and Article 19 of the DWR Grant Agreement. Upon receipt of the retained funds held by DWR, the City will distribute those funds to the Project Sponsor in accordance with the previously agreed amount due.

IV. Project Construction and Operation

A. Labor Compliance. The Project Sponsor must independently adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program ("LCP") meeting the requirements of Labor Code section 1771.5 with respect to projects described in Paragraph 2 of this Agreement. Upon request by the State or the City, the Project Sponsor will promptly submit written evidence of its compliance with the LCP requirements.

B. Operation and Maintenance of Project. The Project Sponsor shall ensure the proper start up and continued efficient and economical operation of its project. Such obligation includes making all repairs, renewals, and replacements necessary to the efficient operation and maintenance of the project. Operations and maintenance costs of funded projects are not reimbursable expenses under the DWR Grant Agreement and the Project Sponsor shall be solely liable for payment of such costs.

C. Acknowledgement of Credit. Project Sponsor shall include appropriate acknowledgement of the State and any cost-sharing partners for their support when promoting its project or using any data or information developed under the DWR Grant Agreement. During construction of a project, a Project Sponsor must install a sign at a prominent location which shall include a statement that the project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. The Project Sponsor shall notify the City and DWR that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

D. Competitive Bidding and Procurement. The Project Sponsor shall comply with all applicable competitive bidding and procurement laws and regulations when contracting for the acquisition of goods and services and construction of projects funded under the DWR Grant Agreement.

E. Inspections and Certification by Engineer.

1. Upon completion of a project and as determined by State, the Project Sponsor shall provide for a final inspection and certification by a California Registered Civil Engineer, when applicable, that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and with the DWR Grant Agreement.

2. The State shall have the right to inspect project work being performed at any and all reasonable times. The Project Sponsor shall include provisions ensuring such access for the State in all contracts and subcontracts entered into for projects funded under the DWR Grant Agreement. During regular office hours, State shall have the right to inspect and to make copies of any books, records, or reports of the Project Sponsor and its contractors and subcontractors relating to this DWR Grant Agreement.

V. Regulatory Requirements

A. **Child Support Obligations.** The Project Sponsor acknowledges and agrees that by participating in the grant, it recognizes the importance of child and family support obligations and will 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. The Project Sponsor also will fully comply with the earnings assignment orders of all employees and will provide the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

B. **Drug-Free Workplace.** The Project Sponsor certifies, under penalty of perjury under the laws of State of California, its 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 all of the actions provided in Article D.18, Exhibit D to the attached DWR Grant Agreement.

C. **Nondiscrimination.** The Project Sponsor acknowledges and agrees that it 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. The Project Sponsor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The Project Sponsor shall give written notice of its obligations under this paragraph to labor organizations with which they have a collective bargaining or other agreement.

D. **Americans with Disabilities Act.** The Project Sponsor certifies that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), and all applicable regulations and guidelines issued pursuant to the ADA.

E. **Groundwater Monitoring.** Any Project Sponsor carrying out a groundwater project or project that includes groundwater monitoring requirements funded by the Grant Agreement shall ensure that such projects are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76, commencing with Section 10780, of Division 6 of Water Code) and, where applicable, that projects affecting water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.

VI. Miscellaneous Provisions

A. **Computer Software.** The Project Sponsor certifies that it has appropriate controls in place to ensure that grant funds will not be used for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

B. Project Monitoring Plan Requirements. The Project Sponsor shall provide all data, information and cooperation requested by the City to assist it with the preparation and submittal of the Project Monitoring Plan required under Article 21 of the attached DWR Grant Agreement.

C. Notification of State. The Project Sponsor will promptly notify the City in writing of the following:

1. Events or proposed changes in a project that could affect the scope, budget, or work performed under the DWR Grant Agreement.

2. Any public or media event publicizing the accomplishments or results of a project funded under the DWR Grant Agreement. The Project Sponsor shall notify the City at least 15 calendar days in advance of any such event to provide State representatives with the opportunity to attend and participate.

3. Final inspection of a completed project by a Registered Civil Engineer (See Item IV.E, above). Project Sponsors shall notify the City at least 15 calendar days in advance of any such inspection in order to provide State representatives with the opportunity to participate.

D. Prohibition Against Disposal of Project Without State Permission. The Project Sponsor 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 their projects without DWR's prior permission. Participants also shall not take any action relating to user fees, charges, and assessments that could adversely affect its ability to meet its obligations under the DWR Grant Agreement, without prior written permission of State.

E. State Indemnification. To the extent permitted by law, the Project Sponsor agrees to indemnify, defend and hold harmless the State against any loss or liability arising out of any claim or action brought against the State, and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with: (1) the project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof; (2) performing any of the terms contained in the DWR Grant Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the federal Comprehensive Environmental Response, Compensation and Liability Act, Resource Conservation and Recovery Act, Water Pollution Control Act, and Clean Air Act, and the California Hazardous Substance Account Act, Hazardous Waste Control Law and Water Code section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by the DWR Grant Agreement. Grantee agrees to pay and discharge any judgment or award entered or made against the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this indemnification shall survive the term of the DWR Grant Agreement.

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
CITY OF SUSANVILLE
AGREEMENT NUMBER 4600011520
2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT
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, herein referred to as the "State" or "DWR" and the City of Susanville, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to Grantee to assist in financing projects associated with the Lahontan Basins IRWM Plan pursuant to Chapter 8 (commencing with §79560) of Division 26.5 of the California Water Code (CWC), hereinafter collectively referred to as "IRWM Program."
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on January 31, 2019, or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement.
3. GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed \$ 1,943,585.
4. GRANTEE COST SHARE. Grantee agrees to fund the difference between the Total Project Cost and the Grant Amount (amount specified in Paragraph 3). Grantee Cost Share consists of Funding Match and Additional Cost Share, as documented in Exhibit B (Budget). Additional Cost Share will not be reviewed by the State for invoicing purposes; however, the Grantee is required to maintain all financial records associated with the project in accordance with Exhibit I (State Audit Document Requirements and Funding Match Guidelines for Grantees).
5. FUNDING MATCH. Grantee is required to provide a Funding Match (non-State funds) of not less than 25 percent of the Grand Total of all the total project costs unless a Disadvantaged Community waiver is granted. Grantee agrees to provide a Funding Match for the amount as documented in Exhibit B (Budget), and may include expenses directly related to Exhibit A (Work Plan) after January 1, 2011.
6. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the Projects in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement, and be responsible for the performance of the projects.
7. LOCAL PROJECT SPONSOR'S RESPONSIBILITY. Grantee shall assign Local Project Sponsors to act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors shall be assigned in accordance with the participating agencies identified in the 2015 Lahontan Basins IRWM Grant Proposal grant application. Exhibit F identifies Local Project Sponsors. Local Project Sponsors shall also act on behalf of Grantee in the fulfillment of Grantee responsibilities where specifically specified in this Grant Agreement.
8. BASIC CONDITIONS. State shall have no obligation to disburse money for projects under this Grant Agreement until Grantee has satisfied the following conditions (if applicable):

- a) Grantee and Local Project Sponsors demonstrate the availability of sufficient funds to complete each project by submitting the most recent 3 years of audited financial statements and submitting an Audited Financial Statement Summary for each Local Project Sponsor.
- b) Grantee must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
- c) Grantee submits deliverables as specified in Paragraph 19 of this Grant Agreement and in Exhibit A.
- d) Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State for each project:
 - 1) Final plans and specifications certified by a California Registered Professional (Civil Engineer or Geologist, as appropriate) for each approved project as listed in Exhibit A of this Grant Agreement.
 - 2) Environmental Documentation:
 - i) Grantee submits to the State all applicable environmental permits,
 - ii) Documents that satisfy the CEQA process are received by the State,
 - iii) State has completed its CEQA compliance review as a Responsible Agency, and
 - iv) Grantee receives written concurrence from the State of Lead Agency's CEQA documents and State notice of verification of environmental permit submittal.

