

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND  
SANTA ANA WATERSHED PROJECT AUTHORITY  
4600010903  
PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) 2014 DROUGHT 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 Santa Ana Watershed Project Authority, a public agency in the Counties of Los Angeles, Orange, Riverside, San Bernardino and 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 Santa Ana Integrated Regional Water Management (IRWM) Plan (the One Water One Watershed 2.0 Plan) pursuant to Chapter 8 (commencing with Section 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 June 30, 2018, 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 indicated on page 9.
3. **TOTAL PROJECT COST.** The reasonable Total Cost of the Project is estimated to be \$23,505,110.
4. **GRANT AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$12,860,110.
5. **GRANTEE COST SHARE.** Grantee agrees to fund the difference between the Total Project Cost, and the Grant Amount (amount specified in Paragraph 4). Cost Share consists of Funding Match and Additional Cost Share, as documented in Exhibit B (Budget). Additional Cost Share is the amount necessary to fund the project above the Grant Amount and the Funding Match. 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).
6. **FUNDING MATCH.** Funding Match is defined as the minimum amount of Grantee Cost Share required, and cannot include other State funds. Grantee is required to provide a Funding Match of at least 25% of the Total Project Cost (unless a Disadvantaged Community project waiver is granted). The Grantee's Funding Match is estimated to be \$7,051,533. Grantee's Funding Match may include in-kind services that are part of Exhibit A (Work Plan) and performed after January 1, 2010.
7. **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 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.
8. **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 Interregional Landscape Water Demand Reduction Program 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.

9. 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 demonstrates the availability of sufficient funds to complete each project by submitting the most recent 3 years of audited financial statements.
  - b) Grantee must demonstrate compliance with the groundwater compliance options set forth on pages 13 and 14 of the IRWM Program Guidelines, dated June 2014.
  - c) For the term of this Grant Agreement, Grantee submits timely Quarterly Progress Reports as required by Paragraph 19, "Submission of Reports."
  - d) Grantee submits deliverables as specified in Paragraph 19 of this Grant Agreement and in Exhibit A.
  - e) 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 projects 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."
10. DISBURSEMENT OF FUNDS. State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to Grantee under this Grant Agreement and any and all interest earned by Grantee on such money shall be used solely to pay Eligible Project Costs, as defined in Paragraph 11.
11. 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 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 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.

12. METHOD OF PAYMENT. Submit a copy of invoice for costs incurred and supporting documentation to the DWR Project Manager via Grant Review and Tracking Systems (GRanTS). Additionally, the original invoice form with signature and date (in ink) of Grantee's Project Representative, as indicated on page 9 of this Agreement, must be sent to the DWR Project Manager for approval. Invoices submitted via GRanTS shall include the following information:

- a) Costs incurred for work performed in implementing the projects during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the projects during the period identified in the particular invoice for the implementation of a project.
- c) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
  - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
  - 2) Invoices must be itemized based on the categories (i.e., 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).
  - 3) 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.
  - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant Amount, as depicted in Paragraph 4, and those costs that represent Grantee's Funding Match, as applicable, in Paragraph 6.
  - 5) 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). If Grantee fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs. After the disbursement requirements in Paragraph 9 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely 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.

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 Section 10530.
  - d) Failure to operate or maintain project(s) in accordance with this Grant Agreement.
  - 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:

- i. Declare the funding be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- ii. Terminate any obligation to make future payments to Grantee.
- iii. Terminate the Grant Agreement.
- iv. 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 Act (CWC§10610 et. seq.) and Sustainable Water Use and Demand Reduction, Part 2.55. of Division 6 (CWC§10608 et. Seq.). Urban water suppliers that submitted 1420 compliance Table 2 in the 2014 Drought Application, must submit, until June 30, 2016:

- i) The progress toward the 2015 interim gallon 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 CWC § 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 CWC § 10608.24.

- 2) Have their 2010 UWMP deemed consistent by DWR. The 2015 UWMP update will be required to be submitted to DWR in 2016. 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 CWC. Before July 1, 2016:

- i) Submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to CWC § 10608.48, for inclusion in the grant agreement as an Exhibit.

- 2) Have their AWMP deemed consistent by DWR. The next AWMP update will be required in 2016. For more information visit the following website:

<http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>

- c) Grantee's diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the CWC.
- d) Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 13 and 14 of the IRWM Program Guidelines, dated June 2014.
- 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 CWC§ 10932 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 projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.

