

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY MARCH 11, 2013 AT 9:00 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS
None
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE FEBRUARY 11, 2013 MEETING
8. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. * SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
10. * SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
11. * ITEMS REMOVED FROM CONSENT CALENDAR

Items on the Consent Calendar are routine matters and there will be no discussion unless an item is removed from the Consent Calendar. Items removed by a "Request to Speak" form from the public will be handled immediately following adoption of the Consent Calendar. Items removed by a Board Member will be handled as directed by the Board.

REGULAR AGENDA

12. **CONSIDER APPROVAL OF THE LOCAL PROJECT SPONSOR AGREEMENT WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE NORTH SAN DIEGO COUNTY COOPERATIVE DEMINERALIZATION PROJECT**

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;
2. Authorize the General Manager to execute the Local Project Participant Agreement; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

13. **CONSIDER APPROVAL OF THE LOCAL PROJECT PARTICIPANT AGREEMENT WITH THE OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT**

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Participant Agreement; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

14. **JOINT LOBBYING AND COST SHARING BETWEEN THE MEMBERS OF THE NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT**

It is recommended that the Board of Directors:

1. Approve Continued Participation in the Joint Lobbying and Cost Sharing for the North San Diego County Regional Recycled Water Project; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

15. **GENERAL MANAGER'S REPORT**

Informational report by the General Manager on items not requiring Board action.

16. GENERAL COUNSEL'S REPORT

Informational report by the General Counsel on items not requiring Board action.

17. BOARD MEMBER COMMENTS

This item is placed on the agenda to allow individual Board Members to briefly convey information to the Board or public, or to request staff to place a matter on a future agenda and/or report back on any matter. There is no discussion or action taken on comments by Board Members.

18. CLOSED SESSION

None

A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

19. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, April 8, 2013 at 9:00 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings meet the protections and prohibitions contained in Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C Section 12132), and the federal rules and regulations adopted in implementation thereof. Any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting of the SEJPA Board of Directors may request such modification or accommodation from Michael T. Thornton, General Manager, (760) 753-6203 ext. 72.

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the second Monday of the month, except August.

AFFIDAVIT OF POSTING

I, Michael T. Thornton, Secretary of the San Elijo Joint Powers Authority, hereby certify that I posted, or have caused to be posted, a copy of the foregoing agenda in the following locations:

San Elijo Water Reclamation Facility, 2695 Manchester Avenue, Cardiff, California
City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
City of Solana Beach, 635 South Highway 101, Solana Beach, California

The notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: March 6, 2013



Michael T. Thornton, P.E.
Secretary / General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON FEBRUARY 11, 2013
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Thomas M. Campbell, Chair

Mark Muir, Vice Chair

A Meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, February 11, 2013, at 9:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Chair Campbell called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Mark Muir
Thomas M. Campbell
David Zito

Others Present:

General Manager
Director of Finance/Administration
Director of Operations
Administrative Assistant
Accounting Technician
Safety/HR Administrator

Michael Thornton
Greg Lewis
Christopher Trees
Jennifer Basco
Carrie Cook
Marisa Buckles

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Aiko Yamakawa

City of Encinitas,

Public Works Management Analyst
Director of Engineering and Public Works

Bill Wilson
Glenn Prium

City of Solana Beach,

Director of Engineering/Public Works
City Manager

Mohammad "Mo" Sammak
David Ott

St. Francis Court HOA

Al Evans
Frank Warner

3. PLEDGE OF ALLEGIANCE

General Manager Michael Thornton led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

The General Manager informed the Board of Directors that the California Sanitation Risk Management Authority awarded the San Elijo Joint Powers Authority with the 2011-12 Workers' Compensation Excellence – Small Agency Category.

The General Manager also informed the Board of Directors that the California Water Environment Association (CWEA), San Diego Section, awarded the San Elijo Water Reclamation Facility the 2012 Safety Award. The San Elijo Water Reclamation Facility will be considered for the CWEA awards at the state level.

General Manager stated that these awards are a reflection of the employees' attitudes and efforts in making the SEJPA a safe and productive workplace.

6. CONSENT CALENDAR

Moved by Board Member Barth and seconded by Vice Chair Muir to approve the Consent Calendar.

Motion carried with the following vote of approval:

AYES: Barth, Muir, Campbell
NOES: None
ABSENT: None
ABSTAIN: Zito

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the January 14, 2013 meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report

11. ITEMS REMOVED FROM CONSENT CALENDAR

None

12. SAN ELIJO JOINT POWERS AUTHORITY MID-YEAR REVIEW OF THE FISCAL YEAR 2012-13 OPERATING BUDGET

The Director of Finance/Administration, Greg Lewis, presented the mid-year analysis of the SEJPA's FY 2012-13 Budget. Mr. Lewis stated that overall, the SEJPA is expected to conclude the fiscal year at or slightly below budget. Personnel and non-personnel costs such as supplies and services should end the year below budgeted levels.

Wastewater treatment operations are projected to end the year approximately 2% under budget. However, at this time, it appears that the use of contingency funding may be required for the Wastewater Treatment Program to repair or replace one of the standby generators. Mr. Lewis stated that due to the generator's age, it may be more cost-effective to replace than rebuild. If replacing the Generator is the recommended action, Staff will seek Board Approval for this purchase.

Overall, the programs associated with wastewater treatment and disposal are expected to be at 98% of budget and the program for recycled water is expected to finish the year at 94% of budget.

No action required. This memorandum was submitted for information only.

13. BRIEFING – RECYCLED WATER PROGRAM RESERVE FUND POLICY

General Manager Michael Thornton presented to the Board of Directors the concept of updating the reserve fund policy for the SEJPA Recycled Water Program. The General Manager introduced consultant Mary Grace Pawson from GHD Inc., who has been retained to conduct a Cost of Service Study for the Recycled Water Program. General Manager Thornton stated that today the SEJPA is in a position where revenues meet day-to-day operating costs as well as debt service requirements with allowance of putting some funding away for capital and reserve needs. The General Manager discussed the current reserve fund policy and provided information and recommendations for updating it.

Currently, the Recycled Water Program is funded by revenues from wholesale water agreements, as well as local water development incentives provided by the Metropolitan Water District and the San Diego County Water Authority. Recycled water is currently sold at a price point at or below 85% of the cost of "like service" potable water, as set by each water purveyor. Several of these wholesale water agreements are set to expire in the next four years. Staff has been given direction from the Board of Directors to complete a Cost of Service Study to gain clarity on what the cost is to produce recycled water. This information will help in negotiating future agreements to keep the cost of water fair to all parties and to keep the program financially sustainable.

General Manager Thornton requested the Board of Directors provide feedback on the following four items:

- Confirm staff recommendation to establish a dedicated repair and replacement fund that goes beyond the minimum required by the SRF Loan contract.
- Confirm staff recommendation to maintain an unrestricted operating reserve equal to one year of operating expenses.
- Confirm the goal of achieving uniform recycled water rates by 2020. Right now the Recycled Water Program is indexed to the potable water rates set by the multiple water districts, so whatever the water districts sets its rate at, the SEJPA is typically 85% of that. Wholesaling to multiple districts that have multiple rates, the SEJPA's wholesale price varies across a spectrum of pricing.
- Direct staff to complete the Cost of Service Study with this direction and return with recommendations on "target" repair and replacement reserve funding based on projected future revenue.

Mary Grace Pawson provided a PowerPoint Presentation to the Board of Directors that highlighted various options for creating reserve policies.

Ms. Pawson stated that an option for the future is an Operational Reserve set to match one year of operational costs, and a Repair and Replacement Reserve based on the concept of managing assets. An Operational Reserve is essential due to the SEJPA's high fixed costs and variability in operating sales (dependent on weather). The SEJPA does not have strong control of its revenues (indexed to other agencies' water rates) and incentive payments are reduced when sales are down. Depreciation is the most straightforward and commonly understood asset management technique.

Ms. Pawson then discussed options of managing assets for the utility. Historically the SEJPA funded improvements through a debt service program. A second option, repair and replacement or sinking fund program, is the notion that you put enough money in the bank to cover depreciation and when you need to replace an asset, you pull money out of the bank. Most utilities do a hybrid for large fixed capital improvements, which includes some cash and some borrowing.

The Sinking Fund Reserve program is straight-line depreciation, where depreciation is considered an expense and funded equally over the fixed asset life. Assuming a 50-year asset life, this would be approximately \$450,000-\$550,000 per year.

Another concept is the Decay-Curve Concept, which assumes that long-lived assets don't lose a constant value over their life, and annual expenditures would begin lower and increase as the asset grew nearer to the end of its useful life.

Ms. Pawson's recommendation was a hybrid program, which uses cash reserves along with some borrowing, based on the Cost of Service Study to help determine what reasonable goals would be for the program, given the SEJPA revenue expectations.

Following the staff presentation, Board Chair Campbell allowed public comments on this topic.

Frank Warner, homeowner from the St. Francis Court HOA, addressed the Board of Directors and stated that he has been appearing before the Board of Directors for over 3 years, requesting a price for recycled water that is based on the cost of producing and distributing that water. He is concerned that applying this policy to only one portion of the operations is inappropriate and can overburden the cost of the recycled water as compared to other operations. Mr. Warner also commented on the long term agreements with other agencies in the absence of the Cost of Service Study being completed. Mr. Warner is concerned that these agreements are not based on any Cost of Service Study or any other factors, and seem to be arbitrary. He suggested that until the SEJPA adopts a standardized pricing for recycled water, they not enter into any more of the long term agreements. Mr. Warner would like the Board of Directors to set a timetable for setting the pricing of recycled water sooner than 2020.

Al Evans, homeowner of St. Francis Court HOA, also addressed the Board of Directors. Mr. Evans would like the Board of Directors to give some very specific direction to complete the Cost of Service Study within 60 days and suggested that the Board of Directors give some targets to the General Manager. Mr. Evans also stated that the Santa Fe Irrigation District is the largest consumer of recycled water and he believes they are paying the highest price.

Moved by Vice Chair Muir and seconded by Board Member Barth to:

1. Confirm staff recommendation to establish a dedicated repair and replacement fund that goes beyond the minimum required by the SRF Loan contract;
2. Confirm staff recommendation to maintain an unrestricted operating reserve equal to one year of operating plus debt service expenses;
3. Confirm the goal of uniform recycled water rate by 2020; and
4. Direct staff to complete the Cost of Service study with this direction and return with recommendations on "target" repair and replacement reserve funding based on projected future revenue.

Motion carried with unanimous vote of approval.

14. SAN ELIJO JOINT POWERS AUTHORITY ADMINISTRATION BUILDING

General Manager Thornton updated the Board of Directors on the condition of the SEJPA's modular administrative building that is in need of repair and likely should be replaced.

A typical location for the new administrative facilities would be at the front of the treatment plant, which would provide greater site security and improved public access. After a complete site analysis, the General Manager will provide the information to the Board of Directors for discussion and approval.

No action required. This memorandum was submitted for information only.

15. GENERAL MANAGER'S REPORT

General Manager Thornton provided an update on the AWT project permit. As part of AWT project, the SEJPA is required to amend its recycled water permit with the Regional Water Quality Control Board. Staff has been working with Regional Board Staff to prepare the permit amendment and it is expected to be considered for approval at the March 2013 Regional Board Meeting.

The General Manager also reported on the North San Diego County Cooperative Demineralization Project. General Manager Thornton anticipates that he will be presenting to the Board Members, an agreement with the County Water Authority for the million dollar grant that the SEJPA had teamed with the OMWD and the San Elijo Lagoon Conservancy. The funding for this project is in place and the agreement has been finalized.

16. GENERAL COUNSEL'S REPORT

None

17. BOARD MEMBER COMMENTS

None

18. CLOSED SESSION

None

19. ADJOURNMENT

The Board of Directors adjourned at 10:20 a.m. The next Board of Directors meeting will be held on March 11, 2013.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

PAYMENT OF WARRANTS

13-03

1-Mar-13

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
<u>13-03 Warrants</u>		
760Print	Letterhead	\$252.07
A-Check America, Inc.	New employee background check	\$90.50
Abcana Industries	Hydrochloric acid	\$710.59
AG Tech, LLC	Biosolids hauling - January	\$11,123.14
Applied Industrial Technologies	Flange and part for sludge pump	\$153.53
Aquatic Bioassay	Lab testing	\$960.00
ARB, Inc.	Installation of storm drain diversion structure	\$24,000.00
Arizona Instrument	Jerome 631 annual calibrations	\$1,453.52
Arrowhead Direct	Kitchen and lab supplies	\$220.10
AT&T	Alarm service	\$383.54
AT&T - Eden Gardens	DSL - 12/20/12 - 01/19/13	\$73.45
AT&T - Olivenhain	DSL - 01/10/13 - 02/09/13	\$72.92
Atlas Pumping Service	Grit and screening large bin - January	\$742.35
Atlas Pumping Service	Grease and scum pumping - January	\$554.88
Atlas Pumping Service	Grease and scum pumping - February	\$277.44
BankCard Center	1099 misc forms, batteries, camera wehost, napa	\$1,571.15
Barracuda Networks, Inc.	Network back-up	\$50.00
Basco, Jennifer	Expense report - mileage	\$69.05
Bay City Electric Works	Preventative maintenance on 7 generators; rental	\$4,923.36
Brenntag Pacific, Inc.	Aluminum chlorodrate, sodium hydroxide, citric acid	\$1,193.85
Brenntag Pacific, Inc.	Sodium Hydroxide - odor control	\$1,700.74
Brithinee Electric	Eurodrive motor	\$721.12
Buckles, Marisa	Expense report - mileage	\$46.69
California Water Technologies	Ferric chloride - plant	\$5,639.84
Calscience Environmental Lab	Lab testing	\$1,043.00
Coast Waste Management, Inc.	Roll-off recycle, inactivity, fuel charges	\$594.34
Complete Office	Office supplies	\$139.30
Corodata	Record storage - January	\$70.13
County Burner Machinery Corp.	Annual maintenance on two boilers	\$4,050.00
County of San Diego - APCD	District Fees - APCD2002-Site-04516	\$356.00
County of San Diego - APCD	District Fees - APCD2002-Site-04515	\$1,318.00
County of San Diego - APCD	District Fees - APCD2002-Site-04514	\$309.00
County of San Diego - APCD	District Fees - APCD2002-Site-04513	\$356.00
CSRMA	Worker's compensation payroll audit	\$6,860.00
CWEA-TCP	Certification - D. Kreinbring	\$80.00
CWEA-TCP	Certification - M. Henke & C. Larsen	\$238.00
DMV	Safety records	\$7.00
EDCO Waste & Recycling	Trash service - January	\$198.77
Fleet Driveline Service	U-joints and install joints	\$71.27
Fluid Components International	Replaced probe and input board	\$2,225.00
GHD Inc.	Recycled water rate study	\$16,314.25
Guardian	Dental - 02/01/13 - 02/28/13	\$1,072.95
Hach Company	Nutrient buffer pillows, stabcal turbidity standards	\$311.88
HD Supply Waterworks, Ltd.	Glass lined spool, nut and bolt kit, flange ring	\$1,876.94
Health & Human Resource	Employee assistance program - February	\$317.68

PAYMENT OF WARRANTS

13-03

1-Mar-13

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Henke, Michael	Expense report - membership CWEA and WEF	\$228.00
Hoch Consulting	AWT Project	\$7,968.75
Hoch Consulting	Professional engineering services	\$1,343.75
Hoch Consulting	RW administration	\$1,893.75
Hoch Consulting	Pump station energy management	\$1,460.25
Jani-King	Janitorial service - February	\$882.64
Kelly West	Repair concrete wall	\$1,336.00
King Lee Chemical Co.	Pretreat plus-0100-antiscalant and dispersant	\$892.64
Konica Minolta	Monthly copier maintenance	\$77.06
Lee's Lock & Safe	Master padlocks	\$207.36
Leighton Consulting, Inc.	Geotechnical services	\$305.00
Marine Taxonomic Services	Ocean offshore monitoring	\$740.00
McMaster-Carr Supply Co.	Repair parts - screen and zinc-plated steel barbed hose	\$98.05
McMaster-Carr Supply Co.	Repair parts - Plant and RW	\$470.85
MegaPath Inc.	T-1 service - February	\$284.22
NCPA	Membership - M. Buckles	\$100.00
OMWD	Manchester - 12/10/12 - 01/09/13	\$38.42
PERS - Retirement	Retirement premium - 01/19/13 - 02/01/13	\$14,337.15
PERS - Retirement	Retirement premium - 02/02/13 - 02/15/13	\$14,688.15
Pacific Green Landscape	Monthly landscaping service - February	\$1,025.00
Preferred Benefit Insurance	Vision insurance - 02/01/13 - 02/28/13	\$293.70
Procopio, Cory, Hargreaves	General - legal services - January	\$951.25
Rising Tide Partners	Consulting services - public relations	\$1,457.00
RSF Security Systems	Security - 03/01/13 - 05/31/13	\$1,413.00
SDG&E	Gas & electric 01/07/13 - 02/05/13	\$26,783.14
SDG&E	Gas & electric - plant MS-1 01/08/13 - 02/06/13	\$1,847.67
SDG&E	Gas & electric - plant MS-1 12/06/12 - 01/06/12	\$5,682.50
SDG&E	Gas & electric - plant MS-1 01/08/13 - 02/06/13	\$5,285.80
SDG&E	Gas & electric - plant MS-1 11/07/12 - 12/06/12	\$5,310.83
SDG&E	Gas & electric - Cardiff 01/07/13 - 02/05/13	\$1,463.78
SDG&E	Gas & electric - Valley 01/07/13 - 02/05/13	\$1,767.64
SDWD	S. Coast Highway 101 - 11/26/12 - 01/22/13	\$48.31
SDWD	Manchester - 11/26/12 - 01/22/13	\$159.76
SDWD	Manchester - 11/26/12 - 01/22/13	\$271.85
SDWD	2710 Manchester - 11/29/12 - 01/22/13	\$196.01
SDWD	Manchester rwm 1 - 12/28/12 - 01/30/13	\$174.85
SDWD	Manchester rwm 6 - 12/28/12 - 01/30/13	\$3,381.33
SFID	Water - Lomas Santa Fe PS 11/19/12 - 01/16/13	\$868.39
SFID	Water - Eden Gardens PS 12/27/12 - 01/30/12	\$110.83
Safe Hearing America, Inc.	On-site mobile hearing tests	\$803.50
San Dieguito Trophy	Name plates	\$16.20
San Elijo Payroll Account	Payroll - 02/08/2013	\$111,933.75
San Elijo Payroll Account	Payroll - 02/22/2013	\$70,754.48
Sun Life Financial	Life and disability insurance	\$1,174.54
Sy Nielson Services, Inc.	Calibration of balances	\$285.00
TargetSolutions	Annual license renewal - online training programs	\$2,295.00
Terminix Processing Center	Pest control	\$40.00
Terminix Processing Center	Pest control	\$40.00

PAYMENT OF WARRANTS

13-03

1-Mar-13

VENDOR	DESCRIPTION OF EXPENSE	AMOUNT
Terra Renewal	Biosolids hauling - January	\$1,023.05
Test America	Lab testing	\$152.25
The Valve Shop	Valve assembly	\$5,516.49
Thornton, Michael	Expense report - kitchen sink faucet	\$149.77
Thornton, Michael	Expense report - WateReuse Board Meeting, Sacramento	\$280.05
Trees, Christopher	Expense report - mileage	\$78.54
Trussell Technologies, Inc.	Process engineer and water quality services	\$1,720.00
Trussell Technologies, Inc.	Operations plan update and recommendations	\$4,255.00
Underground Service Alert	Dig alert - January	\$48.00
Unifirst Corporation	Uniform service - January	\$92.57
Unifirst Corporation	Uniform service - February	\$91.55
Unifirst Corporation	Uniform service - February	\$182.55
UPS	Mailing - compliance reports	\$53.12
UPS	Mailing - compliance reports and parts	\$178.30
USA Bluebook	Part - cherne test ball plug	\$902.07
Varec Biogas	Repair flare #2	\$840.00
Verizon Wireless	Cellular phone service - 02/08/13 - 03/07/13	\$587.50
VWR International, Inc.	Glass filters, frames, and potassium iodide	\$683.49
VWR International, Inc.	Tubes, microslides, and coverglass	\$591.43
W.M. Lyles Co.	AWT Project	\$203,420.00
Western Water Works	Air vac cover and compression 90 brass	\$570.26
WEX Bank	Fuel - January	\$1,576.26
WorkPartners Occupational	Vaccines	\$154.00
Total 13-03 Warrants		\$611,126.74


SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

1-Mar-13

PAYMENT OF WARRANTS		\$611,126.74
Reference Number	13-03	

I hereby certify that the demands listed and covered by warrants are correct and just to the best of my knowledge, and that the money is available in the proper funds to pay these demands. The cash flows of the SEJPA, including the Member Agency commitment in their operating budgets to support the operations of the SEJPA, are expected to be adequate to meet the SEJPA's obligations over the next six months. I also certify that the SEJPA's investment portfolio complies with the SEJPA's investment policy.



Gregory Lewis
Director of Finance/Administration
Treasurer

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
AS OF

1-Mar-13

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
LOCAL AGENCY INVESTMENT FUND <i>(NOVEMBER 2012 YIELD 0.324%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,790,830.64
CALIFORNIA BANK AND TRUST <i>(DECEMBER 2012 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 183,610.01
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 7,609,440.65

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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 11, 2013

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS –
MONTHLY REPORT

RECOMMENDATION

No action required. This memorandum is submitted for information only.

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all NPDES ocean effluent limitation requirements for the month of January 2013. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 97.5 percent and 96.0 percent, respectively, for January (as shown in Figure 1 and Figure 2).

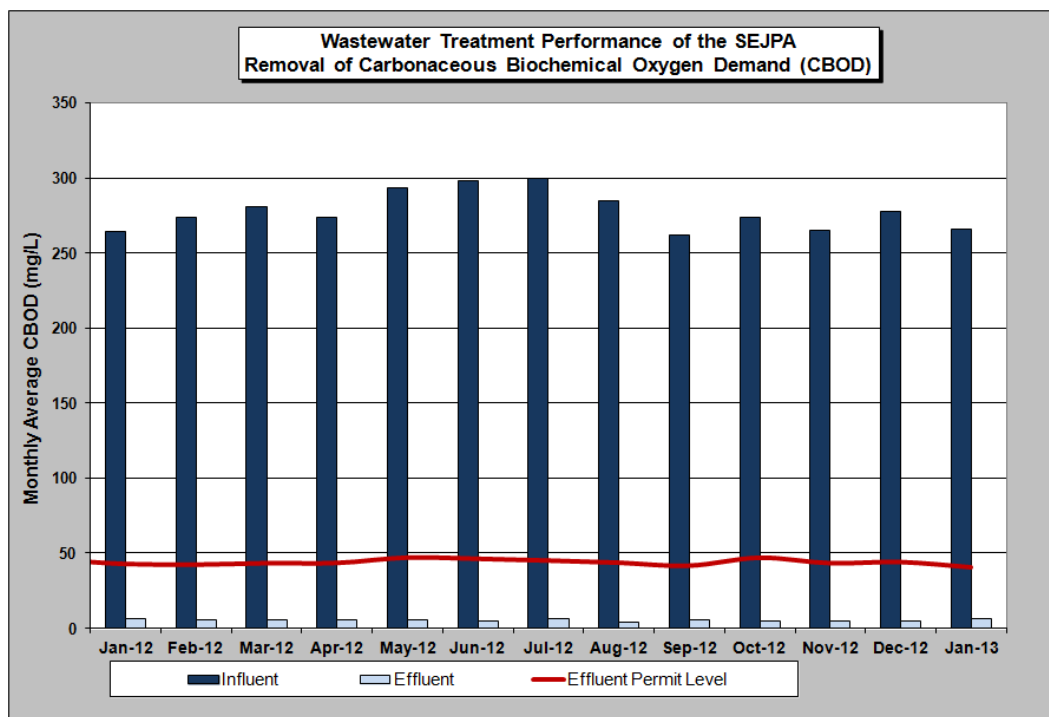


FIGURE 1

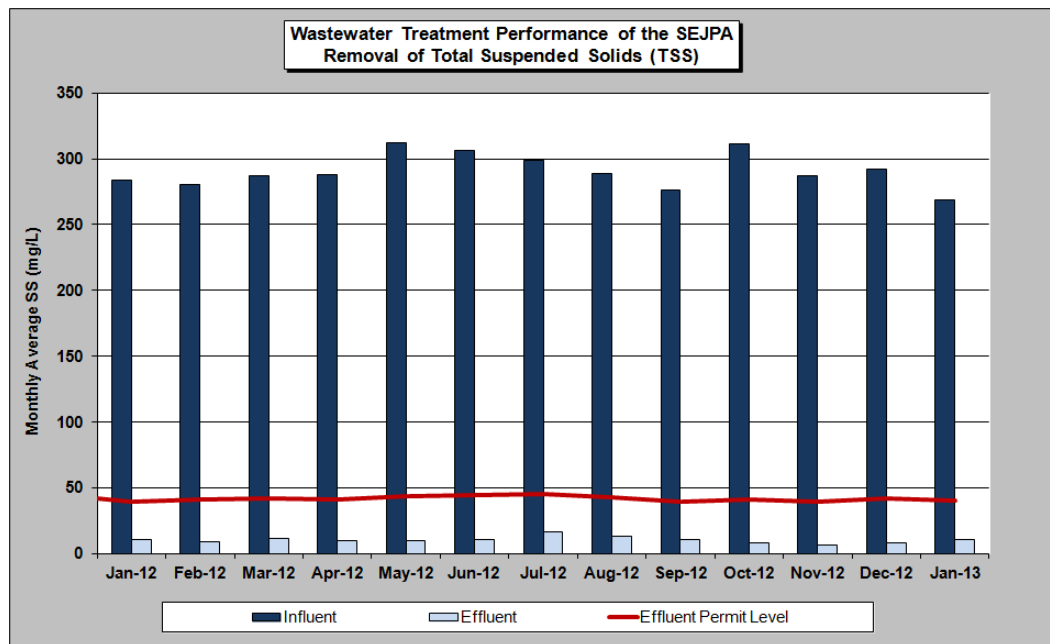


FIGURE 2

Member Agency Flows

Presented below are the influent and effluent flows for the month of January. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility.

	January	
	Influent (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.357	1.155
City of Solana Beach	1.215	1.034
Rancho Santa Fe SID	0.145	0.124
Total San Elijo WRF Flow	2.717	2.313

Notes: As of July 1995, Rancho Santa Fe Community Services District (CSD) combined SID #2 and SID #3 into one Sewer Improvement District (SID).

* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

Table 1 (below) presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies since July 2008. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

Figure 3 (below) presents the historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. As shown in the figure, the average treated flow has been approximately 2.7 million gallons per day (mgd). Also shown in Figure 3 is the total wastewater treatment capacity of the plant, 5.25 mgd, of which each Member Agency has the right to 2.5 mgd, and Rancho Santa Fe Community Service District has the right to 0.25 mgd.

SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)				AVERAGE DAILY EFFLUENT FLOW RATE (MGD)				CONNECTED EDUs				AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)						
	CSD	RSF	CSD	SB	TOTAL PLANT	CSD	RSF	CSD	SB	TOTAL PLANT	CSD EDUS	RSF EDUS	CSD EDUS	SB EDUS	TOTAL EDUS	CSD	RSF	SB	TOTAL PLANT
Jul-08	1.713	0.131	1.324	3.168	0.722	0.055	0.558	1.335	8,163	456	7,728	16,347	210	288	171	194			
Aug-08	1.562	0.125	1.483	3.170	0.608	0.048	0.577	1.233	8,165	457	7,728	16,350	191	274	192	194			
Sep-08	1.547	0.121	1.378	3.046	0.813	0.064	0.724	1.601	8,167	459	7,728	16,354	189	264	178	186			
Oct-08	1.478	0.111	1.319	2.908	0.671	0.051	0.599	1.321	8,170	460	7,728	16,358	181	242	171	178			
Nov-08	1.511	0.118	1.329	2.958	1.080	0.084	0.950	2.114	8,171	462	7,728	16,361	185	256	172	181			
Dec-08	1.580	0.156	1.362	3.098	1.446	0.143	1.246	2.835	8,172	462	7,728	16,362	193	338	176	189			
Jan-09	1.522	0.141	1.354	3.017	1.256	0.116	1.117	2.489	8,177	462	7,728	16,367	186	306	175	184			
Feb-09	1.599	0.145	1.330	3.074	1.408	0.128	1.171	2.707	8,179	462	7,728	16,369	196	314	172	188			
Mar-09	1.510	0.124	1.307	2.941	1.030	0.085	0.892	2.007	8,180	463	7,728	16,371	185	268	169	180			
Apr-09	1.463	0.116	1.262	2.841	0.731	0.058	0.630	1.419	8,183	463	7,728	16,374	179	251	163	174			
May-09	1.465	0.117	1.247	2.829	0.712	0.057	0.606	1.375	8,185	464	7,728	16,377	179	252	161	173			
Jun-09	1.479	0.115	1.319	2.913	0.712	0.056	0.635	1.403	8,185	465	7,728	16,378	181	248	171	178			
Jul-09	1.437	0.109	1.376	2.922	0.599	0.045	0.573	1.217	8,186	467	7,728	16,381	176	234	178	178			
Aug-09	1.431	0.113	1.419	2.963	0.603	0.047	0.598	1.248	8,186	467	7,728	16,381	175	242	184	181			
Sep-09	1.404	0.108	1.346	2.858	0.690	0.053	0.661	1.404	8,187	468	7,728	16,383	171	231	174	174			
Oct-09	1.375	0.108	1.332	2.815	0.744	0.058	0.721	1.523	8,187	468	7,728	16,383	168	231	172	172			
Nov-09	1.366	0.111	1.323	2.800	0.843	0.069	0.816	1.728	8,189	469	7,728	16,386	167	237	171	171			
Dec-09	1.401	0.127	1.322	2.850	1.149	0.104	1.084	2.337	8,193	469	7,728	16,390	171	271	171	174			
Jan-10	1.532	0.155	1.372	3.059	1.271	0.128	1.138	2.537	8,196	472	7,728	16,396	187	329	178	187			
Feb-10	1.487	0.148	1.382	3.017	1.371	0.136	1.274	2.781	8,197	474	7,728	16,399	181	313	179	184			
Mar-10	1.455	0.145	1.398	2.998	1.108	0.110	1.064	2.282	8,198	474	7,728	16,400	177	306	181	183			
Apr-10	1.451	0.137	1.391	2.979	1.058	0.100	1.014	2.172	8,198	474	7,728	16,400	177	289	180	182			
May-10	1.379	0.128	1.385	2.892	0.672	0.063	0.675	1.410	8,201	474	7,728	16,403	168	270	179	176			
Jun-10	1.437	0.122	1.453	3.012	0.650	0.055	0.657	1.362	8,202	474	7,728	16,404	175	258	188	184			
Jul-10	1.375	0.119	1.466	2.960	0.694	0.061	0.740	1.495	8,204	475	7,728	16,407	168	251	190	180			
Aug-10	1.366	0.125	1.451	2.942	0.585	0.053	0.621	1.259	8,205	475	7,728	16,408	166	263	188	179			
Sep-10	1.346	0.114	1.342	2.802	0.627	0.053	0.626	1.306	8,207	475	7,728	16,410	164	240	174	171			
Oct-10	1.413	0.123	1.311	2.847	1.177	0.102	1.092	2.371	8,207	477	7,728	16,412	172	258	170	173			
Nov-10	1.399	0.117	1.297	2.813	1.090	0.091	1.011	2.192	8,209	478	7,728	16,415	170	245	168	171			
Dec-10	1.605	0.215	1.375	3.195	1.417	0.189	1.214	2.820	8,212	478	7,728	16,418	195	450	178	195			
Jan-11	1.452	0.158	1.338	2.948	1.272	0.139	1.172	2.583	8,227	478	7,728	16,433	176	331	173	179			
Feb-11	1.413	0.156	1.339	2.908	1.176	0.130	1.114	2.420	8,228	480	7,728	16,436	172	325	173	177			
Mar-11	1.387	0.208	1.343	2.938	1.186	0.178	1.148	2.512	8,229	480	7,728	16,437	169	434	174	179			
Apr-11	1.320	0.181	1.323	2.824	0.867	0.118	0.869	1.854	8,248	482	7,728	16,458	160	376	171	172			
May-11	1.327	0.162	1.320	2.809	0.564	0.069	0.561	1.194	8,248	483	7,728	16,459	161	336	171	171			
Jun-11	1.343	0.156	1.390	2.889	0.545	0.063	0.564	1.172	8,249	483	7,728	16,460	163	323	180	176			
Jul-11	1.293	0.151	1.430	2.874	0.425	0.050	0.470	0.945	8,250	484	7,728	16,462	157	312	185	175			
Aug-11	1.292	0.150	1.405	2.847	0.479	0.056	0.521	1.056	8,252	485	7,728	16,465	157	310	182	173			
Sep-11	1.262	0.146	1.333	2.741	0.564	0.066	0.596	1.226	8,254	486	7,728	16,468	153	301	172	166			
Oct-11	1.260	0.142	1.303	2.705	0.730	0.082	0.755	1.567	8,260	486	7,728	16,474	153	292	169	164			
Nov-11	1.338	0.167	1.307	2.812	1.099	0.137	1.074	2.310	8,261	486	7,728	16,475	162	344	169	171			
Dec-11	1.299	0.164	1.305	2.768	1.103	0.139	1.108	2.350	8,264	487	7,728	16,479	157	337	169	168			
Jan-12	1.291	0.145	1.303	2.739	1.032	0.116	1.042	2.190	8,266	488	7,728	16,482	160	232	169	166			
Feb-12	1.259	0.137	1.283	2.679	1.006	0.109	1.025	2.140	8,268	488	7,728	16,484	152	281	166	163			
Mar-12	1.313	0.153	1.255	2.721	0.968	0.113	0.925	2.006	8,269	488	7,728	16,485	159	314	162	165			
Apr-12	1.348	0.145	1.209	2.702	0.906	0.097	0.813	1.816	8,278	488	7,728	16,494	163	297	156	164			
May-12	1.333	0.150	1.211	2.694	0.577	0.065	0.525	1.167	8,280	488	7,728	16,496	161	308	157	163			
Jun-12	1.365	0.143	1.237	2.745	0.547	0.057	0.496	1.100	8,284	489	7,728	16,501	165	293	160	166			
Jul-12	1.372	0.126	1.296	2.794	0.457	0.042	0.431	0.930	8,289	489	7,728	16,506	166	258	168	169			
Aug-12	1.383	0.128	1.291	2.802	0.473	0.044	0.441	0.958	8,290	490	7,728	16,508	167	261	167	170			
Sep-12	1.349	0.142	1.220	2.711	0.544	0.058	0.492	1.094	8,291	490	7,728	16,509	163	290	158	164			
Oct-12	1.327	0.123	1.203	2.653	0.678	0.063	0.615	1.356	8,294	490	7,728	16,512	160	251	156	161			
Nov-12	1.343	0.128	1.181	2.652	0.862	0.082	0.758	1.702	8,299	490	7,728	16,517	162	261	153	161			
Dec-12	1.383	0.141	1.197	2.721	1.261	0.129	1.091	2.481	8,300	490	7,728	16,518	167	288	155	165			
Jan-13	1.357	0.145	1.215	2.717	1.155	0.124	1.034	2.313	8,300	490	7,728	16,518	163	296	157	164			

TABLE 1

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

EDU: Equivalent Dwelling Unit

ASSUMPTIONS: SB average flow includes San Elijo Hills flow of 0.131 mgd

SB Connected EDUs includes 300 EDUs for the City of San Diego

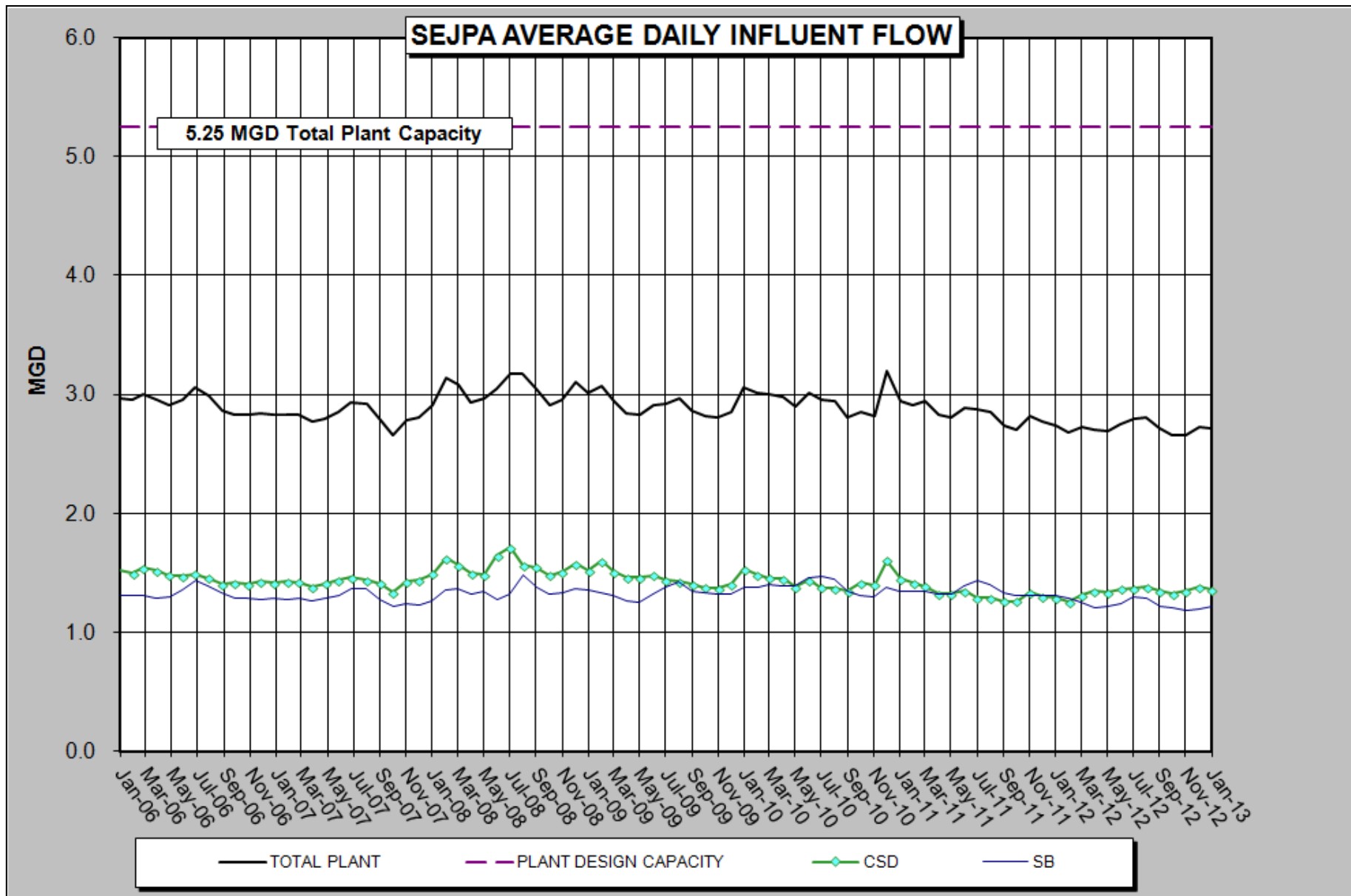


Figure 3

City of Escondido Flows

The average and peak flow rate from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below. The following average flow rate and peak flow rate is reported by the City of Escondido for the month of January.

	January (mgd)
Escondido (Average flow rate)	9.5
Escondido (Peak flow rate)	18.1

Connected Equivalent Dwelling Units

The number of EDUs connected for each of the Member Agencies for the month of January is as follows:

	January (EDU)
Cardiff Sanitary Division	8,300
Rancho Santa Fe SID	490
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
Total EDUs to System	16,518

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 11, 2013

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – MONTHLY REPORT

RECOMMENDATION

No action required. This memorandum is submitted for information only.

DISCUSSION

Recycled Water Production

For the month of January 2013, recycled water demand was 31.81 acre-feet (AF), which was met using 31.81 AF of recycled water and 0.00 AF of supplementation with potable water. This equates to a blend mix for January of 100.0 percent recycled water and 0.0 percent potable water supplementation.

Figure 1 (attached) provides monthly supply demands for recycled water over the last five years. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last twelve fiscal years. Recycled water demand can fluctuate from year to year, which is typically a function of weather. For example, Fiscal Years 2003-04, 2006-07, and 2008-09, unusually dry years, resulted in increased recycled water demand; and Fiscal Year 2004-05, an unusually wet year, resulted in lower recycled water demand.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

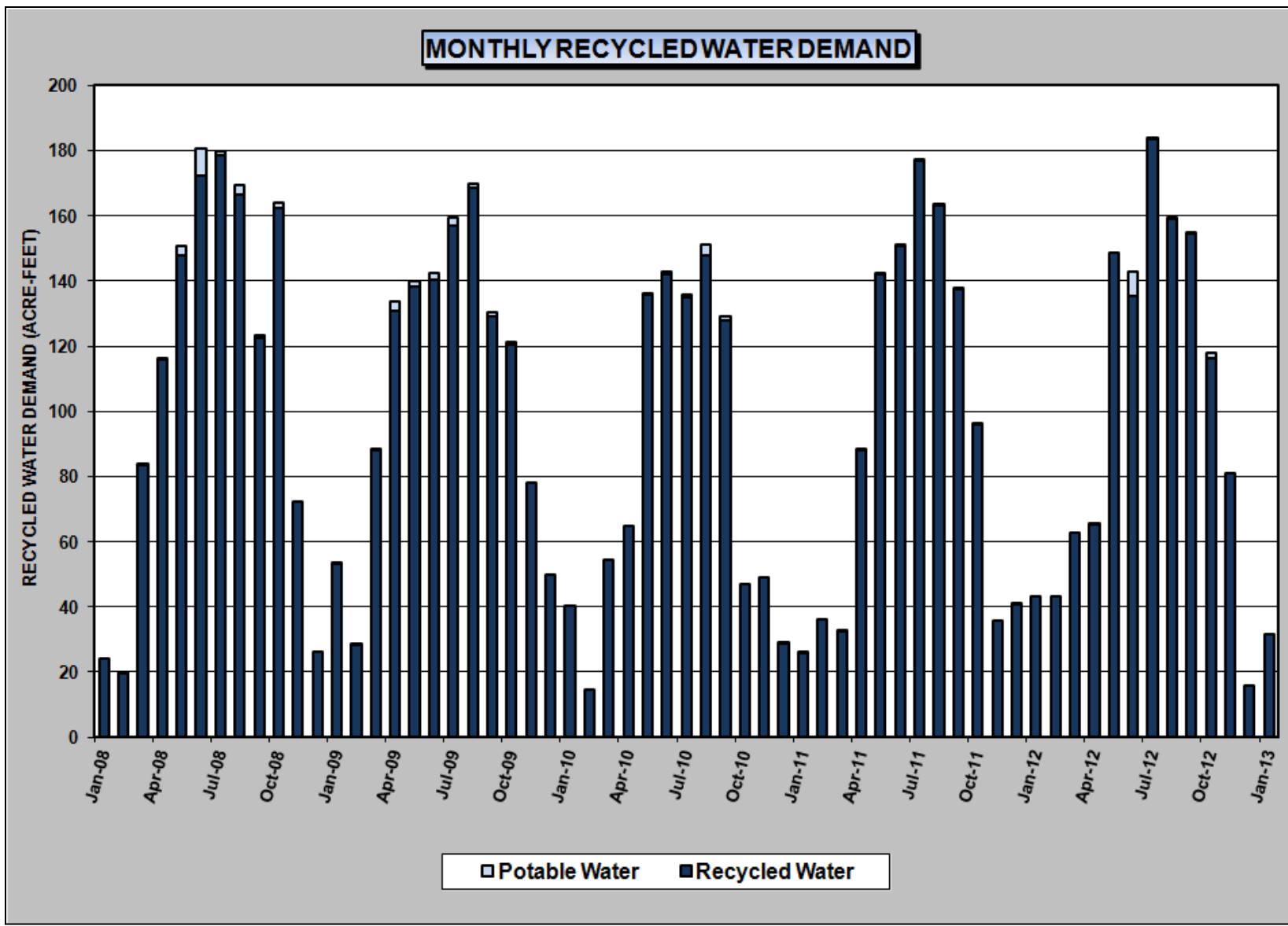


Figure 1

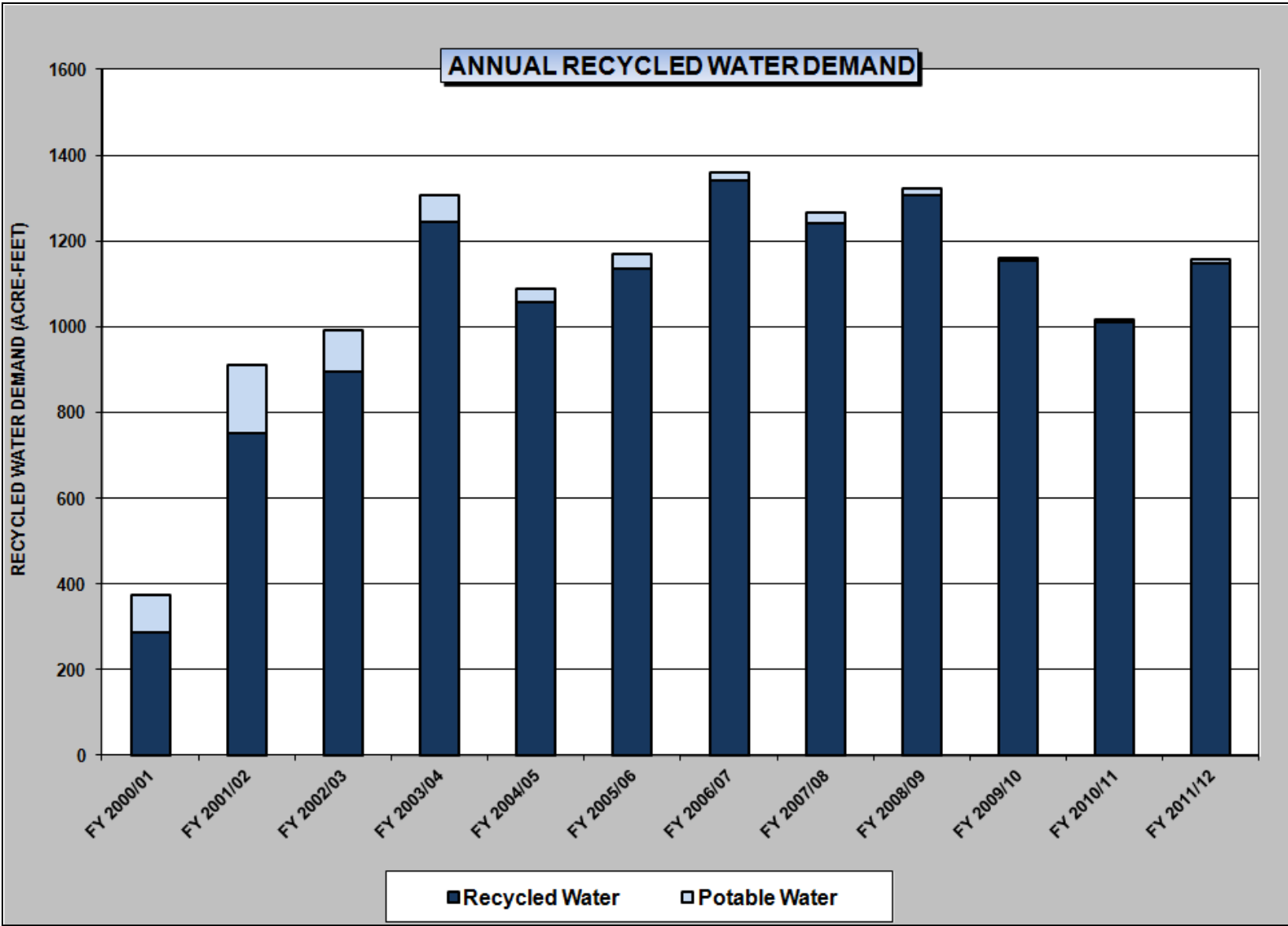


Figure 2

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 11, 2013

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDER APPROVAL OF THE LOCAL PROJECT SPONSOR AGREEMENT
WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE NORTH SAN
DIEGO COUNTY COOPERATIVE DEMINERALIZATION PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;
2. Authorize the General Manager to execute the Local Project Participant Agreement; and
3. Discuss and take action as appropriate.

