

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

AGREEMENT NUMBER 4600012713

2017 PROPOSITION 1 SUSTAINABLE GROUNDWATER PLANNING (SGWP) GRANT

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

- 1) **PURPOSE.** The State shall provide funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to assist the Grantee in financing the planning and/or selected project activities (Project) that will improve sustainable groundwater management, pursuant to Water Code Section 79700 et seq. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the Groundwater Sustainability Plan (GSP), or any components of the GSP, implemented in accordance with the Work Plan as set forth in Exhibit A, will be: adopted by the applicable Groundwater Sustainability Agency (GSA); obtain the necessary desirable results of Sustainable Management Criteria; or, meet all of the evaluation and assessment criteria when submitted to the Department of Water Resources as required by the Sustainable Groundwater Management Act and implementing regulations.
- 2) **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on the date this Grant Agreement is executed by the State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Grant Agreement. However, all work shall be completed in accordance with the Schedule as set forth in Exhibit C.
- 3) **GRANT AMOUNT.** The maximum amount payable by the State under this Grant Agreement shall not exceed \$764,255.
- 4) **GRANTEE COST SHARE.** The Grantee is required to provide a Local Cost Share (non-State funds) of not less than 50 percent of the Total Project Cost. The cost share requirement for projects benefiting a Severely Disadvantaged Community (SDAC), Disadvantaged Community (DAC), or an Economically Distressed Areas (EDA) may be waived or reduced. The Grantee agrees to provide a Local Cost Share (non-State funds) for the amount as documented in Exhibit B (Budget). Local Cost Share may include Eligible Project Costs directly related to Exhibit A incurred after January 1, 2015.
- 5) **BASIC CONDITIONS.** The State shall have no obligation to disburse money for a project under this Grant Agreement until the Grantee has satisfied the following conditions (if applicable):
 1. Prior to execution of this Grant Agreement, selected applicants (Groundwater Sustainability Agency) for GSP Development projects must submit evidence of a notification to the public and DWR prior to initiating development of a GSP in compliance with California Code of Regulations, title 23, Section 350 et seq. (GSP Regulations) and Water Code Section 10727.8.
 2. The Grantee must demonstrate compliance with all relevant eligibility criteria as set forth on pages 7 and 8 of the 2015 Grant Program Guidelines for the SGWP Grant Program.
 3. For the term of this Grant Agreement, the Grantee submits timely reports and all other deliverables as required by Paragraph 16, "Submission of Reports" and Exhibit A.
- 6) **DISBURSEMENT OF FUNDS.** The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any

and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.

- 7) **ELIGIBLE PROJECT COST.** The Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, project construction, and/or any other scope of work efforts as described in Exhibit A. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after July 1, 2017, but before April 30, 2022 (end date), shall be eligible for reimbursement.

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

1. Costs, other than those noted above, incurred prior to the award date of this Grant.
2. Costs for preparing and filing a grant application belonging to another solicitation.
3. Operation and maintenance costs, including post construction performance and monitoring costs.
4. Purchase of equipment that is not an integral part of a project.
5. Establishing a reserve fund.
6. Purchase of water supply.
7. Monitoring and assessment costs for efforts required after project construction is complete.
8. Replacement of existing funding sources for ongoing programs.
9. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
10. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the execution date of this Grant Agreement.
11. Overhead and indirect costs: "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

- 8) **METHOD OF PAYMENT FOR REIMBURSEMENT.** After the disbursement requirements in Paragraph 5 "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16, "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. The State will notify the Grantee, in a timely manner, whenever, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

1. Costs incurred for work performed in implementing the project during the period identified in the particular invoice.
2. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
3. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
 - a. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - b. Invoices must be itemized based on the categories (i.e., tasks) specified in the Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - c. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - d. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent the Grantee's costs, as applicable, in Paragraph 4, "Grantee Cost Share."
 - e. Original signature and date (in ink) of the Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the address listed in Paragraph 22, "Project Representative."

All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Exhibit D and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

- 9) **ADVANCED PAYMENT.** Water Code Section 10551 authorizes advance payment by the State for projects included and implemented in an applicable integrated regional water management plan, and when the project proponent is a nonprofit organization; a DAC; or the project benefits a DAC. If the project is awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of up to 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee may provide the State an Advanced Payment Request. Advanced Payment Requests received ninety-one (91) calendar days after execution of this Agreement, or later, will not be eligible to receive advance payment. The Advanced Payment Request must contain the following:
1. Documentation demonstrating that each Local Project Sponsor (if different from the Grantee, as listed in Exhibit I) was notified about their eligibility to receive an advanced payment and a response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.
 2. If the Local Project Sponsor is requesting the advanced payment, the request must include:
 - a. A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution (i.e., for what, how much, and when).