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 section 1771.5 for projects funded by:

- a) Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; PRC sections 75075 et seq.) or
- b) 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. All reports shall be submitted to the State's Project Manager, and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS). If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit 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, Project 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.
  - Water Management Status Report: Until June 30, 2016, Grantee shall submit a status report (s) on implementation of SBx7-7 water conservation status> for the urban water suppliers that submitted 1420 compliance Table 2 in the 2014 Drought Application. Status reports shall be uploaded via GRanTS annually no later than June 30 of every year." 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 not meeting the interim target, the urban water suppliers must also submit, with the UWMP, a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to CWC § 10608.24. These urban water suppliers (that are not meeting their 2015 GPCD target) will subsequently have to submit annual reports that include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to CWC § 10608.24 every year by June 30, starting June 30, 2017. Failure to progress on implementation may result in continuing grant eligibility actions under paragraph 15.
  - Project Completion Report: Grantee shall prepare and submit to State a separate Project Completion Report for the 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 the 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.
  - 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 the 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.
  - 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 projects 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 2014 IRWM Drought Grant Proposal Solicitation Package (in Exhibit A), and (2) the guidance provided in Exhibit J, "Project Monitoring Plan Guidance."

A Project Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. See Exhibit H, "Requirements for Statewide Monitoring and Data Submittal", for web links and information regarding other State monitoring and data reporting requirements.

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 Section 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.

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

- a) 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(s) 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.
- b) 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.
- c) 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:

- a) By delivery in person.
- b) By certified U.S. mail, return receipt requested, postage prepaid.
- c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
- d) 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  
Paula Landis  
Chief, Division of IRWM  
P.O. Box 942836  
Sacramento CA 94236-0001  
Phone: (916) 651-9220  
e-mail: plandis@water.ca.gov

Santa Ana Watershed Project Authority  
Celeste Cantu  
General Manager  
11615 Sterling Avenue  
Riverside, CA 92503  
Phone: (951) 354-4220  
e-mail: ccantu@sawpa.org

Direct all inquiries to the Project Manager:

Department of Water Resources  
Teji Sandhu  
Division of Integrated Regional Water Management  
901 P Street  
Sacramento, CA. 94236-0001  
Phone: (916) 651-9254  
e-mail: Teji.K.Sandhu@water.ca.gov

Santa Ana Watershed Project Authority  
Rich Haller  
Executive Manager of Engineering & Operations  
11615 Sterling Avenue  
Riverside, CA 92503  
Phone: (951) 354-4220  
e-mail: rhaller@sawpa.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 Components



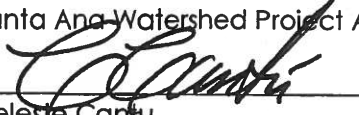
IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

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

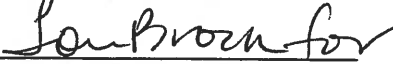
Date 7/29/15

Santa Ana Watershed Project Authority

  
Celeste Cantu  
General Manager

Date 6-16-15

Approved as to Legal Form and Sufficiency

  
Spencer Kenner, Assistant Chief Counsel  
Office of Chief Counsel

Date 6-29-15



## **EXHIBIT A WORK PLAN**

This Proposition 84 Drought Round 2014 agreement implements 2 projects located in the Santa Ana River and Upper Santa Margarita IRWM Regions.

### **PROJECT 1: Conservation Based Reporting Tools and Rate Structure Implementation**

**GRANTEE:** Santa Ana Watershed Project Authority (SAWPA)

**PROJECT DESCRIPTION:** The Conservation Based Reporting Tools and Rate Structure Implementation will implement a suite of measures across the Santa Ana River and the Upper Santa Margarita Watersheds to promote sustainable water-use conservation. The Program will achieve immediate and sustainable water conservation by assisting local retail agencies in developing conservation-based rate structures and providing customers personalized reports on water use through a web-based Water Consumption Reporting and Customer Engagement tool. Additionally, aerial mapping will be developed for the two watersheds to assist in the implementation of these conservation measures.