BACKGROUND

Integrated Regional Water Management (IRWM) planning was originally derived from Proposition 50, which was passed by California voters in 2002 and authorized \$3.4 billion in general obligation bonds to fund a variety of water and wetlands projects. It set aside \$380 million for IRWM-related grants. Proposition 50 stated that IRWM plans should include a description of the region and participants, regional objectives and priorities, water management strategies, implementation, impacts and benefits, data management, financing, stakeholder involvement, relationship to local planning, and state and federal coordination.

The State of California has since encouraged integrated water resource planning on a regional basis through IRWM plans and by making grant funding programs conditional certain upon activities contained in IRWM plans.

Several such programs were authorized in 2006 by Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act). Proposition 84 authorized \$5.388 billion in general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.

In 2007, the San Diego Regional Water Management Group (comprised of the San Diego County Water Authority, City of San Diego, and County of San Diego) collaborated with the Regional Advisory Committee (comprised of water management stakeholders throughout the

San Diego region) to draft the San Diego Integrated Regional Water Management Plan. Completed in late 2007 and subsequently adopted by members of the Regional Water Management Group, the plan seeks to optimize water supply reliability, protect and enhance water quality, provide stewardship of natural resources, and coordinate and integrate water resource management within the region. Additionally, the plan forms the foundation of long-term IRWM planning in the region, fostering coordination, collaboration, and communication among governmental and non-governmental water management stakeholders.

The San Elijo Joint Powers Authority's Board of Directors officially adopted the regional IRWM plan via Resolution 2011-05 on November 8, 2010.

In August 2010, working collaboratively with other agencies, the San Elijo Joint Powers Authority (SEJPA) and the Olivenhain Municipal Water District (OMWD) submitted several projects for consideration to the Regional Water Management Group for the San Diego region's Round 1 Proposition 84 IRWM grant application. Two of these projects were selected for inclusion in the San Diego IRWM plan:

- The North San Diego County Cooperative Demineralization Project, which the SEJPA serves as the lead agency and includes the OMWD and the San Elijo Lagoon Conservancy as local project partners. Award value is \$1.05 million.
- The North San Diego County Regional Recycled Water Project (NSDCRRWP), in partnership with ten North County cities and water and wastewater agencies. OMWD serves as the lead agency. Award value is \$1.5 million.

The SEJPA has continued to take a regional approach to developing recycled water infrastructure. In 2011, a Regional Recycled Water Facilities Plan was completed by RMC Water and Environment that examined opportunities to connect recycled water supply with demand within north San Diego County. This plan included new opportunities for the San Elijo Water Reclamation Facility to expand recycled water delivery regionally and, in October 2012, the SEJPA and OMWD entered into a 20-year recycled water wholesale agreement.

DISCUSSION

The Round 1 Proposition 84 IRWM grant agreement was executed on December 12 2012, officially granting \$7.9 million to the San Diego IRWM plan. Though San Diego County Water Authority (SDCWA) is the grantee, it does not directly administer individual projects contained within the IRWM plan. Thus, before grant funding may be distributed for each individual project, SDCWA will enter into an agreement with each project's lead agency or "local project sponsor."

In the capacity of local project sponsor for the Cooperative Demineralization Project, SEJPA is required to act on SDCWA's behalf for the purposes of project management, oversight, compliance, operations, and maintenance. SEJPA is also required to act on SDCWA's behalf in the fulfillment of SDCWA's responsibilities as specifically identified in the grant agreement with the Department of Water Resources. Attachment A is the draft Local Project Sponsor Agreement between the SEJPA and the SDCWA.

To ensure the performance of each project partner, SEJPA shall provide each with a Local Project Participant Agreement. This agreement is intended to ensure that the work elements, as proposed by each project partner in the grant application, is completed to an acceptable standard as defined by the granting agency. Grant funding will be on a reimbursement basis, based on grant agreement adherence and acceptability of work. Attachment B is the draft Local

Project Participant Agreement, which would be entered into by the SEJPA and OMWD and the San Elijo Lagoon Conservancy.

FINANCIAL IMPACT

Approval of the local project sponsor agreement will garner the Cooperative Demineralization Project \$1.05 million in Round 1 Proposition 84 IRWM grant funds. The award will be applied as follows:

- Olivenhain Municipal Water District (OMWD) award value is \$145,000
- San Elijo Lagoon Conservancy (SELC) award value is \$35,000
- San Elijo Joint Powers Authority (SEJPA) award value is \$840,000
 - City of Solana Beach \$100,000
 - City of Encinitas \$40,000
 - SEJPA \$700,000
- Grant administrative cost valued at \$30,000

Project elements include the following:

- Reach over 43,000 Residents with water education and outreach, including in areas served by disadvantaged communities.
- Construct an operable 0.5 MGD (560 AFY) Advanced Water Treatment facility at the SEWRF.
- Complete a feasibility study for a brackish to potable water desalination facility.
- Construct storm water diversion structures at Seascape Sur HOA in Solana Beach and Cardiff by the Sea to divert urban runoff from entering the San Elijo Lagoon and the Pacific Ocean.
- Monitoring of water quantity and quality in the San Elijo Lagoon.

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;
2. Authorize the General Manager to execute the Local Project Participant Agreement; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael Thornton, P.E.
General Manager

Attachment A: Agreement for the Integrated Regional Water Management Program Between San Diego County Water Authority and San Elijo Joint Powers Authority Project No. 84-3-80004.

Attachment B: Agreement for the Integrated Regional Water Management Program Between San Elijo Joint Powers Authority and Local Project Participants Project No. 84-3-80004.

Attachment A to Agenda Item No. 12

AGREEMENT
for the
INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM
BETWEEN
SAN DIEGO COUNTY WATER AUTHORITY
AND
SAN ELIJO JOINT POWERS AUTHORITY
PROJECT NO. 84-3-80004

This Agreement between the San Diego County Water Authority, a county water authority (Water Authority), and San Elijo Joint Powers Authority, a (LPS), sets forth the understanding of the Water Authority and the LPS (collectively Parties) for distribution of a grant award from the State of California Department of Water Resources (State).

Recitals:

1. WHEREAS, On November 2006, California voters approved Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act to assists in financing projects associated with Integrated Regional Water Management (IRWM) Plan pursuant to Chapter 8 (commencing with Section 79860) Division 26.5 of the California Water Code (CWC), collectively referred to as IRWM Program.
2. WHEREAS the Integrated Regional Water Management plan was adopted by MOU in the San Diego region in June 2005, and re-executed in 2009.
3. WHEREAS, On September 21, 2011 a new MOU was executed among the City, County, and Water Authority for Fiscal Years 2009-2013 IRWM Grant Program. The MOU establishes the San Diego Regional Water Management Group (RWMG), and the Parties' roles regarding the San Diego IRWM Plan and the division of responsibilities for administration of IRWM grant monies.

The Recitals are incorporated herein and, the Parties do agree as follows:

1. Definitions:

The following words and terms, unless otherwise defined, shall mean:

- a. LPS means Local Project Sponsor. An LPS is a proponent of individual projects that will be funded as part of the IRWM Program grant from the State. The role of an LPS could be performed by entities such as the Water Authority, County of San Diego, City of San Diego, Water Authority member agency, a municipality, a joint powers authority, a local public agency, a non-profit 501(c) (3) or a Native American tribe. The LPS for this Agreement (San Elijo Joint Powers Authority)

Grant Agreement means the Grant Agreement no. **4600009707** between the San Diego County Water Authority and the State, dated (December 12, 2012), for the disbursement of \$7.9 million in grant funds.

Project: 3 – North San Diego County Cooperative Demineralization Project, is one of the projects listed in the Grant Agreement and the project that will be performed by the LPS under this agreement.

- b. LPS Agreement (Agreement): This agreement between the Water Authority and the Local Project Sponsor for the performance of the project and receipt of the grant funds allocated for that project.

2. **Term of agreement:** The term of this Agreement begins on _____ and terminates on **May 31, 2017**, or when all Parties' obligations under this Agreement have been fully satisfied.

3. **Grant Amount:** The maximum amount payable by State under the Grant Agreement for this Project shall not exceed **\$1,018,500**. No less than **\$1,018,500** shall be expended to benefit urban and agricultural water conservation.

4. **Project costs:** The reasonable total cost of the Project is estimated to be **\$5,353,300**. These costs are summarized in Exhibit C, Summary Budget Table 1. LPS shall fund the difference, if any, between the estimate of total project cost and the Grant Amount specified in paragraph 3. The LPS is only responsible for funding the difference for its project (*Funding Match* plus *Other Cost Share* as shown on *Exhibit C, Summary Budget Table 1*). Cost share for the project funded through this Agreement is estimated to be **\$4,334,800**. LPS funding match is at least 25% of the total project costs, unless a Disadvantage Community project waiver is granted. Costs for the funding match may include cost share performed after September 30, 2008. Costs paid for by another State funding cannot be considered as a funding match.

5. **Budget Contingency:** (a) The Water Authority and the LPS shall have no obligation to perform under this Agreement if the State does not provide funding for the IRWM program. LPS acknowledges that if funding for any fiscal year is reduced or deleted by the State, the State at its option may either (1) cancel the Grant Agreement with no liability occurring to the State or the Water Authority, or (2) amend the Grant Agreement to reflect the reduced amount of funding. If the State amends the Grant Agreement, the Water Authority would offer to amend or terminate LPS's agreement to reflect the reduced funding by the State.

(b) If funding is deleted by the State, the Water Authority shall have no obligation to continue to sponsor the projects and this Agreement shall be of no force and effect. In this event, Water Authority and LPS shall not be obligated to perform under the Agreement.

6. LPS responsibilities: (a) LPS shall perform the scope of work for this project including project construction and management, oversight, compliance and operations and maintenance associated with the project. LPS shall also be solely responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and all providers of services under this Agreement. LPS shall fulfill its obligations in a manner that is consistent with this agreement, the Grant Agreement and the IRWM Program.

(b) LPS shall be responsible for all disputes arising out of its contracts for work including, but not limited to, bid disputes and payment disputes with its contractors and consultants or other entities. State or Water Authority will not mediate disputes between LPS and any other entity regarding performance of work.

(c) LPS shall promptly perform, or cause to be performed, all IRWM Program work as described in the scope of work for the Project(s) identified in Exhibit A, Work Plan. LPS shall be responsible for oversight, compliance, and operations and maintenance of Project(s) identified in the Grant Agreement. LPS or its representatives shall perform regular inspections of any construction work in progress.

(d) LPS is solely responsible for design, construction, and operation and maintenance of Project(s) identified in Exhibit A. Review or approval of plans, specifications, bid documents, or other construction documents by State or the Water Authority is solely for the purpose of proper administration of grant funds and shall not relieve or limit responsibilities of LPS with regard to its contractual obligations.

e) LPS shall 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 Schedule and Exhibit C Budget. LPS shall comply with all of the terms and conditions of this Agreement and applicable California Public Resources Code (PRC) requirements.

7. Basic Conditions: Water Authority shall have no obligation to disburse money for a project under this agreement until LPS has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

a) By signing this LPS Agreement, LPS shall demonstrate that LPS is aware of and complies with the provisions of the LPS Agreement between LPS and the Water Authority.

- b) LPS shall demonstrate the availability of sufficient funds to complete the project, as stated in the Grant Award/Commitment Letter, by submitting the most recent 3 years of audited financial statements.
- c) LPS shall comply with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project Construction if that tribe has traditional lands located within the area of the Project.
- d) For groundwater management and recharge projects and for projects with potential groundwater impacts, the LPS shall demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
- e) For the term of this agreement, LPS must submit timely Quarterly Progress Reports as required by Paragraph 17, "Submission of Reports."
- f) LPS shall submit all deliverables as specified in this Paragraph of this agreement and the Work Plan in Exhibit A.
- g) Before beginning construction or implementation activities, LPS shall submit to the State the following, if applicable:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the approved project as listed in Exhibit A, Work Plan of this LPS Agreement.
 - 2) Documents required by the project under the California Environmental Quality Act (CEQA). Work that is subject to CEQA and/or environmental permitting shall not proceed under this agreement until the following actions are performed:
 - i. LPS submits all applicable environmental permits as indicated on the Environmental Information Form submitted to the Water Authority
 - ii. Documents that satisfy the CEQA process are received by the Water Authority and submitted to the State.
 - iii. LPS receives CEQA compliance review from the State, and
 - iv. LPS receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal. State's concurrence of CEQA documents is fully discretionary and shall constitute a condition precedent to any work (ex. construction or implementation activities) for which it is required. Therefore, the LPS should get concurrence from the State, through the Water Authority, on CEQA before beginning any of the work that is subject to CEQA. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. LPS must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation

monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

v. If any of the requirements does not apply, LPS shall submit an explanation in writing to the Water Authority.

3) A monitoring plan as required by Paragraph 22, Project Monitoring Plan Requirements.”

8. Disbursement by State and Payment by Water Authority: Following the review of each invoice, the Water Authority will approve invoice and disburse payment subject to the availability of funds through normal State and Water Authority processes. Funds will be disbursed by the State and then the Water Authority in response to each approved invoice in accordance with Exhibit F, Disbursement Process. All money disbursed by the Water Authority under this Agreement and all interest earned by LPS shall be used solely to pay eligible costs. Within forty-five (45) days of receipt of funds from the State, Water Authority shall disburse the funds to the LPS. 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.

9. Eligible Project Cost: Costs as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Schedule) and Exhibit C (Budget).

(a) Eligible costs are the reasonable and necessary costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigation, monitoring, and project construction. Only work performed after the date of grant award, **August 16, 2011**, shall be eligible for reimbursement.

(b) Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including the portion of overhead and administrative expenses that are directly related to the projects included in this Agreement in accordance with the generally accepted accounting practices.

Advanced funds will not be provided. Costs that are not deemed eligible project costs cannot be counted as cost share. Costs that are not eligible for reimbursement include but are not limited to:

- i. Costs, other than those noted above, incurred prior to the award date of the Grant.
- ii. Operation and maintenance costs, including post construction performance and monitoring costs.

- iii. Purchase of equipment not an integral part of a project.
- iv. Establishing a reserve fund.
- v. Purchase of water supply.
- vi. Monitoring and assessment costs for efforts required after project construction is complete.
- vii. Replacement of existing funding sources for ongoing programs.
- viii. Travel and per diem costs.
- ix. Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
- x. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the grant award with the State.
- xi. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this LPS Agreement, the Water Authority and the State agree 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 LPS cost share (i.e. Funding Match)
- xii. Overhead not directly related to project costs.

10. Method of Payment. After the disbursement requirements in Paragraph 7 “Basic Conditions” are met, the Water Authority will disburse the whole or portions of the grant amount to the LPS, less any required retention, following receipt from LPS of an invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 17, “Submission of Reports.” A Progress Report is required for every invoice submitted.

Invoices submitted by LPS shall include the following information:

- a) Costs incurred for work performed in implementing the IRWM project during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the construction, operation, or maintenance of a project.
- c) Appropriate receipts and reports for all costs incurred.

Invoices shall be submitted on forms provided by the Water Authority and shall meet the following format requirements:

- d) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
- e) Invoices must **be itemized and organized** based on the categories or tasks specified in the Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
- f) Sufficient evidence (i.e., receipts, copies of checks, time sheets or financial system reports) must be provided for all costs included in the invoice.

- g) Each invoice shall **clearly delineate** those costs claimed for reimbursement from the State's grant amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent Grantee's and LPS' costs, as applicable, in Paragraph 4, "Grantee Cost Share."
- h) Invoice shall be accompanied by a coversheet that summarizes items a thru g.
- i) Original signature and date (in ink) of Grantee's Project Manager.

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

San Diego County Water Authority
Attention: Loisa Burton
Grant Administrator
4677 Overland Avenue
San Diego, CA 91911

Failure to use the above address may result in the return of the project invoice. Invoice may be submitted electronically (i.e. via a Web Tool) as instructed by the Grant Administrator.

11. Withholding of Grant Reimbursements by the Water Authority. If the State or the Water Authority determines that a project is not being implemented in accordance with the provisions of this Agreement and and/or the Grant Agreement, or that the LPS has failed to comply with the provisions of this Agreement, and if LPS does not remedy any such failure to the State or the Water Authority's satisfaction, the Water Authority may withhold from LPS all or any portion of the grant amount and take any other action that it deems necessary to protect its interests. The Water Authority may require the LPS to immediately repay all or any portion of the disbursed grant amount with interest, consistent with its determination. The Water Authority may consider LPS' refusal to repay the requested disbursed grant amount a contract breach subject to the default provisions in Paragraph 13, "Default Provisions."

If the Water Authority notifies LPS of its decision to withhold the entire grant amount from LPS pursuant to this Paragraph, this LPS Agreement shall terminate upon receipt of such notice by LPS and shall no longer be binding on either party.

12. Continuing Eligibility. LPS must meet the following ongoing requirements to remain eligible to receive State grant funds:

- a) For urban water suppliers that receive grant funds governed by this Grant Agreement,) compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
- b) For groundwater management and recharge projects and for projects with potential groundwater impacts, the LPS must demonstrate compliance with the

groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.

13. Default Provisions. Grantee will be in default under this LPS Agreement if any of the following occur:

- a) Breach of this LPS Agreement, or any supplement or amendment to it, or any other agreement between LPS and the Water Authority evidencing or securing Grantee's obligations.
- b) Making any false warranty, representation, or statement.
- c) Failure to operate or maintain projects.
- d) Failure to make any remittance required by this LPS Agreement.
- e) Failure to comply with Labor Compliance Program (LCP) requirements.
- f) Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

If an event of default occurs, the Water Authority may do any or all of the following:

- g) Declare that the Grant 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.
- h) Terminate any obligation to make future payments to LPS
- i) Terminate the LPS Agreement.
- j) Take any other action that it deems necessary to protect its interests.

14. Permits, Licenses, Approvals and Legal Obligations. LPS shall be responsible for ensuring any and all permits, licenses, and approvals required for performing their obligations under this Agreement are obtained other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for each project described in Exhibit A.

15. Relationship of Parties. The LPS is solely responsible for design, construction, and operation and maintenance of its Projects within the San Diego IRWM Program. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of grant funds by State and shall not be deemed to relieve or restrict responsibilities of the LPS under this LPS Agreement

16. LPS Representation. Local Project Sponsor shall comply with all terms, provisions, conditions, and written commitments of this LPS Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by LPS 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.

17. 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 Water Authority's Grant Administrator, and shall be submitted in both electronic and hard copy forms. If requested, LPS promptly provides any additional information deemed necessary by the Water Authority and the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the Water Authority and the State, of a Project Completion Report for each project is a condition precedent for the release of any funds retained for such project.

- Quarterly Progress Reports: LPS shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State's requirement. Quarterly Progress Reports shall be submitted electronically **fifteen** (15) calendar days after the end of previous quarter (ex: 15th day of March, June, September and December for the preceding quarter) to the IRWM Project Manager as specified in Exhibit B. Quarterly Progress Report shall provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this LPS Agreement during the reporting period. It should also include cost information, including grant and local cost share spent and reimbursable costs for the period and to date. Report corrections must be made within **three** (3) business days of notice of issue from the Water Authority. Issues must be resolved by the **twentieth** (20th) day of the reporting month (for example: by March 20th of the first reporting period of December thru February)
- Project Completion Reports: LPS shall prepare and submit to the Water Authority a Project Completion Report for its project. LPS shall submit a Project Completion Report within **sixty** (60) calendar days of project completion. Each Project Completion Report shall include a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, and 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 registered civil engineer, consistent Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State through the Water Authority.
- Project Performance Reports: Grantee shall submit a Project Performance Report for each project to State within **sixty** (60) calendar

days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated, for each project, annually for a total of 10 years after the completed project begins operation.

- 18. IRWM Program Performance and Assurances:** LPS agrees to promptly perform or cause to be performed all IRWM Program work as described in the final plans and specifications for each project and implement the project in accordance with applicable provisions of the law. If the Water Authority must enforce this provision by legal action, LPS shall pay all costs incurred by the Water Authority including, but not limited to, reasonable attorneys' fees, legal expenses, and other costs.
- 19. Labor Compliance:** LPS will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3.
- 20. Operations and Maintenance of Project:** For the useful life of construction and implementation projects and in consideration of the Grant made by State, LPS agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The LPS shall contractually assume all operations and maintenance costs of the facilities and structures for their respective project; The Water Authority shall not be liable for any cost of such maintenance, management, or operation. LPS may be excused from operations and maintenance only upon the written approval of the San Diego IRWM Program Manager. For purposes of this LPS 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 project 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 13, “Default Provisions.”
- 21. Statewide Monitoring Requirement:** If it has a groundwater project or if a project includes groundwater monitoring requirements, LPS shall ensure that the project is

consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of CWC). If the project affects water quality, it 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.

22. Project Monitoring Plan Requirements: The LPS Agreement work plan should contain activities to develop and submit to State a monitoring plan for its project. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:

- a) Baseline conditions.
- b) Brief discussion of monitoring systems to be utilized.
- c) Methodology of monitoring.
- d) Frequency of monitoring.
- e) Location of monitoring points.

A monitoring plan shall be submitted to the Water Authority prior to disbursement of grant funds for construction or monitoring activities for each project in this LPS Agreement. See Exhibit G (“Requirements for Data Submittal”) for web links and information regarding other State monitoring and data reporting requirements.

23. Notification of Water Authority: For each project, Grantee shall promptly notify the Water Authority, in writing, of the following items:

- a) Events or proposed changes that could affect the scope, budget, or work performed. Local project sponsor agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the Water Authority, which it will forward to the State and the State has given written approval for such change. Substantial changes generally include changes to the terms/scope of work, schedule, and budget. See Exhibit H for guidance on Agreement Amendment requirements.
- b) Any public or media event publicizing the accomplishments and/or results of this LPS Agreement and provide the opportunity for attendance and participation by State’s representatives and the Water Authority. Grantee shall make such notification at least **fourteen** (14) calendar days prior to the event.
- c) Completion of work on a project shall include final inspection of a project by a Registered Civil Engineer, if applicable as determined and required by State, and in accordance with Standard Condition D-15 (Final Inspections and Certification of Registered Civil Engineer). Furthermore, the LPS shall provide the State the opportunity to participate in the inspection. LPS shall make such notification at least fourteen (14) calendar days prior to the final inspection.

24. Project Managers: Any party may change its Project Manager upon written notice to the other parties.

- Water Authority’s Project Manager shall be **Mark Stadler**, Principal Water Resources Specialist. Water Authority’s Project Manager shall be its representative for the administration of this Agreement and shall have full

authority to act on behalf of the Water Authority, including authority to execute all payment requests.

- LPS's Project Manager, **Michael Thornton**, shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of LPS, including authority to execute all payment requests, demand, request, consent, or approval that either party desires or is required to give to the other party under this LPS Agreement shall be in writing.

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

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

Direct all inquiries to the Project Manager:

San Diego County Water Authority
Mark Stadler
IRWM Program Manager
4677 Overland Avenue
San Diego, CA 92123
Phone (858) 522-6735
e-mail at MStadler@sdcwa.org

San Elijo Joint Powers Authority
Michael Thornton
General Manager
2695 Manchester Avenue
Cardiff by the Sea, CA 92007
Phone: (760) 753-6203 x72
e-mail at Thornton@sejpa.org

27. Termination, Immediate Repayment, Interest: The Agreement may be terminated by written notice at any time before completion of the IRWM Program at the option of Water Authority or State if LPS breaches the Agreement, and has been asked to cure the breach within a reasonable time and fails to do so. If the

Agreement is terminated, LPS shall, upon demand, immediately repay to State an amount equal to the amount of grant funds disbursed to LPS. Interest shall accrue on all amounts due at the legal rate of interest allowed by law from the date that notice of termination is mailed to LPS to the date of full repayment.

28. Indemnity – Hold Harmless: (a) To the fullest extent permitted by law, the LPS shall (1) immediately defend, and (2) indemnify the Water Authority, the State, and their directors, officers, and employees from and against all liabilities regardless of nature or type arising out of or resulting from LPS’ performance of services under this contract, or any negligent or wrongful act or omission of the LPS or LPS’ officers, employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys’ fees; court costs; and costs of alternative dispute resolution. The LPS’ obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole negligence or willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the LPS indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

(b) The duty to defend is a separate and distinct obligation from the LPS’s duty to indemnify. The LPS shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Water Authority and State, the Water Authority and State, their directors, officers, and employees, immediately upon tender to the LPS of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the LPS from its separate and distinct obligation to defend Water Authority and State. The obligation to defend extends through final judgment, including exhaustion of any appeals.

(c) The review, acceptance or approval of the LPS’s work or work product by any indemnified party shall not affect, relieve or reduce the LPS’s indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

29. Insurance:

(a) The LPS shall procure and maintain during the period of performance of this Contract insurance from insurance companies admitted to do business in the State of California, as set forth in this Section or as additionally required by supplemental condition. These policies shall be primary insurance as to the Water Authority so that any other coverage held by the Water Authority shall not contribute to any loss under

the LPS's insurance. Coverage may be provided by a combination of primary and excess insurance policies, provided all insurers meet the requirements of this Section.

(b) All insurance shall cover occurrences during the coverage period.

(c) The coverage amount of each policy of insurance shall be as required by the Water Authority.

(1) The following insurance and limits are required for the contract:

General Liability: Coverage at least as broad as ISO form GC 00 01 10 01

Limit per occurrence: 1,000,000

(d) The insurance policies shall be endorsed as follows:

(1) For the general commercial liability as well as excess or umbrella insurance covering risks within the scope of that type insurance, the Water Authority, its directors, officers, employees and agents are included as additional insureds with regard to liability and defense of suits or claims arising from the operations, products and activities performed by or on behalf of the Named Insured. The LPS's insurance applies separately to each insured, including insureds added pursuant to this paragraph, against whom claim is made or suit is brought except with respect to the policy limits of liability. The inclusion of any person or entity as an insured shall not affect any right which the person or entity would have as a claimant if not so included. Any failure of the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added pursuant to this paragraph. The additional insured endorsement shall provide coverage at least as broad as ISO form CG 20 10 10 93.

(2) The LPS's insurance shall be primary. Any other insurance or self-insurance available to the Water Authority or persons stated in paragraph (1) shall be in excess of and shall not contribute to the Contractor's insurance.

(3) The insurance shall not be canceled or materially reduced in coverage except after 30 days prior written notice receipted delivery has been given to the Water Authority, except 10 days notice shall be allowed for non-payment of premium.

(e) Unless otherwise specified, the insurance shall be provided by an acceptable insurance provider, as determined by the Water Authority, which satisfies the following minimum requirements: An insurance carrier admitted to do business in California and maintaining an agent for process within the state. Such insurance carrier shall maintain a current A.M. Best rating classification of "A- (A minus) " or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in California and the policy

provides for an agent for process in the state and the program assures a financial capability at least equal to the required classification and size for admitted insurers.

(f) Certificates of insurance and endorsements shall be provided by the LPS and approved by the Water Authority before execution of the Contract. Endorsements may be provided on forms provided by the Water Authority, or substantially equivalent forms provided by the insurer.

Additional Insured: All Consultants/Contractors performing the scope of work on behalf of the LPS shall name the Water Authority and State (including their directors, officers, employees, and agents) as an additional insured on their Commercial General Liability policy and the policy shall be endorsed with use of an ISO form CG 20 10 10 93 or equivalent.

30. **Laws and Venue:** This Agreement shall be interpreted in accordance with the laws of the state of California. If any action is brought to interpret or enforce any term of this Agreement the action shall be brought in a state or federal court in San Diego County.
31. **Assignment:** A Party shall not assign, sublet, or transfer this Agreement or any rights or interest in this Agreement without the written consent of the Water Authority, which may be withheld for any reason.
32. **Integration:** This Agreement represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding should be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the Parties.
33. **Incorporation of standard conditions and LPS commitments:** The following exhibits are attached and made a part of this Agreement by this reference:
 - Exhibit A – Work Plan
 - Exhibit B – Schedule
 - Exhibit C – Budget
 - Exhibit D – Standard Conditions
 - Exhibit E – Report Format and Requirements
 - Exhibit F- Disbursement Process
 - Exhibit G- Requirements for Data Submittal
 - Exhibit H- State and Water Authority Auditing and Documentation Requirements
34. **Signatures:** The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below:

SAN DIEGO COUNTY WATER AUTHORITY Approved as to form and legality:

By: _____
Ken Weinberg
Director of Water Resources

By: _____
Rosann Gallien
Deputy General Counsel

Local Project Sponsor
SAN ELIJO JOINT POWERS AUTHORITY

Approved as to form and legality:

By: _____
Michael Thornton
General Manager

By: _____
Greg Moser
Procopio

**EXHIBIT A
WORK PLAN**

Project 3: North San Diego County Cooperative Demineralization Project

Project Description

In Southern California, wastewater, brackish water, and urban runoff are high in total dissolved solids (TDS) and other impurities that require advanced treatment to allow beneficial reuse. The North San Diego County Cooperative Demineralization Project is focused on developing new local water supplies and managing water quality issues by constructing advanced water treatment facilities at the SEWRF to mitigate high TDS sources and beneficial reuse and studying the feasibility of brackish to potable water desalination in North San Diego County.

Tasks

A. Direct Project Administration

Task 1 – Project Administration: Ongoing project administration for this project will involve coordinating the various project elements with partner agencies through memorandums of understanding (MOUs). SEJPA will implement other necessary project administration tasks; however, those staff costs are not included within the work plan.

Task 2 –Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et.seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following submittals will be completed and submitted to the SDCWA:

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

The land that will be required for this project was purchased by SEJP in 1965; therefore land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: This subtask involves the evaluation of studies that have been completed in order to assess and evaluate the project. Studies may include, but are not limited to:

- The *Conceptual Design Report* was completed on March 23, 2009. This study identified methods and looked at options for relieving flows to the San Elijo Ocean Outfall (SEOO), which is shared by the City of Escondido and the SEJPA, including advanced water treatment.
- A *Financial Assessment* was completed on July 12, 2009. The financial assessment utilized historical financial and usage data to identify the existing and projected revenue streams of the SEJPA’s recycled water system.
- The *Preliminary Design Report (PDR)* was completed on December 1, 2009. The PDR utilized SEWRF secondary effluent constituent levels, data on specific manufacturer MF/UF skids, and permit requirements to identify and analyze (1) the Source water quality and treatment objectives, (2) the appropriate treatment train and parameters, (3) connections to the existing facility, (4) electrical compatibility, and (5) the architectural and structural requirements of the system.

The PDR included a *Geotechnical Investigation* for the project (completed April 24, 2010). This investigation collected soil properties, subsurface properties, and seismic data within the project

area in order to identify the existing soil, subsurface, and seismic conditions and make recommendations on site preparation, excavations and shoring, fill placement and compaction, import soils, foundations, retaining wall lateral earth pressures, subterranean basins, preliminary pavement designs, construction operation, and potential limitations.

Laboratory fees were incurred by the SEJPA during preliminary design. These fees went toward laboratory analysis of demineralization feed water that assessed the concentrations of constituents-of-interest, such as phosphorus. Testing was concentrated during preliminary design, but may continue into the future and will be incurred as required or requested by the engineer or other consultants.

- The *San Eljio Water Reclamation Facility (SEWRF) Chlorine Contact Basin Tracer (CCT) Study Final Report* was finalized on August 26, 2010. This report collected contact time data for the existing chlorine contact tank and used a Dye Tracing method to assess the modal contact time of the existing CCT at 3.02 MGD of flow. The purpose of the study was to determine the ultimate flow that could be run through CCT and maintain the required chlorine residual to conform with Title 22 requirements.
- An *Opportunities and Constraints Analysis* will be completed in March 2011 to identify fatal flaws for a brackish to potable water desalination facility.
- *Loan Assistance* was provided by Kennedy/Jenks Consultants to prepare a Clean Water State Revolving Fund (SRF) loan packet and provide additional coordination with the State Water Resources Control Board (SWRCB) as necessary.

Several additional studies will need to be completed as part of the project:

- The *North County Brackish-to-Potable Water Feasibility Study* will collect data regarding sustainable yields from source wells, ecological and hydrogeological information, and water quality data in affected groundwater basins in order to perform tasks relating to the feasibility of constructing a brackish to potable water desalination facility. This study will be a project deliverable.
- The *San Eljio Lagoon Water Quality Report* will monitor water quality data during the life of the project at numerous locations in the Escondido Creek. This report will be a project deliverable.

Study Performed and Deliverables
Conceptual Design Report
Financial Assessment
Preliminary Design Report (PDR)
Geotechnical Investigation
SEWRF Chlorine Contact Basin (CCT) Tracer Study Final Report
Opportunities and Constraints Analysis
Loan Assistance
North County Brackish-to-Potable Water Feasibility Study
San Eljio Lagoon Water Quality Report

Task 5 – Final Design: Upon the date the grant is executed the project will be at 60% design status. The 10% conceptual design for the project was completed in September 2009. The 30% conceptual design for the project was finalized in December 2009, the 60% design for the project will be completed in January 2011, and the 90% pre-final design will be completed in May 2011. Design efforts up to this point prompted solicitation for pre-selection of the filtration membrane by December 15, 2010.

The final design for this project is currently under contract. Final design documents will include drawing sets and technical specifications for construction of the project.

Design Deliverables
100% (Final) Design

Task 6 – Environmental Documentation: This project has been analyzed in an Initial Study/Mitigated Negative Declaration (IS/MND) (CEQA-Plus) document that was completed and finalized in December 2009. The final document was adopted by resolution in December 2010. This document identified the environmental impacts of proposed construction for the project per applicable state and federal environmental laws, and detailed mitigation efforts required to offset those impacts. The CEQA-Plus document also outlined a Mitigation Monitoring Program (MMP) that requires two biological mitigation efforts. These mitigation efforts outlined within the MMP require that SEJPA conduct a Biological Survey Report, which will be completed prior to project construction.

Environmental Documentation Deliverables
Initial Study/Mitigated Negative Declaration Environmental (CEQA-Plus)
Biological Survey Report

Task 7 – Permitting: Currently, the SEJPA is working to a Coastal Development Permit for the project. This permit was required to obtain approval from the City of Encinitas Planning Commission, which is authorized to make a final determination on coastal development, to construct facilities. Prior to implementation of the project, SEJPA will obtain a Revised Master Recycled Water Permit for the SEWRF to ensure that the plant’s recycled water treatment train conforms to Title 22.

Permit
Coastal Development Permit
Master Recycled Water Permit No. 2000-10

D. Construction/Implementation

Task 8 – Construction Contracting: All construction contracting for this project will occur after formalization of the Implementation Grant Agreement. Construction contracting will include advertisement for bids and a mandatory pre-bid meeting, preparation and distribution of addenda, bid opening, evaluation of bids and award of contract.

Task 9 – Construction: All construction for this project will occur after formalization of the Implementation Grant Agreement.

Building Materials and/or Construction Standards

The building materials will have been chosen during final design using good asset management principles – meaning, the materials will provide the desired level of service at the lowest life-cycle cost. Construction will conform to the specifications prepared for the project by a licensed Civil Engineer. These specifications include project-specific construction standards and also require the contractor to conform to applicable local, state, and federal laws. The specific codes identified in the preliminary design report for this project include the California Building code (CBC), the National Electric Code (NEC), the Uniform Plumbing code (UPC), the Uniform Mechanical Code (UMC), the California Fire Code (CFC), and CAL-OSHA (California Occupational Safety and Health) requirements. Additionally, the Contractor will be required to conform to the SEJPA Contractor Safety Program or their own safety program. Where there are conflicting requirements, the Contractor will be required to conform to the most stringent requirement.

Construction Tasks

Construction tasks for this project will include Mobilization and Site Preparation, Project Construction, and Performance Testing and Demobilization. These subtasks are described in detail below:

- **Subtask 9.1 Mobilization and Site Preparation:** Mobilization and site preparation includes ordering of equipment, mobilization of contractor equipment and materials, and preparation of

physical site (including saw cutting, over excavation, pipeline inspection, and compaction of materials).

- **Subtask 9.2 Project Construction:** Project construction includes foundation work, construction of canopy structures and diversion structures, installation of equipment, installation of mechanical piping, installation of electrical and instrumentation equipment, and connecting the new system to the existing electrical and controls systems.
- **Subtask 9.3 Performance Testing and Demobilization:** Project performance testing and demobilization will include testing and demobilization procedures that will be identified in the final design documents.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: Environmental compliance for this project will occur prior to construction of the project. Mitigation efforts that are required per the final Initial Study/Mitigated Negative Declaration (CEQA-Plus) and will be implemented during construction include:

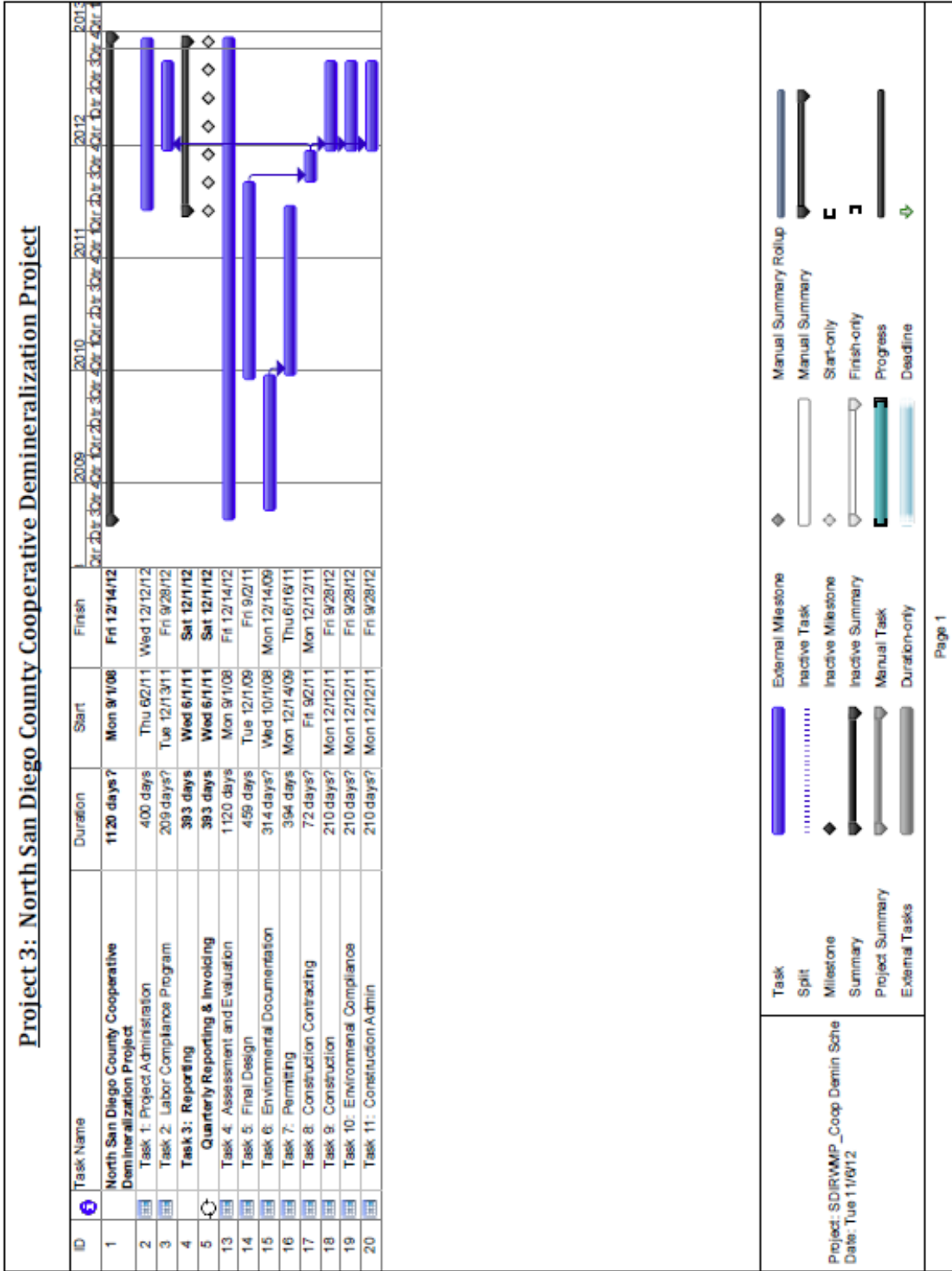
- To avoid direct and indirect impacts to migratory bird species protected under the Migratory Bird Treaty Act, a nesting bird survey, identification, and buffering shall be implemented.
- To avoid indirect impacts to the California gnatcatcher, a pre-construction survey, identification, and buffering shall be implemented.
- Construction-related noise and dust shall be minimized through implementation of BMPs.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. The San Elijo Joint Powers Authority (SEJPA) will implement other necessary project administration tasks. However, those staff costs are not included within the work plan.

EXHIBIT B
SCHEDULE

Project 3: North San Diego County Cooperative Demineralization Project



**EXHIBIT C
BUDGET**

Project 3: North San Diego County Cooperative Demineralization Project					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	“Other” Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$3,500	\$0	\$3,500
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$400,000	\$196,500	\$478,300	\$1,074,800
(d)	Construction/Implementation	\$1,719,550	\$818,500	\$1,365,950	\$3,904,000
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$27,000	\$27,000
(f)	Construction Administration	\$0	\$0	\$258,000	\$258,000
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$10,000	\$10,000
(h)	Construction/Implementation Contingency	\$0	\$0	\$76,000	\$76,000
(I)	Project Total	\$2,119,550	\$1,018,500	\$2,215,250	\$5,353,300
<p>1)* Sources of funding: Non-State Share (Funding Match) Sources include cash from SEJPA Water Reclamation Fund and general funds of other project partners.</p> <p>2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.</p>					

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS:** LPS shall account for the money disbursed pursuant to this LPS Agreement separately from all other LPS' funds. LPS shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. LPS shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. LPS shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the Water Authority and the State at any and all reasonable times.
- b) **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The LPS 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 LPS Agreement.
- c) **REMITTANCE OF UNEXPENDED FUNDS:** LPS, within a period of thirty (30) calendar days from the final disbursement from the Water Authority to LPS of grant funds, shall remit to the Water Authority any unexpended funds that were disbursed to LPS and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: LPS shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this LPS Agreement. During construction of the Project, LPS 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. LPS 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 AMENDMENT: No amendment or variation of the terms of this LPS Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the LPS Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

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

D.5 Audits: Water Authority reserves the right to conduct an audit at any time between the execution of this LPS Agreement and up to three years after completion of the project.

Costs of an audit performed between the execution of this agreement and completion of the project will be borne by the Water Authority with the costs of such audit to be borne by the Water Authority. After completion of the project, audit costs will be borne by the LPS. The Water Authority and State may require LPS to conduct a final audit or may perform the audit at LPS's expense. Audit costs performed up to three years after project completion may be paid by the LPS. The audit will be conducted and a report prepared by an independent Certified Public Accountant. Failure or refusal by LPS to comply with this provision shall be considered a breach of this Agreement, and Water Authority and State may take any action to protect their interests. Please see Exhibit H for additional auditing rules and requirements.

D.6 BUDGET CONTINGENCY: LIMIT ON STATE FUNDS. Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. The Water Authority will not make payments of any kind, including advances or reimbursements, until State funding is made available by the State Treasurer.

D.7 CHILD SUPPORT COMPLIANCE ACT: For any LPS Agreement in excess of \$100,000, the LPS acknowledge the following in accordance with Public Contract Code 7110:

- a) The LPS 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 LPS, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.8 COMPETITIVE BIDDING AND PROCUREMENTS: LPS shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in LPS's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this LPS Agreement.

D.9 COMPUTER SOFTWARE: The LPS certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this LPS Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

D.10 CONFLICT OF INTEREST

- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of

regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

- b) **Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA: The LPS agrees to expeditiously provide, during work on the Project and throughout the term of this LPS Agreement, such reports, data, information, and certifications as may be reasonably required by the Water Authority and the State.

D.12 DISPOSITION OF EQUIPMENT: LPS shall consult with State, via the Water Authority, on the scope of the inventory not less than forty **five (45)** days prior to the submission of the final project invoice LPS shall provide to the Water Authority, not less than **fifteen (15)** prior to submission of the final project invoice, a final inventory list of equipment purchased with grant funds provided by the State.. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item. Within 60 days of receipt of such inventory, State, via the Water Authority, shall provide LPS with a list of the items on the inventory that State will take title to. All other items shall become the property of LPS. State shall arrange for delivery from LPS of items that it takes title to. Cost of transportation, if any, shall be borne by State.

D.13 DISPUTES: In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided or the method of delivery as directed may result in return of the invoice to the LPS. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that LPS may have regarding the performance of this Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the San Diego County Water Authority, IRWM Program Manager, within **thirty (30)** calendar days of LPS's knowledge of the claim. The Water Authority and the LPS shall then attempt to negotiate a resolution of such claim and process an amendment to the Agreement to implement the terms of any such resolution.

D.14 DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this Agreement, LPS, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990

(Government Code 8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:

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

D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL

ENGINEER: Upon completion of a construction project and as determined by State, LPS shall provide for a final inspection and certification by a California Registered Civil Engineer that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this LPS Agreement and to the State's satisfaction.

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

D.17 LPS COMMITMENTS: LPS accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.

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

D.19 INDEPENDENT CAPACITY: LPS, and the agents and employees of LPS, if any, in the performance of the LPS Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State or the Water Authority.

D.20 INSPECTIONS: The State and the Water Authority shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the LPS Agreement. LPS shall include provisions ensuring such access in all its contracts or sub-contractors entered into pursuant to its LPS Agreement with the Water Authority. LPS acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 *et seq.*). State and the Water Authority shall have the right to inspect these documents at any and all reasonable times after completion of the Project to ensure compliance with the terms and conditions of this LPS Agreement and the Grant Agreement. During regular office hours, the State and the Water Authority shall have the right to inspect and to make copies of any books, records, or reports of the LPS relating to this LPS Agreement. LPS shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this LPS Agreement. Failure or refusal by LPS to comply with this provision shall be considered a breach of this LPS Agreement, and State or the Water Authority may withhold disbursements to LPS or take any other action it deems necessary to protect its interests.

D.21 NONDISCRIMINATION: During the performance of this LPS Agreement, LPS and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. LPS and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. LPS and contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this LPS Agreement by reference and made a part hereof as if set forth in full. LPS and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. LPS shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the LPS Agreement.

D.22 NO THIRD PARTY RIGHTS: The parties to this LPS Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this LPS Agreement, or of any duty, covenant, obligation or undertaking established herein.

D.23 OPINIONS AND DETERMINATIONS: The parties agree that review or approval of any IRWM Program applications, documents, permits, plans and specifications or other program information by the State or the Water Authority is for administrative purposes only and does not relieve the LPS of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the IRWM Program.

D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. LPS shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this LPS Agreement. LPS shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to disbursement of funds under this LPS Agreement.

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

D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: Local Project Sponsors 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 IRWM Program without prior permission of the State, via the Water Authority. Local Project Sponsors shall not take any action concerning the performance of this LPS Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of LPS to meet its obligations under this LPS Agreement, without prior written permission of State via the Water Authority. State may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this LPS Agreement be remitted to State.

D.26 REMEDIES, COSTS, AND ATTORNEY FEES: The LPS agrees that any remedy provided in this LPS Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the Water Authority as a result of breach of this LPS Agreement by the LPS, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this LPS Agreement by the Water Authority shall not preclude the State from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this LPS Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.

D.27 RETENTION: Notwithstanding any other provision of this LPS Agreement, State shall, for each project, **withhold five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter**, of the funds requested by LPS for reimbursement of Eligible Costs. Each project in this LPS Agreement will be eligible to release its respective retention when that project is completed and LPS has met requirements of Paragraph 17, “Submissions of Reports” as follows. At such time as the “Project Completion Report”

required under Paragraph 17 is submitted to and approved by State, State shall disburse the retained funds as to that project to LPS, except in the case of the last project to be completed under this LPS 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.28 RIGHTS IN DATA: To the extent permitted by law, the LPS 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 LPS Agreement shall be in the public domain. The LPS may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this LPS Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The LPS shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

D.29 SEVERABILITY OF UNENFORCEABLE PROVISION: If any provision of this LPS Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this LPS Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.