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

- 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."
9. DISBURSEMENT OF FUNDS. State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation.
10. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Total Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, and implementation. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the projects including the portion of overhead and administrative expenses that are directly related to the projects included in this Grant Agreement in accordance with the standard accounting practices of the Grantee. Work performed on the projects after January 17, 2014, shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with State funds cannot be counted as Funding Match. Costs that are not eligible for reimbursement include, but are not limited to the following items:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment that is not an integral part of a project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after project construction is complete.

- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs (per diem includes subsistence and other related costs).
- i) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee Cost Share (i.e., Funding Match).
- l) Overhead not directly related to project costs.

11. METHOD OF PAYMENT.

- a) **Reimbursement** – Submit a copy of invoice for costs incurred and supporting documentation to the DWR Project Manager via Grant Review and Tracking System (GRanTS). Additionally, the original invoice form with signature and date (in ink) of Grantee's Project Representative, as indicated on page 10 of this Grant Agreement, must be sent to the DWR Project Manager for approval. Invoices submitted via GRanTS shall include the following information:
 - 1) Costs incurred for work performed in implementing the project(s) during the period identified in the particular invoice.
 - 2) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the project(s) during the period identified in the particular invoice for the implementation of a project.
 - 3) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - i) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii) Sufficient evidence (e.g. receipts, copies of checks, time sheets) as determined by the State must be provided for all costs included in the invoice. Additional Cost Share shall be accounted for separately in the progress reports.
 - iv) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). After the disbursement requirements in Paragraph 8 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 19 "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number.
- b) **Advanced Payment** – Water Code § 10551 authorizes advance payment by State for projects which are sponsored by a nonprofit organization; a disadvantaged community (DAC); or, the proponent of a project that benefits a DAC. If these projects are awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. Within 90 calendar days of execution of the Grant Agreement, the Grantee shall provide DWR an Advanced Payment Request. The Advanced Payment Request must contain the following:
 - 1) Documentation demonstrating that each Local Project Sponsor was notified about their eligibility to receive an advanced payment and a response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.

- 2) If the Local Project Sponsor is requesting the advanced payment, the request must also include:
 - i) A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution. (i.e., for what, how much, and when)
 - ii) A discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended.
- 3) If an Local Project Sponsor is requesting advanced payment, Grantee shall also submit a single Advance Payment invoice, containing the request for each qualified project, to the DWR Project Manager with signature and date (in ink) of Grantee's Project Representative, as indicated on page 10 of this Agreement. The Grantee shall be responsible for the timely distribution of the advanced funds to the individual Local Project Sponsors. Within 60 calendar days of receiving the Advanced Payment invoice and subject to the availability of funds, State will authorize payment of the advanced funds sought of 50% of the grant award for the qualified project(s).

The Advance Payment Invoice shall be submitted on forms provided by State and shall meet the following format requirements:

- 1) Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
- 2) Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
- 3) DWR Project Manager will notify Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). After the disbursement requirements in Paragraph 8 "Basic Conditions" (8a) and 8b) only) are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 19 "Submission of Reports."

On a quarterly basis, the Grantee will submit an Accountability Report to DWR that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:

- 1) An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
- 2) A funding plan which shows how the remaining advanced funds will be expended.
- 3) Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.

DWR Project Manager will notify Grantee, in a timely manner, when, upon review of the Expenditure Summary, the State determines that any portion or portions of the expenditures claimed are not eligible costs. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, the State will reject the claim and remove them from the Expenditure Summary.

Once Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 11 a) and any remaining requirements of Paragraph 8.

12. REPAYMENT OF ADVANCES. State may demand repayment from Grantee of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State and take any other action that it deems necessary to protect its interests for the following conditions:
 - a) A project is not being implemented in accordance with the provisions of this Grant Agreement.
 - b) 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.

Repayment amounts may also include:

- c) Advance funds which have not been expended within 18 months of the Grant Agreement's execution by the Local Project Sponsor.
- d) Actual costs incurred are not consistent with the Exhibit A (Work Plan) activities, not supported, or are ineligible.
- e) At the completion of the project, the funds have not been expended.

For conditions 12c) and 12d), repayment may consist of deducting the amount from future reimbursement invoices.

State may consider Grantee's refusal to repay the requested advanced amount a substantial breach of this Grant Agreement subject to the default provisions in Paragraph 14, "Default Provisions." If State notifies Grantee of its decision to demand repayment or withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

13. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 14, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 14, "Default Provisions." If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.
14. DEFAULT PROVISIONS. Grantee (and a Local Project Sponsor receiving grant funding through this Grant Agreement) will be in default under this Grant Agreement if any of the following occur:
 - a) Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - b) Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement.
 - c) Failure to maintain an adopted IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with §10530.
 - d) Failure to operate or maintain project(s) in accordance with this Grant Agreement (Paragraph 20).
 - e) Failure to make any remittance required by this Grant Agreement.
 - f) Failure to comply with Labor Compliance Program requirements (Paragraph 18).
 - g) Failure to submit timely progress reports.
 - h) Failure to routinely invoice State.
 - i) Failure to meet any of the requirements set forth in Paragraph 15, "Continuing Eligibility."

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

- a) Declare the funding be immediately repaid, with interest, at the California general obligation bond interest rate at the time the State notifies the Grantee of the default.
- b) Terminate any obligation to make future payments to Grantee.

- c) Terminate the Grant Agreement.
- d) Take any other action that it deems necessary to protect its interests.

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

15. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:

a) An urban water supplier that receives grant funds governed by this Grant Agreement shall:

- 1) Maintain compliance with the Urban Water Management Planning (UWMP) Act (Water Code §10610 *et. seq.*) and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6 (Water Code §10608 *et. Seq.*). Urban water suppliers that submitted AB 1420 compliance Table 2 in the 2015 Implementation Grant Application must submit, until June 30, 2016, either:
 - i) List of tasks to implement the best management practices listed in AB 1420 compliance Table 2 and a corresponding schedule and budget or;
 - ii) The progress toward the 2015 interim Gallons per Capita per Day (GPCD) target. If not meeting the interim target also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24.