#### **TASK 1 Direct Project Administration: Budget Category (a)**

##### **Task 1.1: Grant and Project Administration**

SAWPA staff, in coordination with its five regional member agencies: Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (WMWD), and the lead agency of the Upper Santa Margarita Watershed IRWM Region, Rancho California Water District, will manage the grant agreement by implementing the necessary contract, preparing report and plans, ensuring compliance with grant requirements, and coordinating with local agency staff.

##### **Deliverables:**

- ☐ Executed funding agreement with DWR
- ☐ Financial Statements
- ☐ Other Applicable Project Deliverables

##### **Task 1.2: Progress Reporting and Invoicing**

SAWPA staff will prepare and submit progress reports, invoices, and appropriate backup documentation for submittal to DWR. Progress reports will be prepared as outlined in Exhibit G. Submittals will include appropriate project deliverables.

##### **Deliverables:**

- ☐ Progress Reports
- ☐ Hardcopy and electronic invoices
- ☐ Backup documentation
- ☐ Project Deliverables

**Task 1.3: Draft and Final Project Reports and Grant Completion Report**

SAWPA will prepare a Draft and Final Project Completion Report and submit to DWR for comment and review no later than 90 days after project completion. SAWPA will also prepare a Grant Completion Report upon completion of the agreement. All reports shall be prepared and presented in accordance with the provision of Exhibit G.

**Deliverables:**

- ☐ Draft and Final Project Completion Report
- ☐ Grant Completion Report

**TASK 2 Land Purchase/Easement: Budget Category (b)**

There are no easements or land purchases required for the Program.

**Task 3 Planning/Design/Engineering/Environmental Documentation: Budget Category (c)**

There is no Assessment and Evaluation, Final Design, Environmental Documentation, or Permitting required for this Program.

**Task 3.1: Project Monitoring Plan**

SAWPA will develop a detailed Project Monitoring Plan to evaluate the effectiveness of each of the components of the Interregional Landscape Water Demand Reduction Program. This will include:

- ☐ Tracking the acre feet (AF) of water saved through the implementation of Conservation Based Rate Structures.
- ☐ Tracking the acre feet (AF) of water saved through using web-based the Water Consumption Reporting and Customer Engagement tool

**Deliverables:**

- ☐ Project Monitoring Plan

**Task 4 Construction/Implementation: Budget Category (d)**

Implementation for this Conservation Program is broken down into the three components of work:

1. Develop and Implement Conservation-Based Rate Structures for customers
2. Application of a web-based Water Consumption Reporting and Customer Engagement Tool
3. Aerial Mapping

**Task 4.1: Implementation Contracting**

SAWPA will prepare a request for proposals, advertise, evaluate and recommend consultant and contract awards to the SAWPA Project Agreement (PA) 22 Committee for approval. SAWPA will work with selected consultants to implement the components of the Program as listed above.

Agency documentation of contracting activities conducted will be provided to SAWPA for reporting to DWR.

**Deliverables:**

- ☐ Summary of bid process
- ☐ Copy of awarded contracts
- ☐ Notice to Proceed

## **Task 4.2 Component 1 – Implementation of Conservation Based Rate Structures**

Component 1 will be used to educate policy makers and local water retail agency staff on conservation-based water rate structures, develop new tools to utilize State water efficiency standards for indoor and outdoor water use, evaluate potential water savings and costs to implement conservation rate structures and outreach to over 70 water retail agencies located in the region with more direct assistance to no fewer than five and as many as 10 water retail agencies with implementing conservation-based rate structures within the region.

### **Subtask 4.2.1 – Conduct Solicitation Workshops & Outreach:**

Facilitate approximately two initial workshops in the Santa Ana River Watershed (one in the lower basin and one in the upper basin) targeting water purveyors' elected officials and staff of the more than 70 water retail agencies located in the region. Follow-up workshops will be held for interested retail agencies and a video explaining water rate structures will be produced in order to reach a wide audience of staff and elected officials. Workshops will educate policy makers and staff on conservation-based rate structures, factors used in determining water efficiency standards for outdoor water use, water budget development, billing system requirements and other general issues related to conservation-based rates structure.

Outreach materials will be prepared to promote the program and target potential water purveyors. Outreach materials may include but are not limited to brochures, fact sheets, web blogs, webpages, power point presentations and informational videos (including video production).

### **Subtask 4.2.2 – Develop Tools that Utilize State Water Efficiency Standards for Indoor and Outdoor Water Use:**

Develop tools to meet the State water efficiency standards for indoor and outdoor water use within the region. Assist local agencies to identify the amount of water a parcel needs to meet State water efficiency standards for indoor and outdoor water use as defined under SBX7 and AB1881. Some of the support tools to be used may include but are not limited to: daily evapotranspiration rate data gathering and reporting, water efficiency calculators, a water rate modeling tool and billing system options, and may incorporate landscape square footage and aerial mapping imagery as described in Task 4.4 Component 3. A consultant or public agency may assist water retail agencies in evaluating the potential water savings and costs to implement conservation rate structures within their service areas. Benefits examined will include the avoided cost of purchased water, lower Capital Improvement Program expenditures, and increased watershed quality from lower urban runoff, and will include billing system assessment, potential increase in staff, and public outreach.

### **Subtask 4.2.3 – Reimburse Costs of Retail Water Agencies for Adopting Conservation-Based Rate Structures:**

In addition to the regional tools developed to help local agencies adopt conversation-based rate structures and conserve water, funding will be provided on a reimbursement basis to no fewer than five and as many as 10 water retail agencies.

### **Subtask 4.2.4 – Implement Conservation-Based Water Rate Structures:**

From the work described in Subtask 4.2.2 consultant or public agency will assist no fewer than five and as many as 10 water retail agencies in implementing conservation-based rate structures within the region. This work includes sufficient support to lead these water retail agencies to adopt a conservation based rate structure.

**Deliverables:**

- ☐ Documentation of participating agencies in workshops, including sign-in sheets
- ☐ Outreach materials
- ☐ Participating agency evaluations of residential water budget with actual use.
- ☐ Documentation of implemented support tools such as mapping, billing, and accounting models and systems
- ☐ Resolutions of adoption of conservation-based rate structures

**Task 4.3 Component 2 – Web-Based Water Consumption Reporting, Analytics and Customer Engagement Tool**

This task includes the development and implementation of a web-based Water Consumption Reporting, Analytics and Customer Engagement tool for water retailers in the Santa Ana River Watershed and the EMWD and WMWD service areas within the Upper Santa Margarita Watersheds. This tool will utilize specialized software to integrate into the agencies' active water use efficiency program, and communication technology services to engage retail water agency customers showing current water use and delivering customized messaging and recommendations for taking water conservation actions.

**Subtask 4.3.1 Outreach and Training**

Outreach and training to educate water purveyors about the tool will be conducted through workshops, with approximately three being conducted throughout the three counties of the Santa Ana River Watershed and approximately two workshops in the USMW (approximate total of eight workshops). Outreach materials may include examples of personalized water consumption reports used with other California water retailers.

**Subtask 4.3.2 Customer Engagement Tool Implementation**

The engagement tool will be made available, for approximately one year, to the water retailers. After this period of time, the tool will then be evaluated for value and effectiveness. Effectiveness will be determined by calculating the amount of water saved as a result of the tool's implementation.

**Deliverables:**

- ☐ Water Consumption Reporting, Analytics and Customer Engagement Web-portal with access and login capabilities for SAWPA.
- ☐ Documentation of participating agencies in workshops, including sign-in sheets.
- ☐ Outreach materials

**Task 4.4 Component 3 – Aerial Mapping**

SAWPA will contract for services to develop high resolution orthorectified imagery including infrared photogrammetry and possibly other technologies that calculate slope measurements, such as, LiDAR and/or Digital Elevation Modeling (DEM) for the service areas of the Santa Ana River Watershed and the Rancho California Water District, EMWD and WMWD service areas within the Upper Santa Margarita Watersheds. This data, which calculates the amount of water thirsty turf, will be processed to assist in the development of map products that will support the development of water conservation tools, such as, conservation based water rates and water efficiency calculators that can provide water demand data up to the retail customer level.

**Subtask 4.4.1 – Review and Report on Results of SAWPA/BOR Demonstration Project**

SAWPA will review the results of the Santa Ana River Watershed Infrared Imagery Landscape Mapping Demonstration Project. This pilot project was conducted by SAWPA with funding from both the US

Bureau of Reclamation and SAWPA and will be used to share key findings and recommendations to the PA 22 Committee for the aerial mapping component of the project.

**Deliverable:**

- ☐ Technical Memorandum detailing key findings from the Demonstration Project

**Subtask 4.4.2 – Conduct Aerial Flights of Urban areas in Watershed**

SAWPA will contract with a qualified firm to fly the study area and process the raw aerial data.

**Deliverables:**

- ☐ Raw data set(s)

**Subtask 4.4.3 – Data Verification**

SAWPA will review the data by using GIS to verify data location accuracy.

**Deliverable:**

- ☐ Statistical Report summarizing the data collected

**Subtask 4.4.4 – Data Analysis and Development Landscape Percent Output**

SAWPA will contract for and provide consultant oversight during analysis of the data by using GIS imagery tools to classify land use type and estimate the area irrigated for each parcel. This data will then be used to create map products that support the development of water conservation tools.

**Deliverables:**

- ☐ Statistical Summary of Watershed Data
- ☐ Map Products

**Subtask 4.4.5 – Stakeholder Outreach and Workshop(s)**

SAWPA will conduct outreach meetings with stakeholders to share aerial data and receive input on map products. SAWPA will provide approximately two workshops for stakeholders to review the aerial data and map products. The two workshops will include 1) workshop for PA 22 Committee to detail key findings of the Demonstration Project and 2) workshop for Stakeholders to Present Aerial Mapping Data and Draft Mapping Products.

**Deliverables:**

- ☐ Outreach Materials

**Subtask 4.4.6 – Reporting**

SAWPA will prepare a draft and final report to present the findings and recommendations of the Aerial mapping.

**Deliverables:**

- ☐ Draft Report
- ☐ Final Report



**PROJECT 2: High Visibility Turf Removal and Retrofit****GRANTEE:** Santa Ana Watershed Project Authority (SAWPA)

**PROJECT DESCRIPTION:** This task will provide incentive rebates to customers for turf removal and installation of drought tolerant landscaping and associated irrigation to augment existing turf removal programs available within the Santa Ana River Watershed and the Rancho California Water District, EMWD and WMWD service areas within the Upper Santa Margarita Watershed. This turf removal program will target "highly visible" publicly owned, institutional, and homeowner's association (HOA) areas for turf replacement. Incentive rebates are anticipated to be up to \$1 per square foot (SF) from the grant and up to \$2 per SF from the Metropolitan Water District (MWD) rebate program referred to as SoCal Water\$mart or similar local rebate program. A minimum of 4,000,000 square feet of turf will be removed from the Santa Ana River Watershed, and a minimum of 950,000 square feet of turf will be removed from the Upper Santa Margarita Watershed.

**TASK 1 Direct Project Administration: Budget Category (a)****Task 1.1: Project Administration**

SAWPA staff, in coordination with its five regional member agencies: Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (WMWD), and the lead agency of the Upper Santa Margarita Watershed IRWM, Rancho California Water District, will manage the grant agreement by implementing the necessary contract, preparing report and plans, ensuring compliance with grant requirements, and coordinating with local agency staff.

**Deliverables:**

- ☐ Financial Statements
- ☐ Other Applicable Project Deliverables

**Task 1.2: Progress Reporting and Invoicing**

SAWPA staff will prepare and submit progress reports, invoices, and appropriate backup documentation for submittal to DWR. Progress reports will be prepared as outlined in Exhibit G. Submittals will include appropriate project deliverables.

**Deliverables:**

- ☐ Progress Reports
- ☐ Hardcopy and electronic invoices
- ☐ Backup documentation
- ☐ Project Deliverables

**Task 1.3: Draft and Final Project Reports and Grant Completion Report**

SAWPA will prepare a Draft and Final Project Completion Report and submit to DWR for comment and review no later than 90 days after project completion. SAWPA will also prepare a Grant Completion Report upon completion of the agreement. All reports shall be prepared and presented in accordance with the provision of Exhibit G

**Deliverables:**

- ☐ Draft and Final Project Completion Report
- ☐ Grant Completion Report

**TASK 2 Land Purchase/Easement: Budget Category (b)**

There are no easements or land purchases required for the Program.

**Task 3 Planning/Design/Engineering/Environmental Documentation: Budget Category (c)**

There is no Assessment and Evaluation, Final Design, Environmental Documentation, or Permitting required for this Program.

**Task 3.1: Project Monitoring Plan**

SAWPA will develop a detailed Project Monitoring Plan to evaluate the effectiveness of the Institutional, Publicly Owned and HOA Turf Removal Rebate Program by tracking the square feet (SF) of highly visible Institutional, Publicly Owned and HOA Turf Removed.

**Deliverable:**

- ☐ Project Monitoring Plan

**Task 4 Construction/Implementation: Budget Category (d)**

Each of the SAWPA member agencies will enter into a separate contract with SAWPA in order to receive and allow oversight of grant fund use in each SAWPA member agency area.

For San Bernardino Valley Municipal Water District (SBVMWD), SAWPA will enter into an agreement to implement a turf rebate program within its service area. The other member agencies already have existing turf removal rebate programs that they coordinate with the Metropolitan Water District of Southern California (MWD) SoCal Water\$mart program.

In order to ensure efficient implementation, each of the member agencies may also contract with a landscape contractor to perform the turf removal and replacement within their service area. In selecting a landscape contractor, each of the agencies will conduct their RFP process in accordance with their procurement policy or use their conservation program's existing landscape contractor. Applications can be developed by each agency to define whether the water agency or the applicant hires their own landscape contractor, and how the rebate funding will be administered.

**Task 4.1 Implementation**

Each of the SAWPA member agencies and rebate partners, working with SAWPA, will implement a turf removal program with an up to \$3/SF rebate. The member agencies will contact the publicly owned, HOAs, and institutional sites within their service areas and conduct the necessary outreach to explain the rebate available and how turf removal can reduce their monthly water bills. The turf removal program will be advertised on the member agencies websites, which will include links to the rebate application for their areas.

Work under this task may include agencies creating their own application that may mirror the MWD SoCal Water\$mart application but also includes the high visibility criteria component. Each rebate applicant in a member agency area may submit the rebate application to the member agency/partnering agency to reserve a rebate in the amount of up to \$2/SF. The member agency or their partnering agency could then offer that rebate application to MWD in order to begin the process to reserve the MWD rebate or similar rebate program.

**Subtask 4.1.1 Outreach and Website:**

Development of a new interregional website is proposed to provide climate-zone specific landscape guidance and landscaping support to the member agencies. The website may include the majority of the following information, but is not limited to:

- Descriptions of climates by region within the watershed

- Maps showing average evapotranspiration rates
- Information on plant soils including texture, drainage, fertility, compost, mulch, and amendments;
- Irrigation design and layout including equipment, scheduling, non-point source pollution;
- Information and tips on plant care, pruning, pests and a guide to designing landscapes.

Due to its watershed scope, the web based information could be located on SAWPA's website and linked to the member agencies and the IEfficient.com website.

**Deliverables:**

- ☐ Turf Removal Rebate applications from each member agency or partnering agency
- ☐ Link to new interregional website
- ☐ Outreach activities

## EXHIBIT B BUDGET

Individual Project Title		Implementing Agency	(a) Requested Grant Amount	(b) Required Funding Match aka Cost Share: Non-State Fund Source* (Funding Match)	(c) Additional Cost Share	(d) Total Project Cost	(e) % Required Funding Match
1	Conservation Based Reporting Tools and Rate Structure Implementation	SAWPA	\$ 7,587,610	\$ -	\$ -	\$ 7,587,610	
2	High Visibility Turf Removal and Retrofit	SAWPA	\$ 5,272,500	\$ 7,051,533	\$ 3,593,467	\$ 15,917,500	44%
Proposal Total (Sum rows 1 through 2 for each column)			\$ 12,860,110	\$ 7,051,533	\$ 3,593,467	\$ 23,505,110	30%
The overall funding match for this project is 30%.							

## Individual Budgets

Project 1 - Conservation Based Reporting Tools and Rate Structure Implementation					
GRANTEE: SAWPA					
Category		(a) Requested Grant Amount	(b) Required Funding Match aka Cost Share: Non-State Fund Sources* (Funding Match)	(c) Additional Cost Share	(d) Total Project Cost
(a)	Project Administration	\$ 875,000	\$ -	\$ -	\$ 875,000
(b)	Land Purchase/Easement	\$ -	\$ -	\$ -	\$ -
(c)	Planning/Design/Engineering/ Environmental Documentation	\$ 50,000	\$ -	\$ -	\$ 50,000
(d)	Construction/Implementation	\$ 6,662,610	\$ -	\$ -	\$ 6,662,610
(e)	<b>Grand Total</b> (Sum rows (a) through (d) for each column)	\$ 7,587,610	\$ -	\$ -	\$ 7,587,610
*List sources of funding: Contributions from member agencies, their sub-agencies, and others.					