D.30 STATE REVIEWS AND INDEMNIFICATION: The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State is for administrative purposes only and does not relieve the LPS or Local Project Sponsors of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Local Project Sponsors agree to indemnify, defend and hold harmless the Water Authority and the against any loss or liability arising out of any claim or action brought against the Water Authority and the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:

- a) The Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof;
- b) Performing any of the terms contained in this LPS Agreement or any related document;
- c) Any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the natural water system; or
- d) Any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the LPS for use in any disclosure document utilized in connection with any of the transactions contemplated by this LPS Agreement. LPS agrees to pay and discharge any judgment or award

entered or made against the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.

D.31 SUCCESSORS AND ASSIGNS: This LPS Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this LPS Agreement or any part thereof, rights hereunder, or interest herein by the LPS 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.32 TIMELINESS: Time is of the essence in this LPS Agreement.

D.33 TRAVEL: LPS agrees that travel and per diem costs shall **NOT be eligible** for reimbursement with State funds, and shall **NOT be eligible** for computing LPS cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel and contractors during the term of this LPS Agreement.

D.34 WAIVER OF RIGHTS: None of the provisions of this LPS 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 Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the LPS Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

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

QUARTERLY PROGRESS REPORT

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

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs, as applicable.
- An update on efforts to adopt a Groundwater Management Plan as applicable.

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

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc).
- Discussion of data (or report) submittal effort(s) for the previous quarter, including a description of the data (or report) submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the project work plans.
- Description of any efforts to update IRWM Plan to obligations listed in Paragraph 12, "Continuing Eligibility, if applicable."
- Any scope amendment officially approved by the State during the quarter

COST INFORMATION

- Provide a List showing all costs incurred during the quarter by the LPS, the Local Project Sponsor overseeing the work, and each contractor working on the project. The list should include for all non-construction, or implementation costs, (i.e., design, and admin charges) the hours per task worked on with rates during the quarter for above personnel.

- A discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from latest budget shown in Exhibit C, Budget. Note, a revised budget may require an official amendment to the Agreement before it is accepted as final.
- Any budget amendment officially approved by the State during the quarter.
- Costs broken down by funding match and grant incurred for the quarter and to date.
- Payments of any invoices received during the past quarter.

SCHEDULE INFORMATION

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

ANTICIPATED ACTIVITIES NEXT QUARTER

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

PROJECT COMPLETION REPORT

A Project Completion Report is required for each project identified in the Work Plan, Exhibit A. This report will include the following Sections:

EXECUTIVE SUMMARY

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

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

REPORTS AND/OR PRODUCTS

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

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices 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 spreadsheet summary of the original budget costs by task versus the final project costs
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants (Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of grant disbursements.
- Summary of project cost including:
 - Accounting of the cost of project expenditure.
 - Include all internal and external costs not previously disclosed.
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION

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

PROJECT-PERFORMANCE REPORT

Project Performance Report is required annually for every project for a period of 10 years beginning after the first year of operation, and includes the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, i.e., October 2014 through September 2015.
- Short project description.
- Brief discussion of the project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 22 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

ELECTRONIC REPORT FORMATTING

LPS agrees that work funded under this LPS Agreement will be provided in an electronic format to the Water Authority. Electronic submittal of final reports, plans, studies, data, and other work performed under this grant shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, Project naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files

with DWR-required naming convention; and Appendix number/letter and named in the TOC.

- For projects involving a modeling component, LPS shall provide the major input data files, parameters, calibration statistics, output files, and other information requested by State's Project Manager.

EXHIBIT F DISBURSEMENT PROCESS

The State, via the Water Authority will reimburse the LPS for costs incurred after the grant award date of August 16, 2011, using the concurrent drawdown method by task, plus retention. That is, if there is LPS Funding Match and DWR grant share associated with a task; then grant funds and local match dollars will be expended simultaneously in accordance with the percentage (proportion) of funds coming from local costs and grant funds shown in the Budget.

Example: A LPS submits Invoice 1 that includes costs for Task 2 of a LPS agreement; and Task 2 is split with a Funding Match of 25% and grant share of 75% for a total of \$100. If the LPS submits an invoice for \$4, then \$1 would be drawn down from the Funding Match, and \$3 would be reimbursed from the grant share (minus 5% retention 0.15 cents). The total Invoice 1 reimbursement for the LPS would be \$2.70.

However, no payment will be disbursed until this LPS agreement is executed.

If the LPS submits invoices for allowable Funding Match costs for the period between September 30, 2008 and prior to initiation of the grant agreement, those costs at DWRs discretion, will be directly deducted from the grantees Funding Match [refer to Section V(L) on page 28 of the DWR IRWM Guidelines].

The retention withheld by the Water Authority on each invoice, by task, will be released to the LPS upon: 1) the Water Authority's receipt of a request for release of retention, and 2) confirmation by the Water Authority and DWR that all deliverables shown in Exhibit A have been received.

DWR approves invoice payments at the overarching Task-level. Subtasks are provided in the Work Plan, Budget, and Schedule for additional detail, and guidance for the project manager to be aware of when administering the Grant Agreement.

EXHIBIT G
REQUIREMENTS FOR DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

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

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

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

GROUNDWATER LEVEL DATA

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

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

Exhibit H
State and Water Authority's Audit Document Requirements and Guidelines for Local Project Sponsors

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees that is being passed along to the Local Project Sponsor by the Water Authority. This list may include additional requirements pertains to both Grant funding and Funding Match and details the documents/records that State Auditors and the Water Authority would need to review in the event of this LPS and the Grant Agreement is audited. Local Project sponsors should ensure that such records are maintained for each the funded project.

List of Documents for Audit

Internal Controls:

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

Agreements and Contracts:

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

Invoices:

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

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State, through the Water Authority.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State, through the Water Authority.

3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under this LPS Agreement.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

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

Personnel:

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

Project Files:

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

General Grant Agreement Guidelines

Amendment Requirements:

Formal Amendments to the Grant Agreement are triggered when the proposed changes are deemed substantial by the State. Substantial changes generally include changes to the scope of work, schedule, and budget. For example, a formal budget change to an Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged with. Formal Amendments must be approved by the State's IRWM Program Manager and the signatory authorities as listed on page 27 of this agreement. Informal Amendments can be obtained via email or any other written format as required by the SDCWA's IRWM Program Manager, via SDCWA's Grant Administrator. Amendment request considered "informal" must be approved by the State's IRWM Program Manager and San Diego Region's Program Manager prior to implementation.

Funding Match Contribution

Funding Match (often referred to as LPS Cost Share) is the amount defined in Paragraph 4 of this Agreement. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the LPS (and potentially other parties involved) directly related to the execution of the scope of work (*examples*: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can counted as funding match in-lieu of actual funds (or revenue) provided by the LPS. Other funding match and in-kind service eligibility conditions apply (see paragraph 9). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the

Grantee for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:

- Describe contributed item(s) or service(s)
 - Purpose for which contribution was made (tie to scope of work)
 - Name of contributing organization and date of contribution
 - Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see item #4, below)
 - Person's name and function of the contributing person
 - Hours of contribution
 - If multiple sources exist, summarize these on a table with summed charges
 - Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in this LPS Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of this LPS Agreement. Evaluate eligibility with the DWR Project Manager and SD Region's IRWM Program Manger in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.

Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the LPS organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

Attachment B to Agenda Item No. 12

AGREEMENT for the INTEGRATED REGIONAL WATER MANAGEMENT
PROGRAM BETWEEN SAN ELIJO JOINT POWERS AUTHORITY AND LOCAL
PROJECT PARTICIPANTS
PROJECT NO. 84-3-80004

This Agreement between San Elijo Joint Powers Authority, a Publicly Owned Treatment Works and Local Project Sponsor (hereinafter SEJPA); Olivenhain Municipal Water District (OMWD), and the San Elijo Lagoon Conservancy (SELC), sets forth the understanding of SEJPA and the Local Project Participants for partnership and uses of a grant award from the State of California Department of Water Resources (DWR) via local grant administrator, the San Diego County Water Authority (SDCWA).

RECITALS

1. In November 2006, California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), which authorized \$5.388 billion in general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.

2. On March 25, 2009, SDCWA, the City of San Diego and the County of San Diego entered into a Memorandum of Understanding (MOU) that established the San Diego Regional Water Management Group (RWMG), and the parties' roles with regard to the San Diego Integrated Regional Water Management (IRWM) Plan and the division of responsibilities for administration of IRWM grant monies. This MOU was amended on November 10, 2009. This MOU replaced the June 13, 2005 MOU as amended, among City of San Diego, County of San Diego, and SDCWA, for Fiscal Years 2005-2009 for the IRWM Grant Program.

3. In 2010, SEJPA and the Local Project Participants came together in order to encourage efficient local water production and pollution management through partnerships across agency boundaries. The North San Diego County Cooperative Demineralization Project (NSDCCDP) is a project included in the San Diego IRWM Plan. Participants in the project are SEJPA and the Local Project Participants.

4. Effective December 12, 2012, SDCWA, acting on behalf of the San Diego RWMG, entered into a \$7.9 million grant agreement with DWR. The grant will assist in financing projects associated with the San Diego IRWM Plan. The San Diego RWMG has committed a total of \$1.05 million in funds to the NSDCCDP provided via the grant agreement. The grant agreement is attached as Exhibit B.

5. On March 11, 2013, SEJPA entered into the Agreement for the Integrated Regional Water Management Program between San Diego County Water Authority and San Elijo Joint Powers Authority, Project Number 84-3-80004 (Local Project Sponsor agreement)(attached hereto as Exhibit A). In the capacity of Local Project Sponsor, SEJPA is required to act on SDCWA's behalf for matters pertaining to the NSDCCDP for the purposes of project management, oversight, compliance, operations, and

maintenance. SEJPA is also required to act on SDCWA's behalf in the fulfillment of SDCWA's responsibilities as specifically identified in SDCWA's agreement with DWR.

The Recitals are incorporated herein, and the Parties do agree as follows:

COVENANTS

1. **Intent.** Parties agree that the intent of this Agreement and the terms established herein are to facilitate the compliance of SEJPA, in its role as Local Project Sponsor, with all terms and conditions established in the Local Project Sponsor agreement. Additionally, it is the intent of this agreement that grant funds received via the grant agreement less permissible project administration fees to be allocated to SEJPA and SDCWA will be divided among SEJPA and LPPs in the amounts prescribed as follows:

1. SEJPA (\$840,000)
2. OMWD (\$145,000)
3. SELC (\$35,000)

Costs associated with compliance with the Local Project Sponsor agreement incurred prior or subsequent to the execution of this agreement shall be borne by SEJPA and LPPs in direct proportion to the amount of funding received.

2. **Definitions.** The following words and terms, unless otherwise defined, shall mean:

a. Local Project Participant (LPP): Sponsor of subprojects funded as part of the IRWM grant from DWR that are not serving as Local Project Sponsor. For purposes of this agreement, LPPs are OMWD and SELC.

b. Grant agreement: Grant agreement 4600009707 between SDCWA and DWR, effective December 12, 2012, for the disbursement of \$7.9 million in grant funds.

c. Local Project Sponsor agreement: Agreement for the Integrated Regional Water Management Program between San Diego County Water Authority and San Elijo Joint Powers Authority, Project Number 84-3-80004, dated March 11, 2013, requiring SEJPA to fulfill certain responsibilities and duties pertaining to the NSDCCDP in order to ensure SDCWA's performance with the terms of the grant agreement.

d. Project or NSDCCDP: The North San Diego County Cooperative Demineralization Project, a project listed in the grant agreement for which SEJPA serves as the Local Project Sponsor. Subprojects are individual elements of the NSDCCDP on which work will typically be carried out by one individual LPP.

3. **Term of agreement.** The term of this agreement begins on March 11, 2013 and terminates when all parties' obligations under this agreement have been fully satisfied.

4. **Grant amount.** The maximum amount payable by DWR via SDCWA for the NSDCCDP shall not exceed \$1,050,000.

5. Project costs. The reasonable total cost of all subprojects of the NSDCCDP is estimated to be \$5,384,300. LPPs shall fund the difference, if any, between the estimates of their respective subproject's cost and the portion of the grant amount to which each LPP is entitled specified in paragraph 7(a). Each LPP is only responsible for funding the difference for its subproject. Total cost share for the NSDCCDP is estimated to be \$4,334,800. LPS funding match is at least 25 percent of the total project costs, unless a disadvantaged community project waiver is granted. Costs for the funding match may include cost share performed after September 30, 2008. Costs paid for by another state funding source cannot be considered as a funding match.

6. Budget contingency.

a. SEJPA and LPPs shall have no obligation to perform under this Agreement if DWR does not provide funding for the IRWM program. LPPs acknowledge that if funding for any fiscal year is reduced or deleted by DWR, DWR at its option may either (1) cancel the grant agreement with no liability occurring to DWR, SDCWA, and SEJPA, or (2) amend the grant agreement to reflect the reduced amount of funding. If DWR amends the grant agreement, SDCWA would offer to amend or terminate the Local Project Sponsor agreement to reflect the reduced funding by DWR. Following amendment or termination of the Local Project Sponsor agreement, SEJPA would offer to amend or terminate this agreement to reflect termination or amendment of the Local Project Sponsor agreement.

b. If funding is deleted by DWR, SEJPA shall have no obligation to continue to serve as Local Project Sponsor and this agreement shall be of no force and effect. In this event, LPPs shall not be obligated to perform under the agreement.

7. Local Project Participant responsibilities.

a. LPP shall be solely responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and all providers of services under this agreement. LPP shall fulfill its obligations in a manner that is consistent with the grant agreement and the IRWM program.

b. LPP shall be responsible for all disputes arising out of its contracts for work including, but not limited to, bid disputes and payment disputes with its contractors and consultants or other entities. DWR, SDCWA, or SEJPA will not mediate disputes between LPP and any other entity regarding performance of work.

c. LPP shall be responsible for oversight, compliance, operations, and maintenance of NSDCCDP subprojects. LPP or its representatives shall perform regular inspections of any construction work in progress. LPP shall promptly perform, or cause to be performed, all IRWM program work as described in the final plans and specifications for the subprojects identified in Exhibit A.

d. LPP is solely responsible for design, construction, and operation and maintenance of subprojects identified in Exhibit A. Review or approval of plans, specifications, bid documents, or other construction documents by DWR, SDCWA, or SEJPA is solely for the purpose of proper administration of grant funds and shall not relieve or limit responsibilities of LPP with regard to its contractual obligations.

e. LPP shall faithfully and expeditiously perform or cause to be performed all project work as described in an in accordance. LPP shall comply with all of the terms and conditions of this agreement and applicable California Public Resources Code (PRC) requirements.

f. LPP shall be responsible for funding an amount directly proportional to grant monies received for any costs incurred in order to maintain compliance with the Local Project Sponsor agreement, including but not limited to post-award audits conducted at the discretion of SDCWA and/or DWR.

8. Basic Conditions. SEJPA shall have no obligation to disburse money for a project under this agreement unless LPP has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

a. If requested, LPP shall demonstrate the availability of sufficient funds to complete the project by submitting the most recent 3 years of audited financial statements.

b. LPP shall comply with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of subproject construction if that tribe has traditional lands located within the area of the subproject, as applicable.

c. For groundwater management and recharge projects and for projects with potential groundwater impacts, the LPS shall demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.

d. For the term of this agreement, LPP must submit timely Quarterly Progress Reports, Project Completion Reports, and Project Progress Reports as required by Section 24 of this agreement.

9. Eligible costs.

a. Eligible costs are the reasonable and necessary costs of engineering, design, land and easement acquisition, preparation of environmental documentation, environmental mitigation, and construction costs.

d. Only work performed after August 16, 2011 shall be eligible for reimbursement. Costs incurred after May 31, 2017 and before August 16, 2011 are not eligible for reimbursement. However, such costs may be considered, at DWR's discretion, as part of LPP's funding match, if such costs were otherwise reimbursable.

e. Costs that are not reimbursable with grant funds include, but are not limited to, the following:

- Costs incurred before August 16, 2011.
- Operation and maintenance costs, including post construction performance and monitoring costs.
- Purchase of equipment not an integral part of a subproject.
- Establishing a reserve fund.
- Purchase of water supply.
- Monitoring and assessment costs for efforts required after project construction is complete.
- Replacement of existing funding sources for ongoing programs.
- Travel and per diem costs.
- Support of existing agency requirements and mandates.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a subproject, as set forth and detailed by engineering and feasibility studies, or land purchased before August 16, 2011.
- Payment of principal or interest of existing indebtedness or any interest payments for the subproject unless the debt is incurred after August 16, 2011, and DWR 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.
- Overhead not directly related to project costs.

10. **Invoices.** LPP shall submit invoices to SEJPA quarterly, which shall in turn send the invoices to SDCWA. Invoices submitted by LPP to SEJPA shall include the following information:

- a. Costs incurred for work performed in implementing the IRWM program or subproject contracts during the period identified in the particular invoice.
- b. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a subproject during the period identified in the particular invoice for the construction, operation, or maintenance of a subproject.
- c. Any appropriate receipts and reports for costs incurred.
- d. Invoices shall meet the following format requirements:
 - i. Must contain the submission date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii. Must be itemized based on the categories specified in Exhibit A. 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 equals the total amount claimed).

iii. Sufficient evidence (i.e., receipts, copies of checks, time sheets, or financial system reports) must be provided for all costs included in the invoice.

iv. Shall clearly delineate those costs claimed for reimbursement from DWR's grant amount, paragraph 4 above, and those costs that represent LPP's costs, as applicable, paragraph 5 above.

v. Original signature and date of LPP's Project Manager.

vi. Must include the grant agreement number.

e. Submit the original and 3 copies of the invoice to the following address:

Greg Lewis, Director of Finance and Administration
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, CA 92007

Failure to use the address exactly as provided in this paragraph may result in return of the invoice to LPP.

11. Requirements for disbursement.

a. By May 31, 2017, LPP shall meet all conditions precedent to the disbursement of money as listed below. Failure by LPP to comply by this date may, at the option of SEJPA, result in termination of this agreement. For disbursements of funds for each subproject, LPP shall continue to meet the conditions for disbursement, paragraph 13, "Disbursement by SEJPA."

i. LPP shall ensure the availability of sufficient funds to complete the subprojects identified in Exhibit A.

ii. LPP shall comply with all applicable requirements of the California Environmental Quality Act and the National Environmental Policy Act. If applicable, before construction or implementation begins on a subproject, LPP shall submit to SEJPA copies of environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, and environmental permits that are required.

iii. For the term of the agreement, LPP shall submit timely periodic progress reports as required by paragraph 24, "Submission of reports."

b. Before disbursement of funds for each subproject, LPP shall submit the following to SEJPA, if applicable:

i. Final plans and specifications certified by a California Registered Civil Engineer.

ii. Documents required by the LPP's subproject under the California Environmental Quality Act (CEQA).

iii. Documents demonstrating subproject's compliance with all applicable requirements of the National Environmental Policy Act (e.g., copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation).

ii. A written statement that all necessary permits, easements, rights-of-way, and approvals as may be required by other state, federal, and/or local agencies as specified in paragraph 23, "Permits, licenses, approvals, and compliance with laws," have been obtained.

12. Disbursement by SEJPA. Upon receipt of reimbursement from SDCWA, SEJPA and each LPP are entitled to a proportionate amount of grant funds as identified under Section 1. These grant funds are subject to the conditions described in the grant agreement and the Local Project Sponsor agreement and must meet all conditions in this agreement.

13. Compliance with terms. LPP shall comply with all terms and conditions of the grant agreement and Local Project Sponsor agreement, as applicable. LPP shall comply with all requirements imposed upon SEJPA under Exhibit D, Standard Conditions, of the Local Project Sponsor agreement, as applicable, unless otherwise specified in this agreement. SEJPA shall possess all rights afforded SDCWA and/or DWR by Exhibit D, Standard Conditions, of the Local Project Sponsor agreement, as applicable, unless otherwise specified in this agreement.

14. Amendment. All amendments or modification of this agreement shall be in writing and signed by the parties. No oral understanding or agreement not incorporated in the agreement is binding on the parties.

15. Audits. SEJPA reserves the right to conduct an audit of LPP at any time between the execution of this agreement and the completion of the grant agreement program, with the costs of such audit to be borne by DWR. Following completion of the project, SDCWA and DWR may require SEJPA to conduct a final audit or may perform the audit at SEJPA's expense. Audit costs performed up to three years after project completion will be divided proportionate to the amount of grant funding received among SEJPA and LPPs. Failure or refusal by LPP to comply with this provision shall be considered a breach of this agreement, and SEJPA, SDCWA, and DWR may take any action to protect their interests.

16. Disposition of equipment. LPP shall consult with SEJPA on the scope of the inventory not less than 60 days before the submission of the final subproject invoice. Not less than 30 days before submission of its final invoice, LPP shall provide to SEJPA a final inventory of equipment purchased with grant funds. The inventory shall include all items with a current estimated fair market value of more than \$500 per item. Within 60 days of receipt of the inventory, DWR will provide SDCWA with a list of the items on the inventory to which DWR will take title. All other items shall become the property of

LPP. DWR will arrange for delivery from LPP of items to which it takes title. Cost of transportation, if any, will be borne by DWR.

17. **Independent capacity.** In the performance of this agreement, LPP, its officers, agents, contractors, volunteers, and employees, shall act in an independent capacity and not as officers, employees, or agents of DWR, SDCWA, or SEJPA.

18. **Severability of unenforceable provision.** If any provision of this agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this agreement shall be construed to remain fully valid, enforceable, and binding on the parties.

19. **Successors and Assigns.** This agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this agreement or any part thereof, rights hereunder, or interest herein by LPPs shall be valid unless and until it is approved by DWR and made subject to such reasonable terms and conditions as DWR may impose.

20. **Timeliness.** Time is of the essence in this agreement.

21. **Default provisions.**

a. LPP will be in default under this agreement if any of the following occur:

- Failure to perform any material term of this agreement;
- Making any false representation or statement;
- Failure to construct, operate, or maintain subprojects in accordance with this agreement; or
- Failure to remit unexpended funds.

b. If an event of default occurs, SEJPA may do the following:

- Declare that the grant amounts be repaid immediately, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default;
- Terminate any obligation to make future payments to LPP;
- Terminate this agreement; and
- Take any other action that it deems necessary to protect its interests.

22. **Permits, licenses, approvals, and compliance with laws.** LPP shall ensure all permits, licenses, and approvals required for performing their obligations under this agreement are obtained, and shall comply with all applicable federal, state, and local laws, rules, and regulations, guidelines, including 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 and requirements for each project described in Exhibit A.

23. Submission of reports. All reports shall be submitted to SEJPA. The submittal and approval of all reports is a requirement for the successful completion of this agreement. Reports shall be submitted in both electronic and hard copy forms, shall meet generally accepted professional standards for technical reporting, and shall be proofread for content and accuracy before submission. LPP shall promptly provide any additional information requested by SEJPA, SDCWA, or DWR for approval of reports. Reports shall be presented in the formats described in Exhibit A. The submittal and approval of reports is a requirement for initial and continued disbursement of DWR funds. Submittal of a Project Completion Report is a requirement for the release of any retention.

- Quarterly Reports: Beginning in the first quarter after signing this agreement and for the duration of the grant agreement, LPP shall submit to SEJPA a quarterly report that explains the status of each subproject described in Exhibit A. Reports shall be submitted by the seventh day of April, July, October, and January for the preceding quarter.
- Project Completion Reports: Within 30 calendar days of completion of all project tasks, LPP shall submit to SEJPA a Project Completion Report for each subproject as described included in Exhibit A.
- Project Performance Reports: LPP shall submit a Project Performance Report for its respective subproject to SEJPA within 30 calendar days after the first operational year of a subproject has elapsed. LPP shall submit an annual Project Performance report annually for a total of 10 years after the completed project begins operation. Annual reports shall be due within 20 calendar days of SEJPA request.

24. IRWM Program Performance and Assurances. LPP agrees to promptly perform or cause to be performed all IRWM Program work as described in the final plans and specifications for its subproject and implement the subproject in accordance with applicable provisions of the law. If SEJPA and/or SDCWA must enforce this provision by legal action, LPP shall pay all costs incurred by SEJPA and/or SDCWA including, but not limited to, reasonable attorneys' fees, legal expenses, and other costs.

25. Labor compliance. LPP will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done and funded pursuant to these guidelines, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3. Proof of compliance with this section must be furnished to SEJPA upon request.

26. Operation and maintenance of projects.

a. For the useful life of the projects and in consideration of the grant made by DWR, LPP shall ensure the commencement and continued operation of the subproject(s), and shall ensure the subprojects are operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary for 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. All operations and maintenance costs of the facilities and structures shall be the responsibility of LPP for its subproject(s). DWR, SDCWA, or SEJPA shall not be liable for any cost of maintenance, management, or operation. LPP may be excused from operations and maintenance only upon the written approval of DWR's Project Manager.

b. For purposes of this agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "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 LPP to ensure operation and maintenance of the subprojects in accordance with this provision may, at the option of SEJPA, be considered a breach of this agreement and may be treated as default under paragraph 21.

27. Monitoring requirements. LPP shall ensure that all groundwater subprojects and subprojects 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 the Water Code). Subprojects 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 State Water Resources Control Board. Exhibit A provides guidance on such monitoring requirements.

28. Notification of SEJPA. For each subproject, LPP shall promptly notify SEJPA in writing of the following occurrences:

a. Events or proposed changes that could affect the scope, budget, or work performed under this agreement. LPP agrees that no substantial change in the scope of a subproject will be undertaken until written notice of the proposed change has been provided to SEJPA and SEJPA has given written approval of such change.

b. Any public or media event publicizing the accomplishments or results of this agreement that provides the opportunity for SEJPA, SDCWA, or DWR representatives to attend and participate. LPP shall notify DWR, SDCWA, and SEJPA at least 16 calendar days before the event.

c. Completion of work on a subproject.

d. Final inspection of a subproject by a Registered Civil Engineer. LPP shall notify DWR, SDCWA, and SEJPA at least 16 calendar days before the inspection and provide DWR, SDCWA, and SEJPA the opportunity to participate in the inspection.

29. Project managers. Any party may change its Project Manager upon written notice to the other parties.

- DWR's Project Manager shall be the Chief, Division of Integrated Regional Water Management, Department of Water Resources. DWR's Project Manager shall be DWR's representative and shall have the authority to make determinations and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under DWR grant agreement.
- SDCWA's Project Manager shall be Mark Stadler, Principal Water Resources Specialist. SDCWA's Project Manager shall be its representative for the administration of this agreement and shall have full authority to act on behalf of SDCWA, including authority to execute all payment requests.
- SEJPA's Project Manager, Michael Thornton, shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of SEJPA including authority to execute all payment requests.

30. **Notices.** All notice, demand, request, consent, or approval that any party desires or is requested to give to one or more of the other parties shall be in writing. Notices may be sent by mail, courier, electronic mail or any other means of delivery. Any party may, by written notice to the others, designate a different address that shall be substituted for the one below.

State of California
 Department of Water Resources
 Division of Integrated Regional Water Management
 Attention: Chief, Division, of Integrated Regional Water Management Financial
 Assistance Branch
 P.O. Box 942836
 Sacramento, CA 94236-0001

Mark Stadler
 Principal Water Resources Specialist
 San Diego County Water Authority
 4677 Overland Avenue
 San Diego, CA 92123

Michael Thornton
 General Manager
 San Elijo Joint Powers Authority
 2695 Manchester Avenue
 Cardiff, CA 92007

Kimberly Thorne
 General Manager
 Olivenhain Municipal Water District
 1966 Olivenhain Road
 Encinitas, CA 92024

Doug Gibson
Executive Director
San Elijo Lagoon Conservancy
PO Box 230634
Encinitas, CA 92023

31. Termination, immediate repayment, interest. The agreement may be terminated by written notice at any time before completion of the IRWM Program at the option of SEJPA, SDCWA, or DWR if LPP breaches the agreement, and has been asked to cure the breach within a reasonable time and fails to do so. If the agreement is terminated, LPP shall, upon demand, immediately repay to DWR an amount equal to the amount of grant funds disbursed to LPP. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to LPP to the date of full repayment.

32. Indemnity — hold harmless.

a. To the fullest extent permitted by law, LPP shall (1) immediately defend, and (2) indemnify SEJPA, SDCWA, and DWR and their directors, officers, and employees from and against all liabilities regardless of nature or type arising out of or resulting from LPP's performance of services under this contract, or any negligent or wrongful act or omission of the LPP or LPP's officers, employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The LPP's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole negligence or willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the LPP indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

b. The duty to defend is a separate and distinct obligation from the LPP's duty to indemnify. The LPP shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by SEJPA, SDCWA, and DWR, and their directors, officers, and employees, immediately upon tender to the LPP of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the LPP from its separate and distinct obligation to defend SEJPA, SDCWA, and DWR. The obligation to defend extends through final judgment, including exhaustion of any appeals.

c. The review, acceptance or approval of LPP's work or work product by any indemnified party shall not affect, relieve or reduce the LPP's indemnification or defense obligations. This section survives completion of the services or the termination of this contract. The provisions of

this section are not limited by and do not affect the provisions of this contract relating to insurance.

33. Insurance.

a. The LPP shall procure and maintain during the period of performance of this contract insurance from insurance companies admitted to do business in the State of California, as set forth in this section or as additionally required by supplemental condition. These policies shall be primary insurance as to SEJPA so that any other coverage held by SEJPA shall not contribute to any loss under LPP's insurance. Coverage may be provided by a combination of primary and excess insurance policies, provided all insurers meet the requirements of this section.

b. All insurance shall cover occurrences during the coverage period.

c. The coverage amount of each policy of insurance shall be as required by SEJPA.

i. The following insurance and limits are required for the contract:

Commercial General Liability: Coverage at least as broad as ISO form GC
00 01 10 01

Limit per occurrence: \$2,000,000

d. The insurance policies shall be endorsed as follows:

i. For the general commercial liability as well as excess or umbrella insurance covering risks within the scope of that type insurance, SEJPA, its directors, officers, employees and agents are included as additional insureds with regard to liability and defense of suits or claims arising from the operations, products and activities performed by or on behalf of the named insured. The LPP's insurance applies separately to each insured, including insureds added pursuant to this paragraph, against whom claim is made or suit is brought except with respect to the policy limits of liability. The inclusion of any person or entity as an insured shall not affect any right which the person or entity would have as a claimant if not so included. Any failure of the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added pursuant to this paragraph. The additional insured endorsement shall provide coverage at least as broad as ISO form CG 20 10 10 93.

ii. The LPP's insurance shall be primary. Any other insurance or self-insurance available to SEJPA or persons stated in paragraph (1) shall be in excess of and shall not contribute to the contractor's insurance.

iii. The insurance shall not be canceled or materially reduced in coverage except after 30 days prior written notice receipted delivery has been given to SEJPA, except 10 days notice shall be allowed for non-payment of premium.

e. Unless otherwise specified, the insurance shall be provided by an acceptable insurance provider, as determined by SEJPA, which satisfies the following minimum requirements: An insurance carrier admitted to do business in California and maintaining an agent for process within the State of California. Such insurance carrier shall maintain a current A.M. Best rating classification of "A-" (A minus) or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in California and the policy provides for an agent for process in the State of California and the program assures a financial capability at least equal to the required classification and size for admitted insurers.

f. Certificates of insurance and endorsements shall be provided by the LPP and approved by SEJPA before execution of the contract. Endorsements may be provided on forms provided by SEJPA, or substantially equivalent forms provided by the insurer. All consultants/ contractors performing the scope of work on behalf of the LPP shall name SEJPA, SDCWA, and DWR (including their directors, officers, employees, and agents) as an additional insured on their Commercial General Liability policy and the policy shall be endorsed with use of an ISO form CG 20 10 10 93 or equivalent.

34. **Laws and venue.** This agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court in San Diego County.

35. **Assignment.** A party shall not assign, sublet, or transfer this agreement or any rights or interest in this agreement without the written consent of SEJPA, which may be withheld for any reason.

36. **Integration.** This agreement represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding should be of any force or effect with respect to those matters covered hereunder. This agreement may not be modified or altered except in writing signed by the parties.

37. **Incorporation of standard conditions and grantee commitments.** The following exhibits are attached and made a part of this agreement by this reference:

Exhibit A – Local Project Sponsor Agreement

Exhibit B – Grant Agreement

38. **Signatures.** The individuals executing this agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date below:

DATED: _____

SAN ELIJO JOINT POWERS AUTHORITY

By: _____
Michael Thornton, General Manager

DATED: _____

OLIVENHAIN MUNICIPAL WATER DISTRICT

By: _____
Kimberly Thorner, General Manager

DATED: _____

SAN ELIJO LAGOON CONSERVANCY

By: _____
Doug Gibson, Executive Director

DRAFT

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 11, 2013

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSIDER APPROVAL OF THE LOCAL PROJECT PARTICIPANT AGREEMENT WITH THE OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Participant Agreement; and
2. Discuss and take action as appropriate.

BACKGROUND

In 2010, the San Elijo Joint Powers Authority (SEJPA) began working collaboratively with several local water districts to examine opportunities to expand recycled water use within north San Diego County. This effort evolved into a working group of twelve governmental organizations, including cities, water districts, and sanitation districts. This collaborative effort is called the North San Diego County Regional Recycled Water Project (NSDCRRWP), and includes the SEJPA, Olivenhain Municipal Water District (OMWD), Leucadia Wastewater District (LWWD), Carlsbad Municipal Water District (CMWD), Vallecitos Water District (VWD), Santa Fe Irrigation District (SFID), Vista Irrigation District (VID), City of Oceanside (CITY), City of Vista (VISTA), Rincon Del Diablo Municipal Water District (RINCON), City of Escondido (ESCONDIDO), and Marine Corps Base Camp Pendleton.

The project was successful in being awarded a \$1,500,000 grant from Round 1 Proposition 84 IRWM grant funds. Funding from this grant will be used for developing a Programmatic Environmental Impact Report and Feasibility Study for the over arching project, and provide approximately \$900,000 for planning, engineering, and constructing recycled water infrastructure for the project participants. For the SEJPA, it will receive approximately \$90,000 for the purchase of treatment equipment associated with the San Elijo Advanced Water Treatment Facility.

DISCUSSION

Grant funding from Proposition 84 IRWM, San Diego Region, will be processed through the San Diego County Water Authority to the Local Project Sponsor, which will be the primary agency responsible for project administration. Other participating agencies to the project that have grant-eligible elements will coordinate reimbursement requests directly with the Local Project Sponsor. These agencies will be recognized as Local Project Participants.

For North San Diego County Regional Recycled Water Project, OMWD will be the Local Project Sponsor. Attachment A is the draft Local Project Participants Agreement for the North San Diego County Regional Recycled Water Project.

To ensure the performance of each project partner, OMWD shall provide each with a Local Project Participant Agreement. This agreement is intended to ensure that the work elements, as proposed by each project partner in the grant application, is completed to an acceptable standard as defined by the granting agency. Grant funding will be on a reimbursement basis, based on grant agreement adherence and acceptability of work.

Additionally, the local project participant agreement outlines the method through which the grant award will be divided among agencies. The grant funds are intended to fund in whole the project management, Programmatic Environmental Impact Report, and feasibility study for the project, as well as the administrative expenses by SDCWA and OMWD as permitted by SDCWA's grant agreement with the Department of Water Resources. Funds that remain will be distributed evenly among project partners to be applied to individual subprojects.

FINANCIAL IMPACT

There are no direct costs associated with the execution of the local project participant agreement. Failure to execute the local project participant agreement will threaten SEJPA's ability to perform according to the terms of the local project sponsor agreement, thereby jeopardizing the grant funding awarded to the SEJPA.

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Participant Agreement; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael Thornton, P.E.
General Manager

Attachment A: Draft Agreement for the Integrated Regional Water Management Program Between the Olivenhain Municipal Water District and Local Project Participants – Project No. 84-2-80003.

Attachment A to Agenda Item No. 13

AGREEMENT for the INTEGRATED REGIONAL WATER MANAGEMENT
PROGRAM BETWEEN OLIVENHAIN MUNICIPAL WATER DISTRICT AND
LOCAL PROJECT PARTICIPANTS
PROJECT NO. 84-2-80003

This Agreement between Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 et seq. and Local Project Sponsor (hereinafter OMWD); and Carlsbad Municipal Water District (Carlsbad), the City of Escondido (Escondido), Leucadia Wastewater District (Leucadia), the City of Oceanside (Oceanside), Rincon del Diablo Municipal Water District (Rincon), San Elijo Joint Powers Authority (SEJPA), Santa Fe Irrigation District (Santa Fe), Vallecitos Water District (Vallecitos), and Vista Irrigation District (Vista) (collectively Local Project Participants, or LPP), sets forth the understanding of OMWD and the Local Project Participants for partnership and uses of a grant award from the State of California Department of Water Resources (DWR) via local grant administrator, the San Diego County Water Authority (SDCWA).

RECITALS

1. In November 2006, California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), which authorized \$5.388 billion in general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.

2. On March 25, 2009, SDCWA, the City of San Diego and the County of San Diego entered into a Memorandum of Understanding (MOU) that established the San Diego Regional Water Management Group (RWMG), and the parties' roles with regard to the San Diego Integrated Regional Water Management (IRWM) Plan and the division of responsibilities for administration of IRWM grant monies. This MOU was amended on November 10, 2009. This MOU replaced the June 13, 2005 MOU as amended, among City of San Diego, County of San Diego, and SDCWA, for Fiscal Years 2005-2009 for the IRWM Grant Program.

3. In 2010, OMWD and the Local Project Participants came together in order to encourage the beneficial reuse of wastewater across jurisdictional boundaries. The North San Diego County Regional Recycled Water Project (NSDCRRWP) is a project included in the San Diego IRWM Plan. Participants in the project are OMWD and the Local Project Participants.

4. In June of 2010, LPPs retained the services of RMC Water and Environment (RMC) in order to analyze all of the individual facilities and subprojects of each agency and create a comprehensive feasibility report, Programmatic Environmental Impact Report (EIR), and Public Outreach Plan. Additionally, LPPs (excluding Santa Fe and Escondido) entered into an agreement with The Furman Group in order to support legislator outreach efforts for the pursuit of up to \$50 million in federal funding.

5. Effective December 12, 2012, SDCWA, acting on behalf of the San Diego RWMG, entered into a \$7.9 million grant agreement with DWR. The grant will assist in financing projects associated with the San Diego IRWM Plan. The San Diego RWMG has committed a total of \$1.455 million in funds to the NSDCRRWP provided via the grant agreement. The grant agreement is attached as Exhibit B.

6. On March 27, 2013, OMWD entered into the Agreement for the Integrated Regional Water Management Program between San Diego County Water Authority and Olivenhain Municipal Water District, Project Number 84-2-80003 (Local Project Sponsor agreement)(attached hereto as Exhibit A). In the capacity of Local Project Sponsor, OMWD is required to act on SDCWA's behalf for matters pertaining to the NSDCRRWP for the purposes of project management, oversight, compliance, operations, and maintenance. OMWD is also required to act on SDCWA's behalf in the fulfillment of SDCWA's responsibilities as specifically identified in SDCWA's agreement with DWR.

The Recitals are incorporated herein and, the Parties do agree as follows:

COVENANTS

1. **Intent.** Parties agree that the intent of this Agreement and the terms established herein are to facilitate the compliance of OMWD, in its role as Local Project Sponsor, with all terms and conditions established in the Local Project Sponsor agreement. Additionally, it is the intent of this agreement that grant funds received via the grant agreement less permissible project administration fees to be allocated to OMWD and SDCWA will be divided equally among OMWD and LPPs, and that costs associated with compliance with the Local Project Sponsor agreement incurred prior or subsequent to the execution of this agreement shall be borne equally by OMWD and LPPs.

2. **Definitions.** The following words and terms, unless otherwise defined, shall mean:

a. Local Project Participant (LPP): Sponsor of subprojects funded as part of the IRWM grant from DWR that are not serving as Local Project Sponsor. For purposes of this agreement, LPPs are Carlsbad, Escondido, Leucadia, Oceanside, Rincon, SEJPA, Santa Fe, Vallecitos, and Vista.

i. Marine Corps Base Camp Pendleton (Camp Pendleton) is not an LPP. Camp Pendleton, as a federal military installation, is governed by different legal and fiscal authorities than the LPPs. However, it is the intention of OMWD and the LPPs to cooperatively share information and resources to facilitate the integration of Camp Pendleton's recycled water infrastructure and tertiary treated effluent into the regional recycled water treatment and distribution systems of northern San Diego County. Camp Pendleton will serve as a non-voting member of the partnership which will not seek or accept non-federal funds through this Agreement, but will instead coordinate, and support—where appropriate—the efforts of the LPPs to obtain funding and develop recycled water infrastructure and capabilities in northern San Diego County.

b. Grant agreement: Grant agreement 4600009707 between SDCWA and DWR, effective December 12, 2012, for the disbursement of \$7.9 million in grant funds.

c. Local Project Sponsor agreement: Agreement for the Integrated Regional Water Management Program between San Diego County Water Authority and Olivenhain Municipal Water District, Project Number 84-2-80003, dated March 27, 2013, requiring OMWD to fulfill certain responsibilities and duties pertaining to the NSDCRRWP in order to ensure SDCWA's performance with the terms of the grant agreement.

d. Project or NSDCRRWP: The North San Diego County Regional Recycled Water Project, a project listed in the grant agreement for which OMWD serves as the Local Project Sponsor. Subprojects are individual elements of the NSDCRRWP on which work will typically be carried out by one individual LPP.

3. **Term of agreement.** The term of this agreement begins on March 27, 2013 and terminates when all parties' obligations under this agreement have been fully satisfied.

4. **Grant amount.** The maximum amount payable by DWR via SDCWA for the NSDCRRWP shall not exceed \$1,455,000.

5. **Project costs.** The reasonable total cost of all subprojects of the NSDCRRWP is estimated to be \$2,970,000. LPPs shall fund the difference, if any, between the estimates of their respective subproject's cost and the portion of the grant amount to which each LPP is entitled specified in paragraph 9. Each LPP is only responsible for funding the difference for its subproject. Total cost share for the NSDCRRWP is estimated to be \$1,515,000. LPS funding match is at least 25 percent of the total project costs, unless a disadvantaged community project waiver is granted. Costs for the funding match may include cost share performed after September 30, 2008. Costs paid for by another state funding source cannot be considered as a funding match.

6. **Budget contingency.**

a. OMWD and LPPs shall have no obligation to perform under this Agreement if DWR does not provide funding for the IRWM program. LPPs acknowledge that if funding for any fiscal year is reduced or deleted by DWR, DWR at its option may either (1) cancel the grant agreement with no liability occurring to DWR, SDCWA, and OMWD, or (2) amend the grant agreement to reflect the reduced amount of funding. If DWR amends the grant agreement, SDCWA would offer to amend or terminate the Local Project Sponsor agreement to reflect the reduced funding by DWR. Following amendment or termination of the Local Project Sponsor agreement, OMWD would offer to amend or terminate this agreement to reflect termination or amendment of the Local Project Sponsor agreement.

b. If funding is deleted by DWR, OMWD shall have no obligation to continue to serve as Local Project Sponsor and this agreement shall be of no force and effect. In this event, LPPs shall not be obligated to perform under the agreement.

7. Local Project Participant responsibilities.

a. LPP shall be solely responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and all providers of services under this agreement. LPP shall fulfill its obligations in a manner that is consistent with the grant agreement and the IRWM program.

b. LPP shall be responsible for all disputes arising out of its contracts for work including, but not limited to, bid disputes and payment disputes with its contractors and consultants or other entities. DWR, SDCWA, or OMWD will not mediate disputes between LPP and any other entity regarding performance of work.

c. LPP shall be responsible for oversight, compliance, operations, and maintenance of NSDCRRWP subprojects. LPP or its representatives shall perform regular inspections of any construction work in progress. LPP shall promptly perform, or cause to be performed, all IRWM program work as described in the final plans and specifications for the subprojects identified in Exhibit A.

d. LPP is solely responsible for design, construction, and operation and maintenance of subprojects identified in Exhibit A. Review or approval of plans, specifications, bid documents, or other construction documents by DWR, SDCWA, or OMWD is solely for the purpose of proper administration of grant funds and shall not relieve or limit responsibilities of LPP with regard to its contractual obligations.

e. LPP shall faithfully and expeditiously perform or cause to be performed all project work as described in an in accordance. LPP shall comply with all of the terms and conditions of this agreement and applicable California Public Resources Code (PRC) requirements.

f. LPP shall be responsible for funding an equivalent portion of any costs incurred in order to maintain compliance with the Local Project Sponsor agreement, including but not limited to post-award audits conducted at the discretion of SDCWA and/or DWR.

8. Basic Conditions. OMWD shall have no obligation to disburse money for a project under this agreement unless LPP has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

a. If requested, LPP shall demonstrate the availability of sufficient funds to complete the project by submitting the most recent 3 years of audited financial statements.

b. LPP shall comply with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of subproject construction if that tribe has traditional lands located within the area of the subproject, as applicable.

c. For groundwater management and recharge projects and for projects with potential groundwater impacts, the LPS shall demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.

d. For the term of this agreement, LPP must submit timely Quarterly Progress Reports as required by Section 24 of this agreement.

9. Eligible costs.

a. Grant funds will be applied to address 100% of the costs of a Programmatic Environmental Impact Report for the NSDCRRWP, a feasibility study for the NSDCRRWP, and a Public Outreach Plan specific to the NSDCRRWP.

i. OMWD will contract with RMC to perform work in paragraph 8(a) on behalf of LPPs. OMWD will seek grant reimbursement from DWR via SDCWA for costs associated with the RMC contract. RMC scope of work is attached as Exhibit C.

b. OMWD and each LPP are entitled to an equivalent portion of the grant funds less costs due RMC for the Programmatic Environmental Impact Report, feasibility study, and Public Outreach Plan, and less permissible project administration fees to be allocated to OMWD and SDCWA. These entitlements are contingent upon the fulfillment by OMWD and each LPP of equivalent portions of the minimum local match required by the grant agreement.

c. Eligible costs are the reasonable and necessary costs of engineering, design, land and easement acquisition, preparation of environmental documentation, and environmental mitigation. Each LPP had the opportunity to designate their portion of the remaining grant funds to costs associated with engineering/design/environmental or construction/implementation. Only Carlsbad, Rincon, and SEJPA, by having indicated their intentions to apply grant funds to construction costs, may apply their funds to project implementation.

d. Only work performed after August 16, 2011 shall be eligible for reimbursement. Costs incurred after May 31, 2017 and before August 16, 2011 are not eligible for reimbursement. However, such costs may be considered, at DWR's discretion, as part of LPP's funding match, if such costs were otherwise reimbursable.

e. Costs that are not reimbursable with grant funds include, but are not limited to, the following:

- Costs incurred before August 16, 2011.
- Operation and maintenance costs, including post construction performance and monitoring costs.
- Purchase of equipment not an integral part of a subproject.
- Establishing a reserve fund.
- Purchase of water supply.

- Monitoring and assessment costs for efforts required after project construction is complete.
- Replacement of existing funding sources for ongoing programs.
- Travel and per diem costs.
- Support of existing agency requirements and mandates.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a subproject, as set forth and detailed by engineering and feasibility studies, or land purchased before August 16, 2011.
- Payment of principal or interest of existing indebtedness or any interest payments for the subproject unless the debt is incurred after August 16, 2011, and DWR 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.
- Overhead not directly related to project costs.

10. **Invoices.** LPP shall submit invoices to OMWD as eligible costs are incurred, which shall in turn send the invoices to SDCWA. Invoices submitted by LPP to OMWD shall include the following information:

- a. Costs incurred for work performed in implementing the IRWM program or subproject contracts during the period identified in the particular invoice.
- b. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a subproject during the period identified in the particular invoice for the construction, operation, or maintenance of a subproject.
- c. Any appropriate receipts and reports for costs incurred.
- d. Invoices shall be submitted on forms provided by OMWD and shall meet the following format requirements:
 - i. Must contain the submission date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii. Must be itemized based on the categories specified in Exhibit A. 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 equals the total amount claimed).
 - iii. Sufficient evidence (i.e., receipts, copies of checks, time sheets, or financial system reports) must be provided for all costs included in the invoice.
 - iv. Shall clearly delineate those costs claimed for reimbursement from DWR's grant amount, paragraph 4 above, and those costs that represent LPP's costs, as applicable, paragraph 5 above.

v. Original signature and date of LPP's Project Manager.

vi. Must include the grant agreement number.

e. Submit the original and 3 copies of the invoice to the following address:

Cathy Collier, Project Accountant
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024

Failure to use the address exactly as provided in this paragraph may result in return of the invoice to LPP.