By July 1, 2016 all urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim GPCD target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24. Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24).

- 2) Have their 2010 UWMP deemed consistent by DWR. The 2015 UWMP update must be submitted to DWR by July 1, 2016. If the 2015 UWMP is not submitted to DWR by July 1, 2016, funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website: <http://www.water.ca.gov/urbanwatermanagement>.

b) An agricultural water supplier receiving grant funding must:

- 1) Comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code. Before July 1, 2016, submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48.
- 2) Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. The most recent AWMP update must have been submitted to DWR by December 31, 2015. To maintain eligibility and continue funding disbursements, an agricultural water supply must have their 2015 AWMP deemed consistent by DWR on or before October 1, 2016. For more information, visit the following website: <http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>.

- c) Grantees diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
- d) Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
- e) Project Proponents that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code §10920 and the CASGEM Program.

16. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the projects. Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Grantee shall provide copies of permits and approvals to State.
17. RELATIONSHIP OF PARTIES. Grantee is solely responsible for design, construction, and operation and maintenance of the project within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.
18. LABOR COMPLIANCE. Grantee agrees to comply with all applicable California Labor Code requirements and Standard Condition D.28 in Exhibit D. 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 §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; Public Resources Code §75075 *et seq.*) or
 - Any other funding source requiring an LCP.

At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements.

19. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit G. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for such projects.
- 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 and shall be uploaded into GRANTS at the frequency specified in Exhibit C (Schedule). The progress reports shall provide a brief description of the work performed during the reporting period including: Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Agreement.
 - Accountability Report: Grantee shall submit, on a quarterly basis, an Accountability Report by individual Local Project Sponsor that at a minimum:
 - An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
 - A funding plan which shows how the remaining advanced funds will be expended.
 - Provides an accounting of distributing the advanced funds to the appropriate Local Project Sponsor.
 - Documents that the funds were spent on eligible reimbursable costs.
 - Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - Water Management Status Report: Until June 30, 2016, Grantee shall submit status reports on implementation of either AB 1420 status or SBx7-7 water conservation status for the urban water suppliers

that submitted an AB 1420 compliance Table 2 in the 2015 Implementation Grant Application. AB 1420 status reports shall be uploaded into GRanTS no later than 30 calendar days after execution of this agreement. SBx7-7 GPCD status reports shall be uploaded via GRanTS no later than June 30, 2016. By July 1, 2016 all urban water suppliers must submit an UWMP that demonstrates they are meeting the 2015 interim SBx7-7 GPCD target. If the urban water supplier is not meeting the interim target, then the urban water suppliers must also submit with its UWMP, a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Failure to progress on implementation may result in continuing grant eligibility actions under Paragraph 15. Before July 1, 2016, all agricultural water suppliers must submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48 to comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code.

- d) Project Completion Report: Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of project completion. Project Completion Report(s) shall include, in part, a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Project Completion Report shall also include, if applicable, certification of final project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Standard Condition D.19 in Exhibit D. A DWR "Certification of Project Completion" form will be provided by the State.
- e) Grant Completion Report: Upon completion of all projects included in Exhibit A, Grantee shall submit to State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Project Completion Report for the final project to be completed under this Grant Agreement. The Grant Completion Report shall include reimbursement status, a brief description of each project completed, and how those projects will further the goals of the IRWM Plan and identify any changes to the IRWM Plan, as a result of project implementation. Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to and approved by the State.
- f) Post-Performance Reports: Grantee shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed project(s) begins operation.

20. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of each project, and shall ensure or cause each project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 14, "Default Provisions."

21. PROJECT MONITORING PLAN REQUIREMENTS. Grantee shall develop and submit to State a Project Monitoring Plan that incorporates: (1) the Project Performance Monitoring Table requirements outlined in the Proposition 84 2015 IRWM Implementation Grant Proposal Solicitation Package (pages 20 and 21), and (2) the guidance provided in Exhibit J, "Project Monitoring Plan Guidance."
22. STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with § 10780) of Division 6 of California Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit H (Requirements for Statewide Monitoring and Data Submittal), for web links and information regarding other State monitoring and data reporting requirements.
23. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:
- Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.
 - Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.
 - Final inspection of the completed work on a project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), in accordance with Standard Condition D.19 in Exhibit D. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
24. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- By delivery in person.
 - By certified U.S. mail, return receipt requested, postage prepaid.
 - By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
 - By electronic means.

Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 26. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

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

Department of Water Resources
Arthur Hinojosa
Chief, Division of IRWM

City of Susanville
Jared G. Hancock
City Administrator

P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 653-4736
e-mail: Arthur.Hinojosa@water.ca.gov

66 North Lassen Street
Susanville, CA 96130
Phone: 530 257-1045
e-mail: jhancock@cityofsusanville.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Jason Preece
Division of Integrated Regional Water Management
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9636
e-mail: Jason.preece@water.ca.gov

City of Susanville
Ian Sims
Project Manager
720 South Street
Susanville, CA 96130
Phone: (530) 252-5110
e-mail: isims@cityofsusanville.org

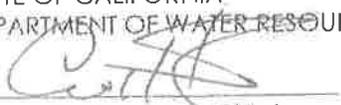
Either party may change its Project Representative or Project Manager upon written notice to the other party.

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

- Exhibit A – Work Plan
- Exhibit B – Budget
- Exhibit C – Schedule
- Exhibit D – Standard Conditions
- Exhibit E – Authorizing Resolution
- Exhibit F – Local Project Sponsors
- Exhibit G – Report Formats and Requirements
- Exhibit H – Requirements for Statewide Monitoring and Data Submittal
- Exhibit I – State Audit Document Requirements and Funding Match Guidelines for Grantees
- Exhibit J – Project Monitoring Plan Guidance

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

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES


Arthur Hinojosa, P.E., Chief
Division of Integrated Regional Water Management

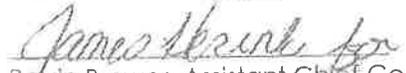
Date 8/3/16

CITY OF SUSANVILLE


Jared G. Hancock, City Administrator
City of Susanville

Date 7/6/16

Approved as to Legal Form and Sufficiency


Robin Brewer, Assistant Chief Counsel
Office of Chief Counsel

Date 7-18-16

**EXHIBIT A
WORK PLAN**

The Proposition 84 2015 IRWM Implementation Grant agreement provides funding for three projects located within the Lahontan Basins IRWM region.

PROJECT 1: CITY OF SUSANVILLE SUSTAINABLE WATER SUPPLY AND CONJUNCTIVE USE PROJECT

IMPLEMENTING AGENCY: City of Susanville

PROJECT DESCRIPTION: This project will develop new infrastructure and renovate existing infrastructure for the Susanville public water supply system to address mainline breaks and service leaks the system is currently experiencing. Project benefits include increased water supply reliability and increasing capture of available water sources to better utilize existing sources. The project includes replacement of approximately 150 feet of steel water main under Harris Drive and replacement of pipe emanating from Well 3 heading west into Susanville (approximately 3,200 feet). This project also includes overall management of meeting the requirements of the grant with DWR.