- b. A discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended, and include an "Audited Financial Statement Summary Form" specific to the DAC.
 3. If a Local Project Sponsor is requesting advanced payment, the Grantee shall also submit a single Advance Payment Form Invoice, containing the request for each qualified project, to the State Project Manager with "wet signature" and date of the Grantee's Project Representative, as indicated in Paragraph 22, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds to the respective Local Project Sponsor(s). Within sixty (60) calendar days of receiving the Advanced Payment Form Invoice and subject to the availability of funds, the State will authorize payment of the advanced funds sought of up to 50% of the grant award for the qualified project(s). The Advanced Payment Form Invoice shall be submitted on forms provided by the State and shall meet the following format requirements:
 - a. Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - b. Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
 - c. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of an Advance Payment Form Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). After the distribution requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16, "Submission of Reports."
 4. On a quarterly basis, the Grantee will submit an Accountability Report to the State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
 - a. An itemization of how advanced funds have been expended to-date (Expenditure Summary), including documentation that supports the expenditures (e.g., contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
 - b. A funding plan which shows how the remaining advanced funds will be expended.
 - c. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - d. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of the Expenditure Summary, the State determines that any portion of the expenditures claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, the State will reject the claim and remove them from the Expenditure Summary.
 5. Once the Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 8, "Method of Payment for Reimbursement.", and any remaining requirements of Paragraph 5, "Basic Conditions."
- 10) REPAYMENT OF ADVANCES. The State may demand repayment from the 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 the State, and take any other action that it deems necessary to protect its interests for the following conditions:

1. A project is not being implemented in accordance with the provisions of the Grant Agreement.
2. The Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction.
3. Repayment amounts may also include:
 - a. Advance funds which have not been expended within 18 months of the Grant Agreement's execution.
 - b. Actual costs incurred are not consistent with the activities presented in Exhibit A, not supported, or are ineligible.
 - c. At the completion of the project, the funds have not been expended.

For conditions 10) 3.a. and 10) 3.b., repayment may consist of deducting the amount from future reimbursement invoices. The State may consider the Grantee's refusal to repay the requested advanced amount a substantial breach of this Grant Agreement subject to the default provisions in Paragraph 12, "Default Provisions." If the State notifies the Grantee of its decision to demand repayment or withhold the entire funding amount from the Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

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

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

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

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

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

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

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

1. An urban water supplier that receives grant funds pursuant to this Grant Agreement must maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) by doing the following:
 - a. Have submitted their 2015 UWMP and had it deemed consistent by DWR. If the 2015 UWMP has not been submitted to DWR funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website: <https://www.water.ca.gov/Programs/Water-Use-And-Efficiency/Urban-Water-Use-Efficiency/Urban-Water-Management-Plans>.
 - b. All urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim gallons per capita per day (GPCD) target. If not meeting the interim target, the Grantee must submit a schedule, financing plan, and budget for achieving the GPCD target, as required pursuant to Water Code Section 10608.24. Urban water suppliers that did not meet their 2015 interim GPCD target must also submit annual reports that include a schedule, financing plan, and budget for achieving the GPCD target by June 30 of each year.
2. An agricultural water supplier receiving grant funding must:
 - a. Comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq. Submit to the State a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code Section 10608.48.
 - b. Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. To maintain eligibility and continue funding disbursements, an agricultural water supply must have their 2015 AWMP identified on the State's website. For more information, visit the following website: <https://www.water.ca.gov/Work-With-Us/Grants-And-Loans/Agriculture-Water-Use-Efficiency>.
3. The Grantee diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
4. If applicable, the Grantee must demonstrate compliance with the Groundwater Management Act set forth on pages 7 and 8 of the 2015 SGWP Grant Program Guidelines, dated October 2015.

5. Grantees that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code Section 10932 and the CASGEM Program.

- 14) PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. The Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project(s). The 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. The Grantee shall provide copies of permits and approvals to the State.
- 15) RELATIONSHIP OF PARTIES. If applicable, the Grantee is solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Grant Agreement.
- 16) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Project Manager, and shall be submitted via Department of Water Resources (DWR) "Grant Review and Tracking System" (GRanTS). If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for such project.
 1. Progress Reports: The Grantee shall submit Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall be uploaded via GRanTS, and the State's Project Manager notified of upload. Progress Reports shall, in part, provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Progress Report should be submitted to the State no later than four (4) months after the execution of the agreement, with future reports then due on successive three-month increments based on the invoicing schedule and this date.
 2. Groundwater Sustainability Plan: The Grantee shall submit a Final Groundwater Sustainability Plan (GSP) to DWR by the date as specified per the Sustainable Groundwater Management Act (SGMA). The GSP shall be formatted, drafted, prepared, and completed as required by the GSP Regulations, and in accordance with any other regulations or requirements that are stipulated through SGMA.
 3. Coordination Agreement: The Grantee shall provide the State a copy of the executed Coordination Agreement, and all supporting documentation. This condition is only required in basins where GSAs develop multiple GSPs pursuant to Water Code Section 10727(b)(3). Refer to the GSP Regulations for necessary details and requirements to prepare and submit a Coordination Agreement.
 4. Accountability Report: The Grantee shall prepare and submit to the State an Accountability Report on a quarterly basis if the Grantee received an Advanced Payment, consistent with the provisions in Paragraph 9, "Advanced Payment."
 5. Completion Report: The Grantee shall prepare and submit to the State a separate Completion Report for each project or component included in Exhibit A. The Grantee shall submit a Completion Report within ninety (90) calendar days of project/component completion. Each Completion Report shall include, in part, a description of actual work done, any changes or amendments to each project, and a

final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Completion Report shall also include, if applicable for Implementation Project(s), certification of final project by a registered civil engineer, consistent with Exhibit D. A "Certification of Project Completion" form will be provided by the State.

6. Grant Completion Report: Upon completion of the Project included in Exhibit A, the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final component or project to be completed under this Grant Agreement. The Grant Completion Report shall include reimbursement status, a brief description of each component completed, and how those components will further the goals of the GSP and sustainable groundwater. Retention for the last component, or project, to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to be approved by the State.

- 17) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects (pertinent to Implementation Projects) and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal by the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 12, "Default Provisions."
- 18) STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Wat. Code, § 10780 et seq.) and, where applicable, projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.
- 19) NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
 1. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 2. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 3. Applicable to Implementation Projects only, Final inspection of the completed work on a project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/license Professional), in accordance with Exhibit D. The 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 the State the opportunity to participate in the inspection.

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

1. By delivery in person.
2. By certified U.S. mail, return receipt requested, postage prepaid.
3. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
4. By electronic means.
5. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

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

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

Department of Water Resources

Arthur Hinojosa
Chief, Division of Integrated Regional Water
Management
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 653-4736
Email: Arthur.Hinojosa@water.ca.gov

Mendocino County Water Agency

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

Direct all inquiries to the Project Manager:

Department of Water Resources

Aaron Cuthbertson
North Central Region Office
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 376-9622
Email: Aaron.Cuthbertson@water.ca.gov

Mendocino County Water Agency

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

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

23) 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 Accepting Funds

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

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

Exhibit I – Local Project Sponsors (Not Used)

Exhibit J – Project Location

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

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Mendocino County Water Agency

Arthur Hinojosa
Chief, Division of Integrated Regional Water
Management

Date_____

Approved as to Legal Form and Sufficiency

Robin Brewer, Assistant Chief Counsel
Office of Chief Counsel

Date_____

<Insert Grantee Project Representative
Name and title>

Date_____

EXHIBIT A WORK PLAN

Project Title: Phase 2 of the Ukiah Valley Basin Groundwater Sustainability Plan Development

Project Description: Plan, develop, and prepare the Ukiah Valley Basin Groundwater Sustainability Plan to meet the Ukiah Region's needs, DWR regulations, and ensure the long-term sustainability of the Ukiah Valley Basin's water supply.

Category (a): Grant Administration

Prepare reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement. Prepare and submit quarterly progress reports and invoices for reimbursement to DWR. Collect and organize backup documentation by task and prepare a summary excel document detailing contents of the backup documentation organized by task.

Prepare a final grant completion report and submit to DWR for Project Manager's comment and review no later than 90-days after work completion in accordance with Exhibit F. Prepare Final Report addressing the Project Manager's comments.

Deliverables:

- Executed Grant Agreement and Amendment(s) (if necessary)
- Quarterly Progress Reports and Invoices including budget and schedule updates
- Draft and Final Grant Completion Report
- Environmental Information Form (EIF)

Category (b): Outreach and Engagement

Develop and execute a Communications Plan (CommPlan) to coordinate internal and external communications, identify stakeholders, organizational structure, the decision-making processes, number and types of meetings needed, and the communications approaches (meetings, workshops, presentation materials, website, email list, etc.) with the goals of building understanding and incrementally gaining consensus. Conduct outreach activities according to the CommPlan including GSA meetings, community and public meetings/workshops, stakeholder outreach, website maintenance and distributing public affairs materials. Form an independent technical advisory committee (TAC) to review GSP materials.

Deliverables:

- CommPlan
- Meeting agendas, materials, and notes
- Public affairs and outreach materials

Category (c): GSP Development

Develop technical analysis including a data management system (DMS), hydrogeologic conceptual model (HCM), and an updated numerical model to analyze historical and future water budget conditions. Establish common methods, data, and assumptions to be applied during GSP development and implementation. Integrate the technical analyses in local projects, programs, and policies development and evaluation and to create a comprehensive GSP. Preliminary work on some of these tasks has been completed under a previously awarded Sustainable Groundwater Planning Proposition 1 Counties with Stressed Basins Grant. Work described below will build upon, but will not duplicate, previously funded efforts. The GSP should include, at a minimum, information from the following sections:

1. Planning Area

Develop maps showing area covered by the plan, jurisdictional boundaries, water use by sector, density of wells. Inventory and review the current land use and water related plans; monitoring and management programs; current and proposed projects; and related local, state, and federal policies and programs that effect groundwater management. Describe how current plans may limit operational flexibility in the Basin.

2. Data Management System

Develop an integrated DMS with GIS capabilities populated with new and previously gathered data. The DMS will be designed to store, report and share information relevant to GSP development and implementation. Fill previously identified data gaps from existing local, State and federal sources. Develop GIS based maps and narrative description of data such as land use, jurisdictional boundaries, water use by sector, well locations, water supply and extractions. Develop data management plan describing procedures for incorporation of new data, data QA/QC procedures, and sharing protocols.

3. Hydrogeological Conceptual Model

Review of HCM work started under previous grant by TAC. Complete HCM, remaining work includes characterizing water quality, updating bottom of the basin, delineate existing and identify potential recharge and discharge locations, documenting surface water sources, uses, and points of delivery for diversions.

4. Groundwater Conditions

Review previously developed documentation of historical and current conditions and supplement as recommended by TAC.

5. Modeling and Water Budget

Review previously completed portions of MODFLOW-2005 (Model) and its calibration. Incorporate recommendations from TAC and GSA review. Expand the model to evaluate groundwater/surface water interactions, extend the baseline, and increase the calibration-period of the model to include variation in historical operations and water year types. Quantify historical and current water demands, surface and groundwater entering and leaving the basin by source type and by use sector, changes in storage, overdraft conditions, if occurring, and estimate sustainable yield. Evaluate the reliability of past surface deliveries, response to future trends, and describe how past trends have affected the ability to operate within a sustainable yield.

Develop the future baseline water budget assumptions and analysis. Use results of Model to forecasted future water budget conditions and assess potential undesirable results under various scenarios including climate change. Use the Model's outputs to evaluate and compare alternatives management actions and their effects on undesirable results to the sustainability indicators and thresholds.

6. Sustainability Criteria

Develop consensus between the GSA, County Supervisors, cities, and special districts refining the Basin's previously developed sustainability goal, undesirable results, minimum thresholds, interim milestones, and measurable objectives for the six sustainability indicators.

7. Monitoring Networks

Describe of the current Basin monitoring network and its ability to sufficiently demonstrate short-term, seasonal, and long-term trends in groundwater and related surface water to evaluate Plan implementation. Review of Monitoring Protocol Manual and Data Gaps analysis of Surface Water/Groundwater interaction by TAC. Update and finalize these two documents including any additional surface water/groundwater monitoring needed. Identify data gaps related to other sustainability indicators and prepare a plan to fill these gaps as needed.

8. Projects and Management Action

Refine previously identified possible management measures and strategies including existing and planned projects, programs, and policies within the Basin. Complete policy gap analysis. Develop criteria to screen potential management measures.

Evaluate potential management measures using the Model output to predict their effects on the sustainability indicators and measurable objectives, where appropriate. Describe benefits and costs of each proposed project, program, and policy based on Model output, feasibility, permitting and regulatory requirements, time to implement, environmental, economic, political, legal, and social benefits and risks. Select the preferred alternatives.

9. Implementation Plan

Evaluate funding alternatives and revenue generation strategies to cover the costs of implementing projects, programs, plans, and policies. Develop a preferred funding and financial strategy. Refine previously develop an implementation schedule showing timelines for planned projects, policy, and programmatic actions including additional studies needed. Describe of the long-term plan through the 50-year planning horizon and shows how sustainability will be achieved in 20 years.

Detail capital project, program priorities, demand management measures, and preferred policies. Identify roles and responsibilities, schedules, and funding requirements. Describe monitoring and reporting requirements, adaptive management strategies, and methods for tracking progress.

10. Draft and Final GSP Preparation

Compile and complete GSP for public review draft. Task 1-10 will be compiled and additional required sections such as administrative information, an executive summary, list of references used in development of the GSP, and other supporting information and materials. Solicit public comments over a minimum of a 90-day noticed period. Evaluate and respond to public comments. Prepare final GSP. Submit adopted GSP to DWR.

Deliverables:

- Data Management Plan
- Populated DMS with GIS capabilities, tabular output from DMS, and inventory of digital time series and spatial data
- Technical Memorandum of TAC findings related to the review of the HCM and the Final HCM
- Fully developed MODFLOW-2005 files
- Technical memorandum describing MODFLOW-2005 Model and tabular input data sets and output of model runs
- Technical Memorandum on TAC review of Monitoring Protocol Manual and Data Gaps analysis of Surface Water/Groundwater interactions
- Updated Monitoring Protocol Manual
- Public Review Draft of GSP
- Public Notice for Hearing to Adopt
- Summary of public comments received and responses
- Proof of Adopted GSP submitted to DWR

EXHIBIT B BUDGET

Project Budget					
Project Title: Phase 2 of the Ukiah Valley Basin Groundwater Sustainability Plan Development					
Budget Category		Grant Amount	Required Cost Share (non-state source)*	Other Cost Share**	Total Cost
(a)	Grant Administration	\$88,360	\$0	\$50,700	\$139,060
(b)	Outreach and Engagement	\$101,200	\$0	\$101,640	\$202,840
(c)	GSP Development	\$574,695	\$0	\$51,080	\$625,775
TOTAL COSTS		\$764,255	\$0	\$203,420	\$967,675

NOTES:

*Grantee received a 100% cost-share waiver

**Cost share from previous work on GSP development, model development under Stressed Basins Grant

EXHIBIT C
SCHEDULE

Project Schedule			
Project Title: Phase 2 of the Ukiah Valley Basin Groundwater Sustainability Plan Development			
Categories		Start Date	End Date
(a)	Grant Administration	1/29/2018	3/30/2022
(b)	Outreach and Engagement	1/29/2018	1/31/2022
(c)	GSP Development	1/29/2018	1/31/2022

EXHIBIT D
STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

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

D.2) ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: The Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Grant Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

D.3) AMENDMENT: This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. The State shall have no obligation to agree to an amendment.

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

D.5) AUDITS: The State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit to the State's specifications, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may elect to pursue any remedies provided in Paragraph 12 or take any other action it deems necessary to protect its interests.

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

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

- D.6) **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.
- D.7) **CEQA:** Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Grant Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under the Grant Agreement subject to a CEQA document shall not proceed until and unless approved by the State Project Manager. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 12.
- D.8) **CHILD SUPPORT COMPLIANCE ACT:** The Grantee acknowledges in accordance with Public Contract Code Section 7110, that:
- a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code Section 5200 et seq.; and
 - b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.9) **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10) **COMPETITIVE BIDDING AND PROCUREMENTS:** The Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in the Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by the State under this Grant Agreement.
- D.11) **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

- D.12) CONFLICT OF INTEREST: All participants are subject to state and federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code Section 1090 and Public Contract Code Sections 10410 and 10411, for State conflict of interest requirements.
- a) Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - d) Employees and Consultants to the Grantee: Individuals working on behalf of the Grantee may be required by DWR to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.13) DELIVERY OF INFORMATION, REPORTS, AND DATA: The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.14) DISPOSITION OF EQUIPMENT: The Grantee shall provide to the State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.
- D.15) DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355.
 - b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355 to inform employees, contractors, or subcontractors about all of the following:

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

D.16) **EASEMENTS:** Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Grant Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State can result in termination of this Agreement.