11. Requirements for disbursement.

a. By May 31, 2017, LPP shall meet all conditions precedent to the disbursement of money as listed below. Failure by LPP to comply by this date may, at the option of OMWD, result in termination of this agreement. For disbursements of funds for each subproject, LPP shall continue to meet the conditions for disbursement, paragraph 13, "Disbursement by OMWD."

i. LPP shall ensure the availability of sufficient funds to complete the subprojects identified in Exhibit A.

ii. LPP shall comply with all applicable requirements of the California Environmental Quality Act and the National Environmental Policy Act. If applicable, before construction or implementation begins on a subproject, LPP shall submit to OMWD copies of environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, and environmental permits that are required.

iii. For the term of the agreement, LPP shall submit timely periodic progress reports as required by paragraph 24, "Submission of reports."

b. Before disbursement of funds for each subproject, LPP shall submit the following to OMWD, if applicable:

i. Final plans and specifications certified by a California Registered Civil Engineer.

ii. Documents required by the LPP's subproject under the California Environmental Quality Act (CEQA).

iii. Documents demonstrating subproject's compliance with all applicable requirements of the National Environmental Policy Act (e.g., copies of any environmental documents, including environmental impact statements, Finding of No

Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation).

ii. A written statement that all necessary permits, easements, rights-of-way, and approvals as may be required by other state, federal, and/or local agencies as specified in paragraph 23, "Permits, licenses, approvals, and compliance with laws," have been obtained.

12. **Payment to OMWD.** OMWD and each LPP will be responsible for an equivalent portion of the costs pertaining to the Programmatic Environmental Impact Report, feasibility study, and Public Outreach Plan. Upon incurring costs specific to these studies, OMWD will submit invoices to each LPP for its share of eligible costs. Each LPP shall remit payment within 30 days. OMWD will submit invoices to SDCWA for total eligible costs incurred on a quarterly basis pursuant to the Local Project Sponsor agreement.

13. **Disbursement by OMWD.** Upon receipt of reimbursement from SDCWA for costs incurred as described in paragraph 12, "Payment to OMWD," OMWD will distribute grant funds to each agency equal to the amounts invoiced by each LPP less permissible project administration fees. OMWD and each LPP are entitled to an equivalent portion of the grant funds less costs due RMC and less permissible project administration fees to OMWD and SDCWA. These grant funds are subject to the conditions described in the grant agreement and the Local Project Sponsor agreement and must meet all conditions in this agreement.

14. **Compliance with terms.** LPP shall comply with all terms and conditions of the grant agreement and Local Project Sponsor agreement, as applicable. LPP shall comply with all requirements imposed upon OMWD under Exhibit E, Standard Conditions, of the Local Project Sponsor agreement, as applicable, unless otherwise specified in this agreement. OMWD shall possess all rights afforded SDCWA and/or DWR by Exhibit E, Standard Conditions, of the Local Project Sponsor agreement, as applicable, unless otherwise specified in this agreement.

15. **Amendment.** All amendments or modification of this agreement shall be in writing and signed by the parties. No oral understanding or agreement not incorporated in the agreement is binding on the parties.

16. **Audits.** OMWD reserves the right to conduct an audit of LPP at any time between the execution of this agreement and the completion of the grant agreement program, with the costs of such audit to be borne by DWR. Following completion of the project, SDCWA and DWR may require OMWD to conduct a final audit or may perform the audit at OMWD's expense. Audit costs performed up to three years after project completion will be divided evenly among OMWD and LPPs. Failure or refusal by LPP to comply with this provision shall be considered a breach of this agreement, and OMWD, SDCWA, and DWR may take any action to protect their interests.

17. **Disposition of equipment.** LPP shall consult with OMWD on the scope of the inventory not less than 60 days before the submission of the final subproject invoice. Not less than 30 days before

submission of its final invoice, LPP shall provide to OMWD a final inventory of equipment purchased with grant funds. The inventory shall include all items with a current estimated fair market value of more than \$500 per item. Within 60 days of receipt of the inventory, DWR will provide SDCWA with a list of the items on the inventory to which DWR will take title. All other items shall become the property of LPP. DWR will arrange for delivery from LPP of items to which it takes title. Cost of transportation, if any, will be borne by DWR.

18. Independent capacity. In the performance of this agreement, LPP, its officers, agents, contractors, volunteers, and employees, shall act in an independent capacity and not as officers, employees, or agents of DWR, SDCWA, or OWMD.

19. Severability of unenforceable provision. If any provision of this agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this agreement shall be construed to remain fully valid, enforceable, and binding on the parties.

20. Successors and Assigns. This agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this agreement or any part thereof, rights hereunder, or interest herein by LPPs shall be valid unless and until it is approved by DWR and made subject to such reasonable terms and conditions as DWR may impose.

21. Timeliness. Time is of the essence in this agreement.

22. Default provisions.

a. LPP will be in default under this agreement if any of the following occur:

- Failure to perform any material term of this agreement;
- Making any false representation or statement;
- Failure to construct, operate, or maintain subprojects in accordance with this agreement; or
- Failure to remit unexpended funds.

b. If an event of default occurs, OMWD may do the following:

- Declare that the grant amounts be repaid immediately, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default;
- Terminate any obligation to make future payments to LPP;
- Terminate this agreement; and
- Take any other action that it deems necessary to protect its interests.

23. Permits, licenses, approvals, and compliance with laws. LPP shall ensure all permits, licenses, and approvals required for performing their obligations under this agreement are obtained, and shall comply with all applicable federal, state, and local laws, rules, and regulations, guidelines, including 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 and requirements for each project described in Exhibit A.

24. Submission of reports. All reports shall be submitted to OMWD. The submittal and approval of all reports is a requirement for the successful completion of this agreement. Reports shall be submitted in both electronic and hard copy forms, shall meet generally accepted professional standards for technical reporting, and shall be proofread for content and accuracy before submission. LPP shall promptly provide any additional information requested by OMWD, SDCWA, or DWR for approval of reports. Reports shall be presented in the formats described in Exhibit A. The submittal and approval of reports is a requirement for initial and continued disbursement of DWR funds. Submittal of a Project Completion Report is a requirement for the release of any retention.

- Quarterly Reports: Beginning in the first quarter after signing this agreement and for the duration of the grant agreement, LPP shall submit to OMWD a quarterly report that explains the status of each subproject described in Exhibit A. Reports shall be submitted by the seventh day of March, June, September, and December for the preceding quarter.
- Project Completion Reports: Within 45 calendar days of completion of all project tasks, LPP shall submit to OMWD a Project Completion Report for each subproject as described included in Exhibit A.
- Project Completion Reports: LPP shall submit a Project Completion Report for its respective subproject to OMWD within 45 calendar days after the first operational year of a subproject has elapsed.
- Project Performance Report: LPP must submit an annual project performance report to OMWD within 20 calendar day of request by OMWD, in accordance with Exhibit A. This record-keeping and reporting process shall be repeated for each project annually for a total of 10 years after the completed project begins operation.

25. IRWM Program Performance and Assurances. LPP agrees to promptly perform or cause to be performed all IRWM Program work as described in the final plans and specifications for its subproject and implement the subproject in accordance with applicable provisions of the law. If OMWD and/or SDCWA must enforce this provision by legal action, LPP shall pay all costs incurred by OMWD and/or SDCWA including, but not limited to, reasonable attorneys' fees, legal expenses, and other costs.

26. Labor compliance. LPP will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done and funded pursuant to these guidelines, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3. Proof of compliance with this section must be furnished to OMWD upon request.

27. Operation and maintenance of projects.

a. For the useful life of the projects and in consideration of the grant made by DWR, LPP shall ensure the commencement and continued operation of the subproject(s), and shall ensure the subprojects are operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary for 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. All operations and maintenance costs of the facilities and structures shall be the responsibility of LPP for its subproject(s). DWR, SDCWA, or OMWD shall not be liable for any cost of maintenance, management, or operation. LPP may be excused from operations and maintenance only upon the written approval of DWR's Project Manager.

b. For purposes of this agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "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 LPP to ensure operation and maintenance of the subprojects in accordance with this provision may, at the option of OMWD, be considered a breach of this agreement and may be treated as default under paragraph 22.

28. Monitoring requirements. LPP shall ensure that all groundwater subprojects and subprojects 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 the Water Code). Subprojects 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 State Water Resources Control Board. Exhibit A provides guidance on such monitoring requirements.

29. Notification of OMWD. For each subproject, LPP shall promptly notify OMWD in writing of the following occurrences:

a. Events or proposed changes that could affect the scope, budget, or work performed under this agreement. LPP agrees that no substantial change in the scope of a subproject will be undertaken until written notice of the proposed change has been provided to OMWD and OMWD has given written approval of such change.

b. Any public or media event publicizing the accomplishments or results of this agreement that provides the opportunity for OMWD, SDCWA, or DWR representatives to attend and participate. LPP shall notify DWR, SDCWA, and OMWD at least 16 calendar days before the event.

c. Completion of work on a subproject.

d. Final inspection of a subproject by a Registered Civil Engineer. LPP shall notify DWR, SDCWA, and OMWD at least 16 calendar days before the inspection and provide DWR, SDCWA, and OMWD the opportunity to participate in the inspection.

30. **Project managers.** Any party may change its Project Manager upon written notice to the other parties.

- DWR's Project Manager shall be the Chief, Division of Integrated Regional Water Management, Department of Water Resources. DWR's Project Manager shall be DWR's representative and shall have the authority to make determinations and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under DWR grant agreement.
- SDCWA's Project Manager shall be Mark Stadler, Principal Water Resources Specialist. SDCWA's Project Manager shall be its representative for the administration of this agreement and shall have full authority to act on behalf of SDCWA, including authority to execute all payment requests.
- OMWD's Project Manager, Kimberly Thorner, shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of OMWD including authority to execute all payment requests.

31. **Notices.** All notice, demand, request, consent, or approval that any party desires or is requested to give to one or more of the other parties shall be in writing. Notices may be sent by mail, courier, electronic mail or any other means of delivery. Any party may, by written notice to the others, designate a different address that shall be substituted for the one below.

State of California
Department of Water Resources
Division of Integrated Regional Water Management
Attention: Chief, Division, of Integrated Regional Water Management Financial
Assistance Branch
P.O. Box 942836
Sacramento, CA 94236-0001

Mark Stadler
Principal Water Resources Specialist
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

Kimberly Thorner
General Manager
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024

Wendy Chambers
Utilities Director
Carlsbad Municipal Water District
5950 El Camino Real
Carlsbad, CA 92008

Chris McKinney
Director of Utilities
City of Escondido
201 North Broadway
Escondido, CA 92025

Paul Bushee
General Manager
Leucadia Wastewater District
1960 La Costa Avenue
Carlsbad, CA 92009

Cari Dale
Water Utilities Director
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Bob Gumerman
Interim General Manager
Rincon del Diablo Municipal Water District
1920 North Iris Lane
Escondido, CA 92026

Michael Thornton
General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

Michael Bardin
General Manager
Santa Fe Irrigation District
5920 Linea del Cielo
PO Box 409
Rancho Santa Fe, CA 92067-0409

Dennis Lamb
General Manager
Vallecitos Water District
201 Vallecitos de Oro
San Marcos, CA 92069

Roy Coox
General Manager
Vista Irrigation District
1391 Engineer Street
Vista, CA 92081

32. Termination, immediate repayment, interest. The agreement may be terminated by written notice at any time before completion of the IRWM Program at the option of OMWD, SDCWA, or DWR if LPP breaches the agreement, and has been asked to cure the breach within a reasonable time and fails to do so. If the agreement is terminated, LPP shall, upon demand, immediately repay to DWR an amount equal to the amount of grant funds disbursed to LPP. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to LPP to the date of full repayment.

33. Indemnity — hold harmless.

a. To the fullest extent permitted by law, LPP shall (1) immediately defend, and (2) indemnify OMWD, SDCWA, and DWR and their directors, officers, and employees from and against all liabilities regardless of nature or type arising out of or resulting from LPP's performance of services under this contract, or any negligent or wrongful act or omission of the LPP or LPP's officers, employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The LPP's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole negligence or willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the LPP indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

b. The duty to defend is a separate and distinct obligation from the LPP's duty to indemnify. The LPP shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by OMWD, SDCWA, and DWR, and their directors, officers, and employees, immediately upon tender to the LPP of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve

the LPP from its separate and distinct obligation to defend OMWD, SDCWA, and DWR. The obligation to defend extends through final judgment, including exhaustion of any appeals.

c. The review, acceptance or approval of LPP's work or work product by any indemnified party shall not affect, relieve or reduce the LPP's indemnification or defense obligations. This section survives completion of the services or the termination of this contract. The provisions of this section are not limited by and do not affect the provisions of this contract relating to insurance.

34. Insurance.

a. The LPP shall procure and maintain during the period of performance of this contract insurance from insurance companies admitted to do business in the State of California, as set forth in this section or as additionally required by supplemental condition. These policies shall be primary insurance as to OMWD so that any other coverage held by OMWD shall not contribute to any loss under LPP's insurance. Coverage may be provided by a combination of primary and excess insurance policies, provided all insurers meet the requirements of this section.

b. All insurance shall cover occurrences during the coverage period.

c. The coverage amount of each policy of insurance shall be as required by OMWD.

i. The following insurance and limits are required for the contract:

Commercial General Liability: Coverage at least as broad as ISO form GC
00 01 10 01

Limit per occurrence: \$1,000,000

d. The insurance policies shall be endorsed as follows:

i. For the general commercial liability as well as excess or umbrella insurance covering risks within the scope of that type insurance, OMWD, its directors, officers, employees and agents are included as additional insureds with regard to liability and defense of suits or claims arising from the operations, products and activities performed by or on behalf of the named insured. The LPP's insurance applies separately to each insured, including insureds added pursuant to this paragraph, against whom claim is made or suit is brought except with respect to the policy limits of liability. The inclusion of any person or entity as an insured shall not affect any right which the person or entity would have as a claimant if not so included. Any failure of the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added pursuant to this paragraph. The additional insured endorsement shall provide coverage at least as broad as ISO form CG 20 10 10 93.

ii. The LPP's insurance shall be primary. Any other insurance or self-insurance available to OMWD or persons stated in paragraph (1) shall be in excess of and shall not contribute to the contractor's insurance.

iii. The insurance shall not be canceled or materially reduced in coverage except after 30 days prior written notice receipted delivery has been given to OMWD, except 10 days notice shall be allowed for non-payment of premium.

e. Unless otherwise specified, the insurance shall be provided by an acceptable insurance provider, as determined by OMWD, which satisfies the following minimum requirements: An insurance carrier admitted to do business in California and maintaining an agent for process within the State of California. Such insurance carrier shall maintain a current A.M. Best rating classification of "A-" (A minus) or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in California and the policy provides for an agent for process in the State of California and the program assures a financial capability at least equal to the required classification and size for admitted insurers.

f. Certificates of insurance and endorsements shall be provided by the LPP and approved by OMWD before execution of the contract. Endorsements may be provided on forms provided by OMWD, or substantially equivalent forms provided by the insurer. All consultants/contractors performing the scope of work on behalf of the LPP shall name OMWD, SDCWA, and DWR (including their directors, officers, employees, and agents) as an additional insured on their Commercial General Liability policy and the policy shall be endorsed with use of an ISO form CG 20 10 10 93 or equivalent.

35. Laws and venue. This agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court in San Diego County.

36. Assignment. A party shall not assign, sublet, or transfer this agreement or any rights or interest in this agreement without the written consent of OMWD, which may be withheld for any reason.

37. Integration. This agreement represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding should be of any force or effect with respect to those matters covered hereunder. This agreement may not be modified or altered except in writing signed by the parties.

38. Incorporation of standard conditions and grantee commitments. The following exhibits are attached and made a part of this agreement by this reference:

- Exhibit A – Local Project Sponsor Agreement
- Exhibit B – Grant Agreement
- Exhibit C – RMC Scope of Work

39. **Signatures.** The individuals executing this agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date below:

DRAFT

DATED: _____

OLIVENHAIN MUNICIPAL WATER DISTRICT

By: _____
Kimberly Thorner, General Manager

DATED: _____

CARLSBAD MUNICIPAL WATER DISTRICT

By: _____
Wendy Chambers, Utilities Director

DATED: _____

CITY OF ESCONDIDO

By: _____
Chris McKinney, Director of Utilities

DATED: _____

LEUCADIA WASTEWATER DISTRICT

By: _____
Paul Bushee, General Manager

DATED: _____

CITY OF OCEANSIDE

By: _____
Cari Dale, Water Utilities Director

DATED: _____

RINCON DEL DIABLO MUNICIPAL WATER DISTRICT

By: _____
Bob Gumerman, Interim General Manager

DATED: _____

SAN ELIJO JOINT POWERS AUTHORITY

By: _____
Michael Thornton, General Manager

DATED: _____

SANTA FE IRRIGATION DISTRICT

By: _____
Michael Bardin, General Manager

DATED: _____

VALLECITOS WATER DISTRICT

By: _____
Dennis Lamb, General Manager

DATED: _____

VISTA IRRIGATION DISTRICT

By: _____
Roy Coox, General Manager

AGREEMENT
for the
INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM
BETWEEN
SAN DIEGO COUNTY WATER AUTHORITY
AND
OLIVENHAIN MUNICIPAL WATER DISTRICT
PROJECT NO. 84-2-80003

This Agreement between the San Diego County Water Authority, a county water authority (Water Authority), and Olivenhain Municipal Water District, a (LPS), sets forth the understanding of the Water Authority and the LPS (collectively Parties) for distribution of a grant award from the State of California Department of Water Resources (State).

Recitals:

1. WHEREAS, On November 2006, California voters approved Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act to assists in financing projects associated with Integrated Regional Water Management (IRWM) Plan pursuant to Chapter 8 (commencing with Section 79860) Division 26.5 of the California Water Code (CWC), collectively referred to as IRWM Program.
2. WHEREAS the Integrated Regional Water Management plan was adopted by MOU in the San Diego region in June 2005, and re-executed in 2009.
3. WHEREAS, On September 21, 2011 a new MOU was executed among the City, County, and Water Authority for Fiscal Years 2009-2013 IRWM Grant Program. The MOU establishes the San Diego Regional Water Management Group (RWMG), and the Parties' roles regarding the San Diego IRWM Plan and the division of responsibilities for administration of IRWM grant monies.

The Recitals are incorporated herein and, the Parties do agree as follows:

1. Definitions:

The following words and terms, unless otherwise defined, shall mean:

- a. LPS means Local Project Sponsor. An LPS is a proponent of individual projects that will be funded as part of the IRWM Program grant from the State. The role of an LPS could be performed by entities such as the Water Authority, County of San Diego, City of San Diego, Water Authority member agency, a municipality, a joint powers authority, a local public agency, a non-profit 501(c) (3) or a Native American tribe. The LPS for this Agreement is Olivenhain Municipal Water District. Grant Agreement means the Grant Agreement no. **4600009707** between the San Diego County

Water Authority and the State, dated December 12, 2012, for the disbursement of \$7.9 million in grant funds.

Project: 2 – San Diego North Regional Recycled Water Project is one of the projects listed in the Grant Agreement and the project that will be performed by the LPS under this agreement.

- b. **LPS Agreement (Agreement):** This agreement between the Water Authority and the Local Project Sponsor for the performance of the project and receipt of the grant funds allocated for that **project**.

2. **Term of agreement:** The term of this Agreement begins on _____ and terminates on **May 31, 2017**, or when all Parties' obligations under this Agreement have been fully satisfied.

3. **Grant Amount:** The maximum amount payable by State under the Grant Agreement for this Project shall not exceed **\$1,455,000**.

4. **Project costs:** The reasonable total cost of the Project is estimated to be **\$2,970,000**. These costs are summarized in Exhibit C, Summary Budget Table 1. LPS shall fund the difference, if any, between the estimate of total project cost and the Grant Amount specified in paragraph 3. The LPS is only responsible for funding the difference for its project (*Funding Match* plus *Other Cost Share* as shown on **Exhibit C, Summary Budget Table 1**). Cost share for the project funded through this Agreement is estimated to be **\$1,515,000**. LPS funding match is at least 25% of the total project costs, unless a Disadvantage Community project waiver is granted. Costs for the funding match may include cost share performed after September 30, 2008. Costs paid for by another State funding cannot be considered as a funding match.

5. **Budget Contingency:** (a) The Water Authority and the LPS shall have no obligation to perform under this Agreement if the State does not provide funding for the IRWM program. LPS acknowledges that if funding for any fiscal year is reduced or deleted by the State, the State at its option may either (1) cancel the Grant Agreement with no liability occurring to the State or the Water Authority, or (2) amend the Grant Agreement to reflect the reduced amount of funding. If the State amends the Grant Agreement, the Water Authority would offer to amend or terminate LPS's agreement to reflect the reduced funding by the State.

(b) If funding is deleted by the State, the Water Authority shall have no obligation to continue to sponsor the projects and this Agreement shall be of no force and effect. In this event, Water Authority and LPS shall not be obligated to perform under the Agreement.

6. **LPS responsibilities:** (a) LPS shall perform the scope of work for this project including project construction and management, oversight,

compliance and operations and maintenance associated with the project. LPS shall also be solely responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and all providers of services under this Agreement. LPS shall fulfill its obligations in a manner that is consistent with this agreement, the Grant Agreement and the IRWM Program.

(b) LPS shall be responsible for all disputes arising out of its contracts for work including, but not limited to, bid disputes and payment disputes with its contractors and consultants or other entities. State or Water Authority will not mediate disputes between LPS and any other entity regarding performance of work.

(c) LPS shall promptly perform, or cause to be performed, all IRWM Program work as described in the scope of work for the Project(s) identified in Exhibit A, Work Plan. LPS shall be responsible for oversight, compliance, and operations and maintenance of Project(s) identified in the Grant Agreement. LPS or its representatives shall perform regular inspections of any construction work in progress.

(d) LPS is solely responsible for design, construction, and operation and maintenance of Project(s) identified in Exhibit A. Review or approval of plans, specifications, bid documents, or other construction documents by State or the Water Authority is solely for the purpose of proper administration of grant funds and shall not relieve or limit responsibilities of LPS with regard to its contractual obligations.

e) LPS shall 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 Schedule and Exhibit C Budget. LPS shall comply with all of the terms and conditions of this Agreement and applicable California Public Resources Code (PRC) requirements.

7. Basic Conditions: Water Authority shall have no obligation to disburse money for a project under this agreement until LPS has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

- a) By signing this LPS Agreement, LPS shall demonstrate that LPS is aware of and complies with the provisions of the LPS Agreement between LPS and the Water Authority.
- b) LPS shall demonstrate the availability of sufficient funds to complete the project, as stated in the Grant Award/Commitment Letter, by submitting the most recent 3 years of audited financial statements.

- c) LPS shall comply with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project Construction if that tribe has traditional lands located within the area of the Project.
- d) For groundwater management and recharge projects and for projects with potential groundwater impacts, the LPS shall demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
- e) For the term of this agreement, LPS must submit timely Quarterly Progress Reports as required by Paragraph 17, "Submission of Reports."
- f) LPS shall submit all deliverables as specified in this Paragraph of this agreement and the Work Plan in Exhibit A.
- g) Before beginning construction or implementation activities, LPS shall submit to the State the following, if applicable:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the approved project as listed in Exhibit A, Work Plan of this LPS Agreement.
 - 2) Documents required by the project under the California Environmental Quality Act (CEQA). Work that is subject to CEQA and/or environmental permitting shall not proceed under this agreement until the following actions are performed:
 - i. LPS submits all applicable environmental permits as indicated on the Environmental Information Form submitted to the Water Authority
 - ii. Documents that satisfy the CEQA process are received by the Water Authority and submitted to the State.
 - iii. LPS receives CEQA compliance review from the State, and
 - iv. LPS receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal. State's concurrence of CEQA documents is fully discretionary and shall constitute a condition precedent to any work (ex. construction or implementation activities) for which it is required. Therefore, the LPS should get concurrence from the State, through the Water Authority, on CEQA before beginning any of the work that is subject to CEQA. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. LPS must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

- v. If any of the requirements does not apply, LPS shall submit an explanation in writing to the Water Authority.
- 3) A monitoring plan as required by Paragraph 22, Project Monitoring Plan Requirements.”

8. Disbursement by State and Payment by Water Authority: Following the review of each invoice, the Water Authority will approve invoice and disburse payment subject to the availability of funds through normal State and Water Authority processes. Funds will be disbursed by the State and then the Water Authority in response to each approved invoice in accordance with Exhibit F, Disbursement Process. All money disbursed by the Water Authority under this Agreement and all interest earned by LPS shall be used solely to pay eligible costs. Within forty-five (45) days of receipt of funds from the State, Water Authority shall disburse the funds to the LPS. 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.

9. Eligible Project Cost: Costs as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Schedule) and Exhibit C (Budget).

(a) Eligible costs are the reasonable and necessary costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigation, monitoring, and project construction. Only work performed after the date of grant award, **August 16, 2011**, shall be eligible for reimbursement.

(b) Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including the portion of overhead and administrative expenses that are directly related to the projects included in this Agreement in accordance with the generally accepted accounting practices.

Advanced funds will not be provided. Costs that are not deemed eligible project costs cannot be counted as cost share. Costs that are not eligible for reimbursement include but are not limited to:

- i. Costs, other than those noted above, incurred prior to the award date of the Grant.
- ii. Operation and maintenance costs, including post construction performance and monitoring costs.
- iii. Purchase of equipment not an integral part of a project.
- iv. Establishing a reserve fund.

- v. Purchase of water supply.
- vi. Monitoring and assessment costs for efforts required after project construction is complete.
- vii. Replacement of existing funding sources for ongoing programs.
- viii. Travel and per diem costs.
- ix. Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
- x. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the grant award with the State.
- xi. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this LPS Agreement, the Water Authority and the State agree 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 LPS cost share (i.e. Funding Match)
- xii. Overhead not directly related to project costs.

10. Method of Payment. After the disbursement requirements in Paragraph 7 “Basic Conditions” are met, the Water Authority will disburse the whole or portions of the grant amount to the LPS, less any required retention, following receipt from LPS of an invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 17, “Submission of Reports.” A Progress Report is required for every invoice submitted.

Invoices submitted by LPS shall include the following information:

- a) Costs incurred for work performed in implementing the IRWM project during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the construction, operation, or maintenance of a project.
- c) Appropriate receipts and reports for all costs incurred.

Invoices shall be submitted on forms provided by the Water Authority and shall meet the following format requirements:

- d) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
- e) Invoices must **be itemized and organized** based on the categories or tasks specified in the Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
- f) Sufficient evidence (i.e., receipts, copies of checks, time sheets or financial system reports) must be provided for all costs included in the invoice.
- g) Each invoice shall **clearly delineate** those costs claimed for reimbursement from the State’s grant amount, as depicted in Paragraph 3, “Grant Amount” and

those costs that represent Grantee's and LPS' costs, as applicable, in Paragraph 4, "Grantee Cost Share."

- h) Invoice shall be accompanied by a coversheet that summarizes items a thru g.
- i) Original signature and date (in ink) of Grantee's Project Manager.

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

San Diego County Water Authority
Attention: Loisa Burton
Grant Administrator
4677 Overland Avenue
San Diego, CA 91911

Failure to use the above address may result in the return of the project invoice. Invoice may be submitted electronically (i.e. via a Web Tool) as instructed by the Grant Administrator.

- 11. Withholding of Grant Reimbursements by the Water Authority.** If the State or the Water Authority determines that a project is not being implemented in accordance with the provisions of this Agreement and and/or the Grant Agreement, or that the LPS has failed to comply with the provisions of this Agreement, and if LPS does not remedy any such failure to the State or the Water Authority's satisfaction, the Water Authority may withhold from LPS all or any portion of the grant amount and take any other action that it deems necessary to protect its interests. The Water Authority may require the LPS to immediately repay all or any portion of the disbursed grant amount with interest, consistent with its determination. The Water Authority may consider LPS' refusal to repay the requested disbursed grant amount a contract breach subject to the default provisions in Paragraph 13, "Default Provisions."

If the Water Authority notifies LPS of its decision to withhold the entire grant amount from LPS pursuant to this Paragraph, this LPS Agreement shall terminate upon receipt of such notice by LPS and shall no longer be binding on either party.

12. Continuing Eligibility. LPS must meet the following ongoing requirements to remain eligible to receive State grant funds:

- a) For urban water suppliers that receive grant funds governed by this Grant Agreement,) compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
- b) For groundwater management and recharge projects and for projects with potential groundwater impacts, the LPS must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.

13. Default Provisions. Grantee will be in default under this LPS Agreement if any of the following occur:

- a) Breach of this LPS Agreement, or any supplement or amendment to it, or any other agreement between LPS and the Water Authority evidencing or securing Grantee's obligations.
- b) Making any false warranty, representation, or statement.
- c) Failure to operate or maintain projects.
- d) Failure to make any remittance required by this LPS Agreement.
- e) Failure to comply with Labor Compliance Program (LCP) requirements.
- f) Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

If an event of default occurs, the Water Authority may do any or all of the following:

- g) Declare that the Grant 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.
- h) Terminate any obligation to make future payments to LPS
- i) Terminate the LPS Agreement.
- j) Take any other action that it deems necessary to protect its interests.

14. Permits, Licenses, Approvals and Legal Obligations. LPS shall be responsible for ensuring any and all permits, licenses, and approvals required for performing their obligations under this Agreement are obtained other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for each project described in Exhibit A.

15. Relationship of Parties. The LPS is solely responsible for design, construction, and operation and maintenance of its Projects within the San Diego IRWM Program. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of grant funds by State and shall not be deemed to relieve or restrict responsibilities of the LPS under this LPS Agreement

16. LPS Representation. Local Project Sponsor shall comply with all terms, provisions, conditions, and written commitments of this LPS Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by LPS 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.

17. 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 Water Authority's Grant Administrator, and shall be submitted in both electronic and hard copy forms. If requested, LPS promptly provides any additional information deemed necessary by the Water Authority and the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the Water Authority and the State, of a Project Completion Report for each project is a condition precedent for the release of any funds retained for such project.

- Quarterly Progress Reports: LPS shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State's requirement. Quarterly Progress Reports shall be submitted electronically **fifteen** (15) calendar days after the end of previous quarter (ex: 15th day of March, June, September and December for the preceding quarter) to the IRWM Project Manager as specified in Exhibit B. Quarterly Progress Report shall provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this LPS Agreement during the reporting period. It should also include cost information, including grant and local cost share spent and reimbursable costs for the period and to date. Report corrections must be made within **three** (3) business days of notice of issue from the Water Authority. Issues must be resolved by the **twentieth** (20th) day of the reporting month (for example: by March 20th of the first reporting period of December thru February)
- Project Completion Reports: LPS shall prepare and submit to the Water Authority a Project Completion Report for its project. LPS shall submit a Project Completion Report within **sixty** (60) calendar days of project completion. Each Project Completion Report shall include a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, and 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 registered civil engineer, consistent Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State through the Water Authority.
- Project Performance Reports: Grantee shall submit a Project Performance Report for each project to State within **sixty** (60) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated, for each project, annually for a total of 10 years after the completed project begins operation.

- 18. IRWM Program Performance and Assurances:** LPS agrees to promptly perform or cause to be performed all IRWM Program work as described in the final plans and specifications for each project and implement the project in accordance with applicable provisions of the law. If the Water Authority must enforce this provision by legal action, LPS shall pay all costs incurred by the Water Authority including, but not limited to, reasonable attorneys' fees, legal expenses, and other costs.
- 19. Labor Compliance:** LPS will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3.
- 20. Operations and Maintenance of Project:** For the useful life of construction and implementation projects and in consideration of the Grant made by State, LPS agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The LPS shall contractually assume all operations and maintenance costs of the facilities and structures for their respective project; The Water Authority shall not be liable for any cost of such maintenance, management, or operation. LPS may be excused from operations and maintenance only upon the written approval of the San Diego IRWM Program Manager. For purposes of this LPS 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 project 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 13, “Default Provisions.”
- 21. Statewide Monitoring Requirement:** If it has a groundwater project or if a project includes groundwater monitoring requirements, LPS shall ensure that the project is consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of CWC). If the project affects water quality, it 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.

22. Project Monitoring Plan Requirements: The LPS Agreement work plan should contain activities to develop and submit to State a monitoring plan for its project. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:

- a) Baseline conditions.
- b) Brief discussion of monitoring systems to be utilized.
- c) Methodology of monitoring.
- d) Frequency of monitoring.
- e) Location of monitoring points.

A monitoring plan shall be submitted to the Water Authority prior to disbursement of grant funds for construction or monitoring activities for each project in this LPS Agreement. See Exhibit G (“Requirements for Data Submittal”) for web links and information regarding other State monitoring and data reporting requirements.

23. Notification of Water Authority: For each project, Grantee shall promptly notify the Water Authority, in writing, of the following items:

- a) Events or proposed changes that could affect the scope, budget, or work performed. Local project sponsor agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the Water Authority, which it will forward to the State and the State has given written approval for such change. Substantial changes generally include changes to the terms/scope of work, schedule, and budget. See Exhibit H for guidance on Agreement Amendment requirements.
- b) Any public or media event publicizing the accomplishments and/or results of this LPS Agreement and provide the opportunity for attendance and participation by State’s representatives and the Water Authority. Grantee shall make such notification at least **fourteen** (14) calendar days prior to the event.
- c) Completion of work on a project shall include final inspection of a project by a Registered Civil Engineer, if applicable as determined and required by State, and in accordance with Standard Condition D-15 (Final Inspections and Certification of Registered Civil Engineer). Furthermore, the LPS shall provide the State the opportunity to participate in the inspection. LPS shall make such notification at least fourteen (14) calendar days prior to the final inspection.

24. Project Managers: Any party may change its Project Manager upon written notice to the other parties.

- Water Authority’s Project Manager shall be **Mark Stadler**, Principal Water Resources Specialist. Water Authority’s Project Manager shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of the Water Authority, including authority to execute all payment requests.
- LPS’s Project Manager, **Kimberly A. Thorner**, shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of LPS, including authority to execute all payment requests, demand,

request, consent, or approval that either party desires or is required to give to the other party under this LPS Agreement shall be in writing.

25. **Notices:** All may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by “overnight” delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
26. **Project Representatives:** The Project Representatives during the term of this Grant Agreement are as follows.

Direct all inquiries to the Project Manager:

San Diego County Water Authority
Mark Stadler
IRWM Program Manager
4677 Overland Avenue
San Diego, CA 92123
Phone (858) 522-6735
e-mail at MStadler@sdcwa.org

Olivenhain Municipal Water District
Kimberly A. Thorner
1966 Olivenhain Road
Encinitas, CA 92024
e-mail at kthorner@olivenhain.com

27. **Termination, Immediate Repayment, Interest:** The Agreement may be terminated by written notice at any time before completion of the IRWM Program at the option of Water Authority or State if LPS breaches the Agreement, and has been asked to cure the breach within a reasonable time and fails to do so. If the Agreement is terminated, LPS shall, upon demand, immediately repay to State an amount equal to the amount of grant funds disbursed to LPS. Interest shall accrue on all amounts due at the legal rate of interest allowed by law from the date that notice of termination is mailed to LPS to the date of full repayment.
28. **Indemnity – Hold Harmless:** (a) To the fullest extent permitted by law, the LPS shall (1) immediately defend, and (2) indemnify the Water Authority, the State,

and their directors, officers, and employees from and against all liabilities regardless of nature or type arising out of or resulting from LPS' performance of services under this contract, or any negligent or wrongful act or omission of the LPS or LPS' officers, employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The LPS' obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole negligence or willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the LPS indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

(b) The duty to defend is a separate and distinct obligation from the LPS's duty to indemnify. The LPS shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Water Authority and State, the Water Authority and State, their directors, officers, and employees, immediately upon tender to the LPS of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the LPS from its separate and distinct obligation to defend Water Authority and State. The obligation to defend extends through final judgment, including exhaustion of any appeals.

(c) The review, acceptance or approval of the LPS's work or work product by any indemnified party shall not affect, relieve or reduce the LPS's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

29. Insurance:

(a) The LPS shall procure and maintain during the period of performance of this Contract insurance from insurance companies admitted to do business in the State of California, as set forth in this Section or as additionally required by supplemental condition. These policies shall be primary insurance as to the Water Authority so that any other coverage held by the Water Authority shall not contribute to any loss under the LPS's insurance. Coverage may be provided by a combination of primary and excess insurance policies, provided all insurers meet the requirements of this Section.

(b) All insurance shall cover occurrences during the coverage period.

(c) The coverage amount of each policy of insurance shall be as required by the Water Authority.

(1) The following insurance and limits are required for the contract:

General Liability: Coverage at least as broad as ISO form GC 00 01 10 01

Limit per occurrence: 1,000,000

(d) The insurance policies shall be endorsed as follows:

(1) For the general commercial liability as well as excess or umbrella insurance covering risks within the scope of that type insurance, the Water Authority, its directors, officers, employees and agents are included as additional insureds with regard to liability and defense of suits or claims arising from the operations, products and activities performed by or on behalf of the Named Insured. The LPS's insurance applies separately to each insured, including insureds added pursuant to this paragraph, against whom claim is made or suit is brought except with respect to the policy limits of liability. The inclusion of any person or entity as an insured shall not affect any right which the person or entity would have as a claimant if not so included. Any failure of the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added pursuant to this paragraph. The additional insured endorsement shall provide coverage at least as broad as ISO form CG 20 10 10 93.

(2) The LPS's insurance shall be primary. Any other insurance or self-insurance available to the Water Authority or persons stated in paragraph (1) shall be in excess of and shall not contribute to the Contractor's insurance.

(3) The insurance shall not be canceled or materially reduced in coverage except after 30 days prior written notice received delivery has been given to the Water Authority, except 10 days notice shall be allowed for non-payment of premium.

(e) Unless otherwise specified, the insurance shall be provided by an acceptable insurance provider, as determined by the Water Authority, which satisfies the following minimum requirements: An insurance carrier admitted to do business in California and maintaining an agent for process within the state. Such insurance carrier shall maintain a current A.M. Best rating classification of "A- (A minus) " or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in California and the policy provides for an agent for process in the state and the program assures a financial capability at least equal to the required classification and size for admitted insurers.

(f) Certificates of insurance and endorsements shall be provided by the LPS and approved by the Water Authority before execution of the Contract. Endorsements may be provided on forms provided by the Water Authority, or substantially equivalent forms provided by the insurer.

Additional Insured: All Consultants/Contractors performing the scope of work on behalf of the LPS shall name the Water Authority and State (including their directors, officers, employees, and agents) as an additional insured on their Commercial General Liability policy and the policy shall be endorsed with use of an ISO form CG 20 10 10 93 or equivalent.

- 30. **Laws and Venue:** This Agreement shall be interpreted in accordance with the laws of the state of California. If any action is brought to interpret or enforce any term of this Agreement the action shall be brought in a state or federal court in San Diego County.
- 31. **Assignment:** A Party shall not assign, sublet, or transfer this Agreement or any rights or interest in this Agreement without the written consent of the Water Authority, which may be withheld for any reason.
- 32. **Integration:** This Agreement represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding should be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the Parties.
- 33. **Incorporation of standard conditions and LPS commitments:** The following exhibits are attached and made a part of this Agreement by this reference:
 - Exhibit A – Work Plan
 - Exhibit B – Schedule
 - Exhibit C – Budget
 - Exhibit D – Standard Conditions
 - Exhibit E – Report Format and Requirements
 - Exhibit F- Disbursement Process
 - Exhibit G- Requirements for Data Submittal
 - Exhibit H- State and Water Authority Auditing and Documentation Requirements
- 34. **Signatures:** The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below:

SAN DIEGO COUNTY WATER AUTHORITY Approved as to form and legality:

By: _____

By: _____

Ken Weinberg
Director of Water Resources

Rosann Gallien
Deputy General Counsel

Local Project Sponsor
OLIVENHAIN MUNICIPAL WATER DISTRICT

Approved as to form and legality:

By: _____
Kimberly A. Thorne
Project Manager

By: _____
Name
Title

**EXHIBIT A
WORK PLAN**

Project 2: North San Diego County Regional Recycled Water Project

Project Description

The North San Diego County Regional Recycled Water Project is a plan by North San Diego County water and wastewater agencies to regionalize recycled water systems by identifying new agency interconnections, seasonal storage opportunities and indirect potable water uses that will maximize supplies, reduce wastewater discharges to ocean, potentially reduce energy consumption due to diminished delivery of imported water, and allow recycled water to play an even more significant role in meeting future water needs.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: This project will involve project administration after the Implementation Grant Agreement is executed. Project administration will involve coordinating various project elements with the 12 project partners. The project partners entered into an agreement in June 2010 to utilize the *Recycled Water Facilities Plan* to: analyze individual facilities and projects, to study the ability to interconnect, to maximize recycled treatment facilities and use of recycled water, and to study any potential water quality or physical issues with the comprehensive regional project. In addition, project administration will involve administration, coordination, and review of all project tasks.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et.seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following submittals will be completed and submitted to the SDCWA:

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Final Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: The *Recycled Water Facilities Plan* was initially completed in March 2011 and will be revised; recycled water facilities on U.S. Marine Corps Camp Pendleton have recently been added into planning for the regional system. This plan analyzed existing and proposed recycled water facilities and evaluated each agency’s ability to interconnect and maximize the use of recycled water within their combined service areas. Tasks that were undertaken to complete this plan include: reviewing previous studies, reviewing regulatory/water quality considerations, comparing supply and demand, developing alternative concepts, evaluating alternative concepts, summarizing funding options, and preparing the plan. The following data and information were reviewed to complete this plan: Recycled Water Master Plans, Waste Discharge Permits, Annual Recycled Water Supply Reports, Recycled Water Project Implementation Plans, Water and Sewer Master Plans, NPDES Permits, Urban Water Management Plans, Recycled Water Facilities Plans, Outfall Capacity Studies, Asset Management Plans, Recycled Water Agreements, and Recycled Water maps. In addition, recycled water supply and demand forecasts were collected and analyzed in order to complete the plan.

The *Recycled Water Feasibility Study* will build on the analysis and recommendations in the *Recycled Water Facilities Plan*. The *Recycled Water Feasibility Study* will provide the basis to pursue federal funding through the U.S. Army Corps of Engineers/Water Resources Development Act. The *Recycled Water Feasibility Study* will be compliance with U.S. Army Corps of Engineers/Water Resources Development Act and will include a problem/needs statement, water reuse opportunities, description of alternatives, economic analysis of alternatives, environmental analysis of alternatives, legal and institutional requirements, financial capability of the sponsor, and research needs. Additionally, project partners in the regional recycled system will undertake planning, design, and engineering of some project components.

The *Engineering Study for Regional Seasonal Recycled Water Storage* will evaluate two regional sites as potential regional seasonal recycled water storage sites. This study will expand upon the regional seasonal storage alternatives identified in the *Recycled Water Facility Plan*. The anticipated sites have been identified previously, but not studied as a regional alternative.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Final Project Completion Report

Task 5 – Final Design: Design for this project has not yet been completed, and will therefore be completed after the agreement is executed. This project will not involve final design, and will therefore not include any solicitation efforts.

Design Deliverables
Final Design

Task 6 – Environmental Documentation: It is anticipated that a joint CEQA/NEPA Programmatic Environmental Impact Report (EIR)/Environmental Assessment (EA) will be completed in order to provide an understanding of environmental impacts associated with the proposed recycled water storage and conveyance facilities. Preparation of a joint CEQA/NEPA document is anticipated in order to provide programmatic environmental compliance for all facilities identified in the *Recycled Water Feasibility Study*. Project-level environmental documentation (either stand-alone or tiered) will be prepared prior to initiation of any construction activities for individual project components.

Environmental Documentation Deliverables
CEQA/NEPA Programmatic EIR/EA

Task 7 – Permitting: This project will not include any permitting. Project-level permitting, as necessary, will be obtained prior to initiation of any construction activities for individual project components.

D. Construction/Implementation

Task 8 – Construction Contracting: This project will not include construction contracting. Project-level construction contracting will be completed for construction of individual project components.

Task 9 – Construction: Construction tasks for this project will implement early components of the regional recycled water system. These components would help to optimize the production and distribution of recycled water throughout the North County region:

- **Subtask 9.1: Construction of SEJPA Demineralization Facility.** This effort will contribute to construction of a demineralization facility at the San Elijo Water Reclamation Facility to increase recycled water production by 560 AFY. This construction effort is aligned (though not redundant) with construction activities being implemented under the *North San Diego County Cooperative Demineralization Project*. Project construction will include purchase and installation of process equipment, one PALL A-6 microfiltration unit, for the demineralization facility.

- **Subtask 9.2: Construction of Carlsbad MWD Recycled Water Pipeline.** This effort will construct approximately 1,000 linear feet of 12-inch recycled water pipeline. The pipeline is intended to expand the district's customer base and possibly result in an intertie with a neighboring agency to further distribute available recycled water supplies.
- **Subtask 9.3: Construction of Rincon del Diablo MWD Recycled Water Storage and Conveyance.** This effort will construct upgrades to an existing 3.5 million gallon potable water storage tank. The storage tank will be decoupled from potable supply and converted to recycled water use. This project will also involve construction of approximately 2,000 linear feet of conveyance pipelines to put the storage tank into service.

Project-level environmental documentation, in compliance with CEQA, will be prepared and certified prior to initiation of any construction activities for individual project components.

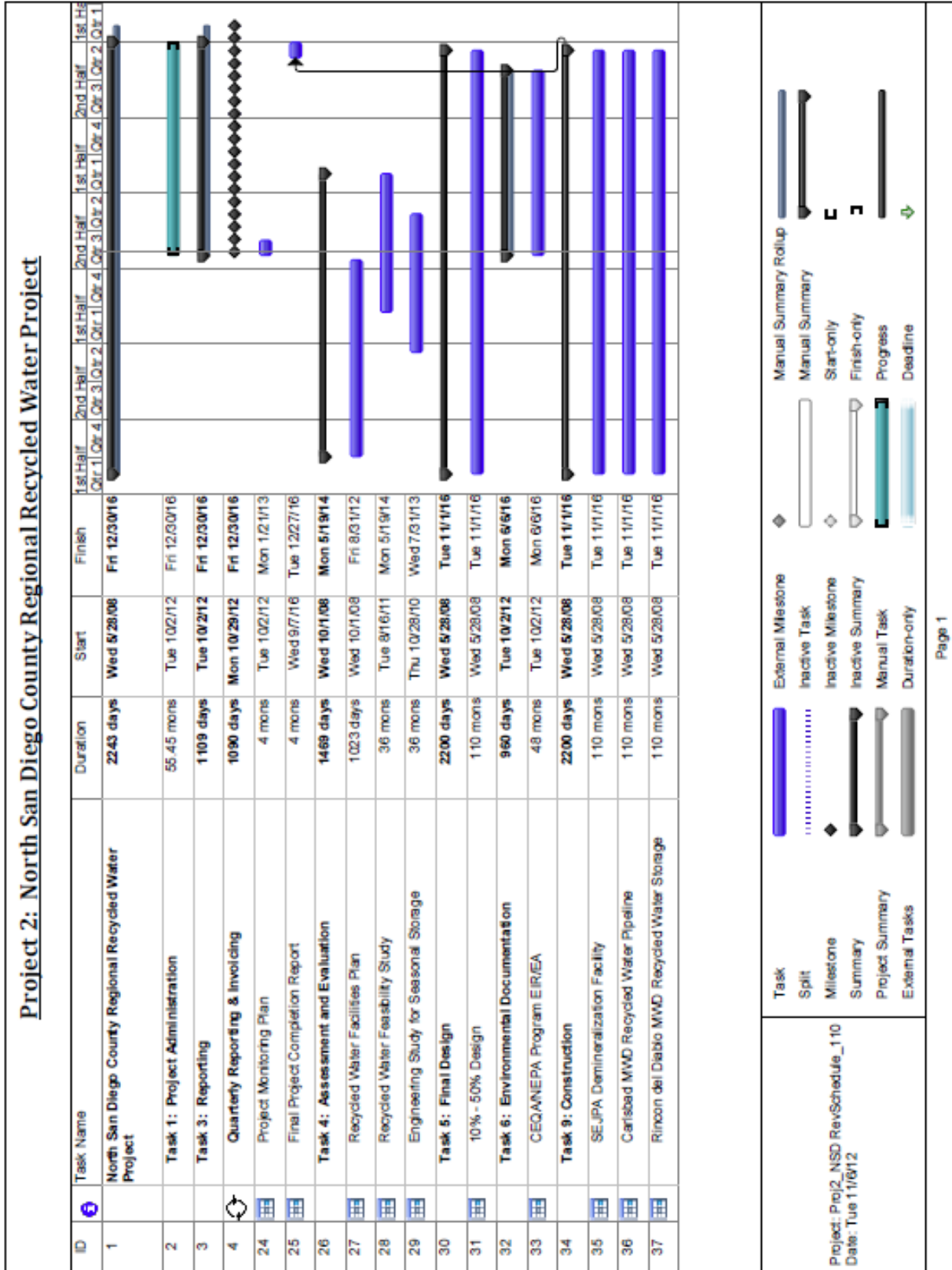
E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: No environmental mitigation or enhancement action or tasks are included in this project. Project-level environmental mitigation will be implemented prior to initiation of any construction activities for individual project components.