Budget Category (a): Direct Project and Grant Administration

Task 1a Grant Agreement Administration, Invoicing, and Reporting to DWR

The Regional Water Management Group, authorized City of Susanville (Grantee) to act as the applicant and the grant manager for the Proposition 84 2015 IRWM Implementation Grant. The Grantee will administer these funds and respond to DWR's reporting and compliance requirements associated with the grant administration. The Grantee will act in a coordination role: disseminating grant compliance information to the project managers responsible for implementing the projects contained in this agreement, obtaining and retaining evidence of compliance (e.g., CEQA/NEPA documents, reports, monitoring compliance documents, labor requirements, etc.), obtaining data for progress reports from individual project managers, assembling and submitting progress reports to the State, and coordinating all invoicing and payment of invoices.

The Grantee will respond to DWR's reporting and compliance requirements associated with the grant administration and will coordinate with the project managers responsible for implementing the projects contained in this agreement.

The Grantee will be responsible for compiling invoices for submittal to DWR. This includes collecting invoice documentation from each of the project proponents and compiling the information into a DWR Invoice Packet.

The Grantee will be responsible for compiling progress reports for submittal to DWR. The Grantee will coordinate with project proponent staff to retain consultants as needed to prepare and submit, Progress Reports and Final Project Completion Reports for each project, as well as the Grant Completion Reports.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit G of this agreement. For example, Progress Reports will explain the status of the project and will include the following information: summary of the work completed for the project during the reporting period; activities and milestones achieved; and accomplishments and any problems encountered in the performance of work. Project Completion Reports will include: documentation of actual work done, changes and amendments to each project, a final schedule showing actual progress versus planned progress, and copies of final documents and reports generated during the project.

Deliverables:

- Compiled invoices and associated backup documentation for all grant projects
- Progress Reports for all projects
- Draft and Final Project Completion Reports
- Draft and Final Grant Completion Report

Task 1b Project Management

Manage compliance with grant agreement requirements related to the project, prepare and submit supporting documents and coordination with Grantee's grant administrator. Prepare invoices including relevant supporting documentation for submittal to DWR via the Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Invoices
- Other Applicable Project Deliverables

Task 1c Labor Compliance Program

Take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, preparation and implementation of a labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance upon request

Task 1d Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit (G) of this agreement. Submit reports to the Grantee for review and inclusion in a progress report to be submitted to DWR.

Prepare Draft Project Completion Report and submit to DWR via the Grantee for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare Final Report addressing Grantee/DWRs comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Quarterly Project Progress Reports
- Draft and Final Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 2 Land Purchase/Easement

There are no tasks to be performed under this category.

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

Task 3a Feasibility Studies

The City contracted with Sunrise Engineering through a grant from the USDA and completed 95% engineering plans and specifications for the Project. The City will complete the remaining 5% for 100% final engineering plans and specifications under Task 8.1 to move forward with project construction.

Deliverables:

- Engineering plans and specifications from Sunrise Engineering

Task 3b CEQA Documentation

Environmental documentation for the Cady Springs improvements portion of the project is complete. Environmental documentation for the water main replacement portion is not complete. It is anticipated that a categorical exemption under CEQA will be completed for the water main replacement.

Deliverables:

- All relevant CEQA Documentation

Task 3c Permitting

Obtain all necessary federal, state, and local permits. Permits may include:

- Encroachment permit
- Construction Storm Water Pollution Prevention Plan and Notice of Intent (NOI)

Additional permits may be required and will be obtained as necessary.

Deliverables:

- Copy of all required permits

Task 3d Final Design

Sub-Task 3d.1: 100% Design for Cady Springs

Utilizing the 95% design plans and specifications prepared by Sunrise engineering, the City will identify lower cost alternatives that meet the project purpose and fit within the financial limits of the grant and the scope of the existing environmental document. The City will retain the services of a qualified engineering firm to assist in completing engineering plans and specifications to move forward with project construction.

Sub-Task 3d.2: 100% Design for Johnstonville Road and Harris Road Tank Water Mains:

With its own engineering staff, the City will complete 100% design engineering plans and specifications for the water main replacement portion of the project which will include surveying, and design of Johnstonville and Harris Tank water mains.

Deliverables:

- 100% Engineering Plans and Specifications Documents

Task 3e Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR project manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 4a Construction Contracting

To economize project costs when bidding, the City may bundle several work items into one or more contracts. The City will prepare a construction bid package for advertisement to procure a construction contractor using public bidding procedures which may include conducting a pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of a notice to proceed. The City's policies and procedures and applicable public contract codes will be used to identify the construction contractor from the pool of bidders.

Deliverables:

- Bid documents
- Proof of Advertisement
- Award of contract
- Notice to proceed

Task 4b Construction Administration

Review contractor submittals, answer requests for information, and issue work directives. All work will be overseen by the City Engineer and/or Finance Manager. A Grant Manager will be assigned to administer the contract documents and to provide adequate inspection services to assure adherence to the construction documents and to monitor schedule and progress payments. Construction observer duties include: documenting of pre-construction conditions, daily construction diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, notifying contractor if work is not acceptable.

Deliverables:

- Notice of Completion

Task 4c Construction/Implementation Activities

To complete both the Cady Springs and water main replacement components of the project, the following work items, among others, will be completed:

- 4c (1) Mobilization of all equipment and materials necessary for completing the project to the jobsite staging areas.
- 4c (2) Perform work area preparations, that may include minor clearing, grubbing, grading to provide adequate access.
- 4c (3) Construct a pumping station, including concrete pads, building, pumping plants, and electrical and mechanical components.
- 4c (4) Connect pumps to existing 14-inch-diameter gravity water supply line from Cady Springs with new 10-inch-diameter splice-in line, flow meter, and controls (approximately 100 feet of new 10-inch-diameter PVC pipe).
- 4c (5) Inspect and re-coat the Cady Springs water tank, and add system controls (e.g., SCADA, altitude valves, pressure relief valves, etc.).
- 4c (6) Connect pumps to existing 10-inch pipeline and control lines leading to the Cady Springs Water Tank north of the pump station (approximately 100 feet of new 10-inch-diameter PVC pipe).
- 4c (7) Use approximately 200 feet of new 16-inch-diameter PVC pipe and fittings through an existing sleeve under Highway 36 to complete a final connection of existing 16-inch-diameter pipelines routed to the Harris Road Tank.
- 4c (8) Trench and install approximately 3,200 feet of new 14-inch-diameter PVC C900 pipe to replace existing water main and service laterals along Johnstonville Road within existing road rights-of-way and utility easements.
- 4c (9) Prepare and comply with an Erosion Control Plan as needed for storm water discharge permit.
- 4c (10) Trench lines will be backfilled according to geotechnical standards and a City Inspector will confirm all construction activities meet applicable building and grading codes.
- 4c (11) Perform testing of all water lines and the Cady Springs infrastructure for verification of meeting applicable City standards.
- 4c (12) Upon completion of construction work, the contractors will dismantle the staging areas and demobilize equipment from the worksites.

Deliverables:

Photographic documentation

PROJECT 2: SPALDING COMMUNITY SERVICE DISTRICT WASTE WATER POND CLOSURE

IMPLEMENTING AGENCY: Spalding Community Service District

PROJECT DESCRIPTION: This project will install about 2,000 feet of cement-filled 12-inch-diameter tubing as a means of providing hold-down ballast for three existing wastewater effluent ponds black polyurethane liners. These tubes would be placed on the base of the pond slopes. Groundwater is currently used for ballast. Eliminating the need to pump groundwater for pond liner ballast will help conserve up to 500,000 gallons of groundwater per day for multiple days at two or three episodes during the dry season.

Budget Category (a): Direct Project Administration

Task 1a Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with the Grantee. Prepare invoices including relevant supporting documentation for submittal to DWR via the Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Invoices
- Other Applicable Project Deliverables

Task 1b Labor Compliance Program

Take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, preparation and implementation of a labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance upon request

Task 1c Reporting

Prepare quarterly progress reports detailing work completed during reporting periods as outlined in Exhibit (G) of this agreement. Submit reports to the Grantee (City of Susanville) for review and inclusion in progress reports submitted to DWR.

Prepare a draft Project Completion Report and submit to DWR via the Grantee for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare a final Project Completion Report addressing any Grantee or DWR comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Project Progress Reports
- Draft and Final Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 2 Land Purchase/Easement

There are no tasks to be performed under this category.

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

Task 3a Feasibility Studies

This pond liner ballast methodology is a simple design and has been successfully used at the overflow ponds at the South Tahoe Public Utility District's facilities; therefore, feasibility studies will not be conducted.

Task 3b CEQA Documentation

Because the project will be conducted entirely within existing pond enclosures and on existing vinyl liners, the agency will file a Notice of Exemption with the State Clearinghouse and/or County Clerk.

Deliverables:

- Copy of Notice of Exemption
- No Legal Challenges letter

Task 3c Permitting

It is not anticipated that any permits will be required for the project. However, Spaulding CSD will obtain any permits determined to be necessary.

Deliverables:

- Copy of any required permits

Task 3d Design

Complete preliminary design and the final engineering specifications and drawings that detail: ballast tube specifications, concrete fill specifications, and installation techniques demonstrating ability to protect existing pond liner against damage during construction.

Deliverables:

- 100% Design Plans and Specifications

Task 3e Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR project manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 4a Construction Contracting

Conduct all activities necessary to secure a contractor and award the contract, which may include: development of contract documents for construction contract bidding, advertisement, conducting a pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of a notice to proceed.

Deliverables:

- Bid documents
- Proof of Advertisement
- Award of contract
- Notice to proceed

Task 4b Construction Administration

Construction administration will include pre-construction initiation activities, keeping daily records of construction activities, performing inspection, and recording and reporting construction progress. This task will also include project construction photo-monitoring and notifying the contractor if work is not acceptable.

Deliverables:

- Notice of Completion

Task 4c Construction/Implementation Activities

Anticipated construction activities are outlined below.

- 4c (1) Mobilization and demobilization of equipment and materials necessary to complete the project to and from the jobsite.
- 4c (2) Site preparation which may include taking the pond out of service and removal of debris on the liner within the work areas.
- 4c (3) Installation of approximately 2,000 feet of 12-inch-diameter plastic pipe along the inboard embankment slope toes of the three ponds. Once the pipe segments are in place, they will be filled with cement slurry and capped.

Deliverables:

- Photographic documentation

PROJECT 3: LASSEN LAND & TRAILS TRUST MUNICIPAL WATER ASSESSMENT

IMPLEMENTING AGENCY: Lassen Land & Trails Trust

PROJECT DESCRIPTION: This project will allow the Lassen Land & Trails Trust (Trust) and the communities of Ravendale and Madeline to assess the best way to continue to provide municipal water supplies. This will be achieved in three main capacity assessments: technical, managerial, and financial. The primary goal of this project will be to plan and design a system that will ensure that these rural communities have access to safe and reliable water, through water quality improvements. The secondary goal will be to explore options for water-saving enhancements or recycling opportunities.

Budget Category (a): Direct Project Administration

Task 1a Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with the Grantee. Prepare invoices including relevant supporting documentation for submittal to DWR via the Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Invoices
- Other Applicable Project Deliverables

Task 1b Labor Compliance Program

This project does not include any construction activities making the development of a labor compliance program an unnecessary task; however, if it becomes applicable, the Trust will take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, preparation and implementation of a labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance, if necessary, upon request

Task 1c Reporting

Prepare quarterly progress reports detailing work completed during reporting periods as outlined in Exhibit (G) of this agreement. Submit reports to the Grantee (City of Susanville) for review and inclusion in progress reports submitted to DWR.

Prepare a draft Project Completion Report and submit to DWR via the Grantee for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare a final Project Completion Report addressing any Grantee or DWR comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Quarterly Project Progress Reports
- Draft and Final Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 2 Land Purchase/Easement

There are no tasks to be performed under this category.

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

Task 3a Feasibility Studies

A Water System Capacity Assessment (Assessment) will be prepared that will generally follow the Technical, Managerial, and Financial (TMF) method of assessment for small water systems, with additional technical engineering input from the water systems engineer, including recommendations for holistic system upgrades and system mapping.

The Assessment will analyze the physical and operational ability of the system to serve customers now and in the future. This analysis will verify that the system's source can meet current and anticipated demand, and that the system's source is adequately protected, treated, and sampled. To the extent possible within budget constraints, the team will also attempt to verify that the system's infrastructure is in good condition.

Managerial capacity assessment will analyze the system's administrative and organizational ability to be successful now and in the future. This will include analysis of the Operations Plan, and include a cursory review of any other existing system plans. (Master Plans, Capital Improvements Plans, Asset Management Plans). The review of plans is intended to identify planning deficiencies. The analysis will also evaluate the adequacy of ongoing training for water system operators and the level of planning efforts.

Financial capacity assessment will look at the system's budgets and ability to generate or obtain enough funds to maintain the system and to pay for future improvements.

At the end of the Assessment, a report on the technical, managerial, and financial capacity of the municipal water system will be prepared and will include system mapping and recommendations for system improvements.

Deliverables:

- Water System Capacity Assessment Report

Task 3b CEQA Documentation

The project is an assessment only activity. Therefore, there are no tasks to be performed under this category.

Task 3c Permitting

The project is an assessment only activity. Therefore, there are no tasks to be performed under this category.

Task 3d Design

The project is an assessment only activity. Therefore, there are no tasks to be performed under this category.

Task 3e Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR project manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

The project is an assessment only activity. Therefore, there are no tasks to be performed under this category.

**EXHIBIT B
BUDGET**

Summary Budget for the Lahontan Basins IRWM Implementation Grant					
Project Title	Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total Cost	% Funding Match
Project 1 – City of Susanville Sustainable Water Supply and conjunctive Use Project*	\$1,789,085	–	–	\$1,789,085	0%
Project 2 – Spaulding CSD Waste Water Pond Closure*	\$92,500	–	\$4,622	\$97,122	0%
Project 3 – Lassen Land and Trails Trust Municipal Water Assessment*	\$62,000	–	–	\$62,000	0%
Total	\$1,943,585	–	\$4,622	\$1,948,207	0%

* Denotes DAC Funding Match Waiver.

Project 1 – City of Susanville Sustainable Water Supply and Conjunctive Use Budget					
Budget Category	Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total	
(a) Direct Project Administration	\$95,000	–	–	\$95,000	
(b) Land Purchase/Easement	–	–	–	–	
(c) Planning/Design/Engineering/Environmental Documentation	\$180,000	–	–	\$180,000	
(d) Construction/Implementation	\$1,514,085	–	–	\$1,514,085	
Total	\$1,789,085	–	–	\$1,789,085	

**EXHIBIT B
BUDGET (CONT.)**

Project 2 – Spaulding CSD Waste Water Pond Closure Budget					
Budget Category		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$2,500	\$2,880	–	\$5,380
(c)	Planning/Design/Engineering/Environmental Documentation	\$9,000	–	–	\$9,000
(d)	Construction/Implementation	\$81,000	\$1,742	–	\$82,742
Total		\$92,500	\$4,622	–	\$97,122

Project 3 – Lassen Land and Trails Trust Municipal Water Assessment Budget					
Budget Category		Requested Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total
(a)	Direct Project Administration	\$12,500	–	–	\$12,500
(c)	Planning/Design/Engineering/Environmental Documentation	\$49,500	–	–	\$49,500
Total		\$62,000	–	–	\$62,000

EXHIBIT C
SCHEDULE

WORK TASKS	Start Date	End Date
Project 1: City of Susanville Sustainable Water Supply and Conjunctive Use	7/1/16	10/30/18
(a) Direct Project Administration	7/1/16	10/30/18
Task 1a – Agreement Administration, Invoicing, and Reporting	7/1/16	10/30/18
Tasks 1b & 1c – Project Management and Labor Compliance Program	7/1/16	9/30/18
Task 1d – Project Reporting	7/1/16	9/30/18
(c) Planning/Design/Engineering/Environmental Documentation	7/1/16	3/31/17
Task 3a – Feasibility Studies	7/1/16	8/1/16
Task 3b – CEQA Documentation	7/1/16	9/30/16
Task 3c – Permitting	5/1/13	10/26/16
Task 3d – Design	7/1/16	3/31/17
Task 3e – Project Monitoring Plan	7/1/16	3/31/18
(d) Construction/Implementation	3/31/17	9/30/18
Task 4a – Construction Contracting	6/1/17	3/31/18
Task 4b – Construction Administration	3/31/17	9/30/18
Task 4c – Construction/Implementation Activities	6/1/17	3/31/18
Project 2: Spalding Community Service District Waste Water Pond Closure	7/1/16	12/2/17
(a) Direct Project Administration	7/1/16	12/2/17
Task 1a – Project Management	7/1/16	12/2/17
Task 1b – Labor Compliance Program	7/1/16	12/2/17
Task 1c – Reporting	7/1/16	12/2/17
(b) Land Purchase/Easement (complete)	-	-
(c) Planning/Design/Engineering/Environmental Documentation	8/1/16	1/11/17
Task 3a – Feasibility Studies (complete)	-	-
Task 3b – CEQA Documentation	7/1/16	1/11/17
Task 3c – Permitting (not anticipated to be required)	-	-
Task 3d – Design	8/1/16	1/11/17
Task 3e – Project Monitoring Plan	7/1/16	1/11/17
(d) Construction/Implementation	6/12/17	8/27/17
Task 4a – Construction Contracting	1/12/17	6/11/17
Task 4b – Construction Administration	6/12/17	8/27/17

WORK TASKS	Start Date	End Date
Task 4c – Construction/Implementation Activities	6/12/17	8/27/17
Project 3: Lassen Land & Trails Trust Municipal Water Assessment	7/1/16	12/5/17
(a) Direct Project Administration	7/1/16	12/5/17
Task 1a – Project Management	7/1/16	12/5/17
Task 1b – Labor Compliance Program (not applicable; assessment only)	-	-
Task 1c – Reporting	7/1/16	12/5/17
(b) Land Purchase/Easement (not applicable; assessment only)	-	-
(c) Planning/Design/Engineering and Environmental Documentation	7/1/16	10/1/17
Task 3a – Feasibility Studies	7/1/16	10/1/17
Task 3b – CEQA Documentation (not applicable; assessment only)	-	-
Task 3c – Permitting (not applicable; assessment only)	-	-
Task 3d – Design (not applicable; assessment only)	-	-
Task 3e –Project Monitoring Plan	7/1/16	10/1/17
(d) Construction/Implementation (not applicable; assessment only)	-	-

EXHIBIT D
STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- a) **Separate Accounting of Funding Disbursements 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) **Fiscal Management Systems and Accounting Standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **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.
- d) **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2) ACKNOWLEDGEMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the projects or using any data and/or information developed under this Grant Agreement. During construction of each project, Grantee shall install a sign at a prominent location, which shall include a statement that the project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. Grantee shall notify State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

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 §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 projects, with the costs of such audit borne by State. After completion of the projects, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent

Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may elect to pursue any remedies provided in Paragraph 14 or take any other action it deems necessary to protect its interests.

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

- D.8) BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for the Proposition 84 Implementation 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 §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 Exhibit A, Work Plan, and shall use the services of one of these organizations whenever feasible.
- D.10) CEQA:** Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.). Information on CEQA may be found at the following links:
Environmental Information: <http://resources.ca.gov/ceqa/>
California State Clearinghouse Handbook:
https://www.opr.ca.gov/docs/SCH_Handbook_2012.pdf
- 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 §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 State's Project Manager, within thirty (30) calendar days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.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:** 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) CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, § 1090 and Public Contract Code, § 10410 and § 10411, for State conflict of interest requirements.
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government 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.16) DELIVERY OF INFORMATION, REPORTS, AND DATA:** Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.17) DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.18) 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 § 8355(a)(1).