Project 2 – High Visibility Turf Removal and Retrofit					
GRANTEE: SAWPA					
Category		(a)	(b)	(c)	(d)
		Requested Grant Amount	Req'd Funding Match aka Cost Share: Non-State Fund Source* (Funding Match)	Additional Cost Share	Total Project Cost
(a)	Project Administration	\$ -	\$ -	\$ 100,000	\$ 100,000
(b)	Land Purchase/Easement	\$ -	\$ -	\$ -	\$ -
(c)	Planning/Design/Engineering/ Environmental Documentation	\$ -	\$ -	\$ -	\$ -
(d)	Construction/Implementation	\$ 5,272,500	\$ 7,051,533	\$ 3,493,467	\$ 15,817,500
(e)	<b>Grand Total</b> (Sum rows (a) through (d) for each column)	\$ 5,272,500	\$ 7,051,533	\$ 3,593,467	\$ 15,917,500
<b>*List sources of funding:</b> Contributions from member agencies, their sub-agencies, and others (EMWD, IEUA, OCWD, SBVMWD, WMWD, RCWD, and MWDSC rebate program). The overall funding match for this project is 30%					

**EXHIBIT C  
SCHEDULE**

<b>Project 1: Conservation Based Reporting Tools and Rate Structure Implementation (SAWPA)</b>	<b>Start Date</b>	<b>End Date</b>	<b>Duration (months)</b>
<b>Task 1 Project Administration: Budget Category (a)</b>	<b>1/17/14</b>	<b>6/30/18</b>	<b>53</b>
Task 1.1 Grant and Project Administration	1/17/14	6/30/18	42
Task 1.2 Quarterly Reporting and Invoicing	1/17/14	3/31/18	50
Task 1.3 Draft and Final Project Reports and Grant Completion Report	4/1/18	6/30/18	3
<b>Task 2 Land Purchase/Easement: Budget Category (b)</b>			
Task 2 Land Acquisition	N/A	N/A	N/A
<b>Task 3 Planning/Design/Engineering/Environmental Documentation: Budget Category (c)</b>	<b>1/17/14</b>	<b>9/30/15</b>	<b>20</b>
Task 3.1 Project Monitoring Plan	1/17/14	9/30/15	20
<b>Task 4 Construction/Implementation: Budget Category (d)</b>	<b>1/17/14</b>	<b>12/31/17</b>	<b>48</b>
Task 4.1 Implementation Contracting	1/17/14	9/30/15	20
Task 4.2 Implementation	1/17/14	12/31/17	48

<b>Project 2: High Visibility Turf Removal and Retrofit (SAWPA)</b>	<b>Start Date</b>	<b>End Date</b>	<b>Duration (months)</b>
<b>Task 1 Project Administration: Budget Category (a)</b>	<b>1/17/14</b>	<b>6/30/18</b>	<b>53</b>
Task 1.1 Project Administration	1/17/14	6/30/18	42
Task 1.2 Quarterly Reporting and Invoicing	1/17/14	3/31/18	50
Task 1.3 Draft and Final Project Reports and Grant Completion Report	4/1/18	6/30/18	3
<b>Task 2 Land Purchase/Easement: Budget Category (b)</b>			
Task 2 Land Acquisition	N/A	N/A	N/A
<b>Task 3 Planning/Design/Engineering/Environmental Documentation: Budget Category (c)</b>	<b>1/17/14</b>	<b>9/30/15</b>	<b>20</b>
Task 3.1 Project Monitoring Plan	1/17/14	9/30/15	20
<b>Task 4 Construction/Implementation: Budget Category (d)</b>	<b>1/17/14</b>	<b>12/31/17</b>	<b>48</b>
Task 4.1 Implementation	1/17/14	12/31/17	48



**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 Project(s) 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 Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

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

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

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

**D.7) AUDITS:** State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of 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 Section 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 section 79038(b), Grantee shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the 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://ceres.ca.gov/ceqa/>
- California State Clearinghouse Handbook: <http://ceres.ca.gov/planning/sch/>
- D.11) CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:
- a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.12) CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the State's Project Manager, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.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, 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, Cal. Gov't Code § 87100 et seq.
  - d) **Employees and Consultants to the Grantee:** Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.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 Section 8355(a)(1).

- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 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 Sections 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 California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.
- D.29) 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 each 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 Project Manager in writing.
- D.30) 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 (Gov. Code § 12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this 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.31) NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury under the laws of State of California that Grantee is in compliance with Public Contract Code section 10295.3.

- D.32) OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.33) PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A, "Work Plan" and to apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law.
- D.34) PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
- D.35) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** 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.36) 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.37) 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" as follows: At such time as the "Project Completion Report" required under Paragraph 19 is submitted to and approved by State, State shall disburse the retained funds as to that project to Grantee, 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.
- D.38) 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., Cal. Gov't 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.39) SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.40) STATE REVIEWS:** The parties agree that review or approval of projects 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.41) 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.42) 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.43) 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.44) 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.45) 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.46) THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.47) TIMELINESS:** Time is of the essence in this Grant Agreement.
- D.48) 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.49) WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- D.50) WORKERS' COMPENSATION:** Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Grant Agreement and will make its contractors and subcontractors aware of this provision.



**EXHIBIT E**  
**AUTHORIZING RESOLUTION**

**RESOLUTION NO. 2014-08**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE SANTA ANA WATERSHED PROJECT AUTHORITY  
AUTHORIZING PREPARATION AND SUBMITTAL OF AN APPLICATION  
TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES  
TO OBTAIN AN INTEGRATED REGIONAL WATER MANAGEMENT  
IMPLEMENTATION GRANT**

**WHEREAS**, the Santa Ana Watershed Project Authority is recognized by the State of California as the regional planning agency to coordinate, prepare, and implement Integrated Regional Water

**WHEREAS**, the agency recently conducted a process as part of its One Water One Watershed planning process where the Interregional Landscape Water Demand Reduction Program was identified and would provide immediate and sustainable water conservation as well as multiple benefits to the region;

**WHEREAS**, the Santa Ana Watershed Project Authority has demonstrated that the Interregional Landscape Water Demand Reduction Program has been vetted through the Regional Water Management Group;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Santa Ana Watershed Project Authority (SAWPA) hereby authorizes that an application be prepared and submitted to the California Department of Water Resources to obtain an Integrated Regional Water Management Implementation Grant pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 *et seq.*), and to enter into an agreement to receive grant funding for the Interregional Landscape Water Demand Reduction Program.

**BE IT FURTHER RESOLVED**, that the General Manager is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with the California Department of Water Resources.

**ADOPTED** this 15th day of July, 2014.

**SANTA ANA WATERSHED PROJECT AUTHORITY**

By: \_\_\_\_\_

Phil Anthony, Chair

**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:

<b>Local Sponsor Agency Designations</b>		
<b>Sponsored Project</b>	<b>Sponsor Agency</b>	<b>Agency Address</b>
Project 1 – Conservation Based Reporting Tools and Rate Structure Implementation	SAWPA	11615 Sterling Avenue Riverside, CA 92503
Project 2 – High Visibility Turf Removal and Retrofit	SAWPA	11615 Sterling Avenue Riverside, CA 92503

**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:

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the Grant Agreement (e.g. 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- 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:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Grant Agreement.

- A summary of final funds disbursement including:
  - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
  - Project cost information, shown by material, equipment, labor costs, and any change orders
  - Any other incurred cost detail
  - A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure;
  - Include all internal and external costs not previously disclosed; 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 B.
- 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 and an outline of the proposed reporting format.

### **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**

- A final schedule showing individual project's actual progress duration versus planned progress.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the Program was conducted in accordance with the approved work plan and any approved modifications thereto. Discussion of the synergies of the completed projects, including the

integration of project benefits and a comparison of actual benefits versus those discussed in the original proposal.

- 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 (i.e., Oct 2014 through September 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/water\\_issues/programs/gama/](http://www.waterboards.ca.gov/water_issues/programs/gama/). If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: [http://www.swrcb.ca.gov/water\\_issues/programs/gama/contact.shtml](http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml)

**Groundwater Level Data**

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