F. Construction Administration

Task 11 – Construction Administration: This project will not include construction administration.

EXHIBIT B
SCHEDULE



**EXHIBIT C
BUDGET**

Project 2: <u>North San Diego County Regional Recycled Water Project</u>					
		(a)	(b)	(c)	(d)
Budget Category		Funding Match *	DWR Grant Amount	“Other” Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$0	\$55,000	\$55,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$200,000	\$1,185,000	\$200,000	\$1,585,000
(d)	Construction/Implementation	\$540,777	\$270,000	\$519,223	\$1,330,000
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Project Total	\$740,777	\$1,455,000	\$774,223	\$2,970,000

1)* General funds of participating project partners.
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in Table 8 – Summary Budget.

EXHIBIT D
STANDARD CONDITIONS

- D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:**
- a) **SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS:** LPS shall account for the money disbursed pursuant to this LPS Agreement separately from all other LPS' funds. LPS shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. LPS shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. LPS shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the Water Authority and the State at any and all reasonable times.
 - b) **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The LPS 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 LPS Agreement.
 - c) **REMITTANCE OF UNEXPENDED FUNDS:** LPS, within a period of thirty (30) calendar days from the final disbursement from the Water Authority to LPS of grant funds, shall remit to the Water Authority any unexpended funds that were disbursed to LPS and were not needed to pay Eligible Project Costs.
- D.2 ACKNOWLEDGEMENT OF CREDIT:** LPS shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this LPS Agreement. During construction of the Project, LPS 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. LPS 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 AMENDMENT:** No amendment or variation of the terms of this LPS Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the LPS Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.
- D.4 AMERICANS WITH DISABILITIES ACT:** By signing this LPS Agreement, LPS assures the Water Authority that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 *et seq.*), which prohibits

discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5 Audits: Water Authority reserves the right to conduct an audit at any time between the execution of this LPS Agreement and up to three years after completion of the project. Costs of an audit performed between the execution of this agreement and completion of the project will be borne by the Water Authority with the costs of such audit to be borne by the Water Authority. After completion of the project, audit costs will be borne by the LPS. The Water Authority and State may require LPS to conduct a final audit or may perform the audit at LPS's expense. Audit costs performed up to three years after project completion may be paid by the LPS. The audit will be conducted and a report prepared by an independent Certified Public Accountant. Failure or refusal by LPS to comply with this provision shall be considered a breach of this Agreement, and Water Authority and State may take any action to protect their interests. Please see Exhibit H for additional auditing rules and requirements.

D.6 BUDGET CONTINGENCY: LIMIT ON STATE FUNDS. Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. The Water Authority will not make payments of any kind, including advances or reimbursements, until State funding is made available by the State Treasurer.

D.7 CHILD SUPPORT COMPLIANCE ACT: For any LPS Agreement in excess of \$100,000, the LPS acknowledge the following in accordance with Public Contract Code 7110:

- a) The LPS 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 LPS, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.8 COMPETITIVE BIDDING AND PROCUREMENTS: LPS shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in LPS's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this LPS Agreement.

D.9 COMPUTER SOFTWARE: The LPS certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this LPS Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

D.10 CONFLICT OF INTEREST

- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- b) **Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA: The LPS agrees to expeditiously provide, during work on the Project and throughout the term of this LPS Agreement, such reports, data, information, and certifications as may be reasonably required by the Water Authority and the State.

D.12 DISPOSITION OF EQUIPMENT: LPS shall consult with State, via the Water Authority, on the scope of the inventory not less than forty **five (45)** days prior to the submission of the final project invoice LPS shall provide to the Water Authority, not less than **fifteen (15)** prior to submission of the final project invoice, a final inventory list of equipment purchased with grant funds provided by the State.. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item. Within 60 days of receipt of such inventory, State, via the Water Authority, shall provide LPS with a list of the items on the inventory that State will take title to. All other items shall become the property of LPS. State shall arrange for delivery from LPS of items that it takes title to. Cost of transportation, if any, shall be borne by State.

D.13 DISPUTES: In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided or the method of delivery as directed may result in return of the invoice to the LPS. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim

that LPS may have regarding the performance of this Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the San Diego County Water Authority, IRWM Program Manager, within **thirty (30)** calendar days of LPS's knowledge of the claim. The Water Authority and the LPS shall then attempt to negotiate a resolution of such claim and process an amendment to the Agreement to implement the terms of any such resolution.

D.14 DRUG-FREE WORKPLACE CERTIFICATION

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

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

D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED

CIVIL ENGINEER: Upon completion of a construction project and as determined by State, LPS shall provide for a final inspection and certification by a California Registered Civil Engineer that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this LPS Agreement and to the State's satisfaction.

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

- D.17 LPS COMMITMENTS:** LPS accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.
- D.18 INCOME RESTRICTIONS:** The LPS agrees that any refunds, rebates, credits, or other amounts (including any interest thereon, accruing to or received by the LPS under this LPS Agreement) shall be paid by the LPS to the State, via the Water Authority, to the extent that they are properly allocable to costs for which the LPS has been reimbursed by the State, Via the Water Authority, under this LPS Agreement.
- D.19 INDEPENDENT CAPACITY:** LPS, and the agents and employees of LPS, if any, in the performance of the LPS Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State or the Water Authority.
- D.20 INSPECTIONS:** The State and the Water Authority shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the LPS Agreement. LPS shall include provisions ensuring such access in all its contracts or sub-contractors entered into pursuant to its LPS Agreement with the Water Authority. LPS acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 et. seq.). State and the Water Authority shall have the right to inspect these documents at any and all reasonable times after completion of the Project to ensure compliance with the terms and conditions of this LPS Agreement and the Grant Agreement. During regular office hours, the State and the Water Authority shall have the right to inspect and to make copies of any books, records, or reports of the LPS relating to this LPS Agreement. LPS shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this LPS Agreement. Failure or refusal by LPS to comply with this provision shall be considered a breach of this LPS Agreement, and State or the Water Authority may withhold disbursements to LPS or take any other action it deems necessary to protect its interests.
- D.21 NONDISCRIMINATION:** During the performance of this LPS Agreement, LPS and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. LPS and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. LPS and contractors shall comply with

the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this LPS Agreement by reference and made a part hereof as if set forth in full. LPS and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. LPS shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the LPS Agreement.

D.22 NO THIRD PARTY RIGHTS: The parties to this LPS Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this LPS Agreement, or of any duty, covenant, obligation or undertaking established herein.

D.23 OPINIONS AND DETERMINATIONS: The parties agree that review or approval of any IRWM Program applications, documents, permits, plans and specifications or other program information by the State or the Water Authority is for administrative purposes only and does not relieve the LPS of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the IRWM Program.

D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. LPS shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this LPS Agreement. LPS shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to disbursement of funds under this LPS Agreement.

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

D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: Local Project Sponsors 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 IRWM Program without prior permission of the State, via the Water Authority. Local Project Sponsors shall not take any action concerning the performance of this LPS Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of LPS to meet its obligations under this LPS Agreement, without prior written permission of State via the Water Authority. State may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this LPS Agreement be remitted to State.

D.26 REMEDIES, COSTS, AND ATTORNEY FEES: The LPS agrees that any remedy provided in this LPS Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the Water Authority as a result of breach of this LPS Agreement by the LPS, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this LPS Agreement by the Water Authority shall not preclude the State from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this LPS Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.

D.27 RETENTION: Notwithstanding any other provision of this LPS Agreement, State shall, for each project, **withhold five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter**, of the funds requested by LPS for reimbursement of Eligible Costs. Each project in this LPS Agreement will be eligible to release its respective retention when that project is completed and LPS has met requirements of Paragraph 17, "Submissions of Reports" as follows. At such time as the "Project Completion Report" required under Paragraph 17 is submitted to and approved by State, State shall disburse the retained funds as to that project to LPS, except in the case of the last project to be completed under this LPS 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.28 RIGHTS IN DATA: To the extent permitted by law, the LPS 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 LPS Agreement shall be in the public domain. The LPS may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this LPS Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The LPS shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

D.29 SEVERABILITY OF UNENFORCEABLE PROVISION: If any provision of this LPS Agreement is held invalid or unenforceable by a court of final

jurisdiction, all other provisions of this LPS Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.

D.30 STATE REVIEWS AND INDEMNIFICATION: The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State is for administrative purposes only and does not relieve the LPS or Local Project Sponsors of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Local Project Sponsors agree to indemnify, defend and hold harmless the Water Authority and the against any loss or liability arising out of any claim or action brought against the Water Authority and the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:

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

D.31 SUCCESSORS AND ASSIGNS: This LPS Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this LPS Agreement or any part thereof, rights hereunder, or interest herein by the LPS 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.32 TIMELINESS: Time is of the essence in this LPS Agreement.

D.33 TRAVEL: LPS agrees that travel and per diem costs shall **NOT be eligible** for reimbursement with State funds, and shall NOT be eligible for computing LPS cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel and contractors during the term of this LPS Agreement.

D.34 WAIVER OF RIGHTS: None of the provisions of this LPS 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 Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the LPS Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

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

QUARTERLY PROGRESS REPORT

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

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs, as applicable.
- An update on efforts to adopt a Groundwater Management Plan as applicable.

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

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc).
- Discussion of data (or report) submittal effort(s) for the previous quarter, including a description of the data (or report) submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the project work plans.
- Description of any efforts to update IRWM Plan to obligations listed in Paragraph 12, "Continuing Eligibility, if applicable."
- Any scope amendment officially approved by the State during the quarter

COST INFORMATION

- Provide a List showing all costs incurred during the quarter by the LPS, the Local Project Sponsor overseeing the work, and each contractor working on the project. The list should include for all non-construction, or

implementation costs, (i.e., design, and admin charges) the hours per task worked on with rates during the quarter for above personnel.

- A discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from latest budget shown in Exhibit C, Budget. Note, a revised budget may require an official amendment to the Agreement before it is accepted as final.
- Any budget amendment officially approved by the State during the quarter.
- Costs broken down by funding match and grant incurred for the quarter and to date.
- Payments of any invoices received during the past quarter.

SCHEDULE INFORMATION

- A schedule showing actual progress verse planned progress as shown in Exhibit B.
- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit B.
- A revised schedule, by task, if changed from latest schedule in Exhibit B. Note, a revised schedule may require an official amendment to the Agreement before it is accepted as final.
- Any schedule amendment officially approved by the State during the quarter.

ANTICIPATED ACTIVITIES NEXT QUARTER

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

PROJECT COMPLETION REPORT

A Project Completion Report is required for each project identified in the Work Plan, Exhibit A. This report will include the following Sections:

EXECUTIVE SUMMARY

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

- Brief description of work proposed to be done in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application.
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement. List any official amendments to the Agreement, with a short description of the amendment

- Describe the mechanism or process that allows for continued performance monitoring of the projects in meeting the objectives of the IRWM Plan.

REPORTS AND/OR PRODUCTS

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

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices 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 spreadsheet summary of the original budget costs by task versus the final project costs
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants (Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of grant disbursements.
- Summary of project cost including:
 - Accounting of the cost of project expenditure.

- Include all internal and external costs not previously disclosed.
- A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION

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

PROJECT-PERFORMANCE REPORT

Project Performance Report is required annually for every project for a period of 10 years beginning after the first year of operation, and includes the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, i.e., October 2014 through September 2015.
- Short project description.
- Brief discussion of the project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 22 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

ELECTRONIC REPORT FORMATTING

LPS agrees that work funded under this LPS Agreement will be provided in an electronic format to the Water Authority. Electronic submittal of final reports, plans, studies, data, and other work performed under this grant shall be as follows:

- Text preferably in MS WORD or text PDF format.

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

EXHIBIT F DISBURSEMENT PROCESS

The State, via the Water Authority will reimburse the LPS for costs incurred after the grant award date of August 16, 2011, using the concurrent drawdown method by task, plus retention. That is, if there is LPS Funding Match and DWR grant share associated with a task; then grant funds and local match dollars will be expended simultaneously in accordance with the percentage (proportion) of funds coming from local costs and grant funds shown in the Budget.

Example: A LPS submits Invoice 1 that includes costs for Task 2 of a LPS agreement; and Task 2 is split with a Funding Match of 25% and grant share of 75% for a total of \$100. If the LPS submits an invoice for \$4, then \$1 would be drawn down from the Funding Match, and \$3 would be reimbursed from the grant share (minus 5% retention 0.15 cents). The total Invoice 1 reimbursement for the LPS would be \$2.70.

However, no payment will be disbursed until this LPS agreement is executed.

If the LPS submits invoices for allowable Funding Match costs for the period between September 30, 2008 and prior to initiation of the grant agreement, those costs at DWRs discretion, will be directly deducted from the grantees Funding Match [refer to Section V(L) on page 28 of the DWR IRWM Guidelines].

The retention withheld by the Water Authority on each invoice, by task, will be released to the LPS upon: 1) the Water Authority's receipt of a request for release of retention, and 2) confirmation by the Water Authority and DWR that all deliverables shown in Exhibit A have been received.

DWR approves invoice payments at the overarching Task-level. Subtasks are provided in the Work Plan, Budget, and Schedule for additional detail, and guidance for the project manager to be aware of when administering the Grant Agreement.

EXHIBIT G
REQUIREMENTS FOR DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

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

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

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

GROUNDWATER LEVEL DATA

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

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

Exhibit H
State and Water Authority's Audit Document Requirements and Guidelines for
Local Project Sponsors

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees that is being passed along to the Local Project Sponsor by the Water Authority. This list may include additional requirements pertains to both Grant funding and Funding Match and details the documents/records that State Auditors and the Water Authority would need to review in the event of this LPS and the Grant Agreement is audited. Local Project sponsors should ensure that such records are maintained for each the funded project.

List of Documents for Audit

Internal Controls:

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

Agreements and Contracts:

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

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Personnel:

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

Project Files:

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

General Grant Agreement Guidelines

Amendment Requirements:

Formal Amendments to the Grant Agreement are triggered when the proposed changes are deemed substantial by the State. Substantial changes generally include changes to the scope of work, schedule, and budget. For example, a formal budget change to an Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged with. Formal Amendments must be approved by the State's IRWM Program Manager and the signatory authorities as listed on page 27 of this agreement. Informal Amendments can be obtained via email or any other written format as required by the SDCWA's IRWM Program Manager, via SDCWA's Grant Administrator. Amendment request considered "informal" must be approved by the State's IRWM Program Manager and San Diego Region's Program Manager prior to implementation.

Funding Match Contribution

Funding Match (often referred to as LPS Cost Share) is the amount defined in Paragraph 4 of this Agreement. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the LPS (and potentially other parties involved) directly related to the execution of the scope of work (*examples*: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can counted as funding match in-lieu of actual funds (or revenue) provided by the LPS. Other funding match

and in-kind service eligibility conditions apply (see paragraph 9). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
 - Describe contributed item(s) or service(s)
 - Purpose for which contribution was made (tie to scope of work)
 - Name of contributing organization and date of contribution
 - Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see item #4, below)
 - Person's name and function of the contributing person
 - Hours of contribution
 - If multiple sources exist, summarize these on a table with summed charges
 - Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.

2. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in this LPS Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of this LPS Agreement. Evaluate eligibility with the DWR Project Manager and SD Region's IRWM Program Manger in advance of submittal.

3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.

Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the LPS organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
SAN DIEGO COUNTY WATER AUTHORITY, AGREEMENT NO. 4600009707
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANTS
CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

THIS AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the **San Diego County Water Authority**, a public agency, in the County of San Diego, 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 a grant 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 San Diego Integrated Regional Water Management (IRWM) 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 **May 31, 2017** 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 8.
3. **GRANT AMOUNT.** The maximum amount payable by State under this Grant Agreement shall not exceed **\$7,900,000.00**. Of this grant amount, not less than **\$485,000.00** shall be expended to projects that benefit the critical water supply or water quality needs of disadvantaged communities (DAC) in the IRWM effort funded by this Grant Agreement. Of the total grant amount, not less than **\$1,018,500.00** shall be expended to urban and agricultural water conservation projects in the IRWM effort funded by this Grant Agreement.
4. **GRANTEE COST SHARE.** Estimated total project costs for this Agreement are **\$16,164,937.00**. Grantee shall provide a Grantee's non-State Cost Share (Funding Match) in the amount of at least 25% of the total project cost. The Grantee's Required Funding Match for purposes of this Agreement shall be **\$4,041,234.00**. Grantee's Funding Match may include cost share performed after September 30, 2008.
5. **GRANTEE'S RESPONSIBILITY.** Grantee shall faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Schedule) and Exhibit C (Budget). Grantee shall comply with all of the terms and conditions of this Grant Agreement and applicable California Public Resources Code (PRC) requirements.
6. **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 San Diego Integrated Regional Water Management Implementation 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.
7. **BASIC CONDITIONS.** State shall have no obligation to disburse money for a project under this Grant Agreement unless and until Grantee has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.
 - a) By signing this Grant Agreement, Grantee demonstrates the designated Local Project Sponsors for each project are aware of and comply with the provisions of the Grant Agreement between State and Grantee.
 - b) Grantee demonstrates the availability of sufficient funds to complete the project, as stated in the Grant Award/Commitment Letter, by submitting the most recent 3 years of audited financial statements.
 - c) Grantee complies with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project Construction if that tribe has traditional lands located within the area of the Project.

- d) For groundwater management and recharge projects and for projects with potential groundwater impacts, the Grantee must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
- e) For the term of this Grant Agreement, Grantee submits timely Quarterly Progress Reports as required by Paragraph 17, "Submission of Reports."
- f) Grantee submits all deliverables as specified in this Paragraph of this Grant Agreement and Work Plan in Exhibit A.
- g) Since the Grantee's IRWM region (region) receives water supplied from the Sacramento-San Joaquin Delta (Delta), then the region's IRWM Plan (existing or any future update) must help reduce dependence on the Delta for water supply.
- h) For each project, prior to the commencement of construction or implementation activities, Grantee shall submit to the State the following:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for each approved project as listed in Exhibit A of this Grant Agreement.
 - 2) Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
 - i. Grantee submits all applicable environmental permits as indicated on the Environmental Information Form to the State,
 - ii. Documents that satisfy the CEQA process are received by the State,
 - iii. State has completed its CEQA compliance review as a Responsible Agency, and
 - iv. Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) 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 (ex. construction or implementation activities) for which it is required. Therefore, the Grantee should get concurrence from DWR on CEQA before beginning any of the work that is subject to CEQA. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. 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, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

- 3) For each project included in this Grant Agreement a monitoring plan as required by Paragraph 22, "Project Monitoring Plan Requirements."
8. DISBURSEMENT OF GRANT FUNDS. Following the review of each invoice, State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. For each project, funds will be disbursed by State in response to each approved invoice in accordance with the Exhibit C. 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 Costs.
9. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit C. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Work performed after the date of grant award, August 16, 2011, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including the portion of overhead and administrative expenses that are directly related to the projects included in this Agreement in accordance with the standard accounting practices of the Grantee.

Advanced funds will not be provided. Costs that are not deemed eligible project costs cannot be counted as Funding Match. Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
 - b) Operation and maintenance costs, including post construction performance and monitoring costs.
 - c) Purchase of equipment not an integral part of 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.
 - i) Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
 - j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the grant award with the State.
 - k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of 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 Funding Match
 - l) Overhead not directly related to project costs.
10. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 7 "Basic Conditions" are met, State will disburse the whole or portions of the Grant Amount to Grantee, following receipt from Grantee of an invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 17, "Submission of Reports."

Invoices submitted by Grantee shall include the following information:

- a) Costs incurred for work performed in implementing the IRWM Program or program contracts during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the construction, operation, or maintenance of a project.
- c) Appropriate receipts and reports for all costs incurred.
- d) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - 2) Invoices must be itemized based on the categories specified in the Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) Sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's grant amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent Grantee's and Local Project Sponsors' costs, as applicable, in Paragraph 4, "Grantee Cost Share."
 - 5) Original signature and date (in ink) of Grantee's Project Manager.

Payment will be made no more than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Submit the original copy of the invoice form to the following address:

Department of Water Resources
Eddie Pech
770 Fairmont Avenue, Suite 102
Glendale, CA 91203-1035
Phone: (818) 500-1645 ext.249
Fax: (818) 543-4604
e-mail: epech@water.ca.gov

11. WITHHOLDING OF GRANT DISBURSEMENT BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the Grant Amount and take any other action that it deems necessary to protect its interests. State may require the Grantee to immediately repay all or any portion of the disbursed grant amount with interest, consistent with its determination. State may consider Grantee's refusal to repay the requested disbursed grant amount a contract breach subject to the default provisions in Paragraph 13, "Default Provisions."

If State notifies Grantee of its decision to withhold the entire grant amount from Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and shall no longer be binding on either party.

12. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirements to remain eligible to receive State grant funds:
- An urban water supplier that receives grant funds governed by this Grant Agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
 - For groundwater management and recharge projects and for projects with potential groundwater impacts, the Grantee must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
 - Reporting of status of IRWM Plan Update as described in Exhibit E under the heading "Quarterly Progress Report."
13. DEFAULT PROVISIONS. Grantee will be in default under this Grant Agreement if any of the following occur:
- Breach 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.
 - Making any false warranty, representation, or statement with respect to this Grant Agreement.
 - Failure to operate or maintain projects in accordance with this Grant Agreement.
 - Failure to make any remittance required by this Grant Agreement.
 - Failure of Grantee or a Local Project Sponsor receiving grant funding through this Grant Agreement to adopt, no later than 2 years after the State executes the Grant Agreement, an IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with Section 10530.
 - Failure to undertake all reasonable and feasible efforts to take into account the water-related needs of disadvantaged communities in the area within the boundaries of the IRWM Plan.
 - Failure to comply with Labor Compliance Program (LCP) requirements.
 - Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

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

- Declare the Grant be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
 - Terminate any obligation to make future payments to Grantee.
 - Terminate the Grant Agreement.
 - Take any other action that it deems necessary to protect its interests.
14. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS: Grantee and Local Project Sponsors shall be responsible for ensuring any and all permits, licenses, and approvals required for performing their obligations under this Grant Agreement are obtained, and shall comply with CEQA (PRC Section 21000 *et seq.*) and other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for each project described in Exhibit A.
15. RELATIONSHIP OF PARTIES. Grantee and Local Project Sponsors are solely responsible for design, construction, and operation and maintenance of Projects within the San Diego IRWM Program. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the

purpose of proper administration of grant funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee and Local Project Sponsors under this Grant Agreement.

16. GRANTEE REPRESENTATIONS. Grantee accepts and agrees 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. Grantee warrants that all Local Project Sponsors will be contractually required to comply with this Grant Agreement for their respective project or projects.
17. 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 in both electronic and hard copy forms. 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 E. 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 for each project listed on Exhibit A is a requirement for the release of any funds retained for such project.
 - Quarterly Progress Reports: Grantee shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be submitted electronically, to the State's Project Manager as specified in Exhibit B. Quarterly Progress Reports shall provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period.
 - Project Completion Reports: Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of project completion. Each Project Completion Report shall include a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, and 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 registered civil engineer, consistent Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State.
 - 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.
 - Project Performance Reports: Grantee shall submit a Project Performance Report for each project. Project 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, for each project, annually for a total of 10 years after the completed project begins operation.
18. IRWM PROGRAM PERFORMANCE AND ASSURANCES. Grantee agrees to faithfully and expeditiously perform or cause to be performed all IRWM Program work as described in the final plans and specifications for each project under this Grant Agreement and implement the project in accordance with applicable provisions of the law. 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.

19. LABOR COMPLIANCE. 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 California Labor Code Section 1771.3.
20. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the Grant made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of the projects, and shall ensure or cause the projects 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 Grantee shall ensure that all operations and maintenance costs of the facilities and structures are contractually assumed by the appropriate Local Project Sponsors for their respective projects; State shall not be liable for any cost of such maintenance, management, or operation. Grantee or Local Project Sponsors may be excused from operations and maintenance only upon the written approval of the State's Project Manager. 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 13, "Default Provisions."
21. 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 CWC) 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.
22. PROJECT MONITORING PLAN REQUIREMENTS. The Grant Agreement work plan should contain activities to develop and submit to State a monitoring plan for each project contained in this Grant Agreement. Monitoring plan can be for the entire Proposal or on a per project basis. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:
 - a) Baseline conditions.
 - b) Brief discussion of monitoring systems to be utilized.
 - c) Methodology of monitoring.
 - d) Frequency of monitoring.
 - e) Location of monitoring points.A monitoring plan shall be submitted to the State prior to disbursement of grant funds for construction or monitoring activities for each project in this Grant Agreement. See Exhibit G ("Requirements for Data Submittal") for web links and information regarding other State monitoring and data reporting requirements.
23. NOTIFICATION OF STATE. For each project, 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 will be undertaken

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

- b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 - c) Completion of work on a project shall include final inspection of a project by a Registered Civil Engineer, as determined and required by State, and in accordance with Standard Condition D-15 (Final Inspections and Certification of Registered Civil Engineer). Furthermore, the Grantee shall provide the State the opportunity to participate in the inspection. Grantee shall make such notification at least fourteen (14) calendar days prior to the final 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: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
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 Grantee has acknowledged authorization to enter into a cost sharing partnership agreement as documented in Exhibit I. The Project Representatives during the term of this Grant Agreement is 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

San Diego County Water Authority
Ken Weinberg
Water Resources Director
4677 Overland Avenue
San Diego, CA 92123
Phone: (858) 522-6741
e-mail: KWeinber@sdcwa.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Eddie Pech
Division of Integrated Regional
Water Management
770 Fairmont Avenue, Suite 102
Glendale, CA 91203
Phone: (818) 500-1645 ext. 249
e-mail: epesch@water.ca.gov

San Diego County Water Authority
Mark Stadler
IRWM Program Manager

4677 Overland Avenue
San Diego, CA 92123
Phone: (858) 522-6735
e-mail: MStadler@sdcwa.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 – Schedule
- Exhibit C – Budget
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Local Project Sponsors
- Exhibit G – Requirements for Data Submittal
- Exhibit H – Guidelines for Grantees
- Exhibit I – Grantee Resolution

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

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

SAN DIEGO COUNTY WATER AUTHORITY




Paula J. Landis, P.E., Chief
Division of Integrated Regional Water
Management
Date 12/2/12



Maureen Stapleton,
General Manager
Date 11/30/12

Approved as to Legal Form and Sufficiency


for Spencer Kenner, Assistant Chief Counsel
Office of Chief Counsel
Date 12 December 2012

**EXHIBIT A
WORK PLAN**

Project 1: Sustainable Landscapes Program

Project Description

The *Sustainable Landscapes Program* is designed to reduce the amount of potable water applied to urban landscapes (reduce water waste) while also reducing pollutant infiltration into local waterways. The project aims to provide a practical, integrated approach to help the public comply with the spirit of two separate regulations that impact urban landscapes: the CA state Model Water Efficient Landscape Ordinance and the San Diego Regional Water Quality Control Board's Municipal Stormwater Permit. This project is a collaborative effort among three public agencies, a private water utility, and three non-profit organizations within San Diego County. The *Sustainable Landscapes Program* relies on the integration of landscape guidelines and specifications development, education, training, incentives, technical assistance, and outreach to achieve project goals (water waste and pollution reduction).

The project is principally targeted at the residential sector, but may also include commercial participants. The project's comprehensive scope is a departure from conventional landscape conservation programs in that it goes well beyond addressing merely financial incentives for a specific device. Although the project term spans only from October 2010 to June 2015, the project benefits are expected to accrue through 2022. Project benefits include: 1) water use reduction; 2) green waste reduction; 3) labor reductions associated with maintenance; 4) CO₂ emissions reduction; and 5) water quality improvements. This multifaceted project relies on the integrated implementation of the six inter-dependent tasks.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration:

Project administration for this project will involve coordination and program planning activities by the partners. Deliverables that will be produced from these project administration efforts include a Draft Memorandum of Understanding, and a Draft Project Organization Chart. This project will also involve execution of Memorandums of Understanding; invoicing and reporting to the SDCWA; and project tracking procedures, and regular coordination meetings with partners. Deliverables that will be produced from these project administration efforts include invoices, quarterly reports, updated budgets, updated schedules, and change orders. These efforts will require labor from a Project Scheduler/Management Analyst, a Water Resources Specialist (Project Manager), a Senior Water Resources Specialist, and a Principal Water Resource Specialist.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et.seq.

Task 3 – Reporting: All reporting for this project to the SDCWA will occur after the Implementation Grant Agreement is executed. In order to assess progress and accomplishments of the project, the following submittals will be completed:

Project Administration Deliverables
Project Monitoring Plan
Quarterly Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: Not applicable.

Task 5 – Final Design: Not applicable.

Task 6 – Environmental Documentation: Not applicable.

Task 7 – Permitting: Not applicable.

D. Construction/Implementation

Task 8 – Implementation Contracting: Prior implementation contracting for this project has included a Request for Proposal (RFP) process and issuance of a purchase order to a landscape architect to develop water efficiency guidelines and specifications in November 2010. This project involves program implementation. It is not a construction project.

Task 9 – Implementation: Implementation of this project will occur after initiation of the Grant Agreement. This project will be adaptively managed in response to changing conditions and market demand. The Project Team will generally rely on the State of California Model Water Efficient Landscape Ordinance and on Low Impact Development features consistent with the San Diego Regional Water Quality Control Board Municipal Stormwater Permit as a guide.

- **Subtask 9.1 – Development of Landscape Guidelines and Specifications.** Develop an integrated set of guidelines combining water efficiency provisions (consistent with the CA Model Water Efficient Landscape Ordinance) and watershed protection provisions (based on Low Impact Design).
- **Subtask 9.2 – Development of Education/Training Implementation Plan.**
 - *Development of Educational Curriculum and Materials for Residential and Professional Series.* Develop new curriculum and materials based on the integrated landscape guidelines in Subtask 9.1. Incorporate existing information and materials from other sources, where feasible.
 - *Development of Certification and/or Recognition Program.* This task includes development of criteria for a regional certification and/or recognition program that builds upon existing industry certification programs. Rely on existing certification programs where applicable. Potentially develop a continuing education element for the certification program.
 - *Design of Training.* The project team will design training modules to be taught throughout the county consistent with the curriculum referenced above. Modules/classes will be targeted to specific audiences.
 - Deploy training, monitor performance, and administer certification and/or recognition.
- **Subtask 9.3 – Development of Technical Assistance Implementation Plan.** The project team will identify the parameters for technical assistance. Assistance may include, but is not limited to sample irrigation and landscape designs, landscape design workshops, limited site-specific design assistance, “how-to” assistance for do it yourselfers, hand’s on demonstrations.
- **Subtask 9.4 – Development of Marketing/Outreach Plan.** The project team will develop a Marketing/Outreach Plan and then conduct targeted outreach to audiences that may include, but are not limited to high water users, customers with excessive lawn areas or customers with visible signs of water waste.
- **Subtask 9.5 – Development of Incentive Criteria.** The project team will develop incentive criteria and administer issuance of incentives, which may cover design services and materials including, but not limited to: designs, landscape materials (plants, hardware, etc.), and other items.
- **Subtask 9.6 – Development of Landscape Material Provision Criteria.** The project team will develop and administer landscape material provisions. Materials may include, but are not limited to landscape materials (plants, hardware, compost, etc.).
- **Subtask 9.7 – Design and Conduct Evaluation.** It is anticipated that the project will be undergo a mid-stream assessment (to guide potential adaptive management refinements), and upon conclusion, a final evaluation to determine its effectiveness.

Implementation Deliverables
Landscape Guidelines and Specifications
Education/Training Implementation Plan
Technical Assistance Implementation Plan
Marketing/Outreach Plan
Incentive Criteria
Landscape Material Provision Criteria
Evaluation

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: Although this project funds incentives, it is not responsible for individual/onsite environmental compliance/mitigation/enhancement. It is the responsibility of the individual site owner/manager to identify environmental compliance/mitigation/enhancements that may apply to them.

F. Construction Administration

Task 11 – Construction Administration: Not applicable.

Project 2: North San Diego County Regional Recycled Water Project

Project Description

The North San Diego County Regional Recycled Water Project is a plan by North San Diego County water and wastewater agencies to regionalize recycled water systems by identifying new agency interconnections, seasonal storage opportunities and indirect potable water uses that will maximize supplies, reduce wastewater discharges to ocean, potentially reduce energy consumption due to diminished delivery of imported water, and allow recycled water to play an even more significant role in meeting future water needs.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: This project will involve project administration after the Implementation Grant Agreement is executed. Project administration will involve coordinating various project elements with the 12 project partners. The project partners entered into an agreement in June 2010 to utilize the *Recycled Water Facilities Plan* to: analyze individual facilities and projects, to study the ability to interconnect, to maximize recycled treatment facilities and use of recycled water, and to study any potential water quality or physical issues with the comprehensive regional project. In addition, project administration will involve administration, coordination, and review of all project tasks.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et.seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following submittals will be completed and submitted to the SDCWA:

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Final Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: The *Recycled Water Facilities Plan* was initially completed in March 2011 and will be revised; recycled water facilities on U.S. Marine Corps Camp Pendleton have recently been added into planning for the regional system. This plan analyzed existing and proposed recycled water facilities and evaluated each agency's ability to interconnect and maximize the use of recycled water within their combined service areas. Tasks that were undertaken to complete this plan include: reviewing previous studies, reviewing regulatory/water quality considerations, comparing supply and demand, developing alternative concepts, evaluating alternative concepts, summarizing funding options, and preparing the plan. The following data and information were reviewed to complete this plan: Recycled Water Master Plans, Waste Discharge Permits, Annual Recycled Water Supply Reports, Recycled Water Project Implementation Plans, Water and Sewer Master Plans, NPDES Permits, Urban Water Management Plans, Recycled Water Facilities Plans, Outfall Capacity Studies, Asset Management Plans, Recycled Water Agreements, and Recycled Water maps. In addition, recycled water supply and demand forecasts were collected and analyzed in order to complete the plan.

The *Recycled Water Feasibility Study* will build on the analysis and recommendations in the *Recycled Water Facilities Plan*. The *Recycled Water Feasibility Study* will provide the basis to pursue federal funding through the U.S. Army Corps of Engineers/Water Resources Development Act. The *Recycled Water Feasibility Study* will be compliance with U.S. Army Corps of Engineers/Water Resources Development Act and will include a problem/needs statement, water reuse opportunities, description of alternatives, economic analysis of alternatives, environmental analysis of alternatives, legal and institutional requirements, financial capability of the sponsor, and research needs. Additionally, project partners in the regional recycled system will undertake planning, design, and engineering of some project components.

The *Engineering Study for Regional Seasonal Recycled Water Storage* will evaluate two regional sites as potential regional seasonal recycled water storage sites. This study will expand upon the regional seasonal storage alternatives identified in the *Recycled Water Facility Plan*. The anticipated sites have been identified previously, but not studied as a regional alternative.

Study Performed and Deliverables
Recycled Water Facilities Plan
Recycled Water Feasibility Study
Engineering Study for Regional Seasonal Recycled Water Storage

Task 5 – Final Design: Design for this project has not yet been completed, and will therefore be completed after the agreement is executed. This project will not involve final design, and will therefore not include any solicitation efforts.

Design Deliverables
Final Design

Task 6 – Environmental Documentation: It is anticipated that a joint CEQA/NEPA Programmatic Environmental Impact Report (EIR)/Environmental Assessment (EA) will be completed in order to provide an understanding of environmental impacts associated with the proposed recycled water storage and conveyance facilities. Preparation of a joint CEQA/NEPA document is anticipated in order to provide programmatic environmental compliance for all facilities identified in the *Recycled Water Feasibility Study*. Project-level environmental documentation (either stand-alone or tiered) will be prepared prior to initiation of any construction activities for individual project components.

Environmental Documentation Deliverables
CEQA/NEPA Programmatic EIR/EA

Task 7 – Permitting: This project will not include any permitting. Project-level permitting, as necessary, will be obtained prior to initiation of any construction activities for individual project components.

D. Construction/Implementation

Task 8 – Construction Contracting: This project will not include construction contracting. Project-level construction contracting will be completed for construction of individual project components.

Task 9 – Construction: Construction tasks for this project will implement early components of the regional recycled water system. These components would help to optimize the production and distribution of recycled water throughout the North County region:

- **Subtask 9.1: Construction of SEJPA Demineralization Facility.** This effort will contribute to construction of a demineralization facility at the San Elijo Water Reclamation Facility to increase recycled water production by 560 AFY. This construction effort is aligned (though not redundant) with construction activities being implemented under the *North San Diego County Cooperative Demineralization Project*. Project construction will include purchase and installation of process equipment, one PALL A-6 microfiltration unit, for the demineralization facility.
- **Subtask 9.2: Construction of Carlsbad MWD Recycled Water Pipeline.** This effort will construct approximately 1,000 linear feet of 12-inch recycled water pipeline. The pipeline is intended to expand the district's customer base and possibly result in an intertie with a neighboring agency to further distribute available recycled water supplies.
- **Subtask 9.3: Construction of Rincon del Diablo MWD Recycled Water Storage and Conveyance.** This effort will construct upgrades to an existing 3.5 million gallon potable water storage tank. The storage tank will be decoupled from potable supply and converted to recycled water use. This project will also involve construction of approximately 2,000 linear feet of conveyance pipelines to put the storage tank into service.

Project-level environmental documentation, in compliance with CEQA, will be prepared and certified prior to initiation of any construction activities for individual project components.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: No environmental mitigation or enhancement action or tasks are included in this project. Project-level environmental mitigation will be implemented prior to initiation of any construction activities for individual project components.

F. Construction Administration

Task 11 – Construction Administration: This project will not include construction administration.

Project 3: North San Diego County Cooperative Demineralization Project

Project Description

In Southern California, wastewater, brackish water, and urban runoff are high in total dissolved solids (TDS) and other impurities that require advanced treatment to allow beneficial reuse. The North San Diego County Cooperative Demineralization Project is focused on developing new local water supplies and managing water quality issues by constructing advanced water treatment facilities at the SEWRF to mitigate high TDS sources and beneficial reuse and studying the feasibility of brackish to potable water desalination in North San Diego County.

Tasks

A. Direct Project Administration

Task 1 – Project Administration: Ongoing project administration for this project will involve coordinating the various project elements with partner agencies through memorandums of understanding (MOUs). SEJPA will implement other necessary project administration tasks; however, those staff costs are not included within the work plan.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et.seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following submittals will be completed and submitted to the SDCWA:

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

The land that will be required for this project was purchased by SEJP in 1965; therefore land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: This subtask involves the evaluation of studies that have been completed in order to assess and evaluate the project. Studies may include, but are not limited to:

- The *Conceptual Design Report* was completed on March 23, 2009. This study identified methods and looked at options for relieving flows to the San Elijo Ocean Outfall (SEOO), which is shared by the City of Escondido and the SEJPA, including advanced water treatment.
- A *Financial Assessment* was completed on July 12, 2009. The financial assessment utilized historical financial and usage data to identify the existing and projected revenue streams of the SEJPA's recycled water system.
- The *Preliminary Design Report (PDR)* was completed on December 1, 2009. The PDR utilized SEWRF secondary effluent constituent levels, data on specific manufacturer MF/UF skids, and permit requirements to identify and analyze (1) the Source water quality and treatment objectives, (2) the appropriate treatment train and parameters, (3) connections to the existing facility, (4) electrical compatibility, and (5) the architectural and structural requirements of the system.

The PDR included a *Geotechnical Investigation* for the project (completed April 24, 2010). This investigation collected soil properties, subsurface properties, and seismic data within the project area in order to identify the existing soil, subsurface, and seismic conditions and make recommendations on site preparation, excavations and shoring, fill placement and compaction, import soils, foundations, retaining wall lateral earth pressures, subterranean basins, preliminary pavement designs, construction operation, and potential limitations.

Laboratory fees were incurred by the SEJPA during preliminary design. These fees went toward laboratory analysis of demineralization feed water that assessed the concentrations of constituents-of-interest, such as phosphorus. Testing was concentrated during preliminary design, but may continue into the future and will be incurred as required or requested by the engineer or other consultants.

- The *San Eljio Water Reclamation Facility (SEWRF) Chlorine Contact Basin Tracer (CCT) Study Final Report* was finalized on August 26, 2010. This report collected contact time data for the existing chlorine contact tank and used a Dye Tracing method to assess the modal contact time of the existing CCT at 3.02 MGD of flow. The purpose of the study was to determine the ultimate flow that could be run through CCT and maintain the required chlorine residual to conform with Title 22 requirements.
- An *Opportunities and Constraints Analysis* will be completed in March 2011 to identify fatal flaws for a brackish to potable water desalination facility.
- *Loan Assistance* was provided by Kennedy/Jenks Consultants to prepare a Clean Water State Revolving Fund (SRF) loan packet and provide additional coordination with the State Water Resources Control Board (SWRCB) as necessary.

Several additional studies will need to be completed as part of the project:

- The *North County Brackish-to-Potable Water Feasibility Study* will collect data regarding sustainable yields from source wells, ecological and hydrogeological information, and water quality data in affected groundwater basins in order to perform tasks relating to the feasibility of constructing a brackish to potable water desalination facility. This study will be a project deliverable.
- The *San Eljio Lagoon Water Quality Report* will monitor water quality data during the life of the project at numerous locations in the Escondido Creek. This report will be a project deliverable.

Study Performed and Deliverables
Conceptual Design Report
Financial Assessment
Preliminary Design Report (PDR)
Geotechnical Investigation
SEWRF Chlorine Contact Basin (CCT) Tracer Study Final Report
Opportunities and Constraints Analysis
Loan Assistance
North County Brackish-to-Potable Water Feasibility Study
San Eljio Lagoon Water Quality Report

Task 5 – Final Design: Upon the date the grant is executed the project will be at 60% design status. The 10% conceptual design for the project was completed in September 2009. The 30% conceptual design for the project was finalized in December 2009, the 60% design for the project will be completed in January 2011, and the 90% pre-final design will be completed in May 2011. Design efforts up to this point prompted solicitation for pre-selection of the filtration membrane by December 15, 2010.

The final design for this project is currently under contract. Final design documents will include drawing sets and technical specifications for construction of the project.

Design Deliverables
100% (Final) Design

Task 6 – Environmental Documentation: This project has been analyzed in an Initial Study/Mitigated Negative Declaration (IS/MND) (CEQA-Plus) document that was completed and finalized in December 2009. The final document was adopted by resolution in December 2010. This document identified the environmental impacts of proposed construction for the project per applicable state and federal environmental laws, and detailed mitigation efforts required to offset those impacts. The CEQA-Plus document also outlined a Mitigation Monitoring Program (MMP) that requires two biological mitigation efforts. These mitigation efforts outlined within the MMP require that SEJPA conduct a Biological Survey Report, which will be completed prior to project construction.

Environmental Documentation Deliverables
Initial Study/Mitigated Negative Declaration Environmental (CEQA-Plus)
Biological Survey Report

Task 7 – Permitting: Currently, the SEJPA is working to a Coastal Development Permit for the project. This permit was required to obtain approval from the City of Encinitas Planning Commission, which is authorized to make a final determination on coastal development, to construct facilities. Prior to implementation of the project, SEJPA will obtain a Revised Master Recycled Water Permit for the SEWRF to ensure that the plant's recycled water treatment train conforms to Title 22.

Permit
Coastal Development Permit
Master Recycled Water Permit No. 2000-10

D. Construction/Implementation

Task 8 – Construction Contracting: All construction contracting for this project will occur after formalization of the Implementation Grant Agreement. Construction contracting will include advertisement for bids and a mandatory pre-bid meeting, preparation and distribution of addenda, bid opening, evaluation of bids and award of contract.

Task 9 – Construction: All construction for this project will occur after formalization of the Implementation Grant Agreement.

Building Materials and/or Construction Standards

The building materials will have been chosen during final design using good asset management principles – meaning, the materials will provide the desired level of service at the lowest life-cycle cost. Construction will conform to the specifications prepared for the project by a licensed Civil Engineer. These specifications include project-specific construction standards and also require the contractor to conform to applicable local, state, and federal laws. The specific codes identified in the preliminary design report for this project include the California Building code (CBC), the National Electric Code (NEC), the Uniform Plumbing code (UPC), the Uniform Mechanical Code (UMC), the California Fire Code (CFC), and CAL-OSHA (California Occupational Safety and Health) requirements. Additionally, the Contractor will be required to conform to the SEJPA Contractor Safety Program or their own safety program. Where there are conflicting requirements, the Contractor will be required to conform to the most stringent requirement.

Construction Tasks

Construction tasks for this project will include Mobilization and Site Preparation, Project Construction, and Performance Testing and Demobilization. These subtasks are described in detail below:

- **Subtask 9.1 Mobilization and Site Preparation:** Mobilization and site preparation includes ordering of equipment, mobilization of contractor equipment and materials, and preparation of physical site (including saw cutting, over excavation, pipeline inspection, and compaction of materials).
- **Subtask 9.2 Project Construction:** Project construction includes foundation work, construction of canopy structures and diversion structures, installation of equipment, installation of mechanical piping, installation of electrical and instrumentation equipment, and connecting the new system to the existing electrical and controls systems.
- **Subtask 9.3 Performance Testing and Demobilization:** Project performance testing and demobilization will include testing and demobilization procedures that will be identified in the final design documents.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: Environmental compliance for this project will occur prior to construction of the project. Mitigation efforts that are required per the final Initial Study/Mitigated Negative Declaration (CEQA-Plus) and will be implemented during construction include:

- To avoid direct and indirect impacts to migratory bird species protected under the Migratory Bird Treaty Act, a nesting bird survey, identification, and buffering shall be implemented.
- To avoid indirect impacts to the California gnatcatcher, a pre-construction survey, identification, and buffering shall be implemented.

- Construction-related noise and dust shall be minimized through implementation of BMPs.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. The San Elijo Joint Powers Authority (SEJPA) will implement other necessary project administration tasks. However, those staff costs are not included within the work plan.

Project 4: Rural Disadvantaged Community (DAC) Partnership Project

Project Description

The goal of the *Rural DAC Partnership Project* is to provide funding to address inadequate water supply and water quality affecting rural DACs, including tribal communities. The project will reduce potential for high public health risks in water and/or wastewater systems. The project will promote environmental justice in rural communities by providing outreach to rural DACs for available infrastructure projects, while promoting IRWMP goals.

The *Rural DAC Partnership Project* will organize a stakeholder committee to identify and select a **minimum of two** rural DAC projects that address critical water quality or quantity infrastructure improvements. Emphasis will be given to projects ready to be constructed.

Project will assist rural DACs, including tribal communities, with project coordination and oversight. RCAC will utilize other funding programs to provide capacity and technical development support to promote sustainability. Green technologies will be encouraged. RCAC has created a Green Infrastructure Guide for small rural DACs promoting conservation, energy efficiency and renewable energy sources.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: This task involves project administration, contract administration, and coordination with project partners. A Project Manager, Project Support, and Supervisor from RCAC will contribute to fulfilling this task, and will also be responsible for producing reports and other deliverables to the project partners.

Task 2 – Labor Compliance Program: Projects that will be completed as part of the *Rural DAC Partnership Project* have not yet been selected, and will be selected as part of Task 4 (see below for details). As such, it is not yet known if this project will require a Labor Compliance Program (LCP). However, if an LCP is required, one will be completed in accordance with California Labor Code 1720 et.seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following submittals will be completed and submitted to the SDCWA:

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: The following provides a list of necessary studies that will be completed in order to assess and evaluate the project. Deliverables that will be a result of this task include: a technical memorandum on selection process and outcomes, and DAC project-specific reports as applicable.

- *A Disadvantaged Communities Project Assessment and Selection Study* will involve organizing a committee of local DAC stakeholders, soliciting for critical water quantity and/or quality projects from rural DACs, finalizing project selection criteria, selecting two or more projects for funding, evaluating other available funding resources

to leverage Proposition 84 dollars, providing outreach and program information, and assisting with project scope, readiness, and project documentation for funding.