- b) Establish a Drug-Free Awareness Program, as required by Government Code §8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
 - i) The dangers of drug abuse in the workplace,
 - ii) Grantee's policy of maintaining a drug-free workplace,
 - iii) Any available counseling, rehabilitation, and employee assistance programs, and
 - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide, as required by Government Code §8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 - i) Will receive a copy of Grantee's drug-free policy statement, and
 - ii) Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

- D.19) FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** Upon completion of the Project, Grantee shall provide for a final inspection and certification by the appropriate registered professional (California Registered Civil Engineer or Geologist) that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement. Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
- D.20) 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 the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
- D.21) 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 an amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
- D.22) GOVERNING LAW:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.23) 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 projects 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 or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.
- D.24) INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.25) INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.26) 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.27) INVOICE DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the DWR Project Manager within thirty (30) calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.
- D.28) LABOR CODE COMPLIANCE:** The Grantee will be required to keep informed of and take all measures necessary to ensure compliance with applicable Labor Code requirements, including, but not limited to, §1720 *et seq.* of the Labor Code regarding public works, limitations on use of volunteer labor (Labor Code §1720.4), labor compliance programs (Labor Code §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 §1771.3.
- D.29) NONDISCRIMINATION:** During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, §7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.30) 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 §10295.3.
- D.31) 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.32) PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A (Work Plan) and to apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law.
- D.33) 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 §11200 in accordance with Public Contract Code §10353.
- D.34) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the

projects, 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.35) REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36) RETENTION:** Notwithstanding any other provision of this Grant Agreement, State shall, for each project, withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%), thereafter, of the funds requested by Grantee for reimbursement of Eligible Costs. Each project in this Grant Agreement will be eligible to release its respective retention when that project is completed and Grantee has met requirements of Paragraph 19, "Submissions of Reports", except in the case of the last project to be completed under this Grant Agreement, in which case retention for such project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State. State shall disburse retained funds to the Grantee.
- D.37) RIGHTS IN DATA:** Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Government Code §6250 *et seq.* Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.38) SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.39) STATE REVIEWS:** The parties agree that review or approval of project applications, documents, permits, plans, and specifications or other project information by the State is for administrative purposes only and does not relieve the Grantee of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the projects.
- D.40) 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 in 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 14, the State may terminate this Grant Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 14.

- D.44) **TERMINATION WITHOUT CAUSE:** The State may terminate this Grant Agreement without cause on 30 calendar days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.45) **THIRD PARTY BENEFICIARIES:** The parties to this Grant 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.46) **TIMELINESS:** Time is of the essence in this Grant Agreement.
- D.47) **TRAVEL:** Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, and shall NOT be eligible for computing Grantee cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.48) **WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- D.49) **WORKERS' COMPENSATION:** Grantee affirms that it is aware of the provisions of §3700 of the 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
AUTHORIZING RESOLUTION

1
2 RESOLUTION NUMBER 16-5306
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
4 AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE PROPOSITION 84
5 IMPLEMENTATION GRANT AGREEMENT WITH THE CALIFORNIA DEPARTMENT
6 OF WATER RESOURCES FOR PROJECTS IDENTIFIED THROUGH THE
7 INTEGRATED REGIONAL WATER MANAGEMENT PLAN OF THE LAHONTAN
8 BASINS

9 WHEREAS, in March 2014, Honey Lake Valley Resource Conservation District
10 (HLVRCD), Lassen Irrigation Company (LIC), Susanville Indian Rancheria (SIR), and the
11 City of Susanville (City) entered into a Memorandum of Understanding forming the
12 Lahontan Basins Regional Water Management Group (RWMG); and

13 WHEREAS, the HLVRCD served as the lead agency for the preparation of the
14 Integrated Regional Water Management Plan; and

15 WHEREAS, Section 6.7 of the Memorandum of Understanding for Integrated
16 Regional Water Management in the Lahontan Basins Region (MOU) states that the
17 RWMG will mutually agree and designate a lead agency; and

18 WHEREAS, at the May 28, 2015, RWMG meeting the RWMG voted to have the
19 City of Susanville serve as the lead agency for the implementation grant; and

20 WHEREAS, as lead agency, the City prepared the implementation grant submitted
21 August 7, 2015 and will administer the implementation grant funds as the grant recipient;
22 and

23 WHEREAS, the implementation grant was awarded funding in the amount of
24 \$1,943,585; and

25 WHEREAS, the City Administrator is authorized to sign on behalf of the City of
26 Susanville to enter into an agreement to receive grant funding for the implementation of
27 projects identified within the Integrated Regional Water Management Plan (IRWMP).

28 NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of
Susanville hereby authorizes the City Administrator to sign a grant agreement with the
California Department of Water Resources for IRWMP projects.

APPROVED: _____

Kathie Garner, Mayor

ATTEST: _____

Gwenna Mac Donnell, City Clerk

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The foregoing Resolution was adopted at a special meeting of the City Council of the City of Susanville, held on the 22nd day of June, 2016, by the following vote.

AYES:	De Boer, Franco, Stafford, Wilson and Garnier
NOES:	None
ABSENT:	None
ABSTAINING:	None


Gwenna MacDonald, City Clerk

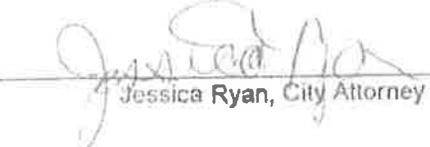
APPROVED AS TO FORM: 
Jessica Ryan, City Attorney

EXHIBIT F
LOCAL PROJECT SPONSORS

Grantee has assigned, for each project, a Local Project Sponsor according to the roles of the participating agencies identified in the IRWM Plan. Local Project Sponsors may act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors are identified for each Sponsored Project below:

Sponsored Project	Sponsor Agency	Agency Address
Project 1 - City of Susanville Sustainable Water Supply and Conjunctive Use Project	City of Susanville	720 South Street Susanville, CA 96130
Project 2 - Spalding Community Service District Waste Water Pond Closure	Spalding Community Service District	502-907 Mahogany Way Susanville, CA 96130
Project 3 - Lassen Land & Trails Trust Municipal Water Assessment	Lassen Land & Trails Trust	601 Richmond Road Susanville, CA 96130

EXHIBIT G
REPORT FORMATS AND REQUIREMENTS

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

PROGRESS REPORTS

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

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

For each project, discuss the following at the project level, as organized in Exhibit A (Work Plan):

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

PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

Executive Summary

Should include a brief summary of project information and include the following items:

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

Reports and/or Products

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

- Provide a copy of any final technical report or study, produced for this project as described in the Work Plan, if applicable
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

Costs and Dispositions of Funds

A list of showing:

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

Additional Information

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

GRANT COMPLETION REPORT

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

Executive Summary

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

Reports and/or products

- Summary of the regional priorities, objectives, and water management strategies of the IRWM Plan.
- Brief comparison of work proposed in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application and actual work done.
- Brief description of the projects completed and how they will further the goals identified in the Agency's final approved IRWM Plan.
- Describe how the implemented projects will meet the regional priorities identified in the final approved IRWM Plan and how the projects contribute to regional integration.
- Identify remaining work and mechanism for their implementation.
- Identify any changes to the IRWM Plan as result of project implementation.
- If applicable, a short discussion on how the IRWM Plan will assist in reducing dependence on Delta water supplies.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Grant Agreement.

Cost & Disposition of Funds Information

- A summary of final funds disbursement for each project.

Additional Information

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

POST-PERFORMANCE REPORT

Report should be concise, and focus on how (each/the) project is actually performing compared to its expected performance; whether the project is being operated and maintained, and providing intended benefits as proposed.

Reports and/or products

- Time period of the annual report (e.g., January 2015 through December 2015)
- Short project description
- Discussion of the project benefits
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.

- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

EXHIBIT H
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 G.

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/gama/geotracker_gama.shtml. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program.

Groundwater Level Data

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

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

State Audit Document Requirements

The list below details the documents/records that State Auditors typically reviewed in the event of a Grant Agreement being audited. Grantees should ensure that such records are maintained for each State funded Program/Project. Where applicable, this list of documents also includes documents relating to the Grantee's funding match which will be required for audit purposes.

Internal Controls:

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

State Funding:

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

Contracts:

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

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Grantee staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Grantee's

Project Files:

1. All supporting documentation maintained in the Program/Project files.
2. All Grant Agreement related correspondence.

Funding Match Guidelines

Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed or items contributed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties involved) directly related to the execution of Exhibit A (Work Plan) (examples: volunteer services, equipment use, and facilities). The cost of in-kind service can be counted as funding match in-lieu of actual funds (or revenue) provided by the Grantee. 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 Grantee for its own employees. Such documentation should include the following:
 - a. Detailed description of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to Grant Agreement Exhibit A (Work Plan))
 - c. Name of contributing organization and date of contribution
 - d. Real or approximate value of contribution. Who valued the contribution and how the value was determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
 - e. For contributed labor, the person's name, the work performed, the number of hours contributed, and the pay rate applied
 - f. If multiple sources exist, these should be summarized on a table with summed charges
 - g. Source of contribution and whether it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
3. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Grant Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the State funded Program/Project under the Grant Agreement.
4. Cash contributions made to a Program/Project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Grantee's accounting systems.

EXHIBIT J
PROJECT MONITORING PLAN GUIDANCE

Introduction

Please include a brief description of the project (maximum 150 words) including project location, implementation elements, and need for project (what problem will the project address).

Project Monitoring Plan Components

The Project Monitoring Plan should contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (upon project completion, five years after completion, etc.)?
- How often will monitoring be undertaken (monthly yearly, etc.)?
- Where are monitoring point locations (ex: meter located at..., at stream mile...)? Include relevant maps.
- How will the project be maintained (ex: irrigation, pest management, weeds abatement, etc.)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g., paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?

RESOLUTION NO. 18-5464

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE, CALIFORNIA
CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION
TO BE HELD ON TUESDAY, JUNE 5, 2018 FOR THE ELECTION OF CERTAIN OFFICERS AS
REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING
TO GENERAL LAW CITIES**

WHEREAS, under the provisions of the laws relating to general law cities in the State of California a general municipal election shall be held on Tuesday, June 5, 2018 for the election of municipal officers; and

NOW, THEREFORE, the City Council of the City of Susanville, California, does resolve, declare, determine and order as follows:

Section 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities there is called and ordered to be held in the City of Susanville, California on Tuesday, June 5, 2018, a General Municipal election for the purpose of electing two members of the City Council for the full term of four years; and

Section 2. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in §14401 of the Elections Code of the State of California.

Section 3. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

Section 4. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

APPROVED: _____
Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing **Resolution No. 18-5464** was adopted at a regular adjourned meeting of the City Council of the City of Susanville held on the 3rd day of January, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica, City Attorney

RESOLUTION NO. 18-5465

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE
REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LASSEN TO
CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD WITH THE
STATEWIDE ELECTION TO BE HELD ON TUESDAY, JUNE 5, 2018**

WHEREAS, the City Council of the City of Susanville called a special municipal election to be held on June 5, 2018 for the purpose of the election of two Members of the City Council for the term of office in which a vacancy was created and which ends June 2022; and

WHEREAS, it is desirable that the special municipal election be consolidated with the statewide primary election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of Lassen canvass the returns of the general municipal election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Susanville, California does declare, determine and order as follows:

Section 1. That pursuant to the requirements of §10403 of the Elections Code, the Board of Supervisors of the County of Lassen is hereby requested to consent and agree to the consolidation of a general municipal election with the statewide primary election on Tuesday, June 5, 2018 for the purpose of the election of two members of the City Council for the term of office in which a vacancy was created and which ends June, 2022;

Section 2. That the county election department is authorized to canvass the returns of the general municipal election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide election.

Section 3. That the Board of Supervisors is requested to issue instructions to the county election department to take any and all steps necessary for the holding of the consolidated election.

Section 4. That the City of Susanville recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any associated costs.

Section 5. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the county election department of the County of Lassen.

Section 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

APPROVED: _____

Kathie Garnier, Mayor

ATTEST: _____
Gwenna MacDonald, City Clerk

The foregoing **Resolution No. 18-5465** was adopted at a regular adjourned meeting of the City Council of the City of Susanville held on the 3rd day of January, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: _____
Jessica Ryan, City Attorney

RESOLUTION NO. 18-5466

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE,
CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE
OFFICE PERTAINING TO CANDIDATES STATEMENTS SUBMITTED TO THE
VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, JUNE 5, 2018**

WHEREAS, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates statement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUSANVILLE,
CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS
FOLLOWS:**

Section 1: GENERAL PROVISIONS. That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Susanville on June 5, 2018 may prepare a candidate's statement on an appropriate form provided by the City Clerk. The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at a time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

Section 2: PAYMENT. The candidate shall be required to pay for the cost of printing the candidate's statement in English in the main voter pamphlet.

The County Clerk shall estimate the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. In the event the estimated payment is required, the estimate is just and approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of overpayment, the clerk shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election. The cost of printing the candidate's statement for the 2016 general municipal election is \$220 payable to the County Clerk.

Section 3: MISCELLANEOUS.

A The Clerk shall allow bold type, underlining, capitalization, indentions, bullets, leading hyphens to the same extent and manner as allowed in previous City elections.

B The Clerk shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

Section 4: ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the sample ballot package.

Section 5: That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

Section 6: That all previous resolutions establishing council policy on payment for candidates' statements are repealed.

Section 7: That this resolution shall apply only to the election to be held on June 5, 2018 and shall then be repealed.

Section 8: That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED:

Kathie Garnier, Mayor

ATTEST:

Gwenna MacDonald, City Clerk

The foregoing **Resolution No. 18-5466** was adopted at a regular meeting of the Susanville City Council held on the 3rd day of January 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

Jessica Ryan, City Attorney

Reviewed by: Interim City Administrator
 City Attorney

- Motion only
- Public Hearing
- Resolution
- Ordinance
- X Information

Submitted by: Dan Newton, Interim City Administrator

Action Date: January 3, 2018

CITY COUNCIL AGENDA ITEM

SUBJECT: Local Sales and Use Tax/Transactional Use Tax increase

PRESENTED BY: Dan Newton, Interim City Administrator

SUMMARY: An update regarding the Sales Tax Measure will be provided at the meeting.

FISCAL IMPACT: None at this time.

ACTION REQUESTED: Information Only.

ATTACHMENTS: None.