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

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

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

- h) Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Grant Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.19) GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.20) INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.
- D.21) INDEMNIFICATION: The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of this Project and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.22) INDEPENDENT CAPACITY: The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.23) INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- D.24) INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.
- D.25) LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.26) MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibit A which concern the budget and schedule without formally amending this Grant Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the

amount of the State Grant Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Grant Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.

- D.27) **NONDISCRIMINATION:** During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing the California Fair Employment and Housing Act are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.28) **OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.29) **PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.
- D.30) **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.
- D.31) **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.32) **RETENTION:** The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Project Completion Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- D.33) **RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov.

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

- D.34) SEVERABILITY: Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.35) SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- a) The Grantee, its contractors, or subcontractors have made a false certification, or
 - b) The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.36) SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as the State may impose.
- D.37) TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.38) TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 12, the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 12.
- D.39) TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.40) THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.41) TIMELINESS: Time is of the essence in this Grant Agreement.
- D.42) TRAVEL – DAC, EDA, or SDAC PROJECT/COMPONENT: If a Project/Component obtains a DAC, EDA, or SDAC Cost Share Waiver, the Grantee may submit travel and per diem costs for eligible reimbursement with State funds. Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State. All travel approved expenses will be reimbursed at the percentage rate of the DAC, EDA, or SDAC Cost Share Waiver. For example, if the Grantee obtains a 100% Waiver, 100% of all approved travel expenses can be invoiced for reimbursement. If the Grantee obtains a 50% Waiver, only 50% of eligible travel expenses will be reimbursed by these grant funds.

- D.43) TRAVEL – NON-DAC, EDA, or SDAC PROJECT/COMPONENT: The Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, unless the Grantee's service area is considered a DAC, EDA, or SDAC. The Grantee also agrees that travel and per diem costs shall NOT be eligible for computing Grantee Local Cost Share. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.44) UNION ORGANIZING: The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:
- a) No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
 - b) The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
 - c) The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - d) If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.
- D.45) VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.46) WAIVER OF RIGHTS: None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
AUTHORIZING RESOLUTION ACCEPTING FUNDS

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EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

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

PROGRESS REPORTS

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

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

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

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

COMPLETION REPORT

The Completion Report shall generally use the following format provided below for each Component or Project after completion.

Executive Summary

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

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

Reports and/or Products

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

- A copy of the Groundwater Sustainability Plan (GSP) that meets all the requirements of the GSP Regulations (for GSP Development Projects), or verification (e.g., acceptance email, or other approved documentation from SGMA), that the GSP was submitted to DWR as required.
- A copy of any final technical report or study, produced for or utilized in this Project as described in the Work Plan
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final Component schedule showing actual progress versus planned progress

Additional information that may be applicable for Implementation Projects and/or Components includes the following:

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

Cost & Disposition of Funds

A list showing:

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

Additional Information

- Benefits derived from the Component, with quantification of such benefits provided, applicable for Implementation Components.
- 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.

GRANT COMPLETION REPORT

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

Executive Summary

The Executive Summary consists of a maximum of ten (10) pages summarizing information for the grant as well as the individual components.

Reports and/or products

- Brief comparison of work proposed in the original 2017 SGWP Grant application and actual work done.
- Brief description of the Project or components completed and how they achieve either or both of the following:
 - Serve SDAC(s) and support groundwater sustainability planning and management in the basin (Implementation Projects); and/or
 - Support planning, development, and/or preparation of GSP(s) that will comply with and meet the requirements of the GSP Regulations (GSP Development Projects).
- Identify remaining work and mechanism for their implementation (Implementation Projects).
- If applicable (e.g., if a DAC, EDA, or SDAC Cost Share Waiver was approved), a discussion of the benefits to DAC, EDA, and/or SDAC as part of this Grant Agreement.

Cost & Disposition of Funds Information

- A summary of final funds disbursement for the Project, or each component.

EXHIBIT G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

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

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

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

Groundwater Level Data

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

EXHIBIT H

STATE AUDIT DOCUMENT REQUIREMENTS AND COST SHARE GUIDELINES FOR GRANTEES

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

State Audit Document Requirements

Internal Controls

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

State Funding:

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

Contracts:

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

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

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

Cost Share Guidelines

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

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

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

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

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EXHIBIT I
LOCAL PROJECT SPONSORS (NOT USED)

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EXHIBIT J PROJECT LOCATION