- *Disadvantaged Community Project Planning* (as required) may consist of feasibility studies and/or preliminary engineering studies as needed to evaluate options and provide recommendations and cost estimates. The preliminary engineering study or report provides the basis for design. Planning requirements for each DAC project will be determined during DAC project selection. The RCAC will provide capacity development, training, and technical assistance to support project sustainability utilizing existing RCAC programs.

Study Performed and Deliverables
DAC Project Assessment and Selection
DAC Project Planning, as Required

Task 5 – Final Design: Completion of the final project design will be determined based on DAC project selection (Task 4). Design required for sample projects may include the following:

- *Sample Project 1: MGB Well Rehab and Treatment Plant Renovation.* Project design would include design drawings and specifications for rehabilitation of a ground water well and iron and manganese treatment equipment. Rehabilitation efforts include washing and scrubbing well casing to increase production.
- *Sample Project 2: SCWWD Robbins Wastewater Rehabilitation.* Project design would include design drawings and specifications for installation of package recirculating bed filters, associated piping and valves, monitoring equipment and alarms.
- *Sample Project 3: LCB Surface Water Treatment and Upgrades.* Project design would include design drawings and specifications for treatment facilities to include slow sand filtration and sodium hypochlorite disinfection, wood structure building to house equipment, and solar power equipment to operate the disinfection injection pump and alarm system.
- *Sample Project 4: HB Water Booster Pump Station.* Project design would include design drawings and specifications for a booster pump station and 6-inch transmission pipeline. The pump station will include wood structure building with concrete floor, access door and pump access through roof, two pumps, piping and valves, lighting, alarm system, emergency power capability and security measures.
- *Sample Project 5: SJ Well Replacement and Storage.* Project design would include design drawings and specifications for a new ground water well including site layout, well drilling requirements, casing and seal specifications, well head details, pump selection and placement, piping, valves, meter, well performance testing, electrical controls and alarms and auxiliary power capability.
- *Sample Project 6: COF Wastewater System Improvements.* Project design would include design drawings and specifications for a new above grade headworks pump station including a multi-level structure, pumps, piping, grit removal system, electrical controls, alarms and security measures.

Design Deliverables
100% (Final) Design

Task 6 – Environmental Documentation: CEQA, NEPA, and other required environmental documentation will be addressed during the DAC project selection (Task 4). Environmental documentation required for sample projects may include the following:

- *Categorical Exemptions* which may be used for the sample projects above include, but are not limited to, the following:
 - CEQA Guidelines §15301-Existing Facilities, which provides exemption from CEQA documentation for “operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment...”
 - CEQA Guidelines §15302-Replacement or Reconstruction, which provides exemption for “replacement or reconstruction of existing structures and facilities...”
- *Negative Declaration or Mitigated Negative Declaration* may be prepared for the sample projects above if the lead agency determines that the selection project(s) will not have a significant effect or will incorporate revisions/mitigation measures to avoid or reduce the effects to a point where no significant effects would occur.

Environmental Documentation Deliverables
CEQA/ NEPA and other environmental documentation

Task 7 – Permitting: All required permitting will be addressed during the DAC project selection (Task 4). Because it is unclear at this time what permits may be needed for the selected project(s), these activities are not included in the Work Plan or Budget.

D. Construction/Implementation

Task 8 – Construction Contracting: Construction contracting for this project will include solicitation of bids and award of contract. Construction will begin when the contractor receives a Notice to Proceed from the Project Manager.

Construction will occur in accordance with contract requirements, and any changes must be by contract amendment. Contractor will file a Notice of Completion with the Project Manager, in addition to all county permit requirements when construction is complete.

Construction Deliverables
Notice to Proceed
Notice of Completion

Task 9 – Construction:

Building Materials and/or Construction Standards

The building materials and computational methods for construction will be determined based on DAC project selection. Projects will be constructed in accordance with all current applicable laws, standards and regulations, including the American Water Works Association standards for materials, construction and testing of pipe, storage tanks, pumps, and valves; NSF approval for materials that come in direct contact with drinking water; California Department of Transportation Standard Specifications for materials, construction and testing; International or California Building Code, California or National Plumbing Code, California Electrical Code, Standard Methods for laboratory testing, California or federal OSHA standards for safety equipment and design requirements.

Construction Tasks

Construction tasks for this project are anticipated to include Mobilization and Site Preparation, Project Construction, and Performance Testing and Demobilization. These subtasks are described in detail below.

- **Subtask 9.1 Mobilization and Site Preparation:** All construction documentation will be requested for each DAC project that includes construction. Activities undertaken as part of this subtask could potentially include ordering of equipment, mobilization of construction equipment and materials, and preparation of physical site (including excavation, inspection, grading, and compaction).
- **Subtask 9.2 Project Construction:** All construction documentation will be requested for each DAC project that includes construction. Construction activities may include grading and site preparation, trenching, installation of underground pipes and equipment, pouring of concrete, well drilling, installation of chemical treatment tanks, installation of pumps and valves and installation of small structures or housings.
- **Subtask 9.3 Performance Testing and Demobilization:** Performance testing will be implemented per industry standards and applicable State and local regulations. Demobilization may include removal of construction equipment and restoration of staging areas to former character.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: All tasks carried out for this project will be conducted in a manner that ensures environmental compliance with CEQA, NEPA, and all other relevant environmental statutes. Because it is unclear at this time what environmental mitigation may be needed for the selected project(s), these activities are not included in the Work Plan or Budget.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. This task will require labor from a RCAC Project Manager to oversee the DAC community, review progress, and approve payouts. This task will also require labor from a DAC Project Manager to manage the construction contract. The level of effort needed to complete this task will depend on the DAC project

selected and will be addressed after selection of the DAC projects. The Contract Administration budget was based on 8% of the estimated construction cost in the range of \$330,000 - \$320,000.

Project 5: Lake Hodges Water Quality and Quagga Mitigation Measures

Project Description

The Lake Hodges Water Quality and Quagga Mitigation Measures project is intended to address two issues centered within the San Dieguito hydrologic unit. The first is how to improve low water quality within Lake Hodges. The second is how to mitigate against the potential long term effects of quagga mussels on Lake Hodges, San Dieguito Reservoir, Olivenhain Reservoir, and attached facilities. The project will evaluate methods to improve water quality within Lake Hodges, prioritize implementation of those methods and test available technologies through a pilot study or studies to determine potential for full scale implementation success. The project will also assess vulnerabilities to reservoir and facility operation from quagga mussel invasion in Lake Hodges, Olivenhain Reservoir, San Dieguito Reservoir and attached facilities, prioritize implementation, and design and construct a limited number of control measures.

Tasks

A. Direct Project Administration

Task 1 – Project Administration: Ongoing project administration for this project will involve assembling a stakeholder committee, developing agreements with project partners, stakeholder meetings and correspondence, setting up the project budget in the financial system, and entering the project schedule. The San Diego County Water Authority (SDCWA) has employed a Project Manager and support for project administration and will utilize interagency project coordinators from cost sharing agencies to coordinate project partner expenses.

Future project administration will continue to involve stakeholder coordination meetings and project partner expenses. Deliverables for future project administration include a final agreement with project partners and quarterly project reports and invoices representing project progress.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et. Seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following submittals will be completed and submitted to the SDWCA.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation:

The following provides a list of necessary studies that have been completed and may be used to assess and evaluate the project.

The Santa Fe Irrigation District Water Quality Assessment involves collecting water quality data from Lake Hodges and San Dieguito Reservoir, and then analyzing the data to develop future water quality improvement measures for feasibility studies and analyses.

A Quagga Mussel Vulnerability Assessment will assess the Olivenhain, Lake Hodges, and San Dieguito Reservoirs, the Lake Hodges Pumped Storage Facility, and other related facilities for vulnerability to quagga mussel infestation, determine which available protection measures can be implemented, and how implementation should be phased.

The following provides a list of necessary studies that will be completed after the Implementation Grant Agreement is in place, in order to assess and evaluate the project.

A Water Quality Improvements Assessment & Evaluation will assess available technologies for potential to improve water quality in Lake Hodges when compared to baseline data, including assessing reasonability of costs to implement and maintain. Results of any pilot testing and/or technology trials will also be included. This study will be a project deliverable. Conceptual design of the water quality improvement technology(ies) to be implemented will also be included in this scope of work.

Study Performed and Deliverables
SFID Water Quality Assessment
Quagga Mussel Vulnerability Assessment
Water Quality Improvements Assessment & Evaluation

Task 5 – Final Design: None of the design work has been completed for this project. All design work will occur after initiation of the Grant Agreement. Future design efforts will occur as outlined in the table below.

The Conceptual Design will utilize conclusions from the vulnerability assessment and prioritization process to develop the preliminary design of Phase 1 Quagga control measures..

Design Deliverables
Final Design
Conformed Final Design
Design – Quagga Control Measures

Task 6 – Environmental Documentation: This project will not require environmental documentation prior to initiation of the Grant Agreement, because the project will still be in the planning phase at that time.

The project will go through a CEQA determination process at the conceptual design stage, which will determine the environmental documents required to proceed with implementation of Phase 1 water quality improvements. An Environmental Impact Report (EIR) may be required for in-lake construction and implementation activities. Deliverables for environmental documentation will include a Certified EIR, and/or a certified copy of any other environmental documentation required.

Environmental Documentation Deliverables
EIR/Other Environmental Documentation

Task 7 – Permitting: No permitting will be required for this project prior to initiation of the Grant Agreement. The need for permits will be evaluated during environmental review of this project; no environmental permitting is included within the Work Plan at this time.

D. Construction/Implementation

Task 8 – Construction Contracting: No construction contracting will be required for this project prior to initiation of the Grant Agreement. Construction contracting for this project will include advertisement for bids, pre-bid contractors meeting, evaluation of bids, and contract award.

Construction Deliverables
Notice to Proceed

Task 9 – Construction: Design for this project has not yet been started. This Work Plan contains projected and estimated information regarding construction.

Building Materials and/or Computational Methods

Final design for the project has not started; however, construction costs were estimated using costs incurred by another government agency that has done work similar to anticipated consultant recommendations and prioritization of projects following feasibility, planning and design stages.

Construction Standards, Health and Safety Standards, Laboratory Analysis, and/or Accepted Classification Methods

All standards will comply with local, state and federal regulations.

Construction Tasks:

Construction tasks for this project will include installation of quagga mussel control equipment and reconfiguration of existing facilities. However, the actual construction items will be determined based on a prioritization process that will be completed following the vulnerability analysis and feasibility study listed above in Task 4. Actual labor and materials necessary for construction of the quagga mussel control equipment will include site mobilization and preparation, installation of control measures, performance testing and demobilization.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: Environmental mitigation has not yet been determined and may not be required if work is contained within an existing facility. Any environmental compliance/mitigation/enhancement will be completed in compliance with requirements determined in the final environmental documentation. However, no environmental mitigation is included within the Work Plan at this time.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. This task will be carried out by a Construction Administrator, a Construction Manager, and a Project Manager.

Project 6: Implementing Nutrient Management in the Santa Margarita River Watershed

Project Description

The project will address nutrients in the watershed that will help identify use of appropriate water quality objectives (WQOs).

The approach for developing nutrient WQOs for the SMR estuary leverages two major activities: 1) data collection to support modeling in the estuary and watershed to develop TMDLs, and 2) ongoing research to develop the estuarine NNE framework, based on dissolved oxygen and macroalgae as endpoints. A stakeholder advisory group (which will be identified as part of the project) will guide project activities, review technical work products, and achieve consensus.

The project also involves conducting monitoring and special studies to address data gaps and pending the analysis of data gaps, potential studies will include core field data collection and special studies. The goal of core field data collection will be to measure ambient nutrient concentrations and conduct algal bioassessment studies. Special studies may be conducted if additional data gaps are identified by stakeholders.

Tasks**A. Direct Project Administration Costs**

Task 1 – Project Administration: This task involves project administration, coordination, and review of all following project tasks. This task is not included within the budget for this project, because funds to support this task will come from the County of San Diego's General Fund.

Task 2 – Labor Compliance Program: This project will not involve construction activities or any other activities that would necessitate a Labor Compliance Program.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following will be completed and submitted to the SDCWA .

Project Administration Deliverables
Quarterly Reports and Invoices
Project Monitoring Plan
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: Subtasks 4A, 4B, and 4C listed within the Budget for this project (refer to Exhibit C) include the following assessments and/or evaluations. Deliverables that will result from this task include Project Monitoring Plan (draft and final), Monitoring and Special Studies Report (draft and final), and Proposed Nutrient WQOs for Santa Margarita Estuary Report (draft and final).

- **Task 4A: Form and Facilitate Stakeholder Advisory Group:** This task involves forming and facilitating a stakeholder advisory group. This group is currently meeting approximately monthly in 2012 and through a facilitated process will develop an organizational structure that could include several groups such as a Steering Committee of key stakeholders and a more conclusive Stakeholder Advisory Group (SAG). The stakeholder group will guide project activities, and review and provide feedback on technical and policy elements of the project. Stakeholders will also identify key questions and a conceptual approach, and determine specific technical activities and information required to carry out that approach. The group will also evaluate existing data and identify any current data gaps.

The group will develop a monitoring program to support the development of nutrient water quality objectives (WQOs), the products of which will be a Project Monitoring Plan

Data collected during this process include technical evaluations and feedback from stakeholders, which were used to identify data gaps. In addition, stakeholders will provide input on the modeling effort to develop WQOs and assist in development of the Project Monitoring Plan.

- **Task 4B: Conduct Field and Special Studies:** Before the Grant Agreement execution, various stakeholders conducted river and tributary monitoring. These data will be reviewed and considered in the overall analysis. The project studies to be conducted for this task will address site-specific factors controlling algal response and may include wet weather studies. For example, about 10 sites may be sampled one time per year for two year's time. Data generated will include an algal bioassessment, water quality data, and site-specific physical and hydrological data. Monitoring and special studies will address data gaps identified by the stakeholder group (as part of Task 4A) necessary to achieve project objectives. Potential studies will include core field data collection and other special studies.
- **Task 4C: Develop Nutrient WQOs for Santa Margarita River Estuary:** Before the Grant Agreement, the project team completed the *Santa Margarita River Estuary Investigation* (June 2009). In response to Order 13267 from the San Diego Regional Water Quality Control Board, a Santa Margarita River Estuary Investigation was conducted by a subgroup of stakeholders between 2008 and 2009. The data collected during this time will be used to conduct estuary modeling.

The Southern California Coastal Water Research Project (SCCWRP), under a Proposition 50 grant, collected additional information from the Santa Margarita River Estuary to address nitrogen sources within the lagoon. Additionally, the San Diego Municipal Stormwater Co-Permittees contributed funds to the field equipment and data collection of information for the *Bight '08 Estuaries and Coastal Wetlands Eutrophication Study* (December 2008, attached) that included extensive work done at the Santa Margarita River Estuary. The results of that study are currently being analyzed and will be considered for the modeling of estuary processes to be funded by USMC Camp Pendleton.

Proposed future work tasks will be completed by October 1, 2016. This project will build on these existing efforts by reviewing, with stakeholders, the available data for selection of a macroalgal NNE target, and calibrating and validating an estuarine hydrodynamic water quality model in order to estimate the "maximum sustainable load" of N and P. This work will form the basis for selecting N and P WQOs for the estuary and will inform the river nutrient WQOs by determining nutrient concentrations required to protect downstream (i.e. estuarine) beneficial uses. Estuarine modeling work is being paid for by USMC Camp Pendleton, while project funds will support technical support for selection of numeric targets, stakeholder coordination, and funding for the Regional Board staff to complete staff report and maintain the administrative record on the Estuary TMDL. If due to unforeseen circumstances, USMC Camp Pendleton's funds are redirected from supporting the estuary modeling, then Task 4B funds will be used to support estuary modeling instead of field studies, as necessary.

Study Performed and Deliverables
4A: Form and Facilitate Stakeholder Advisory Group
4B: Santa Margarita River and Tributaries Investigations, Work Plan, Project Monitoring Plan, Monitoring and Special Studies Report
4C: Bight '08 Estuaries and Coastal Wetlands Study (Santa Margarita River Estuary data collection), Proposed Nutrient WQOs for Santa Margarita River Estuary Report

Task 5 – Final Design: Not applicable.

Task 6 – Environmental Documentation: This project qualifies as a planning study according to Section 15262 of the California Environmental Quality Act (CEQA) Guidelines, because it will identify programs and projects for possible future actions, but does not have a legally binding effect of the participating agencies. This project does not require NEPA-related analysis.

Environmental Documentation Deliverables
CEQA Categorical Exemption

Task 7 – Permitting: This project will not involve construction, and will be issued a CEQA Categorical Exemption. Therefore, permitting is not applicable to this project.

D. Construction/Implementation

Task 8 – Construction Contracting: This project will not require construction contracting.

Task 9 – Construction: This project will not involve construction.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: This project will be issued a CEQA Categorical Exemption, which renders it compliant with CEQA. All tasks carried out for this project (studies) will be conducted in a manner that ensures environmental compliance with all other environmental statutes.

F. Construction Administration

Task 11 – Construction Administration: Construction administration will not be completed as part of this project.

Project 7: Bannock Avenue Neighborhood Streetscape Enhancements for Tecolote Creek Watershed Protection

Project Description

The *Bannock Avenue Neighborhood Streetscape Enhancements for Tecolote Creek Watershed Protection* (Project #92) project is located in central San Diego in the Tecolote Creek Watershed, which encompasses approximately 5,992 acres of predominately urbanized land located and area discharges to the southern portion of Mission Bay. The Regional Water Quality Control Board has identified Tecolote Creek as an impaired water body on the 2008 Clean Water Act Section 303(d) List for bacteria. The project is part of the City of San Diego's tiered and phased storm water best management practices (BMP) implementation approach, which targets runoff reduction and includes components for watershed stewardship, and the inclusion of education and outreach components, and community enhancements in capital projects. Properly engineered and designed infiltration may prove to be a cost effective alternative to building costly and land intensive end-of pipe treatment facilities.

This project will reduce the pollutant load and volume of runoff entering the storm drain system in the Tecolote Creek Watershed. The load reduction goal will be achieved by diverting stormwater from the street to bioretention and treatment planters through curb cutouts. Enhanced streets will infiltrate storm flows through pervious pavement, which will reduce

storm flows. These goals will also be achieved by diverting flows through a trash segregation unit and a series of AbTech (Bacterial Treatment System) units within the watershed.

This project will enhance the surrounding residential area by integrating low impact development (LID)-type storm water BMPs to reduce storm water pollutant loads, primarily indicator bacteria, and help the City meet stringent Municipal Separate Storm Sewer System (MS4) Permit and Total Maximum Daily Load (TMDL) requirements for Tecolote Creek. The project will also include additional community enhancements, such as displays, literature and signage, to raise community awareness of the project and identify the water quality improvement benefits of the project and the direct linkages between the project's improvements and the nearby Tecolote Canyon Natural Park and Mission Bay Park. By implementing this project, the City can further assess, evaluate and fine-tune cost effective solutions to excessive bacteria in urban runoff. This will allow the City to accomplish bacteria reduction before resorting to more expensive and invasive types of treatment controls.

Tasks

A. Direct Project Administration

Task 1 – Project Administration: This task involves project administration, coordination, and review of all following project tasks. This task is not included within the budget for this project, because funds to support this task will come from the City of San Diego's General Fund.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et.seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following will be completed and submitted to the SDCWA.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: The following provides a list of necessary studies that have been completed and may be used to assess and evaluate the project.

- The *Strategic Plan for Watershed Activity Implementation* was completed in November 2007. This plan describes the strategy the City of San Diego is undertaking to implementing an integrated tiered and phased approach to storm water BMP's. The integrated approach considers the current and potential future priority water quality problems and TMDL load reductions in the design and implementation of BMPs. BMPs therefore need to address multiple pollutants to meet current and future load reduction goals.
- The tiered approach includes the initial focus on the implementation and effectiveness assessment of Tier I non-structural pollution prevention and source control BMPs. The tiered approach is then implemented in phases in order to assess the effectiveness of the BMPs in meeting the pollutant load reduction goals. In this initial phase, Tier II structural BMPs are also implemented and assessed. Tier II BMPs target the reduction of the volume of runoff and/or a portion of the pollutant load through runoff diversion/capture and infiltration and evaporation (low impact development (LID) techniques) as well as aggressive street sweeping.
- Tier III treatment BMPs are then implemented in a second phase where the Tier I and II BMPs are not sufficiently effective in meeting target load reductions. Tier I and II BMPs are implemented before Tier III BMPs because they address the source and cause of the pollutants which is more cost effective and sustainable than capital and land-intensive treatment BMPs. As part of this initial phase, "pilot" Tier III treatment BMPs will be implemented on City-owned properties to assess their effectiveness in combination with Tier II runoff reduction techniques. Full scale Tier III BMPs will then be implemented in subsequent phases based on the effectiveness of the pilot projects.
- The *Tier II and Tier III Storm Water Best Management Practices Conceptual Designs* (Weston 2008) is a feasibility study and concept design that was completed in 2008. This study collected existing hydrologic data, prescription weather data, topographic data, and information on existing improvements within the study area.

- The *Bannock Avenue Concept Design Drawings (10%)* was completed in 2008. This study consists of conceptual design components for the project.
- The *Bannock Avenue Streetscape Enhancements Preliminary Engineering Report* is an engineering report for the project, which was completed in 2009. This report utilized a right-of-way analysis, utility as-built studies, a site topographical survey, and a preliminary Environmental Assessment to determine the practicality, priority funding mechanisms, permits, resource requirements, and the CEQA status of the project.

Study Performed and Deliverables
The Strategic Plan for Watershed Activity Implementation
2008 Tier II and Tier III Storm Water Best Management Practices Conceptual Designs (Weston)
Bannock Avenue Concept Design Drawings (10%)
Bannock Avenue Streetscape Enhancements Preliminary Engineering Report

This task is not included within the proposed budget, because funds to support this task have been provided through other funding sources.

Task 5 – Final Design:

This task is not included within the proposed budget, because funds to support this task will be sourced from the City of San Diego's Watershed Capital Improvement Projects budget.

Task 6 – Environmental Documentation: Based on the scope of work, this project has been determined to be Categorically Exempt from CEQA under 15301(b) 'Existing Facilities' where there is negligible expansion of the storm drain conveyance system; 15303(d) 'New Construction' that would serve the existing area and treat storm water run-off; and 15304 'Minor Alterations to Land' where there would be minor improvements and the grade would be returned back to normal.

This task is not included within the proposed budget, because funds to support this task will be sourced from the City of San Diego's Watershed Capital Improvement Projects budget.

Task 7 – Permitting: No permitting will be required for this project prior to initiation of the Grant Agreement. Prior to construction, a Water Pollution Control Plan will be prepared to ensure compliance with the municipal stormwater permit construction mandates. A Traffic Control Plan will also be prepared to ensure the compliance with City of San Diego Right-of-Way Construction Ordinances and regulations and to mitigate potential traffic impacts and conflicts. This task is not included within the proposed budget, because funds to support this task will be sourced from the City of San Diego's Watershed Capital Improvement Projects budget.

D. Construction/Implementation

Task 8 – Construction Contracting: This task is not included within the proposed budget, because funds to support this task will be sourced from the City of San Diego's Watershed Capital Improvement Projects budget.

Task 9 – Construction:

Building Materials and/or Computational Methods

Project components shall be designed to remove pollutants and priority constituents of concern in the Tecolote Creek Watershed, including bacteria, heavy metals, nutrients, pesticides, and sediment. The system shall be designed to achieve a 99% reduction in bacteria for the treated flow, in accordance with the final wet weather objective in the TMDL for Indicator Bacteria in Tecolote Creek Tributary to Mission Bay.

Within the tributary watershed of the Bannock Avenue Neighborhood, vegetated planter areas will be constructed between the existing curb and the sidewalk. Cuts will be made in the existing curbs to allow flow to exit the street paved section, as well as enter and exit the planter areas. The planter areas will be filled with cobbles and/or gravel to a depth of approximately 1 foot and planted with landscaping to be determined during final design. The cobbles and/or gravel must be prevented from spilling into the street through the curb cut by a metal screen. Where shown on the concept plans, existing sidewalks will be replaced with new pervious concrete sidewalks.

Storm water will be diverted to bioretention and treatment planter systems from the street through curb cutouts. Diverted stormwater will be treated in the planter systems in order to achieve a 99% reduction in bacteria concentration for the

treated flow and in order to significantly reduce other priority constituents of concern. Pervious pavement will be designed to reduce the peak storm flow. Bioretention planter systems installed in the project shall consist of (1) a debris collection pad (inflow and outflow systems), (2) a crushed rock reservoir, (3) amended soils, and (4) geosynthetic lining on the street side of the bioretention planter. Pervious sidewalks shall also be installed so as to reduce the volume of storm runoff entering the storm drain and reduce the bacterial pollutant load to the storm drain. The pervious pavement shall consist of (1) new ADA access routes and sidewalk, (2) pervious concrete, and (3) amended soils (base). Locations and text of neighborhood educational signage regarding green streets and green sidewalks shall be incorporated into final design.

Construction Standards, Health and Safety Standards, Laboratory Analysis, and/or Accepted Classification Methods

Constituents selected for this Effectiveness Assessment study to be constructed for these BMPs are prioritized into Tier 1 and Tier 2 categories. Tier 1 constituents are considered a priority for water quality monitoring in this study because they are:

- consistent with other BMP monitoring guidance to address street runoff such as the Caltrans Guidance Manual: Storm Water Monitoring Protocols (Caltrans, July 2000);
- specifically identified as constituents of concern in the Tecolote Creek watersheds and/or subject to a TMDL; or
- consistent with other City monitoring efforts currently underway in the watershed, such as the San Diego Bay Watershed Urban Runoff Management Program, and the Chollas Creek Storm Drain Characterization Study.

Tier 2 constituents may also have been identified as pollutants of concern in the subject watersheds; however, adding these constituents may need to be considered in light of the available budget for sampling and analyses. Evaluation of pollutant removal effectiveness of Tier 2 constituents may also be of interest if implementation of these BMPs is being considered in other watersheds with specific water quality concerns.

Estimates of the number of samples required to yield statistically valid monitoring results are necessary for making decisions about the nature and extent of monitoring efforts. For this study, the appropriate number of samples is the number required to discern a significant difference between the influent and effluent. The sample size will depend on the specified mean percent constituent removal rate desired. Because of the variability of rainfall and runoff quality, it is necessary to sample a number of storms to generate statistically reliable answers to the study questions. The number of samples needed depends upon the variability in the data, the magnitude of the effect being studied, and the degree of confidence desired in the answer. The statistical procedure used to estimate the number of samples required is described in the Caltrans BMP Pilot Study Guidance Manual.

Storm selection criteria described for this Effectiveness assessment studies will likely entail a minimum 0.25 inch of rainfall and 72 hour antecedent dry period, an average of 8 storms per year can be expected.

From the statistical analysis conducted for this study, a minimum of 8 samples are required. Consideration must also be given to the number of unproductive monitoring events that are likely to occur. Rainfall may not happen as predicted, or may be of insufficient quantity (i.e., a "false start").

When planning a study, it is reasonable to assume that one out of four sampling events will be unsuccessful because samples can also be missed due to problems with auto-samplers. In addition an operational assessment of the BMPs will be conducted during the first two storm events to ensure that the BMPs and the monitoring equipment are functioning properly. Field crews will observe and document any operational issues at the filtration units and the bioretention cells. Flows will be measured during these first two events; however, water quality samples will not be collected until it can be verified by on-site field crews that all equipment is operating properly. Therefore, considering two storm events for the operational assessment and assuming two unproductive sampling events for the required minimum 8 storms, the anticipated duration of the study would be a total of 12 storm events. Therefore it is anticipated that the study period will be 2 years.

Construction Tasks

Construction tasks for this project will include Mobilization and Site Preparation, Project Construction, and Performance Testing and Demobilization. These subtasks are described in detail below.

- **Subtask 9.1 Mobilization and Site Preparation:** This subtask includes mobilization and site preparation. This subtask envisions a payment to the contractor to reimburse upfront and onetime costs including, but not limited to, items such as insurance, time spent on employee and/or subcontractor coordination, equipment rental, and material purchases. The subtask could include all costs and activities that must be undertaken in order to make sure that construction progresses quickly and efficiently before construction actually begins. Site preparation will include demolition of the concrete (AC) pavement and base and concrete and gutter. Disposal and hauling activities are also included.

Subtask 9.2 Project Construction/Implementation: This subtask includes installation of porous pavement, which includes laying the base and concrete. Portland Concrete Cement (PCC) sidewalk, curb and gutters will also be installed, vegetated planter areas the installation of pervious pavement in the public right-of-way. This subtask also includes activities for erosion and traffic control. The contractor will be required to submit for approval and implement during construction erosion and traffic control measures in order to comply with City of San Diego standards and minimize water quality impacts and traffic hazards to include but not limited to an approved Traffic Control Plan and Storm Water Pollution Prevention Plans.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: Before construction of this project, CEQA review will be conducted by the City (see Task 6) and mitigation measures will be determined and incorporated into the project, if necessary.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. This task is not included within the proposed budget, because funds to support this task will be sourced from the City of San Diego's Watershed Capital Improvement Projects budget.

Project 8: Pilot Concrete Channel Infiltration Project

Project Description

The project will be implemented as part of an overall flood control and water quality improvement program which incorporates the surveying of corrugated metal pipe (CMP) in the storm drain system, prioritization and replacement of the CMP with reinforced concrete pipe, and introduction of stormwater best management practices (BMPs) where appropriate.

The scope of this project includes the design, siting and construction of pervious areas in concrete channels within Santee. Monitoring will be conducted to assess if these pervious areas result in flow reduction and lower pollutant loads, and monitoring will be conducted to assess the impact of the CMP project on water quality, if feasible.

A primary pilot location will be the Woodglen Vista Creek channel, although other locations will be included where budget and other constraints allow. The project is being conducted as a pilot, therefore a range of techniques (Armorloc or porous concrete for example) may be used. Other jurisdictions within the watershed will be consulted to ensure that the techniques used are feasible and desirable for application throughout the entire watershed.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: Project administration will be required to secure approval of the 2007 San Diego IRWM Plan by the Santee City Council in December 2010. The project will be added as a standing item on the agenda for watershed meetings with other jurisdictions within the San Diego River. Attendees will be briefed on the status of the project and encouraged to provide feedback on the project design.

This task will also involve project administration, coordination, and review of all project tasks. In addition, the project will continue as a standing item on the agenda for watershed meetings with other jurisdictions within the San Diego River. Attendees will be briefed on the status of the project and encouraged to provide feedback on the project design. The City will also make the data available for other jurisdictions within the San Diego Region and beyond to assist them in determining if this method could be used in their watersheds. Fulfilling this task will require labor from a Principal Civil Engineer and the Stormwater Program Manager. Deliverables for this task will include invoices and quarterly reports that will be provided every three months to the SDCWA, with the first submittal being issued precisely three months after the date of the grant award.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 1720 et seq.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following will be completed and submitted to the SDCWA.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: The following provides a list of necessary studies that have been completed in order to assess and evaluate the project.

- *Review of Prior Monitoring Data* (Dry Weather Monitoring Report 2009, 2010; Additional Study Report 2009, 2010)) was carried out for channels to be covered in the pilot study for the project. The City of Santee has conducted dry weather monitoring twice-a-year in the storm drain system over the past decade. Recent data (from 2008-2010) from this monitoring has been collated to be used as a baseline for the project pilot study. The collated data includes information regarding flow, pH, conductivity, turbidity, bacteria, nitrate-nitrogen and orthophosphate.
- During July to December 2011, a *Literature Review* will be conducted to review the variety of options available for introducing pervious layers into lined channels. Data on these options was researched to evaluate their relative effectiveness, including data on water quality or flow.
- *Community Consultation and Education.* A variety of methods will be used including website updates, articles in the Santee Review (community magazine), letters to residents immediately in the vicinity of the project, and community clean-ups of the project locations.
- *Geotechnical Recommendations.* Pervious layers will be introduced into concrete channels, whose structural integrity need to be maintained. Also, little is known about the subsurface conditions and how these will impact the integrity of the channels. A registered geotechnical engineer is required to review the project locations, subsurface, conditions, and preliminary design to ensure that the integrity of the channels is maintained.

The following provides a list of necessary studies that will be completed in order to assess and evaluate the project.

- *Project Monitoring Work Plan* consistent with the Final Design will be completed six months after the Grant Agreement. These documents will include incorporation of literature review, engineering information, design and quantities.
- The *Final Report on Project Implementation* will be completed eighteen months after the Grant Agreement. This report will include data on changes in flow rate and water quality in channel(s) within the project area as well as an assessment of function in flood conditions.

Study Performed and Deliverables
Review of Prior Monitoring Data
Literature Review
Community Consultation and Education
Geotechnical Recommendations
Project Monitoring Work Plan
Final Report on Project Implementation

Task 5 – Final Design:

Solicitation efforts will include a request for proposals for geotechnical consulting services. Final design documents will include the final project design.

Design Deliverables
100% (Final) Design

Task 6 – Environmental Documentation: The City of Santee's CEQA Documentation will include a preliminary assessment, and documentation of that the project is compliant with CEQA. This process is required prior to the approval of any City of Santee project.

Environmental Documentation Deliverables
CEQA Documentation

Task 7 – Permitting: This project will not require any permits.

D. Construction/Implementation

Task 8 – Construction Contracting: A preliminary request for proposals will be prepared so that it can be finalized and issued immediately on award of the grant. Construction contracting for this project will include advertisement for bids, preparation of bid documents, issue of bid, evaluation of bids, and award of construction contract.

Task 9 – Construction:

Building Materials and/or Construction Standards

The building materials will have been chosen during final design, and will have reference to the Construction Standards Manual, where applicable. Porous paving, articulated block, and/or other porous base will be designed and built to allow infiltration of runoff into the subgrade.

Laboratory analysis will be conducted by an Environmental Laboratory Accreditation Program (ELAP)-certified laboratory. In addition, the City of Santee Injury and Illness Prevention Program Procedures will be followed.

Construction Tasks

Construction tasks for this project will include Mobilization and Site Preparation, Project Construction, and Performance Testing and Demobilization. These subtasks are described in detail below.

- **Subtask 9.1: Mobilization and Site Preparation:** This subtask will involve: notifying adjacent property owners and providing information in other City media; surveying and marking out the project area; removing trash and debris from the access route and construction area; redirecting dry weather discharges around the work area and installing stormwater BMPs as required; and mobilizing equipment to the project site.
- **Subtask 9.2: Project Construction:** Project construction will involve: cutting and removing concrete areas; preparing exposed subgrade for introduction of the pervious area, which may include introducing or enriching the soil subgrade; installing finished pervious surface in the channel; and removing debris, equipment and other materials from the channel.
- **Subtask 9.3: Performance Testing and Demobilization:** Project performance testing and demobilization will include: conducting performance evaluations of various types of pervious areas; preparing a final report, installing information sign boards; preparing outreach information for the community on the project and its successes; and providing information on the project (tours, papers, presentations, project summaries) to peers in other jurisdictions.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: No environmental mitigation or enhancement is required as the project does not remove any environmental resources. The project is solely located within City infrastructure.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. This task will require labor from a Principal Engineer, the Stormwater Program Manager, an Associate Engineer, and an Engineering Inspector.

Project 9: San Diego Regional Water Quality Assessment and Outreach Project

Project Description

The San Diego Regional Water Quality Assessment and Outreach Project continues critical work conducted by San Diego Coastkeeper as part of the Proposition 50 funding cycle. The project will engage community stakeholders to collect and analyze surface water samples in eight to nine watersheds throughout San Diego County and conduct trash removal in these areas. Samples will be analyzed for physical, chemical, bacterial, dissolved metals and nutrient constituents, as well as toxicity and bioassessment indicators. Resultant water quality data will be publically accessible to support public involvement in water resource conservation and stewardship of watershed function and health

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: Project administration will involve coordinating various project elements with project partners. Such coordination efforts will require preparing contracts for dissolved metal analysis, toxicity, and bio-assessment. In addition, if needed, Memorandums of Understanding (MOUs) may be formed with the City of San Diego, San Dieguito Watershed Council, Groundwork San Diego, and other potential partners to integrate monitoring efforts. In addition, project administration will involve administration, coordination, and review of all project tasks. Completing this task will require Coastkeeper staff time as follows:

Task 2 – Labor Compliance Program: This project will not involve construction activities or any other activities that would necessitate a Labor Compliance Program.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following will be completed and submitted to the SDCWA.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: This task will involve the actions necessary to complete Subtask 4.1: Regional Water Monitoring Training and Resource Center. These actions include:

- **Subtask 4.1 – Establish Regional Water Monitoring Training and Resource Center.** This task involves the following activities necessary to establish the Regional Water Monitoring Training and Resource Center at Coastkeeper:
 - **Establish Technical Advisory Committee:** Coastkeeper will convene the project Technical Advisory Committee (TAC) that was previously formed during Proposition 50 work, and identify additional members if necessary. The TAC will periodically meet to review project progress. Coastkeeper will attend TAC meetings and other meetings with regional watershed groups and local agencies. From these meetings, Coastkeeper will collect notes regarding implementation of monitoring and data display.
 - **Confirm Sampling and Analysis Methodologies:** Coastkeeper will review our current methodologies and operating procedures by consulting with key water monitoring experts including scientists at SCCWRP, the Regional Water Quality Control Board, and local storm water co-permittees. From this process, Coastkeeper will obtain input regarding sampling and analysis methodologies listed in the Coastkeeper Quality Assurance Project Plan and Monitoring Plan.
 - **Water Quality Training Workshops:** Coastkeeper will conduct water quality training workshops for volunteers 4–6 times per year. From these workshops, Coastkeeper will collect sign-in sheets in order to track attendance and participation.

Study Performed and Deliverables
Confirm Sampling and Analysis Methodologies
Water Quality Training Workshops
Establish Technical Advisory Committee

Task 5 – Final Design: Not applicable.

Task 6 – Environmental Documentation: Environmental documentation for this project is not required as this is a conceptual design project.

Task 7 – Permitting: Not applicable.

D. Construction/Implementation

Task 8 – Construction Contracting: This project will not involve construction contracting.

Task 9 – Construction: Implementation of the *San Diego Regional Water Quality Assessment and Outreach Project* will involve two tasks:

- **Subtask 9.1 – Develop and Implement Public Outreach and Education Campaign:** Coastkeeper's public outreach campaign will focus on teaching the general public about the importance of surface water quality and understanding the monitoring data within the region's watershed. Empowered by this knowledge and hands-on experience in the watersheds and laboratory, residents will have the ability to protect their local water quality through advocacy and direct action. Outreach activities will include the following:
 - Conduct monthly water monitoring events covering watersheds throughout the County
 - Conduct trash removal events at locations throughout the County
 - Analyze, manage and present water quality data for 28 – 33 sites per month. Data will be posted on [San Diego Coastkeeper Website](#).
 - Develop and distribute outreach materials via web site and various meetings and events
- **Subtask 9.2 – Manage Data, Analyze Data, and Develop Watershed Reporting Tool(s).** Coastkeeper will analyze the collected data and develop innovative web-based tools identify for the public the water quality status and trends of our watersheds.

This project continues work currently performed with funding from Proposition 50. In order to ensure successful implementation of the project, it is imperative that monthly water monitoring and trash removal events take place throughout San Diego County during all of 2010 and 2011. Funding that commences in January 2012 will enable San Diego Coastkeeper to ensure continuous data collection and management. This, in turn, will make it possible to achieve the overall goal of establishing baseline data and validity of the overall regional data set.

San Diego Coastkeeper volunteers will perform 1,680 hours of work and non-state grant funding will be used to fund employee salaries to coordinate and implement monthly monitoring and trash removal events.

Activity
Conduct monthly water monitoring events covering watersheds throughout San Diego County
Analyze, manage and present water quality data for 28 – 33 sites per month. Data will be posted on San Diego Coastkeeper Website
Conduct trash removal events at locations throughout San Diego County

All samples will be collected and analyzed in accordance with Coastkeeper standard operating procedures for sample collection and Coastkeeper Laboratory Monitoring Plan and Quality Assurance Project Plan (QAPP). The QAPP was approved by San Diego Regional Water Quality Control Board in Sept 2010.

E. Environmental Compliance/Mitigation/Enhancement

Task 10- Environmental Compliance/Mitigation/Enhancement: This project does not involve construction, development or pollution generating activities. This project involves volunteers collecting and analyzing water quality samples. Efforts are made to place volunteers in watersheds near their homes to minimize carbon foot prints associated with driving to monitoring sites.

F. Construction Administration

Task 11- Construction Administration: Not applicable.

Project 10: Chollas Creek Integration Project

Project Description

The Chollas Creek Integration Project will prepare the Chollas Creek Enhancement Program for full-scale implementation by providing a comprehensive analysis of creek conditions, opportunities and constraints for habitat protection, restoration, enhancement, preventing pollution and reducing storm water TMDLs. The Opportunities Assessment will then prioritize projects and match them to funding opportunities.

Within Chollas Creek Section 2A, the project partners will restore creek habitat, prevent surface water pollution, and reduce erosion and flooding associated with channelization. Through the removal of concrete and debris from the creek, widening creek bank slopes (treatment of hydraulic problem), and soil erosion prevention measures, flooding contributors such as velocity and sedimentation will be reduced and Section 2A will be stabilized for 100-year design flows. Through cultivation of native plant species, removal of debris and trash, and maintenance of a soil creek bottom to promote biofiltration, the project will reduce toxic metals and bacteria in the creek steam and other environmental stressors.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: A contracting agreement (e.g., Memorandum of Understanding) between the Jacobs Center for Neighborhood Innovation (the project lead) and Groundworks San Diego-Chollas Creek (a project partner) will be established. .

Project administration will involve completing procedures for coordination with Groundworks San Diego-Chollas Creek, including project status update reports and communications, monthly and/or as needed meetings, and data sharing of technical data and stakeholder input. In addition, this task involves other project administration costs associated with project administration, coordination, and review of all following project tasks.

Task 2 – Labor Compliance Program: This task includes the work necessary to comply with California Labor Code 172-et.seq.JCNI will recruit and hire a State-certified/approved consultant to assist in developing the LCP for the Section 2A Creek Restoration construction subcontractor work, to monitor vendor compliance and identify any deviations, and to provide information for the project's Annual Report. JCNI has developed LCPs for past creek restoration and construction work and has experience implementing an LCP.

Task 3 – Reporting: In order to assess progress and accomplishments of the project, the following will be completed and submitted to the SDCWA.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 – Assessment and Evaluation: The following provides a description of necessary studies that have been completed or will be completed as part of the evaluation of the project:

- The *Chollas Creek Section 2A Hydrology Study* was completed in October 2008, and utilized flood management calculations to identify the movement, distribution, and quality of water in portions of Chollas Creek that are relevant to the project.
- *Chollas Creek Section 2A Hydrology Study Update*. This document will consist of design and technical evaluations pursuant to CEQA, and will be complete by March 15, 2011.
- The *Chollas Creek Section 2A Biology Study* was completed in October 2008, and involved an inventory of all plants and animal species in portions of Chollas Creek that are relevant to the project.
- *Chollas Creek Section 2A Biology Study Update*. This document will consist of design and technical evaluations pursuant to CEQA, and will be complete by March 15, 2011.

- The following provides a description of studies that will be completed after the execution of the grant agreement in order to assess and evaluate the project.
- The *Pueblo Watershed Stakeholders Needs Assessment* will be comprised of initial data sets and data needs for the Pueblo Watershed (project area), which will be obtained from regularly held stakeholder agency meetings. In addition, the study will utilize data collected from interviews and surveys of local community organizations. Stakeholder agencies and community organizations will provide information regarding the initial conditions, data search, and field investigations with regard to hydrology (erosion and flooding), trail repair opportunities, and invasive species identification and eradication needs.
- The *Pueblo Watershed Hydrology Study* will gather all existing water quality and hydrology data and map impermeable surfaces within the project area. This study will be utilized to identify data gaps in precipitation runoff and water quality monitoring, and recommend specific hydrology and sedimentation transport models to be used once data gaps are filled.
- The *Pueblo Watershed Habitat Characterization Study* will involve an initial data search of all plant and animal surveys within the project area, will identify and fill biological survey gaps, and will involve a field investigation of existing and potential habitat restoration sites. The purpose of this study is to generate a comprehensive list of potential wetland, upland creation, restoration sites, de-channelization sites, and potential wildlife corridors within the project area.

Study Performed and Deliverables
Chollas Creek Section 2A Hydrology Study
Chollas Creek Section 2A Hydrology Study Update
Chollas Creek Section 2A Biology Study
Chollas Creek Section 2A Biology Study Update
Pueblo Watershed Stakeholders Needs Assessment
Pueblo Watershed Hydrology Study
Pueblo Watershed Habitat Characterization Study

Task 5 – Final Design: Deliverables for this project will include a report entitled *100% (Final) Creek Restoration Design*.

Selection of design engineering firms for Chollas Creek Section 2A restoration was initiated in August 2008 and completed in September 2008, based on competitive technical and cost proposals from qualified consultants located in the San Diego region and who demonstrated experience with creek restoration of similar scope in the Pueblo watershed performed in compliance with the guidelines specified in the Chollas Creek Enhancement Program.

Design Deliverables
100% (Final) Creek Restoration Design

Task 6 – Environmental Documentation: Environmental documentation will consist of preparation of a *Chollas Creek Section 2A Initial Study/Mitigated Negative Declaration*. This document will consist of an Initial Study in accordance with CEQA requirements.

The City of San Diego will initiate environmental review upon award of funding (when the project formally becomes a project subject to CEQA). Once the project is approved and funding is awarded, the project will be submitted to the City of San Diego's Development Services Department for review in conformance with CEQA. A Mitigated Negative Declaration is anticipated for the creek restoration project. The City of San Diego City Council will certify the CEQA document and approve construction.

Environmental Documentation
Mitigated Negative Declaration

Task 7 – Permitting: Prior to construction, all the necessary permits required for the project will be secured as demonstrated in the table below.

Permit
San Diego Regional Water Quality Control Board – CWA Section 401 Water Quality Certification
California Department of Fish & Game – Streambed

Alteration Agreement. Notification of Lake or Streambed Alteration
U.S. Army Corp of Engineers – CWA Section 404 Permit Nationwide Permit (Will authorize Construction in wetland)
City of San Diego – Grading Permit

D. Construction/Implementation

Task 8 – Construction Contracting: Construction contracting for this project has not yet been completed. The Construction Contracting process will include: a Request for Pricing, Screening and Evaluation of Bids, Contractor Interviews and Selection, and Contract Awards. The submittals for this task will include a Construction Specifications Package.

Construction Deliverables
Construction Specifications Package

Task 9 – Construction: All construction for the project will occur after the grant award takes place.

Building Materials and/or Computational Methods

The Jacobs Center for Neighborhood Innovation will hire a reputable biological restoration firm who specializes in stream restoration and is familiar with the Chollas Creek Enhancement Program and Pueblo watershed.

Construction Tasks

Construction tasks for this project will include three subtasks:

- **Subtask 9.1 Mobilization and Site Preparation:** This subtask includes all actions necessary for mobilization and site preparation, including: mobilization, clearing and grubbing, rough grading, and onsite cut and fill. Actions under this subtask will be performed by the selected contractor, who will be managed by the Jacobs Center for Neighborhood Innovation. This subtask could also include all costs and activities necessary to make sure that construction progresses quickly and efficiently. Mobilization shall include all activities and associated costs for transportation of contractor's personnel, equipment, and operating supplies to the site; establishment of offices, buildings, and other necessary general facilities for the contractor's operations at the site. Of the site preparation scope of our plan, we will be clearing and grubbing approximately 32,000 square feet, rough and final grading 10,000 cubic yards, and cut and fill of approximately 500 cubic yards.
- **Subtask 9.2 Project Construction:** This subtask includes construction activities necessary for restoration of Chollas Creek, including installation of drainage, installation of bioswales, construction of creek bed stabilization components, and habitat restoration.
- **Subtask 9.3 Performance Testing and Demobilization:** This subtask includes as-needed performance testing and demobilization for compliance with plans and specifications. Performance testing will include soils testing and water quality sampling, analysis, and reporting. Demobilization will include all actions necessary to finalize construction.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: Environmental compliance for this project will take place upon project construction. Buffering of threatened and/or endangered species habitat is not anticipated based on a biological survey of the creek project area in which no listed species were found. Likely environmental mitigation and enhancement activities that will be associated with project implementation include restoration of existing habitat, erosion control, and invasive plant removal.

All Environmental Compliance/Mitigation/Enhancement will be completed in compliance with the findings and/or Mitigation Monitoring Program determined within the environmental document, which is anticipated to be an Initial Study/Mitigated Negative Declaration for this project.

F. Construction Administration

Task 11 – Construction Administration: This task involves administration, coordination, and review of the construction contract and all other related construction tasks. This task will be carried out by a Construction Administrator and a Construction Manager, who will respectively spend 250 hours and 300 hours on construction administration-related tasks.

Project 11: Regional Water Data Management Program

Project Description

The *Regional Water Data Management Program* will provide a snapshot of current data management efforts and priority data needs and lay them out in a basic design parameters recommendations document for the future development of a regional, web-based system for sharing, disseminating and supporting the analysis of water management data and information. No design work has been completed to date for this project.

Tasks

A. Direct Project Administration Costs

Task 1 – Project Administration: This task involves general oversight from a Project Manager, who will oversee and coordinate the Local Project Sponsor contract agreement, consultant support and stipend program for the participation of nongovernmental agency staff.

Task 2 - Labor Compliance Program: This project will not involve construction activities or any other activities that would necessitate a Labor Compliance Program (LCP).

Task 3 - Reporting: The identified Project Manager will complete all necessary reporting to the SDCWA, including quarterly reports and invoices, a Project Monitoring Plan, and a Project Completion Report.

Project Administration Deliverables
Project Monitoring Plan
Quarterly Progress Reports and Invoices
Project Completion Report

B. Land Purchase Easement

Land and rights-of-way acquisition are not required for the project.

C. Planning/Design/Engineering/Environmental Documentation

Task 4 - Assessment and Evaluation:

- **Subtask 4.1 – Convene a Data Management System (DMS) Advisory Workgroup:** This subtask includes identifying and inviting participation in the Data Management System (DMS) Advisory Workgroup. This task will require County of San Diego staff time to prepare invitations and conduct correspondence. Deliverables for this task will be Invitation letter and list of Data Management System (DMS) Advisory Workgroup members.
- **Subtask 4.2 – Identify and Segment Stakeholder Groups:** This subtask includes a portion of one meeting of the Data Management System (DMS) Advisory Workgroup to identify and segment stakeholder groups into five groups for conducting detailed needs assessments. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task will be a meeting summary, sign-in sheet, any materials distributed during the meeting, a list of five stakeholder groups, associated contacts and stipend documentation.
- **Subtask 4.3 – Develop Assessment Approaches and Methodologies:** This subtask includes two meetings of the Data Management System (DMS) Advisory Workgroup facilitated by the consultant to develop approaches and methods to assess needs of stakeholder groups. This subtask also includes the development of assessment materials to collect information on priority data sets, data acquisition options, desired system functionality, data presentation options, and other information as identified by the DMS Advisory Workgroup. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task will be meeting agendas, sign-in sheets, draft and final meeting notes, working materials and handouts, all assessment materials developed by the workgroup and stipend documentation.
- **Subtask 4.4 – Conduct Needs Assessment of Stakeholder Groups:** This subtask includes three meetings each for the five stakeholder groups to conduct assessments and produce a detailed needs assessment report for

each stakeholder group. The objective of the final meeting for each of the groups will be to review and approve the content representing their existing and, or past, data management efforts and planned data management needs. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task will be meeting agendas, sign-in sheets, draft and final meeting notes, working materials and handouts, detailed needs assessment reports for each of the five stakeholder groups and stipend documentation.

- Subtask 4.5 – Develop Vision for Data Management System Basic Design Recommendation:** This subtask includes one meeting of the DMS Advisory Workgroup to review the results of the needs assessment to provide input on the consolidation of the assessment results into a Basin Design Recommendations document. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task will be meeting agendas, sign-in sheets, draft and final meeting notes, working materials, handouts and stipend documentation.

Study Performed
Convene a Data Management System (DMS) Advisory Workgroup
Identify and Segment Stakeholder Groups
Develop Assessment Approaches and Methodologies
Conduct Needs Assessment of Stakeholder Groups
Develop vision for Data Management System Basic Design Recommendation

Task 5 – Final Design:

- Subtask 5.1 – Develop Draft Data Management System Basic Design Recommendations:** This subtask includes the development of design recommendations. Draft recommendations will be presented to the DMS Advisory Workgroup for review and comment. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task include meeting agenda, sign-in sheet, draft and final meeting note, working materials and handouts, draft Data Management System Basic Design Recommendations document and stipend documentation.
- Subtask 5.2 – Develop Draft Final Data Management System Basic Design Recommendations:** This subtask includes the development of the draft final design recommendations. The draft final recommendations will be presented at two public workshops, during which staff and/or the consultant team will solicit review and comments on the recommendations. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task include public workshop agendas, sign-in sheets, presentation material and handouts, and solicitation notice for comments on final.
- Subtask 5.3 – Develop Final Data Management System Basic Design Recommendations:** This subtask includes consolidation of the public comments received. The public comments will be presented at one meeting of the DMS Advisory Workgroup. The workgroup will provide guidance on addressing comments, finalizing the recommendations document, and establishing the next step in the development of a Regional Data Management System. This task will require support from of San Diego staff, County Water Authority staff, City of San Diego staff, and staff time of the consultant, and nongovernmental agency staff (supported with a grant funded stipend). Deliverables for this task include comments received on the draft Data Management System Basic Design Recommendations document, final Data Management System Basic Design Recommendations document and stipend documentation.

Design Task Deliverables
Develop Final Data Management System Basic Design Recommendations

Task 6 – Environmental Documentation: This project qualifies as a planning study according to Section 15262 of the California Environmental Quality Act (CEQA) Guidelines, because it may possibly identify programs and projects for possible future actions, but does not have a legally binding effect of the participating agencies. As such, programmatic environmental analysis under CEQA is not required, and the project does not require NEPA-related analysis.

Task 7 – Permitting: Permitting is not applicable to this project.

D. Construction/Implementation

Task 8 – Construction Contracting: This project will not require construction contracting.

Task 9 – Construction: This project will not involve construction.

E. Environmental Compliance/Mitigation/Enhancement

Task 10 – Environmental Compliance/Mitigation/Enhancement: This project does not require CEQA or NEPA-related analysis. All tasks carried out for this project will be conducted in a manner that ensures environmental compliance with any other relevant environmental statutes.

F. Construction Administration

Task 11 – Construction Administration: Construction administration will not be completed as part of this project.

Project 12: Grant Administration

SDCWA will be responsible for administering and processing the Implementation Grant contract, including tasks associated with compiling and submitting project invoices, quarterly reports, grant amendment requests, retention release requests and completion reports for DWR. Each project under this grant will contribute 3% of its total grant funding to the administration of the grant agreement through the life of the grant.

Contract Administration: This task includes developing and administering the Local Project Sponsor (LPS) IRWM grant contracts, and procurement and service contracts related to the grant. This also includes processing of LPS and grant agreement amendments with DWR and the local project sponsor. This task contains work related to compliance tracking of contract requirements such as, labor compliance, equipment inventory, deliverables and report submittals.

Invoice and Report Processing: The program is the lead in reviewing project invoices to ensure project costs eligibility and contract compliance. The program shall submit an overall report of the grant administration efforts quarterly, summarizing all activities of previous quarter; grant completion report and post performance reports (as submitted by the projects). This also includes packaging and submittal of the reports to DWR.

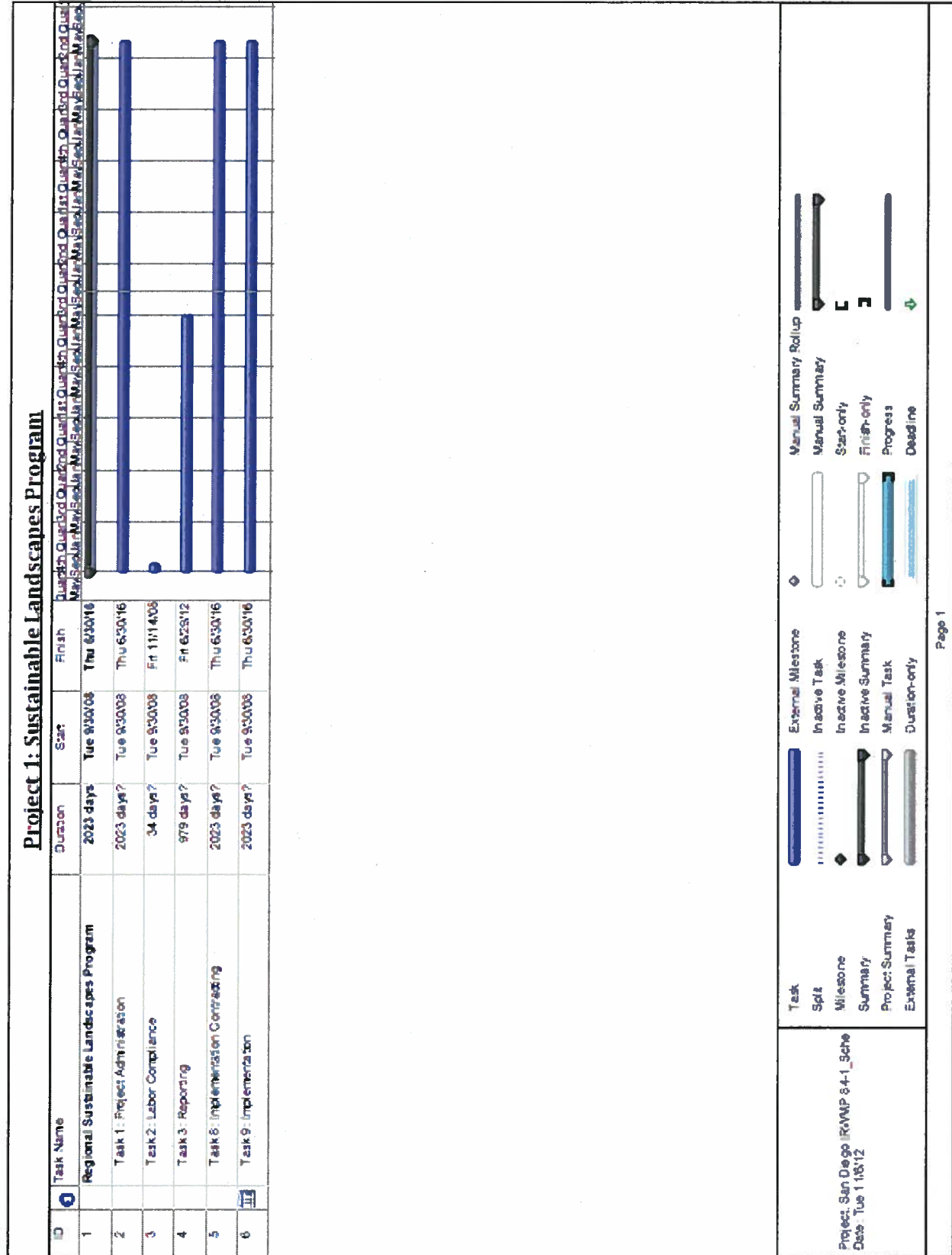
Budget Development and Monitoring: This task includes developing and monitoring of grant administration budget through the life of the grant. This task also includes monitoring and tracking of reported project expenditures and costs reimbursement received from DWR and disbursement to the LPS.

Grant Web Tool Site Development, Monitoring and Maintenance: This task includes establishing a web tool for the grant, monitoring and maintaining the web tool site and managing the web tool consultant agreement.

Coordination: This task involves grant administration progress reporting regarding grant financial status, project progress, contracts and amendments to the Regional Water Management Group, Regional Advisory Group and other advisory groups, as necessary. This also includes facilitating Local Project Sponsors meeting, as needed.

Grant Administration Deliverables
Quarterly Progress Reports and Invoices
Grant Completion Report

EXHIBIT B
SCHEDULE



Project 2: North San Diego County Regional Recycled Water Project

ID	Task Name	Duration	Start	Finish	1st Half Cr. 1	2nd Half Cr. 2	1st Half Cr. 3	2nd Half Cr. 4	1st Half Cr. 1	2nd Half Cr. 2	1st Half Cr. 3	2nd Half Cr. 4
1	North San Diego County Regional Recycled Water Project	2243 days	Wed 5/28/08	Fri 12/3/016								
2	Task 1: Project Administration	55.45 mons	Tue 10/2/12	Fri 12/3/016								
3	Task 3: Reporting	1109 days	Tue 10/2/12	Fri 12/3/016								
4	Quarterly Reporting & Invoicing	1090 days	Mon 10/29/12	Fri 12/3/016								
24	Project Monitoring Plan	4 mons	Tue 10/2/12	Mon 12/1/13								
25	Final Project Completion Report	4 mons	Wed 9/7/16	Tue 12/27/16								
26	Task 4: Assessment and Evaluation	1469 days	Wed 10/1/08	Mon 5/1/914								
27	Recycled Water Facilities Plan	1023 days	Wed 10/1/08	Fri 8/3/112								
28	Recycled Water Feasibility Study	36 mons	Tue 8/16/11	Mon 5/1/914								
29	Engineering Study for Seasonal Storage	36 mons	Thu 10/28/10	Wed 7/3/113								
30	Task 5: Final Design	2200 days	Wed 5/28/08	Tue 11/1/16								
31	10% - 50% Design	110 mons	Wed 5/28/08	Tue 11/1/16								
32	Task 6: Environmental Documentation	960 days	Tue 10/2/12	Mon 6/6/16								
33	CEQA/NEPA Program EIR/EA	48 mons	Tue 10/2/12	Mon 6/6/16								
34	Task 9: Construction	2200 days	Wed 5/28/08	Tue 11/1/16								
35	SEJPA Demineralization Facility	110 mons	Wed 5/28/08	Tue 11/1/16								
36	Carlsbad MWD Recycled Water Pipeline	110 mons	Wed 5/28/08	Tue 11/1/16								
37	Rimdon del Diablo MWD Recycled Water Storage	110 mons	Wed 5/28/08	Tue 11/1/16								

Task

Split:

Milestone:

Summary:

Project Summary:

External Tasks:

Manual Summary Rollup:

Manual Summary:

Start-only:

Finish only:

Progress:

Deadline:

Project: Proj2_NSD RevSchedule_110
Date: Tue 11/6/12

Project 3: North San Diego County Cooperative Demineralization Project

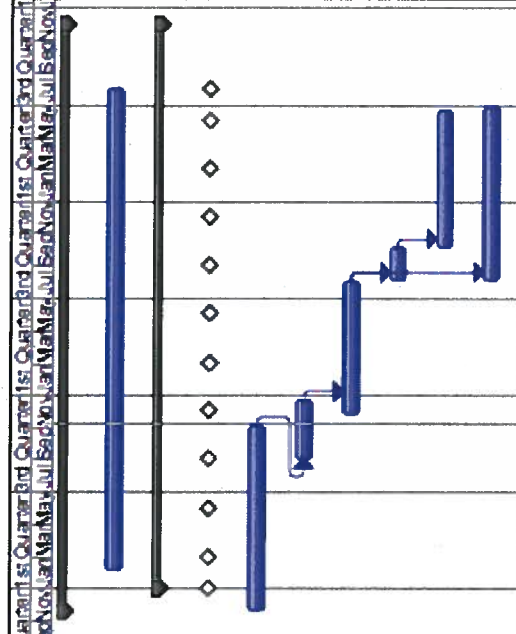
ID	Task Name	Duration	Start	Finish	2009	2010	2011	2012	2013
1	North San Diego County Cooperative Demineralization Project	1120 days?	Mon 9/1/08	Fri 12/14/12					
2	Task 1 Project Administration	400 days	Thu 6/2/11	Wed 12/12/12					
3	Task 2 Labor Compliance Program	209 days?	Tue 12/13/11	Fri 9/28/12					
4	Task 3: Reporting	393 days	Wed 6/1/11	Sat 12/1/12					
5	Quarterly Reporting & Invoicing	393 days	Wed 6/1/11	Sat 12/1/12					
13	Task 4 Assessment and Evaluation	1120 days	Mon 9/1/08	Fri 12/14/12					
14	Task 5 Final Design	459 days	Tue 12/1/09	Fri 9/2/11					
15	Task 6 Environmental Documentation	314 days?	Wed 10/1/08	Mon 12/14/09					
16	Task 7: Permitting	394 days	Mon 12/14/09	Thu 6/16/11					
17	Task 8 Construction Contracting	72 days?	Fri 9/2/11	Mon 12/12/11					
18	Task 9 Construction	210 days?	Mon 12/12/11	Fri 9/28/12					
19	Task 10 Environmental Compliance	210 days?	Mon 12/12/11	Fri 9/28/12					
20	Task 11 Construction Admin	210 days?	Mon 12/12/11	Fri 9/28/12					

Project: SDIRVMP_Coop Demin Sche
Data Tue 11/6/12

Task		External Milestone		Manual Summary Rollup	
Split		Inactive Task		Manual Summary	
Milestone		Inactive Milestone		Start-only	
Summary		Inactive Summary		Finish-only	
Project Summary		Manual Task		Progress	
External Tasks		Duration-only		Deadline	

Project 4: Rural Disadvantaged Community (DAC) Partnership Project

ID	Task Name	Duration	Start	Finish
1	Rural Disadvantaged Community Partnership Project	791 days?	Mon 11/21/11	Mon 12/1/14
2	Task 1: Project Administration	650 days	Mon 2/6/12	Fr 8/1/14
3	Task 3: Reporting	780 days?	Mon 1/2/12	Mon 12/1/14
4	Quarterly Reporting & Invoicing	780 days?	Mon 1/2/12	Mon 12/1/14
19	Task 4: Assessment and Evaluation	250 days	Mon 11/21/11	Fr 11/2/12
20	Task 5: Final Design	4 mons	Mon 9/3/12	Fr 12/21/12
21	Task 6: Environmental Documentation	180 days	Mon 11/26/12	Fr 8/2/13
22	Task 8: Construction Contracting	45 days	Mon 8/13/13	Fr 10/4/13
23	Task 9: Construction	185 days	Mon 10/7/13	Fr 6/20/14
24	Task 11: Construction Administration	235 days	Mon 8/13/13	Fr 6/27/14



Project: SDRTAMP_Rural DAC Sched
Date: Tue 11/6/12

Task		External Milestone		Manual Summary Rollup	
Split		Inactive Task		Manual Summary	
Milestone		Inactive Milestone		Start-only	
Summary		Inactive Summary		Finish-only	
Project Summary		Manual Task		Progress	
External Tasks		Curator-only		Deadline	

Project 5: Lake Hodges Water Quality and Quagga Mitigation Measures

ID	Task Name	Start	2009	2010	2011	2012	2013	2014	2015
			1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
1	Task 1: Project Administration	Mon 8/2/10							
8	Task 2: Labor Compliance Program (Quagga)	Tue 11/1/11							
9	Develop and execute labor compliance program	Tue 11/1/11							
13	Task 3: Reporting	Tue 5/1/12							
14	Prepare & submit quarterly progress reports	Tue 5/1/12							
29	Task 4: Assessment and Evaluation (Water Quality)	Tue 6/30/09							
30	Complete initial water quality data study	Tue 6/30/09							
31	Purchase & install water quality profiler	Tue 2/1/11							
32	Develop WQ alternatives and conceptual design	Wed 2/1/12							
41	Task 4a: Assessment and Evaluation (Quagga)	Mon 11/1/10							
42	Complete Vulnerability Assessment & Prepare report	Mon 11/1/10							
43	Finalize Vulnerability Assessment Report	Thu 6/30/11							
44	Task 5: Final Design (from Concept) (Quagga)	Tue 11/1/11							
45	Alternatives analysis & prioritization	Tue 11/1/11							
50	Design selected alternative(s)	Fri 11/16/12							
56	Finalize design & design report	Fri 9/10/13							
59	Task 6: Environmental Documentation (Water Quality)	Wed 10/10/12							
60	Assess requirements & prepare draft documents	Wed 10/10/12							
66	Finalize environmental documentation	Tue 2/10/15							
67	Task 6a: Environmental Documentation (Quagga)	Thu 9/27/12							
68	Review existing environmental documentation	Thu 9/27/12							
69	Task 7: Permitting (Quagga)	Mon 1/14/13							
70	Assess permitting requirements	Mon 1/14/13							
71	Obtain required permits	Mon 2/11/13							
72	Task 8: Construction Contracting (Quagga)	Mon 7/8/13							
76	Task 9: Construction (Quagga)	Mon 10/28/13							
79	Task 10: Environmental Compliance (Quagga)	Mon 10/28/13							
80	Environmental monitoring during construction	Mon 10/28/13							
81	Task 11: Construction Administration (Quagga)	Fri 12/28/12							
82	Construction administration	Fri 12/28/12							
83	Construction administration closeout	Mon 5/11/15							

Project Summary schedule Project 5 r
Date: Fri 8/24/12

Task	Inactive Task	Manual Summary
Split	Inactive Task	Start-only
Milestone	Inactive Milestone	Finish-only
Summary	Inactive Summary	Progress
Project Summary	Manual Task	Deadline
External Tasks	Duration-only	
External Milestone	Manual Summary Rollup	

Project 7: Bannock Avenue Neighborhood Streetscape Enhancements for Tecolote Creek Watershed Protection

ID	Task Name	Start	Finish
1	Bannock Avenue Streetscape Improvements	Mon 2/16/09	Mon 11/21/15
2	Task 1 - Project Administration	Wed 8/11/12	Mon 11/21/15
3	Project Design and Assessment Report Deliverable	Wed 8/11/12	Wed 8/11/12
4	Task 3 - Quarterly Grant Reporting & Invoicing & Deliverables	Thu 11/11/12	Mon 8/31/15
17	Final Report	Mon 11/21/15	Mon 11/21/15
18	Task 2 - Labor Compliance Program	Mon 3/4/13	Wed 9/30/15
19	Project Labor Compliance Deliverables	Mon 3/4/13	Wed 9/30/15
20	Report submittal	Wed 5/1/13	Mon 8/23/15
31	Task 5 - Final Design	Mon 2/16/09	Mon 10/22/12
32	10% (conceptual) Design	Mon 2/16/09	Fri 10/9/09
33	30% Design	Wed 10/6/10	Wed 11/30/11
34	60% Design	Thu 12/1/11	Thu 2/23/12
35	90% (pre-final) Design	Fri 2/24/12	Fri 7/13/12
36	100% (final) Design & Construction Documents	Mon 7/16/12	Mon 10/22/12
37	Task 6 - Environmental Documentation	Thu 12/1/11	Tue 10/23/12
38	CEQA MND Preparation	Thu 12/1/11	Fri 6/29/12
39	Project Discretionary Approval & CEQA Certification	Thu 10/18/12	Tue 10/23/12
40	Task 8 - Construction Contracting	Tue 1/1/13	Tue 6/25/13
41	Advertising & Bidding Award	Tue 1/1/13	Tue 4/2/13
42	Award and Notice to Proceed	Wed 4/3/13	Tue 6/25/13
43	Task 7 - Permitting	Wed 6/26/13	Tue 10/29/13
44	Water Pollution Control Plan/SWPP	Wed 6/26/13	Tue 10/29/13
45	Traffic Control Plan	Wed 6/26/13	Tue 10/29/13
46	Site Improvement Plan/Grading Permit	Wed 6/26/13	Tue 10/29/13
47	Labor Compliance Program Contract Verification	Wed 6/26/13	Wed 7/24/13
48	Task 9 - Construction / Implementation	Wed 10/30/13	Thu 4/30/15
49	Mobilization and Site Preparation	Wed 10/30/13	Wed 1/8/14
50	Relocate Utilities	Wed 10/30/13	Thu 1/21/14
51	Project Construction - Site Improvements	Fri 12/13/13	Tue 8/15/14
52	Warranty Administration	Wed 8/6/14	Thu 4/30/15
53	Performance Testing and Demobilization	Wed 8/6/14	Thu 4/30/15
54	Closeout & Notice of Completion	Tue 7/11/14	Mon 9/22/14

Project: San Diego IRWMP 84-1_Sche
Data: Tue 11/6/12

Task

Split

Milestone

Summary

Project Summary

External Tasks

External Milestone

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

Progress

Deadline

Project 8: Pilot Concrete Chanel Infiltration Project

ID	Task Name	Duration	Start	Finish	2009	2010	2011	2012	2013	2014			
1	Pilot Concrete Channel Infiltration Project	1631 days	Wed 10/1/08	Wed 12/31/14	04	01	02	03	04	01	02	03	04
2	Task 1: Project Administration	1088 days?	Mon 11/1/10	Wed 12/31/14									
3	Task 2: Labor Compliance Program	100 days	Tue 7/1/14	Mon 11/17/14									
4	Task 3: Reporting	477 days	Fri 2/1/13	Mon 12/1/14									
5	Quarterly Reporting & Invoicing	477 days	Fri 2/1/13	Mon 12/1/14									
13	Task 4: Assessment and Evaluation	1631 days?	Wed 10/1/08	Wed 12/31/14									
14	Task 5: Final Design	347 days?	Wed 1/2/13	Thu 5/1/14									
15	Task 6: Environmental Documentation	43 days	Mon 6/3/13	Wed 7/31/13									
16	Task 8: Construction Contracting	43 days	Thu 5/1/14	Mon 6/30/14									
17	Award Construction Contract	43 days?	Thu 5/1/14	Mon 6/30/14									
18	Task 9: Construction	100 days	Tue 7/1/14	Mon 11/17/14									
19	Task 11: Construction Admin	100 days	Tue 7/1/14	Mon 11/17/14									

Project: SDIRWMP - Santee Flood Cnt
Date: Fri 11/16/12

Task

- Task
- Split
- Milestone
- Summary
- Project Summary
- External Tasks

External Milestone

- External Milestone
- Inactive Task
- Inactive Milestone
- Inactive Summary
- Manual Task
- Duration-only

Manual Summary Rollup

- Manual Summary
- Start-only
- Finish-only
- Progress
- Deadline

Page 1

Project 9: San Diego Regional Water Quality Assessment and Outreach Project

ID	Task Name	Duration	Start	Finish	2011	2012	2013	2014	2015
					May	Jan	May	Jan	May
1	San Diego Regional Water Quality Assessment and Outreach Project	1131 days?	Wed 6/1/11	Wed 9/30/15					
2	Tasks 1: Project Administration	1131 days?	Wed 6/1/11	Wed 9/30/15					
3	Task 3: Reporting	783 days	Mon 10/1/12	Wed 9/30/15					
4	Quarterly Reporting & Involving	783 days	Mon 10/1/12	Wed 9/30/15					
17	Quarterly Reporting & Involving	0 days	Wed 9/30/15	Wed 9/30/15					
18	Task 4: Assessment and Evaluation	1065 days	Wed 6/1/11	Tue 6/30/15					
19	Establish Regional Water Monitoring Training and Resource Center	1065 days?	Wed 6/1/11	Tue 6/30/15					
20	Task 9: Construction Implementation	912 days?	Mon 12/1/12	Tue 6/30/15					
21	Develop and Implement Public Outreach and Education Campaign	912 days?	Mon 12/1/12	Tue 6/30/15					
22	Manage Data, Analyze Data, and Develop Regional Watershed Reports	912 days?	Mon 12/1/12	Tue 6/30/15					

Project: SDRWMP_Reg WQ Schedule
Date: Tue 11/6/12

Task		External Milestone		Manual Summary Rollup	
Split		Inactive Task		Manual Summary	
Milestone		Inactive Milestone		Start-only	
Summary		Inactive Summary		Finish-only	
Project Summary		Manual Task		Progress	
External Tasks		Duration-only		Deadline	

Project 10: Chollas Creek Integration Project

ID	Task Name	Duration	Start	Finish	2012				2013				2014				2015							
					Qr 3	Qr 4	Qr 1	Qr 2	Qr 3	Qr 4	Qr 1	Qr 2	Qr 3	Qr 4	Qr 1	Qr 2	Qr 3	Qr 4	Qr 1	Qr 2	Qr 3	Qr 4		
1	Chollas Creek Integration Project	1048 days?	Mon 8/0/11	Tue 8/4/15																				
2	Task 1: Project Administration	1046 days?	Wed 8/3/11	Tue 8/4/15																				
3	Task 2: Labor Compliance Program	150 days?	Tue 11/5/13	Mon 6/2/14																				
4	Task 3: Reporting	652 days	Fri 2/1/13	Sat 8/1/15																				
5	Quarterly Reporting & Invoicing	651 days	Fri 2/1/13	Sat 8/1/15																				
17	Quarterly Reporting & Invoicing 8	652 days	Fri 2/1/13	Sat 8/1/15																				
18	Task 4: Assessment and Evaluation	891 days?	Mon 8/1/11	Mon 12/29/14																				
19	Task 5: Final Design	285 days?	Thu 5/3/12	Wed 7/3/13																				
20	Task 6: Environmental Documentation	282 days?	Fri 2/15/13	Mon 3/17/14																				
21	Task 7: Permitting	102 days?	Fri 10/25/13	Mon 3/17/14																				
22	Task 8: Construction Contracting	41 days?	Mon 3/17/14	Mon 5/12/14																				
23	Task 9: Construction	88 days?	Tue 5/13/14	Thu 9/11/14																				
24	Task 10: Environmental Compliance	131 days?	Fri 3/1/13	Sun 9/1/13																				
25	Task 11: Construction Admin	46 days?	Fri 9/12/14	Fri 11/14/14																				

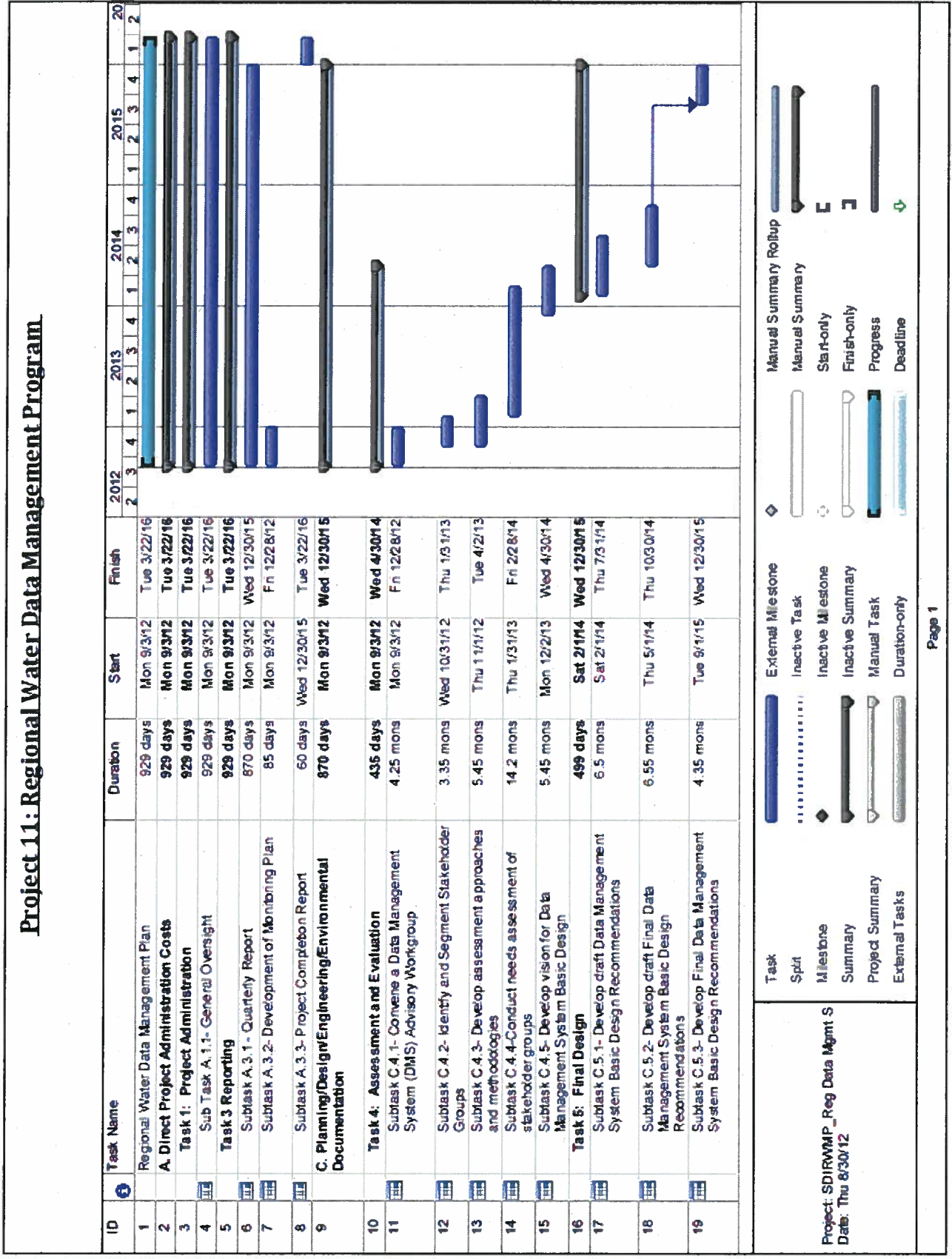
Task
 Split
 Milestone
 Summary
 Project Summary
 External Tasks

External Milestone
 Inactive Task
 Inactive Milestone
 Inactive Summary
 Manual Task
 Duration-only

Manual Summary Rollup
 Manual Summary
 Start-only
 Finish-only
 Progress
 Deadline

Project: SDRWMP - Colas Creek Sch
Date: Fri 11/16/12

Project 11: Regional Water Data Management Program



Project 12: Grant Administration Project

Task Name	Start	Finish	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Work Item #1: Grant Administration Project	Mon 8/1/11	Wed 5/3/17										
Task 1: Grant Administration	Mon 8/1/11	Wed 5/3/17										
Project Submittal: Quarterly Progress Reports	Sun 4/15/12	Mon 1/10/17					◆	◆	◆	◆	◆	◆
Project Submittal: Completion Report	Wed 5/3/17	Wed 5/3/17										◆

Task	External Milestone	Manual Summary Rollup
Task	External Milestone	Manual Summary Rollup
Split	Inactive Task	Manual Summary
Milestone	Inactive Milestone	Start-only
Summary	Inactive Summary	Finish-only
Project Summary	Manual Task	Progress
External Tasks	Duration-only	Deadline

Note: Project schedule may change based on timing of State action related to Proposition 50 grant funds

**EXHIBIT C
BUDGET**

Summary Budget					
Title: <u>San Diego Integrated Regional Water Management Implementation Grant</u>					
Individual Project Title	Funding Match *	DWR Grant Amount *	Other Cost Share**	Total	Funding Match (%)
(1) Sustainable Landscape Program	\$171,137	\$1,018,500	\$178,863	\$1,368,500	13%
(2) North San Diego County Regional Recycled Water Project	\$740,777	\$1,455,000	\$774,223	\$2,970,000	25%
(3) North San Diego County Cooperative Demineralization Project	\$2,119,550	\$1,018,500	\$2,215,250	\$5,353,300	40%
(4) Rural Disadvantaged Community (DAC) Partnership Project	\$14,669	\$485,000	\$15,331	\$515,000	3%
(5) Lake Hodges Water Quality and Quagga Mitigation Measures	\$146,689	\$873,000	\$153,311	\$1,173,000	13%
(6) Implementing Nutrient Management in the Santa Margarita River Watershed	\$84,346	\$436,500	\$88,154	\$609,000	14%
(7) Bannock Avenue Neighborhood Streetscape Enhancements for Tecolote Creek	\$566,899	\$630,500	\$592,494	\$1,789,893	32%
(8) Pilot Concrete Channel Infiltration Project	\$40,780	\$242,500	\$42,620	\$325,900	13%
(9) San Diego Regional Water Quality Assessment and Outreach Project	\$81,696	\$485,000.	\$85,383	\$652,079	13%
(10) Chollas Creek Integration Project	\$46,207	\$873,000.	\$48,293	\$967,500	5%
(11) Regional Water Data Management Program	\$28,490	\$145,500	\$29,775	\$203,765	14%
(12) Grant Administration Program ***	\$0	\$237,000	\$0	\$237,000	0%
Total	\$4,041,240	\$7,900,000	\$4,223,697	\$16,164,937	51%

Notes:

*Invoices associated with the Funding Match and the DWR Grant Amount must be submitted to DWR for review and approval.

**Invoices associated with "Other" Cost Share do not need to be submitted to DWR for review and approval.

***Grant Administration Program costs are separated from each project budget to pay for direct and indirect costs related to the administration of the grant projects.

Disbursement Process

DWR will reimburse the grantee for costs incurred after the Grant Agreement is executed, using the concurrent drawdown by task method, plus retention. That is, if there is grantee Funding Match and DWR grant share associated with a task; then grant funds and local match dollars will be expended simultaneously in accordance with the percentage (proportion) of funds coming from local costs and grant funds shown in the Budget.

Example: A Grantee submits Invoice 1 that includes costs for Task 2 of a grant agreement; and Task 2 is split with a Funding Match of 25% and grant share of 75% for a total of \$100. If the grantee submits an invoice for \$4, then \$1 would be drawn down from the Funding Match, and \$3 would be reimbursed from the grant share (minus 5% retention 0.15 cents). The total Invoice 1 reimbursement for the grantee would be \$2.70.

If the grantee submits invoices for allowable Funding Match costs for the period between September 30, 2008 and prior to initiation of the grant agreement, those costs at DWRs discretion, will be directly deducted from the grantees Funding Match [refer to Section V(L) on page 28 of the DWR IRWM Guidelines].

The retention withheld by DWR on each invoice, by task, will be released to the grantee upon: 1) DWRs receipt of a request for release of retention, and 2) confirmation by DWR that all deliverables shown in Exhibit A have been received.

DWR approves invoice payments at the overarching Task-level. Subtasks are provided in the Work Plan, Budget, and Schedule for additional detail, and guidance for the project manager to be aware of when administering the Grant Agreement.

Project 1: Sustainable Landscapes Program					
		(a)	(b)	(c)	(d)
Budget Category		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$23,100	\$42,900	\$66,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$0	\$0	\$0	\$0
(d)	Construction/Implementation	\$171,137	\$995,400	\$135,963	\$1,302,500
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Project Total	\$171,137	\$1,018,500	\$178,863	1,368,500

1)* Sources of funding: San Diego County Water Authority, County of San Diego, City of San Diego, Surfrider Foundation, California Center for Sustainable Energy, Association of Compost Producers, and California American Water.
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in the Summary Budget.

Project 2: North San Diego County Regional Recycled Water Project					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$0	\$55,000	\$55,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/Environmental Documentation	\$200,000	\$1,185,000	\$200,000	\$1,585,000
(d)	Construction/Implementation	\$540,777	\$270,000	\$519,223	\$1,330,000
(e)	Environmental Compliance/Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Project Total	\$740,777	\$1,455,000	\$774,223	\$2,970,000

1)* General funds of participating project partners.
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in Table 8 – Summary Budget.

Project 3: North San Diego County Cooperative Demineralization Project					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$3,500	\$0	\$3,500
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/Environmental Documentation	\$400,000	\$196,500	\$478,300	\$1,074,800
(d)	Construction/Implementation	\$1,719,550	\$818,500	\$1,365,950	\$3,904,000
(e)	Environmental Compliance/Mitigation/Enhancement	\$0	\$0	\$27,000	\$27,000
(f)	Construction Administration	\$0	\$0	\$258,000	\$258,000
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$10,000	\$10,000
(h)	Construction/Implementation Contingency	\$0	\$0	\$76,000	\$76,000
(I)	Project Total	\$2,119,550	\$1,018,500	\$2,215,250	\$5,353,300

1)* Sources of funding: Non-State Share (Funding Match) Sources include cash from SEJPA Water Reclamation Fund and general funds of other project partners.
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 4: Rural Disadvantaged Community (DAC) Partnership Project

Budget Category		(a) Funding Match *	(b) DWR Grant Amount	(c) "Other" Cost Share*	(d) Total
(a)	Direct Project Administration Costs	\$0	\$10,000	\$0	\$10,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$0	\$125,000	\$15,000	\$140,000
(d)	Construction/Implementation	\$14,669	\$324,000	\$331	\$339,000
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$26,000	\$0	\$26,000
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Grant Total	\$14,669	\$485,000	\$15,331	\$515,000

1)* Sources of funding: U.S. Department of Health and Human Services, U.S. Department of Agriculture Rural Development, Indian Health Services, and the U.S. Environmental Protection Agency Region 9.

2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 5: Lake Hodges Water Quality and Quagga Mitigation Measures

Budget Category		(a) Funding Match *	(b) DWR Grant Amount	(c) "Other" Cost Share*	(d) Total
(a)	Direct Project Administration Costs	\$0	\$10,500	\$7,500	18,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$146,689	\$303,060	\$72,811	\$522,560
(d)	Construction/Implementation	\$0	\$384,400	\$0	\$384,400
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$62,100	\$0	\$62,100
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$73,000	\$73,000
(h)	Construction/Implementation Contingency	\$0	\$112,940	\$0	\$112,940
(I)	Project Total	\$146,689	\$873,000	\$153,311	\$1,173,000

1)* Sources of funding: Approximately \$90,000 from Santa Fe Irrigation District (SFID) - equipment purchase and water quality consultant. Approximately \$10,000 from staff time at SFID and City of San Diego. Remaining \$200,000 from SDCWA Operating/Capital Improvement Program funds.

2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 6: Implementing Nutrient Management In the Santa Margarita Watershed					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$0	\$0	\$0
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$84,346	\$436,500	\$88,154	\$609,000
(d)	Construction/Implementation	\$0	\$0	\$0	\$0
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Grand Total	\$84,346	\$436,500	\$88,154	\$609,000

1)* Sources of funding: Match of \$30,000, for the preparation of the Sample and Analysis Plan, QAPP, Project Assessment and Evaluation Plan (PAEP), and CEQA/ NEPA documentation from County of San Diego and MCB Camp Pendleton.
Matches of \$70,000 for Bight '08 Estuaries and Coastal Wetlands Study from San Diego County Copermitttees In fulfillment of requirements for the Stormwater NPDES Permit no. R9- 2007-0001
Match of \$72,500 from San Diego County and MCB Camp Pendleton for monitoring Santa Margarita River and tributaries.
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 7: Bannock Avenue Neighborhood Streetscape Enhancement for Tecolote Creek Watershed Protection					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$0	\$0	\$0
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$0	\$0	\$0	\$0
(d)	Construction/Implementation	\$566,899	\$630,500	\$592,494	\$1,789,893
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Project Total	\$566,899	\$630,500	\$592,494	\$1,789,893

1) *Sources of funding: City of San Diego Storm Water Department, Watershed Capital Improvement Projects (Watershed CIP / ACC00001, WBS: S10002, <http://www.sandiego.gov/fm/annual/fy11vol3.shtml>).
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 8: Pilot Concrete Channel Infiltration Project					
Budget Category		(a) Funding Match *	(b) DWR Grant Amount	(c) "Other" Cost Share*	(d) Total
(a)	Direct Project Administration Costs	\$0	\$0	\$9,990	\$9,990
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$0	\$37,751	\$9,510	\$47,261
(d)	Construction/Implementation	\$0	\$140,655	\$0	\$140,655
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$17,880	\$17,880
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$40,780	\$35,963	\$5,240	\$81,983
(h)	Construction/Implementation Contingency	\$0	\$28,131	\$0	\$28,131
(I)	Project Total	\$40,780	\$242,500	\$42,620	\$325,900

1) *Sources of funding: City of Santee General and Redevelopment Funds
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 9: San Diego Regional Water Quality Assessment and Outreach Project					
Budget Category		(a) Funding Match *	(b) DWR Grant Amount	(c) "Other" Cost Share*	(d) Total
(a)	Direct Project Administration Costs	\$0	\$10,000	\$0	\$10,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$0	\$131,540	\$0	\$131,540
(d)	Construction/Implementation	\$81,696	\$339,062	\$85,383	\$506,141
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$4,398	\$0	\$4,398
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Project Total	\$81,696	\$485,000	\$85,383	\$652,079

1) *Sources of funding: Volunteers who participate in water quality monitoring and data management activities; Call Bamboo; Ford Motor Company Fund and Community Services; Golden State Flycasters; Hattie Ettinger Conservation Fund at The San Diego Foundation; Kass Family Foundation; S. Kaupp; The Parker Foundation; San Diego County Regional Airport Authority; Surf Industry Manufacturer's Association, Environmental Fund; Anonymous Fund at The San Diego Foundation; Anonymous Individual Donor.
2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 10: Chollas Creek Integration Project					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$18,000	\$0	\$18,000
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$46,207	\$285,976	\$11,193	\$343,376
(d)	Construction/Implementation	\$0	\$489,100	\$0	\$489,100
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$15,000	\$0	\$15,000
(f)	Construction Administration	\$0	\$0	\$37,100	\$37,100
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$25,000	\$0	\$25,000
(h)	Construction/Implementation Contingency	\$0	\$39,924	\$0	\$39,924
(I)	Project Total	\$46,207	\$873,000	\$48,293	\$967,500

1) *Sources of funding: Contributions from Jacobs Center for Neighborhood Innovation (JcNI) and Groundworks San Diego-Chollas Creek (GWSGCC) obtained from non-state sources, specifically \$51,705 in private funding from the Jacobs Family Foundation and \$42,795 from a federal grant to GWSGCC from the U.S. National Park Service.

2) Project Subtotal (I) denotes sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 11: Regional Water Data Management Program					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match *	DWR Grant Amount	"Other" Cost Share*	Total
(a)	Direct Project Administration Costs	\$0	\$0	\$17,274	\$17,274
(b)	Land Purchase/Easement	\$0	\$0	\$0	\$0
(c)	Planning/Design/Engineering/ Environmental Documentation	\$28,490	\$145,500	\$12,501	\$186,491
(d)	Construction/Implementation	\$0	\$0	\$0	\$0
(e)	Environmental Compliance/ Mitigation/Enhancement	\$0	\$0	\$0	\$0
(f)	Construction Administration	\$0	\$0	\$0	\$0
(g)	Other Costs (Including Legal Costs, Permitting and Licenses)	\$0	\$0	\$0	\$0
(h)	Construction/Implementation Contingency	\$0	\$0	\$0	\$0
(I)	Project Total	\$28,490	\$145,500	\$29,775	\$203,765

1) *Sources of funding: in-kind labor costs and one-time expenditures from the County of San Diego.

2) Project Subtotal (I) shows sum of costs a through h, which excludes the SDCWA Grant Administration costs for the Program. Values on this row are reflected in The Summary Budget.

Project 12: Grant Administration					
Budget Category		(a)	(b)	(c)	(d)
		Funding Match	DWR Grant Amount	"Other" Cost Share	Total
(1)	Grant Administration	\$0	\$237,000	\$0	\$237,000
1) Requested Grant Funding Amount for the Grant Administration Program is the 3% grant administration program fee of total grant funding.					

**EXHIBIT D
STANDARD CONDITIONS**

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

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

D.2 ACKNOWLEDGEMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Grant Agreement. During construction of the 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 AMENDMENT: No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

D.4 AMERICANS WITH DISABILITIES ACT: By signing this 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.5 AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may take any action it deems necessary to protect its interests.

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

D.6 BUDGET CONTINGENCY: LIMIT ON STATE FUNDS. Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any

mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. The State will not make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.

- D.7 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.8 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.9 COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.12 DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 days prior to submission of the final project invoice, a final inventory list of equipment purchased with grant funds provided by State. Grantee shall consult with State on the scope of the inventory not less than 60 days prior to the submission of the final project invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item. Within 60 days of receipt of such inventory, State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.13 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the 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 Director, Department of Water Resources, 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.14 DRUG-FREE WORKPLACE CERTIFICATION -

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

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

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

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

D.17 GRANTEE COMMITMENTS: Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.

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

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

D.20 INSPECTIONS: State shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 48-hour notice, during the term of the Grant Agreement. This right shall extend to any local project sponsor, subagreements, and Grantee shall include provisions ensuring such access in all its contracts or sub-contractors entered into pursuant to its Grant Agreement with State. Grantee acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 *et seq.*). State shall have the right to inspect these documents at any and

all reasonable times after completion of the Project to ensure compliance with the terms and conditions of this Grant Agreement. During regular office hours, State shall have the right to inspect and to make copies of any books, records, or reports of the Grantee relating to this Grant Agreement. Grantee shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this 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.21 NONDISCRIMINATION: During the performance of this Grant Agreement, Grantee and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Grant Agreement.

D.22 NO THIRD PARTY RIGHTS: The parties to this Grant Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

D.23 OPINIONS AND DETERMINATIONS: The parties agree that review or approval of any IRWM Program applications, documents, permits, plans and specifications or other program information by the State is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the IRWM Program.

D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Grant Agreement. Grantee shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to disbursement of funds under this Grant Agreement.

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

D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: Grantee and Local Project Sponsors 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 IRWM Program without prior permission of State. Grantee and Local Project Sponsors shall not take any action concerning the performance of this Grant Agreement, 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 acquired with funds disbursed under this Grant Agreement be remitted to State.

- D.26 REMEDIES, COSTS, AND ATTORNEY FEES:** The Grantee agrees that any remedy provided in this Grant Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of breach of this Grant Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Grant Agreement by the State shall not preclude the State from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Grant Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
- D.27 RETENTION:** Notwithstanding any other provision of this Grant Agreement, State shall, for each project, withhold five percent (5.0%) until January 1, 2016 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 17, "Submissions of Reports" as follows. At such time as the "Project Completion Report" required under Paragraph 17 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.28 RIGHTS IN DATA:** To the extent permitted by law, the Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Grant Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- D.29 SEVERABILITY OF UNENFORCEABLE PROVISION:** If any provision of this Grant Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Grant Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
- D.30 STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State is for administrative purposes only and does not relieve the Grantee or Local Project Sponsors of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee and Local Project Sponsors agree to indemnify, defend and hold harmless the State and the State against any loss or liability arising out of any claim or action brought against the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:
- a) The Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof;
 - b) Performing any of the terms contained in this Grant Agreement or any related document;
 - c) Any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and CWC Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the natural water system; or
 - d) Any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions

contemplated by this Grant Agreement. Grantee agrees to pay and discharge any judgment or award entered or made against the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of the Grant Agreement.

- D.31 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.32 TIMELINESS:** Time is of the essence in this Grant Agreement.
- D.33 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 Funding Match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.34 WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

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

QUARTERLY PROGRESS REPORT

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

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- A brief summary of the status of adoption of an IRWM Plan that complies with Part 2.2 of Division 6 of the CWC commencing with Section 10530.
- In areas that receive water supplied from the Sacramento-San Joaquin Delta, the IRWM Plan must reduce dependence on the Sacramento-San Joaquin Delta for water supply (SB 855 (Stats. 2010) Section 31(c)(1)(B)).
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs.
- An update on efforts to adopt a Groundwater Management Plan.
- Upon adoption of IRWM Plan, submit an electronic copy with progress report.

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

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc).
- Discussion of data submittal effort(s) for the previous quarter, including a description of the data submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the project work plans.
- Description of any efforts to update IRWM Plan to obligations listed in Paragraph 12, "Continuing Eligibility, if applicable."

COST INFORMATION

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

SCHEDULE INFORMATION

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

ANTICIPATED ACTIVITIES NEXT QUARTER

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

PROJECT COMPLETION REPORT

A Project Completion Report is required for each project identified in the Work Plan, Exhibit A. This report will include the following Sections:

EXECUTIVE SUMMARY

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

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

REPORTS AND/OR PRODUCTS

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

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices 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 spreadsheet summary of the original budget costs by task versus the final project costs
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants (Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of grant disbursements.
- Summary of project cost including:
 - Accounting of the cost of project expenditure.
 - Include all internal and external costs not previously disclosed.
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION

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

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.
- Short description of the two year IRWM Plan update and the date when the updated Plan was submitted to DWR.
- If applicable, a short discussion on how the IRWM Plan will assist in reducing dependence on Delta water supplies.
- 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 verse planned progress.
- Certification from a California Registered Civil Engineer 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.

PROJECT-PERFORMANCE REPORT

Project Performance Report is required annually for every project for a period of 10 years beginning after the first year of operation, and includes the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, i.e., Oct 2014 through September 2015.
- Short project description.
- Brief discussion of the project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 22 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

ELECTRONIC REPORT FORMATTING

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

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

**EXHIBIT F
LOCAL PROJECT SPONSORS**

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:

Local Sponsor Agency Designations		
Sponsored Project	Sponsor Agency	Agency Address
Project 1 – Sustainable Landscape Program	San Diego County Water Authority	4677 Overland Avenue San Diego, CA 92123
Project 2 - North San Diego County Regional Recycled Water Project	Olivenhain Municipal Water District	1966 Olivenhain Road Encinitas, CA 92024
Project 3 – North San Diego County Cooperative Demineralization Project	San Elijo Joint Powers Authority	2695 Manchester Avenue Cardiff by the Sea, CA 92007
Project 4 – Rural Disadvantaged Community (DAC) Partnership Project	Rural Community Assistance Corp (RCAC)	3120 Freeboard Drive, Suite 201 West Sacramento, CA 95691
Project 5 – Lake Hodges Water Quality and Quagga Mitigation Measures	San Diego County Water Authority	4677 Overland Avenue San Diego, CA 92123
Project 6 – Implementing Nutrient Management in the Santa Margarita River Watershed	County of San Diego	5201 Ruffin Road, Suite P San Diego, CA 92123
Project 7 – Bannock Avenue Neighborhood Streetscape Enhancements for Tecolote Creek	City of San Diego – Storm Water Department	9370 Chesapeake Drive San Diego, CA 9213
Project 8 – Pilot Concrete Channel Infiltration Project	City of Santee	10601 Magnolia Avenue Santee, CA 92071

Project 9 – San Diego Regional Water Quality Assessment and Outreach Project	San Diego Coastkeeper	2825 Dewey Road, Suite 200 San Diego, CA 92106
Project 10 – Chollas Creek Integration Project	Jacobs Center for Neighborhood Innovation	404 Euclid Avenue San Diego, CA 92114
Project 11 – Regional Water Data Management Program	County of San Diego	5201 Ruffin Road, Suite P San Diego, CA 92123
Project 12 – Grant Administration	San Diego County Water Authority	4677 Overland Avenue San Diego, CA 92123

EXHIBIT G
REQUIREMENTS FOR DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

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

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

<http://www.ceden.org>.

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

http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

GROUNDWATER LEVEL DATA

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

<http://wdl.water.ca.gov/>.

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

<http://www.water.ca.gov/groundwater/casgem/>

Exhibit H
State Audit Document Requirements and Guidelines for Grantees
Under DWR Financial Assistance Programs

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

List of Documents for Audit

Internal Controls:

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

Agreements and Contracts:

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

Invoices:

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

Accounting Records:

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

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

Personnel:

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

Project Files:

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

General Grant Agreement Guidelines

Amendment Requirements:

Formal Amendments to the Grant Agreement are triggered when the proposed changes are deemed substantial by the State. Substantial changes generally include changes to the scope of work, schedule, and budget. For example, a formal budget change to an Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged with. Informal Amendments for insubstantial change can be obtained via email or any other written consent as determined by the DWR Project Manager.

Funding Match Contribution

Funding Match (often referred to as Grantee's non-State Cost Share) is the amount defined in Paragraph 4 of this Agreement. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can counted as funding match in-lieu of actual funds (or revenue) provided by the Grantee. Other funding match and in-kind service eligibility conditions apply (see paragraph 9). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
 - o Describe contributed item(s) or service(s)
 - o Purpose for which contribution was made (tie to scope of work)
 - o Name of contributing organization and date of contribution
 - o Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see item #4, below)
 - o Person's name and function of the contributing person
 - o Hours of contribution
 - o If multiple sources exist, summarize these on a table with summed charges
 - o Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in this 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 this Grant Agreement. Evaluate eligibility with DWR Project Manager in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.
4. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid

for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

EXHIBIT I
GRANTEE RESOLUTION

RESOLUTION No. 2010- 19

**RESOLUTION OF THE BOARD OF
DIRECTORS OF THE SAN DIEGO COUNTY
WATER AUTHORITY AUTHORIZING
THE GENERAL MANAGER TO SUBMIT A
PROPOSITION 84 IRWM IMPLEMENTATION GRANT
APPLICATION**

WHEREAS, Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resources Code section 75001 *et seq.*), authorized the California Legislature to appropriate \$1 billion to encourage integrated regional water management planning in California; and

WHEREAS, Section 83002(b)(3)(A)(i) of the California Water Code appropriated to the Department of Water Resources (DWR) funds for integrated regional water management (IRWM) planning grants and other purposes; and

WHEREAS, DWR has made these funds available through a grant program that allocates specific amounts of money to 11 funding areas located throughout California, including the San Diego Funding Area; and

WHEREAS, grant application procedures established by DWR require applicants to provide a copy of a resolution adopted by the applicant's governing body designating an authorized representative to file an application for an IRWM implementation grant; and

WHEREAS, achieving IRWM grant funding will help to achieve the regional water supply goals established in the Water Authority's 2005 Urban Water Management Plan; and

WHEREAS, the San Diego Regional Water Management Group (RWMG), in close cooperation with the Regional Advisory Committee (RAC), is preparing an application for a Proposition 84 grant to further water supply reliability, water quality enhancement, natural resources stewardship, and water resource management in the region; and

WHEREAS, on October 6, 2010, the RAC recommended that the Water Authority Board authorize submittal of the San Diego Region's application for a round one Proposition 84 implementation grant; and

WHEREAS, the memorandum of understanding that established the San Diego IRWM Program identifies the Water Authority as the program's authorized representative; and

WHEREAS, the Water Authority Board of Directors is the decision-making body for the Water Authority; and

WHEREAS, the Board of Directors has considered the reports submitted by Water Authority staff on IRWM planning dated February 14, 2007; May 16, 2007; July 18, 2007; September 19, 2007; January 16, 2008; June 18, 2008; December 10, 2008; January 14, 2009; March 18, 2009; August 19, 2009; October 14, 2009; July 14, 2010; September 15, 2010; and December 9, 2010.

NOW, THEREFORE, the Board of Directors of the San Diego County Water Authority resolves the following:

1. The foregoing facts are true and correct.
2. The General Manager is authorized to prepare the necessary data, conduct investigations, and submit a Proposition 84 implementation grant application.
3. The General Manager is authorized to enter into an agreement to receive a round one Proposition 84 implementation grant from the California Department of Water Resources.

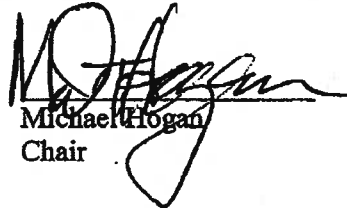
PASSED, APPROVED AND ADOPTED, this 9th day of December, 2010, by the following vote:

AYES: Unless otherwise noted, all Directors present voted aye.

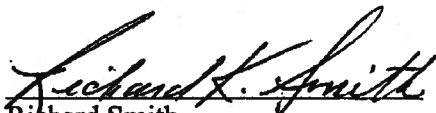
NOES: None

ABSTAIN: None

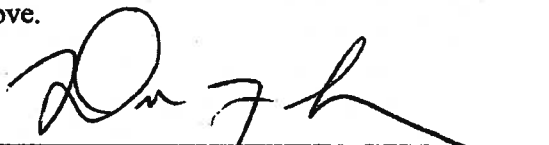
ABSENT: Directors Boyle and Petty.


Michael Hogan
Chair

ATTEST:


Richard Smith
Secretary

I, Doria F. Lore, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Resolution No. 2010- 19 was duly adopted at the meeting of the Board of Directors on the date stated above.


Doria F. Lore
Clerk of the Board



Irvine
Sacramento
San Diego
San Francisco
San Jose
Santa Monica
Walnut Creek

February 25, 2013

Olivenhain Municipal Water District
Kimberly Thorner
General Manager
1966 Olivenhain Road
Encinitas, CA 92024

Subject: North San Diego County Regional Recycled Water Project
Feasibility Study, CEQA Compliance and Public Outreach
Revised Proposal for Professional Services

Dear Ms. Thorner:

Thank you for the opportunity to submit a revised proposal to the North San Diego County Group (NC Group). We understand the importance of this project to all of the agencies involved and the essential nature of tapping into available funding sources. We have modified our proposal based on the comments I received at our meeting in your offices. A summary of the revisions is as follows:

- Reduced the number of meetings with the NC Group from six to five, and the time needed for completion of the Feasibility Study
- Reduced the scope of the biological review and eliminated some of the field surveys and mapping
- Reduced number of meetings with the USBR from four to three during the environmental analysis
- Reduced the assessment of aesthetics since the location of facilities is still largely undetermined
- Reduced the assumed level of effort needed to respond to comments on Draft PEIR from 100 hours to 50
- Provided a more detailed breakdown of the anticipated schedule for the Feasibility Study and PEIR
- Included effort to prepare *Fact Sheets* under fee for Programmatic EIR to assist with Prop 84 funding eligibility

Our revised Scope and Fee Estimate is attached. We look forward to the opportunity to continue working with the NC Group in achieving your goals. If you have any questions on our proposal or need any additional information, please do not hesitate to let me know.

Sincerely,

Scott Goldman, P.E., BCEE
Principal

4225 Executive Square
Suite 750
San Diego, CA 92037
ph: 858.875.7400
fax: 858.875.7401
www.rmewater.com

Innovative Solutions for
Water and the Environment

NORTH SAN DIEGO COUNTY RECYCLED WATER PROJECT SCOPE OF SERVICES

Feasibility Study, CEQA Compliance, and Public Outreach

RMC Water and Environment
February 25, 2013

In 1998, four North County agencies, Olivenhain Municipal Water District, Carlsbad Municipal Water District, San Elijo Joint Powers Authority and the Leucadia Wastewater District applied to the US Bureau of Reclamation for Title XVI grant funds for the construction of various recycled water facilities within each of the North County agencies. That effort was the first phase of a regional North San Diego County project. The facilities that were included in that Phase I project have been constructed and are in service.

As a result of these previous successes, a larger group North County Agencies (NC Group) was formed to investigate expanded use of recycled water within North San Diego County that resulted in the *North San Diego County Regional Recycled Water Project*. A draft *Regional Recycled Water Facilities Plan* was prepared that identified the potential to increase recycled water use over 30,000 afy by 2020 with regional collaboration. The intent of the *Facilities Plan* was to identify regional recycled water projects that create the best opportunity for Federal, State and local funding. The draft *Facilities Plan* is currently being updated to incorporate flow and demands from Camp Pendleton.

The NC Group are continuing to work together and preparing to seek Congressional authorization for recycled water funding through the U.S. Bureau of Reclamation's Title XVI program. As such, a Feasibility Study must be completed to outline the proposed recycled water program and environmental documentation must be prepared in compliance with both the California Environmental Quality Act (CEQA) (for local approvals) and the National Environmental Policy Act (NEPA) (for federal action). Additionally, to ensure that the various stakeholders are informed about the regional project, a public outreach effort will be implemented.

Proposed Scope of Work

Task 1: North San Diego County Recycled Water Project Feasibility Study

This task will expand on the work completed previously for the *Facilities Plan* and modify the document to satisfy the requirements of Title XVI for Feasibility Studies.

Task 1-1: Administrative Draft Feasibility Study

The RMC team will prepare an administrative draft Feasibility Study that follows the requirements of Title XVI Feasibility Studies as described in Reclamation Manual WTR 11-01, "Title XVI Water Reclamation and Reuse Program Feasibility Study Review Process". The report will include the following sections:

1. Executive Summary
2. Introduction

3. Problems and Needs
4. Water Reuse Opportunities
5. Alternatives Analysis
 - a. Description of Alternatives
 - b. Economic Analysis of Alternatives
 - c. Environmental Analysis of Alternatives
6. Legal and Institutional Requirements
7. Financial Capability of Sponsor
8. Research Needs

It is assumed that the *Facility Plan* previously prepared will be the basis for the information and alternatives analyzed in the *Feasibility Study* with only minor changes needed. The report will also be submitted with a “crosswalk” with hyperlinks that identifies the sections and page numbers for element required by the U.S. Bureau of Reclamation (USBR) as described in WTR 11-01 Section 4.B. A meeting will be held with USBR staff to review the requirements and clarify what is needed to modify the current *Facilities Plan*. It is assumed that the long term Option A that is based on the decentralized system will be the selected project for the Feasibility Study.

An administrative draft Feasibility Study will be submitted to the NC Group for review.

Deliverables:

- Electronic (pdf) copy of the administrative draft Feasibility Study submitted to the NC Group.

Task 1-2: Draft Feasibility Study

The RMC team will prepare a draft Feasibility Study that incorporates comments from the NC Group. RMC will present comments and proposed revisions at a monthly NC Group meeting (see Task 4) to ensure there is agreement on all proposed changes. Following incorporation of all comments, the draft report will be submitted to USBR for review.

Deliverables:

- Five (5) CDs with electronic (pdf) copy of the draft Feasibility Study to USBR staff. Electronic copy (pdf) and one hard copy to each agency in the NC Group.

Task 1-3: Final Feasibility Study

The RMC team will prepare a final Feasibility Study that incorporates comments from USBR. RMC will present comments and proposed revisions at a monthly partners meeting (see Task 4) to ensure there is agreement on all proposed changes. Following incorporation of all comments, the final report will be submitted to USBR for final acceptance.

Deliverables:

- Five (5) CDs with electronic (pdf) copy of the final Feasibility Study Report to USBR staff. Electronic copy (pdf) and one hard copy to each agency in the NC Group.

Task 1.4: NC Group Meetings

For budgetary purposes we have assumed that the RMC team will attend up to five (5) monthly NC Group meetings to present and discuss progress and review comments on the *Feasibility Study*. RMC will attend all or a portion of the monthly NC Group meetings, as needed, to provide updates on activities related to this scope of work.

Deliverables:

- Attendance at (all or a portion of) up to five (5) monthly NC Group meetings to discuss progress on the *Feasibility Study* and review comments

Task 2: Programmatic EIR

The RMC team will prepare a Programmatic Environmental Impact Report (PEIR) for the preferred alternative in the *North San Diego County Recycled Water Feasibility Study* that achieves compliance with CEQA. Pursuant to CEQA Guidelines §15168, a PEIR may be prepared for a series of related actions that are characterized as one large project or program. The PEIR will establish baseline conditions for the overall regional program, as well as disclosure of the totality of potential environmental impacts and mitigations necessary to implement the program. Because CEQA does not allow ‘segmentation’ of a larger program in order to reduce the overall significance of environmental impacts, a PEIR is the appropriate documentation for this regional effort. Subsequent project-level analysis and compliance will be required for all construction activities associated with individual project components.

In order to address NEPA compliance for the federal action, the PEIR will include CEQA-Plus analysis which includes compliance with the federal Endangered Species Act (ESA), National Historic Preservation Act (NHPA), and federal Clean Air Act (CAA). Using the PEIR as a basis, this approach will allow USBR to apply either a Finding of No Significant Impact (FONSI) or a Categorical Exclusion to achieve NEPA compliance for individual project components as they are proposed for federal funding. This scope and budget does not include preparation of an Environmental Impact Statement (EIS). Note that ongoing coordination meetings with USBR staff will ensure the appropriate level of NEPA documentation is developed.

As described in the following tasks, the RMC team will complete necessary environmental assessments, including background research, literature review, database searches, and site surveys, in preparation for meeting compliance requirements for CEQA-Plus.

Task 2.1: Program Description and Notice of Preparation

Based on the *Feasibility Study*, the RMC team will prepare a program description appropriate for use in CEQA-Plus documentation. The program description will outline the program purpose and need, describe existing infrastructure and operations, and describe the overall recommended recycled water program as developed in the *Feasibility Study*. The RMC team will then use the project description as a basis for a Notice of Preparation (NOP), which notifies public agencies and interested parties that a PEIR is under development in compliance with CEQA Guidelines §15082.

Following release of the NOP, the RMC team will plan and facilitate one scoping meeting to receive public comments on the scope of environmental assessment to be completed in the PEIR. The RMC team

will also follow-up, as needed, with agencies that provide substantive comments during the NOP scoping process or have expressed interest in a specific component of the program implementation.

Deliverables:

- Electronic (pdf) copy of the draft and final Project Description submitted to the NC Group
- Electronic (pdf) copy of the draft and final NOP submitted to NC Group and USBR
- Up to twenty (20) CDs with electronic (pdf) copy of the final NOP produced and mailed to the State Clearinghouse, public agencies, and interested parties
- Plan and facilitate one (1) scoping meeting to receive comments on the NOP
- Consultation with agencies that provide substantive comments during the NOP scoping process

Task 2.2: Site Visits and Environmental Investigations

RMC team biologists will review all available relevant literature and data on sensitive habitats and species distribution to determine those resources that have the potential for occurrence within the study area. Utilizing the results of the literature review, the RMC team will perform a field reconnaissance and general biological survey of the study area to identify the natural resources present including the presence of sensitive plant communities and/or the presence of habitats that could support sensitive, endangered, or threatened plant and wildlife species. The RMC team will prepare a programmatic-level Biological Resources Technical Report which will document the findings of the literature review, field investigation, and provide a programmatic-level impact analysis consistent with NEPA and CEQA Guidelines. The content of the report will include, at a minimum, the existing conditions, address biological resources of concern, an assessment of impacts based on the proposed program, and mitigation measures necessary to alleviate any resulting potentially significant impacts. Protocol-level surveys for listed species are not included in this scope of work. Initiation of ESA Section 7 formal consultation for individual project components is also not included in this scope of work.

RMC team cultural resource specialists will conduct archival records searches for cultural and paleontological resources through the South Coastal Information Center (SCIC) at California State University, San Diego. This records search will consult California's database of previous studies and previously recorded sites within the study area and within a 1/2-mile radius. Since information on historic bridges and locally recorded historical resources are usually not included in the CHRIS archives, the RMC team will review the Caltrans historic bridge survey for state and local bridges and local government files for information on locally recorded historical resources. The paleontological resources records search will be conducted through the San Diego Natural History Museum and will include a review of all known fossil localities inside and within the general vicinity of the study area. Results of both records searches will indicate whether or not there are previously recorded archaeological, historical, or paleontological resources within the study area that require recordation, evaluation, and inclusion in the impact analysis.

The RMC team will also commission a Sacred Lands File (SLF) search through the California Native American Heritage Commission (NAHC) and conduct follow-up consultation with Native American groups identified by the NAHC as having affiliation with the project vicinity, as recommended by the NAHC. Results of the search and follow-up consultation will provide information as to the nature and location of additional prehistoric or Native American resources whose records may not be available at the SCIC. The RMC team will then prepare a programmatic -level technical report that meets the standards

outlined by the California Office of Historic Preservation. The report will include a description of the project undertaking, environmental and cultural settings, methods, results, impact analyses, resource sensitivity assessments, and recommendations for additional work such as a Testing and Evaluation work program or monitoring during construction, if necessary.

To ensure compliance with the CAA, the RMC team will prepare a General Conformity Report documenting air emissions and the program's contribution to air quality issues in the San Diego region. It is expected that air quality concerns will primarily be associated with construction of facilities. The RMC team will document existing air quality conditions in the study area, describe criteria air pollutants, and summarize federal, state, and local policies and regulations relevant to air quality. The General Conformity Report will include an assessment of impacts based on the proposed program and mitigation measures necessary to alleviate any resulting potentially significant impacts.

Deliverables:

- Electronic (pdf) copy of the draft and final Biological Resources Technical Report submitted to the NC Group and USBR
- Electronic (pdf) copy of the draft and final Cultural Resources Technical Report submitted to the NC Group and USBR
- Electronic (pdf) copy of the draft and final General Conformity Report submitted to the NC Group and USBR

Task 2.3: Coordination with USBR

The RMC team will coordinate with USBR NEPA staff to confirm the preferred approach to NEPA compliance and identify potential environmental impacts to be addressed in the PEIR. The RMC team will host up to three (3) joint meetings or conference calls between the NC Group and USBR to discuss key environmental issues, impacts, and mitigation. This early coordination will ensure that all potential environmental impacts are addressed in the PEIR, in order to streamline NEPA approvals for the individual project components.

Because the PEIR will not address project-level analysis, this scope of work does not include support for completing informal consultation with the U.S. Fish & Wildlife Service for ESA Section 7 nor the State Historic Preservation Office for NHPA Section 106.

Deliverables:

Up to three (3) meetings or conference calls to coordinate the environmental analysis with USBR NEPA staff

2.4 Administrative Draft PEIR

The RMC team will prepare an administrative draft PEIR covering the Feasibility Study at a programmatic level, consistent with CEQA Guidelines §15120 to 15132. This document will be submitted to the NC Group for review and comment, prior to expanded review by USBR. This PEIR will include all prescribed environmental resources to be considered per CEQA-Plus and will provide a review and significance conclusions for each resource topic. The administrative draft PEIR document will contain the following sections:

Executive Summary – The Executive Summary will present a summary of PEIR findings. The body of the chapter will contain a concise, clearly written summary of the proposed project’s elements, the alternatives analyzed, and the findings. All project impacts and mitigation measures will be presented in table format.

Introduction – The Introduction will clearly direct readers how to find information in the PEIR. It will provide a history of environmental analysis of the program, describe the public review process, and outline the overall program objectives.

Program Description – The Program Description will contain the description of the Feasibility Study program components, as well as a description of the alternatives. The study area for the PEIR will be defined in text and depicted graphically

Environmental Setting and Impact Analysis – Each technical chapter will contain a concise description of the methodology used in the analysis and the standards used to determine whether an impact is significant. The standards of significance will be based on CEQA and NEPA standards. The methodology for development of mitigation measures will also be described.

Aesthetics – The RMC team will use expertise in visual assessment identify the potential for aboveground facilities to affect scenic resources. Because the location of facilities is still undetermined the analysis will rely on the development of mitigation measures for siting and design of aboveground facilities so as to avoid adverse effects visual quality of the project area.

Agricultural Resources – Using the information on farmland quality and open space resources from the Department of Conservation Farmland Mapping and Monitoring Unit, we will assess the relative impacts on farmland of the proposed project. This section will address the effects of the proposed project on nearby agricultural operations and/or consistency with farmland preservation policies.

Air Quality and Greenhouse Gas Emissions – Results of the General Conformity Report will be summarized and the evaluation of impacts and mitigation measures will be incorporated into the PEIR. The air quality analysis will focus on the criteria pollutants of greatest concern in the air basin. RMC will describe the existing environmental conditions and the current air quality regulatory environment as it applies to this program, including existing state and federal ambient air quality standards. We will also include program effects on greenhouse gas emissions and consistency with Assembly Bill 32, the Global Warming Solutions Act.

Biological Resources – Results of the Biological Resources Technical Report will be summarized and the evaluation of impacts and mitigation measures will be incorporated into the PEIR. It will include a setting section that describes habitats and potential plant and wildlife species documented on and/or adjacent to the study area or with the potential to occur in the vicinity. Program effects on biological resources will be characterized as either direct or indirect effects on habitat quantity and/or quality.

Cultural Resources – The Cultural Resources Technical Report will be summarized and the evaluation of impacts and mitigation measures will be presented in the PEIR. It will identify, inventory, and evaluate historic properties within the proposed project area. The impact analysis will assess the overall sensitivity of the location for historic, prehistoric, and archaeological deposits.

Geology, Soils, and Seismicity – The primary geologic, seismic, and soil issues in the project area are expected to be earthquake-induced ground shaking, soil expansion-contraction, and soil erosion and sedimentation. Our description of existing conditions will be based on existing literature, such as geologic maps from the U.S. Geological Survey and California Geological Survey, regional geologic hazard maps, and U.S. Department of Agriculture soil survey reports. The impact analysis will describe adverse, indirect, and cumulative impacts with respect to geology, seismicity, and soils.

Hazards and Hazardous Materials – The RMC team shall address the potential to encounter hazardous materials in during construction-related soil excavation activities. To address whether proposed construction activities, including new pipelines, would be located on a “Cortese List” site, RMC team will review the CalEPA EnviroStor and GeoTracker databases and lists of solid waste and hazardous waste facilities in the project area.

Hydrology and Water Quality – The RMC team will describe existing and historic surface hydrology and water quality conditions of the study area. The PEIR will identify potential impacts related to sources and types of pollutants and water quality treatment features incorporated into program construction. The potential for increased runoff as a result of the creation of new impervious surface will be evaluated, as well as related impacts on drainage systems on site and to the adjacent downstream areas. Potential changes in groundwater levels and quality related to proposed program facilities will be discussed. Potential changes in water quality that may result from the project will be assessed to determine if these changes conflict with the State Water Resources Control Board’s Anti-Degradation Policy and Recycled Water Policy. This scope includes a program-level assessment of surface and groundwater conditions and impacts; additional detailed work such as anti-degradation analysis that may ultimately be required for submittal to the San Diego RWQCB and/or California Department of Public Health would require a contract amendment.

Land Use and Planning – The RMC team will evaluate the consistency of the proposed program alternatives with current development trends, plans, and policies in the project area. RMC will evaluate whether any potential conflicts exist between the program alternatives and adjacent existing and proposed uses.

Noise – The RMC team will evaluate noise issues associated with the proposed land use changes, including both construction-related and operational noise increases. We will describe the existing noise environment, including levels and sources of existing noise, and location and types of sensitive receptors, based on existing data to the extent feasible. Based on the proposed construction equipment and construction operations, we will evaluate construction noise generation associated with equipment, truck, and employee traffic. Construction-period noise impacts will be described, but are not expected to be significant because of their short duration.

Population and Housing – The RMC team will address existing conditions and the increment of population change expected to result from the projects identified in the Feasibility Study. The analysis will be based on information in local General Plans, and more recent population and housing projections available from the California Department of Finance.

Public Services and Utilities – The RMC team will describe existing services in the study area, and assess the proposed project’s impacts on public services (police, fire, and schools) and

utilities (water supply, solid waste, sewer, telephone, cable, and energy). Standard mitigation measures, regarding issues such as fire protection, energy conservation, and source reduction and recycling, will be included as applicable.

Transportation and Traffic – The RMC team will describe the physical and regulatory setting with regard to traffic and transportation, present vehicle trip generation and distribution information, and identify short-term and long-term traffic impacts that would be generated as a result of implementation of the Feasibility Study. RMC will prepare an assessment of estimated construction period truck traffic volumes (workers, material deliveries, and daily hauling activities) by segment and by duration. Level of service impacts will be estimated for roadway segments and intersections in the study area.

Alternatives – The Alternatives outlined in the Feasibility Study, along with the No Program Alternative, will be summarized and the potential environmental impacts of each alternative will be assessed. At least two (2) “action” alternatives are presumed to meet most of the program objectives, be feasible, and avoid or substantially reduce one or more significant impacts of the proposed program.

Other CEQA Findings – The RMC team will identify cumulative and unavoidable impacts resulting from the Feasibility Study components. Cumulative impacts refer to two or more individual impacts that, when considered together, are considerable or that compound or increase other environmental impacts. RMC will confirm the approach to the cumulative impact assessment with the NC Group prior to initiating investigations, and then compile an initial list of potential cumulative projects and prepare a corresponding map. We will conduct a qualitative analysis of cumulative impacts on specific topics (e.g., traffic, hydrology), consistent with the programmatic-level evaluation in the PEIR. The Significant and Unavoidable Impacts section will describe significant impacts, including those that can be mitigated but not reduced to a level of insignificance. Where there are impacts that cannot be alleviated without imposing an alternative design, their implications and the reasons why the project is being proposed despite their effect, will be described. The Growth-Inducing Impacts section will address ways in which the proposed program could foster economic or population growth. We will consider the growth-inducing effects of expansion of public services and utilities.

The administrative draft PEIR will include a programmatic assessment of the potential construction and operational impacts of proposed actions. We will incorporate tables, charts, and graphics as appropriate to illustrate and help communicate the impact analyses. During the analysis, the RMC team will identify whether mitigation measures and associated monitoring would be required as a direct result of the impacts identified in preparing the PEIR. The NC Group will be informed immediately if any significant program elements appear likely to cause any significant unavoidable impacts, which would potentially trigger a NEPA EIS (versus a FONSI or Categorical Exclusion).

Deliverables:

- Electronic (pdf) copy of the administrative draft PEIR submitted to the NC Group

Task 2.5: Screencheck Draft PEIR

The RMC team will address comments from the NC Group and USBR and submit a screencheck draft PEIR for review. RMC will present comments and proposed revisions at a monthly partners meeting (see Task 4) to ensure there is agreement on all proposed changes.

Deliverables:

- Electronic (pdf) copy of the screencheck draft PEIR submitted to the NC Group and USBR

Task 2.6: Draft PEIR and Notices

After making any minor revisions to the screencheck draft PEIR, the RMC team will prepare a Draft PEIR for publication and circulation during a 45-day public comment period, as required by CEQA Guidelines §15105. The RMC team will also prepare the Notice of Completion (NOC) and Notice of Availability (NOA) and assist the NC Group in distributing the Draft PEIR to the public and interested agencies.

Following release of the Draft PEIR, the RMC team will plan and facilitate one public meeting to receive public comments on the environmental assessment in the Draft PEIR. The RMC team will also follow-up, as needed, with agencies that provide substantive comments during the public meeting in order to ensure that all comments are thoroughly addressed.

Deliverables:

- Two (2) CDs with electronic (pdf) copy of the Draft PEIR to USBR staff. Electronic copy (pdf) and twelve (12) hard copies to the NC Group
- Up to twenty (20) CDs with electronic (pdf) copy of the Draft PEIR produced and mailed to the State Clearinghouse, public agencies, and interested parties
- Draft and final NOC and NOA for distribution during public comment period
- Plan and facilitate one (1) public meeting to receive comments on the Draft PEIR

Task 2.7: Response to Comments

At the end of the public review period, the RMC team will prepare responses to any comments received on the Draft PEIR. For purposes of estimating level of effort, the scope of work assumes up to 50 hours of RMC team staff time to provide written response to public comments; should the estimated level of effort for preparing responses exceed the hours assumed, additional work would need to be authorized through a contract amendment. RMC will present comments and proposed revisions at a monthly NC Group meeting (see Task 4) to ensure there is agreement on all proposed changes.

Deliverables:

- Electronic (pdf) copy of the administrative draft Response to Comments submitted to the NC Group
- Electronic (pdf) copy of the draft Response to Comments submitted to the NC Group and USBR

Task 2.8: Final PEIR and Notices

Following the NC Group and USBR approval of the draft Response to Comments, the RMC team will prepare a Final EIR that incorporates any necessary changes to the Draft PEIR text and all responses to comments per CEQA requirements. As part of the Final PEIR, the RMC team will also prepare a draft and final Mitigation Monitoring and Reporting Plan that outlines mitigation requirements for implementation of the future project components. The RMC team will also prepare the Notice of Determination (NOD) and assist the NC Group in preparing Findings for use in Board and Council hearings.

Deliverables:

- Electronic (pdf) copy of the draft Final PEIR submitted to the NC Group and USBR
- Five (5) CDs with electronic (pdf) copy of the Final EIR to USBR staff. Electronic copy (pdf) and one hard copy to each agency in the NC Group
- Up to twenty (20) CDs with electronic (pdf) copy of the Final PEIR produced and mailed to the State Clearinghouse, public agencies, and interested parties
- Draft and final NOD for distribution with the Final PEIR
- Draft and final Findings for use in Board and Council hearings

Task 2.9: Public Outreach

To ensure that stakeholders are informed about the *North San Diego County Regional Recycled Water Project*, the RMC team will develop a series of Fact Sheets that can be used by the agencies in the NC Group.

Fact Sheets - The RMC team will prepare up to six (6) Fact Sheets to inform stakeholders about the regional recycled water project. The Fact Sheets will support outreach efforts by individual agencies and will emphasize the benefits of recycled water and regionalization. The Fact Sheets may cover the following topics and/or be directed at specific audiences:

1. Environmental
2. Regulatory
3. Businesses
4. Job Creation
5. Legislative/Elected Officials
6. General Public

This task will include research, writing, and graphic design services for up to six (6) Fact Sheets. The RMC team will produce draft Fact Sheets for the NC Group for review. Following incorporation of comments, the RMC team will produce final Fact Sheets for use by individual agencies.

This task will also include support for the public scoping and comment meetings (Task 4) associated with CEQA compliance. The RMC team will ensure that key messages associated with the regional program are consistent throughout the work effort.

Deliverables:

- Electronic (pdf) copies of six (6) draft and final Fact Sheets

Task 3: Project Management

This task will cover project management and reporting on progress to the NC Group. We are assuming a contract length of approximately 24 months to complete the Feasibility Study, Programmatic EIR, and Fact Sheets. The Feasibility Study will be prepared in approximately 3 to 4 months using the existing *Facilities Plan* as a basis. The Programmatic EIR will require approximately 18 months for preparation of the environmental analysis, review cycles, public comment period, and publication of draft and final documents. The Fact Sheets will be developed early in the process for use by the individual agencies in

communicating the importance of the regional program to their constituents. A sample schedule assuming a start in March 2013 is as follows:

Activity	Month Anticipated
Prepare draft Feasibility Study	March – May 2013
NC Agency Review	June 2013
Prepare Final Feasibility Study	July 2013
Prepare Project Description/Notice of Prep	May – June 2013
NC Agency Review	July 2013
Conduct Environmental Surveys	August – October 2013
Prepare Admin Draft PEIR	November – January 2014
NC Agency Review	February 2014
Prepare Draft PEIR for publication	March 2014
Public Review of Draft PEIR	April – May 2014
Prepare Responses/ draft Final PEIR	June 2014
NC Agency Review	July 2014
Screen check Admin FPEIR/Review	August 2014
Final PEIR certified	September 2014
File Notice of Determination	October 2014

This scope includes RMC team participation in up to 18 NC Group meetings to brief the group on topics relevant to this scope of work, but does not include meeting coordination, agendas, or notes. It is assumed that the first five of these NC Group meetings will occur during development of the Feasibility Study, and the budget for these meeting is included in Task 1.

Task 3.1: NC Group Meetings and Reporting

For budgetary purposes we have assumed that the RMC team will attend up to eighteen (18) monthly NC Group meetings to present and discuss progress and review comments on the Feasibility Study, CEQA documentation, and Fact Sheets. RMC will attend all or a portion of the monthly NC Group meetings, as needed, to provide updates on activities related to this scope of work.

This task also includes project management for monthly invoicing and progress reports, as well as check-in calls as necessary to coordinate project activities with OMWD staff.

Deliverables:

- Monthly invoices and progress reports for duration of the project (twenty (20) months)
- Attendance at (all or a portion of) up to eighteen (18) monthly NC Group meetings to discuss progress and review comments



Fee Estimate

February 25, 2013

Olivenhain Municipal Water District

North San Diego County Regional Recycled Water Project: Feasibility Study, CEQA Compliance, and Public Outreach

Tasks	Labor											Total Hours	Total Labor Costs (1)	Sub Consultant		ODCs			Total Fee	
	Scott Goldman	Rosalyn Stewart	Robin Cort	Sue Chau	Crystal Mohr	Scott Lynch	Bobby Young	Leslie Dumas	Eric Wang	Graphics	Admin.			PCR	Porter Novelli	Subtotal	Sub Consultant Total Cost (2)	ODCs		Total ODCs (3)
	PIC	CEQA PM	CEQA	CEQA	CEQA	Senior Engineer	Staff Engineer	HydroGeo	Air Quality	Graphics and Support Team	Biology & Cultural			Public Outreach						
	\$225	\$200	\$210	\$200	\$165	\$210	\$190	\$200	\$165	\$115	\$85									
Task 1: North San Diego County Recycled Water Project Feasibility Study																				
1.1 Administrative Draft Feasibility Study	16	0	0	0	0	48	56	0	0	24	24	168	\$29,120	\$0	\$0	\$0	\$0	\$0	\$29,120	
Meetings with USBR (2)	8					8						16	\$3,480			\$0	\$0	\$200	\$3,700	
Convert Facility Plan Report into Feasibility Study	4					24	40			16	16	100	\$16,740			\$0	\$0	\$0	\$16,740	
Revise report based on comments from North County Group	4					16	16			8	8	52	\$8,900			\$0	\$0	\$0	\$8,900	
1.2 Draft Feasibility Study (comments from NC Group)	4					8	16			8	8	44	\$7,220	\$0	\$0	\$0	\$200	\$220	\$7,440	
1.3 Final Feasibility Study (comments from USBR)	4					8	16			8	8	44	\$7,220	\$0	\$0	\$0	\$200	\$220	\$7,440	
1.4 Coordination meetings with NC Group (5)	16					8						24	\$5,280	\$0	\$0	\$0	\$200	\$220	\$5,500	
Subtotal Task 1:	40	0	0	0	0	72	88	0	0	40	40	280	\$48,840	\$0	\$0	\$0	\$0	\$600	\$49,500	
Task 2: Programmatic EIR																				
2.1 Program Description and Notice of Preparation	8	40	8		20	16				16		108	\$19,980			\$0	\$0	\$200	\$220	\$20,200
2.2 Site Visits and Environmental Investigations	0	24	12	0	0	6	0	0	50	8	0	100	\$17,750	\$34,768	\$0	\$34,768	\$38,245	\$0	\$0	\$55,995
Biological Resources Technical Study		8	4			2						14	\$2,860	\$8,760		\$8,760	\$9,636	\$0	\$0	\$12,496
Cultural Resources Technical Study		8	4			2						14	\$2,860	\$26,008		\$26,008	\$28,609	\$0	\$0	\$31,469
General Conformity Report		8	4			2			50	8		72	\$12,030			\$0	\$0	\$0	\$12,030	
2.3 Coordination with USBR	16	40	16									72	\$14,960			\$0	\$0	\$0	\$14,960	
2.4 Administrative Draft PEIR	8	240	68	120	356	12	0	96	24	40	16	980	\$178,460	\$2,968	\$0	\$2,968	\$3,265	\$200	\$220	\$181,945
Executive Summary	4	8	2		32	8						54	\$9,880			\$0	\$0	\$0	\$0	\$9,880
Introduction		16	2		24					4		46	\$8,040			\$0	\$0	\$0	\$0	\$8,040
Aesthetics		8	4	20								32	\$6,400			\$0	\$0	\$0	\$0	\$6,400
Air Quality and Greenhouse Gas Emissions		8	4						24			36	\$6,400			\$0	\$0	\$0	\$0	\$6,400
Biological Resources		8	4							4		16	\$2,900	\$1,210		\$1,210	\$1,331	\$0	\$0	\$4,231
Cultural Resources		8	4									16	\$2,900	\$1,758		\$1,758	\$1,834	\$0	\$0	\$4,834
Geology, Soils, and Seismicity		8	4					48		4		64	\$12,500			\$0	\$0	\$0	\$0	\$12,500
Hazards and Hazardous Materials		8	4		48					4		64	\$10,820			\$0	\$0	\$0	\$0	\$10,820
Hydrology and Water Quality		36	4					48		4		92	\$18,100			\$0	\$0	\$0	\$0	\$18,100
Land Use and Planning		36	4							4		44	\$8,500			\$0	\$0	\$0	\$0	\$8,500
Noise		8	4		48							60	\$10,360			\$0	\$0	\$0	\$0	\$10,360
Population and Housing		8	4		48					4		64	\$10,820			\$0	\$0	\$0	\$0	\$10,820
Public Services and Utilities		8	4	48						4		64	\$12,500			\$0	\$0	\$0	\$0	\$12,500
Transportation and Traffic		8	4	48								60	\$12,040			\$0	\$0	\$0	\$0	\$12,040
Alternatives		8	4		48					4		64	\$10,820			\$0	\$0	\$0	\$0	\$10,820
Other CEQA Findings		8	4		48							60	\$10,360			\$0	\$0	\$0	\$0	\$10,360
Document Preparation	4	48	8	4	60	4					16	144	\$25,080			\$0	\$0	\$200	\$220	\$25,300
2.5 Screencheck Draft PEIR	8	46	16	16	60	4		2	2	6	16	176	\$31,080	\$2,968		\$2,968	\$3,265	\$0	\$0	\$34,345
2.6 Draft PEIR and Notices	8	46	8	4	60	4		2	2	6	16	156	\$27,000			\$0	\$0	\$800	\$880	\$27,880
2.7 Response to Comments	4	20	4	4	20	4		4		4		60	\$10,980	\$3,707		\$3,707	\$4,078	\$0	\$0	\$15,058
2.8 Final PEIR and Notices	8	32	6		40	2				6	8	102	\$17,850			\$0	\$0	\$600	\$660	\$18,510
2.9 Fact Sheets (6)	12	12				12						36	\$7,620		\$35,000	\$35,000	\$38,500	\$0	\$0	\$46,120
Subtotal Task 2:	72	500	138	144	556	56	0	104	78	82	60	1790	\$318,060	\$44,411	\$35,000	\$79,411	\$87,353	\$1,800	\$1,980	\$415,013
Task 3: Project Management																				
3.1 NC Group Meetings and Reporting (13)	28	48									16	92	\$17,260			\$0	\$0	\$800	\$880	\$18,140
Subtotal Task 3:	28	48	0	0	0	0	0	0	0	0	16	92	\$17,260	\$0	\$0	\$0	\$0	\$800	\$880	\$18,140
TOTAL	140	548	138	144	556	128	88	104	78	122	116	2162	\$384,160	\$44,411	\$35,000	\$79,411	\$87,353	\$3,200	\$3,520	\$482,653

1. The individual hourly rates include salary, overhead and profit.
 2. Subconsultants will be billed at actual cost plus 10%.
 3. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
 4. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 11, 2013

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: JOINT LOBBYING AND COST SHARING BETWEEN THE MEMBERS OF THE
NORTH SAN DIEGO COUNTY REGIONAL RECYCLED WATER PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Continued Participation in the Joint Lobbying and Cost Sharing for the North San Diego County Regional Recycled Water Project; and
2. Discuss and take action as appropriate.

BACKGROUND

In 2010, North San Diego County Regional Recycled Water Project (NSDCRRP) was created to pursue the development of local and regional recycled water facilities within north San Diego County. Project participants include the San Elijo Joint Powers Authority (SEJPA), Olivenhain Municipal Water District (OMWD), Leucadia Wastewater District (LWWD), Carlsbad Municipal Water District (CMWD), Vallecitos Water District (VWD), Santa Fe Irrigation District (SFID), Vista Irrigation District (VID), City of Oceanside (CITY), City of Vista (VISTA), Rincon Del Diablo Municipal Water District (RINCON), City of Escondido (ESCONDIDO), and Marine Corps Base Camp Pendleton.

The project was successful in being awarded a \$1,500,000 grant from the San Diego Integrated Regional Water Management Plan. The participant agreement for this grant is being presented to the SEJPA Board in this agenda package as Staff Report No. 13. Funding from this grant will be used for developing a Programmatic Environmental Impact Report and Feasibility Study for the overarching project, and provide approximately \$900,000 for planning, engineering, and constructing recycled water infrastructure for the project participants. For the SEJPA, the agency will receive approximately \$90,000 for the purchase of treatment equipment associated with the San Elijo Advanced Water Treatment Facility.

In December 2012, the Project was selected by the San Diego IRWM group for further grant consideration of \$3.45 million as part of Proposition 84 IRWM, Round 2 funding. For the SEJPA, this grant might represent more than \$300,000 in new capital funding for developing a multi-agency storage reservoir.

In addition to state funding, NSDCRRP agencies have been pursuing federal funding for this project. In 2011, the SEJPA Board of Directors approved a joint lobbying and cost sharing agreement with eight of the project agencies.

DISCUSSION

After two years of lobbying efforts, the project has garnered attention at the federal level. It has received praise for its regional, multi-agency approach, as well as for the project's value for creating locally produced, drought resistant water supply that reduces demand pressure on the bay-delta project. Over the last two years, several of the agencies have sent representatives to Washington DC to meet with congressional representatives to develop federal support for this project. Currently, the project has two potentially viable routes for federal funding; Bureau of Reclamation Title 16, Water Reclamation and Reuse Program, and the Water Resources Development Act.

At this time, staff is seeking Board approval to continue participating in the joint lobbying and cost sharing for this project. If this project does receive congressional authorization, future federal funding appropriations would be beneficial to continuing the infrastructure development of the SEJPA's recycled water program. Infrastructure improvements could include pipelines, storage systems, and treatment improvements to up and including indirect or direct potable reuse. Both San Dieguito Water District and the Santa Fe Irrigation District have identified pipeline extensions that would reach new customers, and grant funding to offset construction costs which would be of benefit to both districts. Such improvements could have long lasting benefits to the region and to the local water districts that participate in the SEJPA's recycled water program.

FINANCIAL IMPACT

The annual total cost for the cost sharing agreement is approximately \$120,000, which will be equally divided among the participating agencies. Staff estimates that the one-year cost of this agreement to the SEJPA is on the order of \$16,000 and would be funded from the Recycled Water Program. This agreement will not obligate the SEJPA to participating for more than the current year, but multiple years of lobbying will likely be required to obtain grant funding. Any travel costs or staff time for each agency will be born separately by the individual agencies.

It is therefore recommended that the Board of Directors:

1. Approve Continued Participation in the Joint Lobbying and Cost Sharing for the North San Diego County Regional Recycled Water Project; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager