

**FUNDING AGREEMENT BETWEEN SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT AND CITY OF MORRO BAY
PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM)
IMPLEMENTATION GRANT**

THIS FUNDING AGREEMENT is entered into by and between the San Luis Obispo County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof (FCWCD), and the City of Morro Bay, a public agency, duly existing and operating pursuant to the provisions of Government Code Section 34000 et seq. (City), which parties do hereby agree as follows:

- 1) **PURPOSE.** On December 7, 2023, the FCWCD and the California Department of Water Resources (State or DWR) entered into Grant Agreement No. 4600015399 attached hereto and incorporated herein by this reference (Grant Agreement). Pursuant to the Grant Agreement, the State shall provide funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to the FCWCD to assist in financing the projects, which are included in and implemented in an adopted Integrated Regional Water Management Plan (IRWM Plan), pursuant to Chapter 7. Regional Water Security, Climate, and Drought Preparedness (Wat. Code, § 79740 et seq.). Also, the provision of State funds pursuant to the Grant Agreement is construed or interpreted to mean that the IRWM Plan, or any components of the IRWM Plan, implemented in accordance with the Work Plan as set forth in Exhibit A to the Grant Agreement, has been adopted through the IRWM Plan Review Process, and is/are consistent with Water Code section 10530 et seq. One of the projects identified in the Grant Agreement (as Project 1) is the Indirect Potable Reuse (IPR) – Injection Wells (Project) to be implemented by the City as the local project sponsor. The purpose of this Funding Agreement is to set forth the terms and conditions under which the FCWCD will disburse funds provided by the State for the Project pursuant to the Grant Agreement to the City.
- 2) **GENERAL RESPONSIBILITIES.** As the Grant administrator and fiscal agent for the Grant, the FCWCD shall be responsible for disbursing the Grant funds to the City for implementation of the Project subject to the terms and conditions set forth herein. The City shall be responsible for faithfully and expeditiously performing or causing to be performed all Project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule). The City shall comply with all the terms and conditions of this Funding Agreement and applicable California Public Resources Code (PRC) requirements. In addition, the City acknowledges and agrees that this Funding Agreement is subject to the obligations and limitations imposed on the FCWCD and on local project sponsors by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it. The City further acknowledges that if the Grant Agreement is terminated by the State, the FCWCD shall have the right to terminate or amend this Funding Agreement by giving written notice. The City hereby expressly agrees to the provisions of the Grant Agreement and to take all actions (and provide all information) necessary for the FCWCD to satisfy its obligations thereunder and to act on behalf of the FCWCD in the fulfillment of FCWCD responsibilities where specified in the Grant Agreement. The City further agrees that the FCWCD has the right to enter into amendments to the Grant Agreement and shall not be restricted or impaired, in any way, by this Funding Agreement.
- 3) **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on May 6, 2023, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Funding Agreement. However, all work shall be completed by March 31, 2027, in accordance with the Schedule as set forth in Exhibit C and no funds may be requested after June 30, 2027.
- 4) **FUNDING AMOUNT.** The maximum amount payable by the FCWCD under this Funding Agreement shall not exceed \$1,200,000.
- 5) **CITY COST SHARE.** The City is required to provide a Local Cost Share (non-state funds) as set forth in Exhibit B (Budget). Local Cost Share may include Eligible Project Costs directly related to Exhibit A (Work Plan) incurred after January 1, 2015.
- 6) **BASIC CONDITIONS.** The FCWCD shall have no obligation to disburse money for the Project under this Funding Agreement until the City has satisfied the following conditions (if applicable):

- A. The City executes a reimbursement agreement with the FCWCD associated with Grant application costs in a form substantially similar to the agreement attached hereto as Exhibit O.
- B. The City shall demonstrate compliance with all eligibility criteria as set forth on pages 9-11, inclusive, of the 2022 IRWM Grant Program Guidelines (2022 Guidelines).
- C. For the term of this Funding Agreement, the City shall submit Quarterly Progress Reports to the FCWCD which must accompany an invoice (\$0 Invoices are acceptable) and all invoice backup documentation. The Quarterly Progress Report shall be submitted within 30 days following the end of the calendar quarter (i.e., reports due April 30, July 30, September 30, and February 28) and all other deliverables as required by Paragraph 14, "Submission of Reports" and Exhibit A, "Work Plan".
- D. Prior to the commencement of construction or implementation activities, if applicable, the City shall submit the following to the FCWCD.
 - i. Final plans and specifications certified, signed and stamped by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for the Project.
 - ii. Work that is subject to the California Environmental Quality Act (CEQA) (including final land purchases) shall not proceed under this Funding Agreement until the following actions are performed:
 - a) City submits to the State and FCWCD all applicable permits, as indicated on the Environmental Information Form,
 - b) All documents that satisfy the CEQA process are received by the State and FCWCD,
 - c) The State has completed its CEQA process as a Responsible Agency, and
 - d) City and FCWCD receive written notification from the State of concurrence with the City's CEQA documents and State's notice of verification of environmental permit submittal.

The State's concurrence of the City's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the Project, or to require changes, alterations, or other mitigation. Proceeding with work subject to CEQA prior to the State's concurrence shall constitute a material breach of this Funding Agreement. The City shall also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) 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.

- iii. A monitoring plan as required by Paragraph 16, "Monitoring Plan Requirements," if applicable.
- 7) **DISBURSEMENT OF FUNDS.** FCWCD will disburse to the City the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to the City under this Funding Agreement shall be deposited in a non-interest-bearing account and shall be used solely to pay Eligible Project Costs.
- 8) **ELIGIBLE PROJECT COST.** City shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and Project construction. Reimbursable administrative expenses are the necessary costs incidental but directly

related to the Project included in this Funding Agreement. Costs incurred after May 5, 2023 may be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to, the following items:

- A. Costs, other than those noted above, incurred prior to the award date of the Grant.
 - B. Costs for preparing and filing a grant application.
 - C. Operation and maintenance costs, including post construction performance and monitoring costs.
 - D. Purchase of equipment that is not an integral part of the Project.
 - E. Establishing a reserve fund.
 - F. Purchase of water supply.
 - G. Replacement of existing funding sources (e.g., bridge loans).
 - H. Meals, food items, or refreshments.
 - I. Payment of any punitive regulatory agency requirement, federal or state taxes.
 - J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
 - K. Indirect Costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the City; non-Project-specific accounting and personnel services performed within the City's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-Project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and generic overhead or markup. This prohibition applies to the City and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Funding Agreement.
 - L. Mitigation for environmental impacts not resulting from implementation of the Project funded by this program.
 - M. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
- 9) METHOD OF PAYMENT. City acknowledges and agrees to the method by which State will disburse funds to FCWCD following receipt of the necessary information as more specifically set forth in Paragraph 8) of the Grant Agreement. Without limiting the foregoing, the City specifically acknowledges and agrees as follows:

Invoices submitted by the City shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:

- i. Invoices shall contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
- ii. Invoices shall be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget." The amount claimed for salaries/wages/consultant fees shall include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
- iii. One set of sufficient evidence (i.e., receipts, copies of checks, personnel hours' summary table, time sheets) shall be provided for all costs included in the invoice.
- iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 4, "Funding Amount" and those costs that represent the City's costs, as applicable, in Paragraph 5, "City Cost Share."
- v. All invoices shall be submitted to the FCWCD's Project Manager via email.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Funding Agreement shall only be for the tasks set forth herein. City shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., cost share). Any eligible costs for which the City is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of Grant funds and/or termination of this Funding Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State or FCWCD may request an audit pursuant to Standard Condition D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

- 10) ADVANCED PAYMENT. Water Code section 10551 authorizes advanced payment by the State for projects included and implemented in an applicable Integrated Regional Water Management Plan, and when the project proponent is a nonprofit organization; a disadvantaged community (DAC); or the project benefits a DAC. If a project is awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of fifty (50) percent of the grant award; the remaining fifty (50) percent of the grant award will be reimbursed in arrears after the advanced funds of a budget category have been fully expended. The City does not and will not request advance payment from State or FCWCD.
- 11) WITHHOLDING OF DISBURSEMENTS BY THE STATE OR FCWCD. If the State or FCWCD determines that the Project is not being implemented in accordance with the provisions of the Grant Agreement or this Funding Agreement, or that the City has failed in any other respect to comply with the provisions of the Grant Agreement or this Funding Agreement, and if the City does not remedy any such failure to the FCWCD or State's satisfaction, the State or FCWCD may withhold from the City all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the City and the State or FCWCD notifies the City of its decision not to release funds that have been withheld pursuant to Paragraph 12, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State or FCWCD notifies the City, as directed by the State or FCWCD. The State or FCWCD may consider the City's refusal to repay the requested disbursed amount a material breach subject to the default provisions in Paragraph 12, "Default Provisions." If the FCWCD notifies the City of its decision to withhold the entire funding amount from the City pursuant to this Paragraph, this Funding Agreement shall terminate upon receipt of such notice by the City and the FCWCD shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.
- 12) DEFAULT PROVISIONS. The City shall be in default under this Funding Agreement if any of the following occur:

- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other Agreement between the City and the FCWCD evidencing or securing the City's obligations.
- B. Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain Grant funds.
- C. Failure to operate or maintain the Project in accordance with this Funding Agreement or the Grant Agreement.
- D. Failure to make any remittance required by this Funding Agreement or the Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Standard Condition D.5.
- E. Failure to submit quarterly progress reports pursuant to Paragraph 6.
- F. Failure to routinely submit invoices pursuant to Paragraph 9.
- G. Failure to meet any of the requirements set forth in Paragraph 13, "Continuing Eligibility."

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

- A. Declare the disbursed Grant funds be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time FCWCD notifies City of the default.
- B. Terminate any obligation to make future payments to the City.
- C. Terminate this Funding Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event FCWCD finds it necessary to enforce this provision of this Funding Agreement (including, but not limited to, because State finds it necessary to enforce the same provision in the Grant Agreement against FCWCD due to an event of default by City) in the manner provided by law, the City agrees to pay all costs incurred by the FCWCD including, but not limited to, reasonable attorneys' fees, legal expenses, and costs (including all such costs incurred by State and passed on to FCWCD pursuant to the Grant Agreement).

13) CONTINUING ELIGIBILITY. The City shall meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2022 Guidelines to remain eligible to receive Grant funds:

- A. An urban water supplier that receives grant funds pursuant to this Funding Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) as set forth on page 11 of the 2022 Guidelines and as stated on page 24 of the 2022 IRWM Implementation Grant Proposal Solicitation Package.
- B. An agricultural water supplier receiving Grant funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code section 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. To maintain eligibility and continue funding disbursements, an agricultural water supply shall have their 2015 AWMP identified on the State's website. For more information, visit the website listed in Appendix A in the 2022 Guidelines.
- C. A surface water diverter receiving Grant funds shall maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et. seq.
- D. If applicable, the City shall demonstrate compliance with the Sustainable Groundwater Management Act (SGMA) set forth on page 10 of the 2022 Guidelines.
- E. If the City has been designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, the City shall maintain reporting compliance, as required by Water Code section 10932 and the CASGEM Program.

- F. The City shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406, et seq.) for data sharing, transparency, documentation, and quality control.
- G. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State or FCWCD determine that the City is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Funding Agreement. The State or FCWCD shall provide the Grantee advance written notice of such termination, allowing the City at least 30 calendar days to provide a written response. Termination shall be at the discretion of the State or FCWCD.
- 14) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the FCWCD. All reports shall be submitted to the FCWCD's Project Manager and shall be submitted via email. If requested, the City shall promptly provide any additional information deemed necessary by the State or FCWCD for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of Grant funds. Submittal and subsequent approval by the State and FCWCD of a Project Completion Report is a requirement for the release of any funds retained for the Project.
- A. Quarterly Progress Reports: City shall submit quarterly Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall be emailed to the FCWCD's Project Manager. Progress Reports shall, in part, provide a brief description of the work performed, the City's activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Progress Report must accompany an invoice (\$0 Invoices are acceptable) and shall be submitted within 30 days following the end of the calendar quarter (i.e. invoice April 30, July 30, September 30, and February 28).
- B. Project Completion Report: City shall prepare and submit to the FCWCD a Project Completion Report for the Project. The City shall submit a Project Completion Report (or a Component Completion Report, if a Project has multiple Components) within thirty (30) calendar days of Project/Component completion as outlined in Exhibit F.
- C. Post-Performance Reports: City shall prepare and submit to the FCWCD a Post-Performance Report for the Project. The Post-Performance Report shall be submitted to the FCWCD within thirty (30) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the Project begins operation.
- 15) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation the Project and in consideration of the funding made by the State, the City 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. Neither the State nor the FCWCD shall be liable for any cost of such maintenance, management, or operation. The City or their successors may, with the written approval of the FCWCD and State, transfer this responsibility to use, manage, and maintain the property.

For purposes of this Funding Agreement, “useful life” means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; “operation costs” include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and “maintenance costs” include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal by the City to ensure operation and maintenance of the Project in accordance with this provision may, at the option of the State or FCWCD, be considered a breach of the Grant Agreement or this Funding Agreement and may be treated as default under Paragraph 12, “Default Provisions.”

- 16) MONITORING PLAN REQUIREMENTS. A Monitoring Plan shall be submitted to the FCWCD prior to disbursement of Grant funds for construction or monitoring activities. The Monitoring Plan should incorporate Post-Performance Monitoring Report requirements as defined and listed in Exhibit F, and follow the guidance provided in Exhibit L, “Project Monitoring Plan Guidance.”
- 17) STATEWIDE MONITORING REQUIREMENTS. The City shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Water Code § 10780 et seq.) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.
- 18) NOTIFICATION OF FCWCD. The City shall promptly notify the FCWCD, in writing, of the following items:
 - A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. City agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the FCWCD and State, and the FCWCD and State have given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 - B. Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by the FCWCD and State’s representatives. City shall make such notification at least twenty-one (21) calendar days prior to the event.
 - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, City agrees that all work in the area of the find shall cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the FCWCD and State have determined what actions should be taken to protect and preserve the resource. City agrees to implement appropriate actions as directed by the FCWCD and State.
 - D. The initiation of any litigation or the threat of litigation against the City regarding the Project or which may affect the Project in any way.
 - E. Applicable to construction projects only: Final inspection of the completed work on the Project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/licensed Professional), in accordance with Exhibit D. City shall notify the FCWCD of the inspection date at least twenty-one (21) calendar days prior to the inspection in order to provide the FCWCD and State the opportunity to participate in the inspection.
- 19) NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
 - A. By delivery in person.

- B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By “overnight” delivery service, provided that next-business-day delivery is requested by the sender.
 - D. By electronic means.
 - E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
- 20) PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, the Grantee’s performance will be evaluated by the FCWCD and State and a copy of the evaluation will be placed in the State and FCWCD file and a copy sent to the City.
- 21) PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

City of Morro Bay
Greg Kwolek
Public Works Director
595 Harbor Street
Morro Bay, CA 93442
(805) 772-6564
gkwolek@morrobayca.gov

San Luis Obispo County Flood Control and
Water Conservation District
Courtney Howard
Water Resources Division Manager
County Government Center, Room 206
San Luis Obispo, CA 93408
Phone: (805) 781-1016
Email: CHoward@co.slo.ca.us

Department of Water Resources
Arthur Hinojosa
Manager, Division of Regional Assistance
P.O. Box 942836
Sacramento, CA 94236
Phone: (916) 902-6713
Email: Arthur.Hinojosa@water.ca.gov

Direct all inquiries to the Project Manager:

City of Morro Bay
Greg Kwolek
Public Works Director
595 Harbor Street
Morro Bay, CA 93442
(805) 772-6564
gkwolek@morrobayca.gov

San Luis Obispo County Flood Control and
Water Conservation District
Brendan Clark
Supervising Water Resources Engineer
County Government Center, Room 206
San Luis Obispo, CA 93408
Phone: (805) 788-2316
Email: BCClark@co.slo.ca.us

Department of Water Resources
Pavel Zakusilo
Engineer
P.O. Box 942836
Sacramento, CA 94236
Phone: (916) 326-9915
Email: Pavel.Zakusilo@water.ca.gov

The FCWCD and City may change their Project Representatives or Project Managers upon written notice.

22) STANDARD PROVISIONS. This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

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

Exhibit I – Local Project Sponsors and Project Locations

Exhibit J – Appraisal Specifications (Not applicable)

Exhibit K – Information Needed for Escrow Processing and Closure (Not applicable)

Exhibit L – Project Monitoring Plan Guidance

Exhibit M – Invoice Guidance for Administrative and Overhead Charges

Exhibit N – Grant Agreement

Exhibit O – Grant Application Costs Reimbursement Agreement

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

**SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By: 
Courtney Howard,
Water Resources Division Manager

Date: May 1, 2025

APPROVED AS TO FORM AND LEGAL EFFECT:
RITA L. NEAL
County Counsel

By: 
Deputy County Counsel

Date: September 4, 2024

CITY OF MORRO BAY

By: 
Gregory Kwolek,
Public Works Director

Date: October 18, 2024

**APPROVED AS TO FORM AND LEGAL
EFFECT:**

By: 
Chris F. Neumeyer (Oct 20, 2024 10:36 PDT)
City Attorney

Date: Oct 20, 2024, 20

EXHIBIT A

WORK PLAN

PROJECT 1: Indirect Potable Reuse (IPR) – Injection Wells

IMPLEMENTING AGENCY: City of Morro Bay (City)

PROJECT DESCRIPTION: The Water Reclamation Facility (WRF) Program includes construction of a Water Reclamation Center (WRC), which will be capable of producing up to 825 acre-feet per year (AFY) of advanced purified water for injection into the Lower Morro Valley Groundwater Basin (Morro Basin) to protect against seawater intrusion and nitrate contamination and for non-potable irrigation uses. The WRC Program is being constructed as three separate components:

- WRC – a new wastewater treatment or water reclamation facility, including Full Advanced Treatment (i.e., membrane filtration, reverse osmosis, and ultraviolet/advanced oxidation treatment processes), located outside of the flood plain and tsunami inundation zones (constructed outside of this Grant).
- Conveyance – pipelines and pump stations to convey wastewater to the WRC, treated effluent to the City's existing ocean outfall and advanced purified recycled water to the IPR injection facilities (constructed outside of this Grant).
- IPR Facilities – injection wells and recycled water pipelines to recharge the Morro Basin with advanced purified water.

The scope of the Project funded by the Grant includes construction of the IPR Facilities component (i.e., injection wells, distribution pipelines, supporting electrical, mechanical and controls equipment) of the overall WRC Program.

Budget Category (a): Project Administration

Task 1: Project Management

Manage Funding Agreement including compliance with Funding and Grant Agreement requirements, and preparation and submission of supporting Grant documents and coordination with IRWM regional manager. Prepare invoices including relevant supporting documentation for submittal by FCWCD to DWR. This task also includes administrative responsibilities associated with the Project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Invoices and associated backup documentation

Task 2: Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement. Submit reports to FCWCD for submittal to DWR.

Prepare Project Completion Report and submit to FCWCD for submission to DWR no later than 60 days after Project completion for FCWCD and DWR Project Managers' comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Project Completion Report
- Documentation (e.g., photo) of “Acknowledgment of Credit & Signage” per Standard Condition D.2

Budget Category (b): Land Purchase/Easement

Task 3: Land Purchase

Not applicable.

Deliverables: N/A

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

Task 4: Feasibility Studies

As part of the OneWater Plan, the City analyzed 13 different potential water supply alternatives, including: ocean desalination; use of the Chorro and Morro well fields with and without treatment; direct potable reuse; and indirect potable reuse. The analysis incorporated 9 different evaluation criteria, including capital, energy, and O&M costs. Based on the results of the evaluation the City selected IPR in the Morro Basin as the recommended alternative based on the multi-parameter scoring and ranking of each of the alternatives.

Deliverables:

- Relevant Feasibility Studies
- OneWater Plan

Task 5: CEQA Documentation

An Environmental Impact Report (EIR) was filed for the Project with the State Clearinghouse in August 2019 and the City received a Water Infrastructure Finance and Innovation Act (WIFIA) Programmatic Environmental Assessment Adequacy Memorandum for National Environmental Policy Act (NEPA) Compliance from the Environmental Protection Agency (EPA) in March 2020. Prepare letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- All completed CEQA documents as required
- Legal Challenges Letter

Task 6: Permitting

The following permits have been acquired for the Project: Coastal Development Permit – November 2019; and Aquifer Storage and Recovery Permit – September 2021.

The following permits are anticipated to be acquired for the Project: Lake and Streambed Alteration Program; Enhanced Source Control and Pretreatment Program; Potable Reuse Permit; Authorization to Start Construction; and Authority to Construct/Permit to Operate.

Deliverables:

- Permits as required

Task 7: Design

Prepare necessary documents (construction plans, typical details, specifications, and cost estimates) for the design of the IPR Facilities including injection wells, conveyance pipelines, supporting appurtenances and utility connections. Development of design documents is anticipated to include a Basis of Design Report and 100% Design Plans and Specifications.

Deliverables:

- Basis of Design Report
- 100% Design Plans and Specifications

Task 8: Project Monitoring Plan

Develop and submit a Project Monitoring Plan per Paragraph 16 for FCWCD and DWR's review and approval.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 9: Contract Services

This task must comply with the Standard Condition D.11 – Competitive Bidding and Procurements. Activities necessary (as applicable) to secure a contractor and award the contract, including: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid Documents
- Proof of Advertisement
- Award of Contract
- Notice to Proceed

Task 10: Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. An engineering construction observer will be on site for the duration of the Project. Construction observer duties include documenting of pre-construction conditions, daily construction diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, notifying contractor if work is not acceptable. Upon completing the Project, the DWR Certificate of Project Completion and record drawings will be provided to FCWCD and DWR.

Deliverables:

- DWR Certificate of Project Completion
- Record Drawings

Task 11: Construction

Construction activities are outlined below.

11(a): Mobilization and Demobilization of the drilling, pipeline, and injection well contractors.

11(b): Site preparation will include injection well site grading; installation of security fencing; dewatering (if necessary) and other activities.

11(c): Drilling, installing, and equipping at least two (2) injection wells. Installation of up to 10,000 linear feet of distribution pipelines, mechanical piping, electrical equipment, and instrumentation. Commissioning and Start-Up.

Deliverables:

- Photographic Documentation of Construction/Implementation Progress

EXHIBIT B
BUDGET

PROJECT 1: Indirect Potable Reuse - Injection Wells

Implementing Agency: City of Morro Bay

	BUDGET CATEGORY	Grant Amount	Required Cost Share: Non-State Fund Source*	Other Cost Share**	Total Cost
(a)	Project Administration	\$0	\$0	\$10,000	\$10,000
(b)	Land Purchase / Easement	\$0	\$0	\$0	\$0
(c)	Planning / Design / Engineering / Environmental Documentation	\$0	\$0	\$5,000	\$5,000
(d)	Construction / Implementation	\$1,200,000	\$3,735,000	\$1,780,000	\$6,715,000
	TOTAL COSTS	\$1,200,000	\$ 3,735,000	\$1,795,000	\$6,730,000

NOTES:

*Required Cost Share: Non-State Fund Source(s): financing from the Water Infrastructure Finance and Innovation Act (WIFIA), USBR Title XVI Grant Funding, and contributions from the City of Morro Bay's Water and Sewer Enterprise Funds.

**Other Cost Share fund source(s): financing from the Water Infrastructure Finance and Innovation Act (WIFIA), USBR Title XVI Grant Funding, contributions from the City of Morro Bay's Water and Sewer Enterprise Funds, State of California State Revolving Fund (SRF) and SWRCB Recycled Water Planning Grant funds.

EXHIBIT C
SCHEDULE

PROJECT 1: Indirect Potable Reuse - Injection Wells

	BUDGET CATEGORY	Start Date	End Date
a	Project Administration	06/01/2023	12/31/2026
b	Land Purchase / Easement	N/A	N/A
c	Planning / Design / Engineering / Environmental Documentation	06/01/2023	10/01/2025
d	Construction / Implementation	10/02/2025	09/30/2026

EXHIBIT D

STANDARD CONDITIONS

- D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:
- A. Separate Accounting of Funding Disbursements: The City shall account for the money disbursed pursuant to this Funding Agreement separately from all other City funds. City shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. City shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. City 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 FCWD and State at any and all reasonable times.
 - B. Disposition of Money Disbursed: All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
 - C. Remittance of Unexpended Funds: City shall remit to FCWCD any unexpended funds that were disbursed to City under this Funding Agreement and were not used to pay Eligible Project Costs within a period of forty-five (45) calendar days from the final disbursement from FCWCD to City of funds or, within fifteen (15) calendar days of the expiration of the Funding Agreement, whichever comes first.
- D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: City shall include appropriate acknowledgement of credit to the State and FCWCD for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the City's headquarters and shall include the DWR color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources." The City shall also include in each of its contracts for work under this Funding Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.3. AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the City for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 60 days prior to the work completion date set forth in Paragraph 3. Any other request for an amendment must be submitted at least 120 days prior to the work completion date set forth in Paragraph 3. FCWCD shall have no obligation to agree to an amendment.
- D.4. AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, City assures FCWCD that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
- D.5. AUDITS: State and FCWCD reserve the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State or FCWCD. After completion of the Project, State and FCWCD may require City to conduct a final audit to State or FCWCD's specifications, at City's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by City to comply with this provision shall be considered a breach of this Funding Agreement, and State or FCWCD may elect to pursue any remedies provided in Paragraph 12 or take any other action it deems necessary to protect its interests. The City agrees it shall return any audit disallowances to the FCWCD.

Pursuant to Government Code section 8546.7, the City shall be subject to the examination and audit by the State or FCWCD for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of City or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Funding Agreement. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the City's activities. Code, § 79708, subd. (b)

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of FCWCD to make any payments under this Funding Agreement. In this event, FCWCD shall have no liability to pay any funds whatsoever to City or to furnish any other considerations under this Funding Agreement and City shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide City with a right of priority for payment over any other local project sponsor. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the FCWCD shall have the option to either cancel this Funding Agreement with no liability occurring to FCWCD, or offer a Funding Agreement amendment to City to reflect the reduced amount.
- D.7. CALIFORNIA CONSERVATION CORPS: City may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. CEQA: Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Funding Agreement shall not proceed until documents that satisfy the CEQA process are received by the FCWCD and State Project Managers and the State has completed its CEQA compliance. Work funded under this Funding Agreement that is subject to a CEQA document shall not proceed until and unless approved by State. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the City is not complete at the time this Funding Agreement is signed by both parties, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Funding Agreement shall be terminated in accordance with Paragraph 12, "Default Provisions."
- D.9. CHILD SUPPORT COMPLIANCE ACT: The City acknowledges in accordance with Public Contract Code section 7110, that:
- A. The City recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The City, 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.10. CLAIMS DISPUTE: Any claim that the City may have regarding performance of this Funding Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the FCWCD Project Representative, within thirty (15) days of the City's knowledge of the claim. FCWCD and City shall then attempt to negotiate a resolution of such claim and process an amendment to this Funding Agreement to implement the terms of any such resolution subject to approval by State if determined necessary by FCWCD in its sole and absolute discretion.

- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: City's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the City does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.12. COMPUTER SOFTWARE: City certifies that it has appropriate systems and controls in place to ensure that Grant funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. CONFLICT OF INTEREST: As set forth in the Grant Agreement, all participants, including the City are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the Grant application being rejected and any subsequent contract, including the Grant Agreement and this Funding Agreement, being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. Employees of the City: Employees of the City shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. Employees and Consultants to the City: Individuals working on behalf of the City may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. DELIVERY OF INFORMATION, REPORTS, AND DATA: City agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State or FCWCD.
- D.15. DISPOSITION OF EQUIPMENT: City shall provide to FCWCD, not less than fifteen (15) calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item.
- D.16. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, City, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990

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

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

The City shall also include in each of its contracts for work under this Funding Agreement a provision that incorporates the certification stated within this Paragraph.

- D.17. EASEMENTS: Where the City acquires property in fee title or funds improvements to real property already owned in fee by the City using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

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

Failure to provide an easement or other title restriction acceptable to the State may result in termination of this Funding Agreement.

- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL: Upon completion of the Project, City shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist), that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.

- D.19. CITY'S RESPONSIBILITIES: City and its representatives shall:

- A. Faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A and in accordance with Exhibits B and C.
- B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made in the Grant application, documents, amendments, and communications filed in support of its request for funding.
- C. Comply with all applicable California, federal, and local laws and regulations.
- D. Implement the Project in accordance with applicable provisions of the law.

- E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
- F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. City shall provide copies of permits and approvals to FCWCD.
- G. Be solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by FCWCD or State is solely for the purpose of proper administration of funds by FCWCD and State and shall not be deemed to relieve or restrict responsibilities of City under this Funding Agreement.
- H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Funding Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The City shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. Neither State nor FCWCD will mediate disputes between the City and any other entity concerning responsibility for performance of work.

D.20. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.21. INCOME RESTRICTIONS: The City agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the City under this Funding Agreement shall be paid by the City to the FCWCD, to the extent that they are properly allocable to costs for which the City has been reimbursed by the FCWCD under this Funding Agreement. The City shall also include in each of its contracts for work under this Funding Agreement a provision that incorporates the requirements stated within this Paragraph.

D.22. INDEMNIFICATION: The City shall indemnify and hold and save the FCWCD, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Funding Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for the Project and any breach of this Funding Agreement. Without limiting the foregoing, City expressly agrees to indemnify, defend and hold harmless the FCWCD against any loss or liability, including any repayment obligation, arising out of any claim or action brought against FCWCD by State for breach of the Grant Agreement (or any related claim or action) based on City's failure to comply with the terms, provisions, conditions and written commitments set forth herein.

City shall name, and shall require its contractors or subcontractors to name, the FCWCD, its officers, agents and employees and the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Funding Agreement.

D.23. INDEPENDENT CAPACITY: City, and the agents and employees of City, in the performance of this Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the FCWCD or State.

D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, State and FCWCD and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of City pertaining to this Funding Agreement or matters related hereto. City shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by City to comply with this provision shall be considered a breach of this Funding Agreement, and FCWCD may withhold disbursements to City or take any other action it deems necessary to protect its interests.

- D.25. INSPECTIONS OF PROJECT BY STATE AND FCWCD: State and FCWCD shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and City shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to this Funding Agreement.
- D.26. LABOR CODE COMPLIANCE: The City agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Funding Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <https://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The City affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the City affirms that it will comply with such provisions before commencing the performance of the work under this Funding Agreement and will make its contractors and subcontractors aware of this provision.
- D.27. MODIFICATION OF OVERALL WORK PLAN: At the request of the City, the FCWCD may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of this Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the City to the FCWCD in writing and are not effective unless and until specifically approved by the FCWCD Program Manager in writing after consultation with and written approval from the State.
- D.28. NONDISCRIMINATION: During the performance of this Funding Agreement, City and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, and denial of medical and family care leave or pregnancy disability leave. City and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. City and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Funding Agreement by reference. City and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. City shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.
- D.29. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.30. PERFORMANCE BOND: Where contractors are used, City shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the City in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ.

Proc., § 995.311.)

- D.31. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the City shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.32. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE OR FCWCD PERMISSION: The City shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with City's service of water, without prior permission of State and FCWCD. City shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of City meet its obligations under this Funding Agreement, without prior written permission of State and FCWCD. State or FCWCD may require that the proceeds from the disposition of any real or personal property be remitted to FCWCD or State.
- D.33. PROJECT ACCESS: The City shall ensure that the State, the Governor of the State, the FCWCD or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Funding Agreement.
- D.34. REMAINING BALANCE: In the event the City does not submit invoices requesting all of the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The FCWCD will notify the City stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.
- D.35. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36. RETENTION: Notwithstanding any other provision of this Funding Agreement, the City acknowledges that the State shall withhold ten percent (10%) of the funds, for the project, until the Project is complete, and a Final Project Report is approved and accepted by DWR. If the Project has multiple components, at the State's discretion and upon a written request by the City, any retained amount attributable to a single component may be released when that component is complete and the Final Component Completion Report is approved. Upon approval of the Final Project Report and/or Final Component Completion Report, any retained amounts due to the City will be promptly disbursed to the City, without interest.
- D.37. RIGHTS IN DATA: City agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and FCWCD and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 7920.000 et seq.) City may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. City shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State and FCWCD shall have the right to use any data described in this paragraph for any public purpose.
- D.38. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.

- D.39. SUSPENSION OF PAYMENTS: City acknowledges that the Grant Agreement may be subject to suspension of payments or termination, or both if the State or FCWCD determines that:
- A. City, its contractors, or subcontractors have made a false certification, or
 - B. City, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in the Grant Agreement.
- D.40. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provision shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the City shall be valid unless and until it is approved by FCWCD and made subject to such reasonable terms and conditions as FCWCD may impose.
- D.41. TERMINATION BY CITY: Subject to State and FCWCD approval which may be reasonably withheld, City may terminate this Funding Agreement and be relieved of contractual obligations. In doing so, City must provide a reason(s) for termination. City must submit all progress reports summarizing accomplishments up until termination date.
- D.42. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 12, "Default Provisions," the FCWCD may terminate this Funding Agreement and be relieved of any payments should City fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 12, "Default Provisions."
- D.43. TERMINATION WITHOUT CAUSE: The FCWCD may terminate this Funding Agreement without cause on 20 days' advance written notice. The City shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44. THIRD PARTY BENEFICIARIES: With the exception of the State, as more specifically described herein, the parties to this Funding Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Funding Agreement, or any duty, covenant, obligation or understanding established herein.
- D.45. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.46. TRAVEL – DAC, EDA, TRIBES PROJECT: Travel is only an eligible reimbursable expense for projects providing at least 75% of benefits to DACs, EDAs, and/or Tribes (based on population or geographic area). Only ground transportation and lodging are eligible for grant reimbursement. Per diem costs will not be eligible for grant reimbursement. Any reimbursement for necessary travel shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel amounts that are current as of the date costs are incurred. No travel outside of the IRWM region shall be reimbursed unless prior written authorization is obtained from the FCWCD and State.
- D.47. UNION ORGANIZING: City, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, City, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - B. City shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. City shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.

D. If City makes expenditures to assist, promote, or deter union organizing, City will maintain records sufficient to show that no State funds were used for those expenditures and that City shall provide those records to the Attorney General upon request.

D.48. VENUE: City hereby acknowledges that any action arising out of the Grant Agreement will be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California as set forth in the Grant Agreement. The City hereby waives any existing sovereign immunity for the purposes of this Funding Agreement or the Grant Agreement.

D.49. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E

AUTHORIZING RESOLUTION

[INTENTIONALLY OMITTED]

EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized.

PROGRESS REPORTS

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

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

Discuss the following at the Project level, as organized in Exhibit A:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Budget projections for Grant share for the next two quarters
- Any schedule or budget modifications approved by DWR during the reporting period.

PROJECT COMPLETION REPORT

The Project Completion Report (or a Component Completion Report, if a Project has multiple Components) shall generally use the following format provided below for each project after completion.

Executive Summary

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

- Brief description of work proposed to be done in the original Grant application.
- List any official amendments to the Grant Agreement or this Funding Agreement, with a short description of the amendment.

Reports and/or Products

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

- A copy of any final technical report or study, produced for or utilized in the Project as described in Exhibit A
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final Project schedule showing actual progress versus planned progress as shown in Exhibit C

Additional information that may be applicable for the Project includes the following:

- Record drawings
- Final geodetic survey information
- Project photos

Cost & Disposition of Funds

A list showing:

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

Additional Information

- Benefits derived from the Project, with quantification of such benefits provided.
- If applicable, Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Exhibit D, that the Project was conducted in accordance with the approved Work Plan in Exhibit A and any approved amendments thereto.
- Submittal schedule for the Post-Performance Report.

POST-PERFORMANCE REPORT

The Post-Performance Report (PPR) should be concise and focus on how the Project is performing compared to its expected performance; whether the Project is being operated and maintained and providing intended benefits as proposed. A PPR template may be provided upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

Reports and/or products

- Header including the following:
 - Identification of the Grantee, i.e., the FCWCD
 - Identification of the Implementing Agency, i.e., the City
 - Grant Agreement Number
 - Project Name
 - Funding grant source (i.e., 2022 Proposition 1 IRWM Implementation Grant)
 - Report number
- Post-Performance Report schedule
- Time period of the annual report (e.g., January 2024 through December 2024)
- Project Description Summary
- Discussion of the Project benefits
- An assessment of any differences between the expected versus actual Project benefits as stated in the original Grant application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).
- Summary of any additional costs and/or benefits deriving from the Project since its completion, if applicable.
- Any additional information relevant to or generated by the continued operation of the Project.

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.

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: https://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the City 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: https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml.

Groundwater Level Data

If the Project collects groundwater level data, the City 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 F, "Report Formats and Requirements." Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

EXHIBIT H

STATE AUDIT DOCUMENT REQUIREMENTS AND COST SHARE GUIDELINES FOR THE GRANTEE

The following provides a list of documents typically required by State Auditors and general guidelines. City should ensure that such records are maintained for the Project. Where applicable, the list of documents also includes documents related to City's Local Cost Share which will be required for audit purposes.

State Audit Document Requirements

Internal Controls

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

State Funding:

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

Contracts:

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

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and City staff that worked on the State funded Project.

2. Payroll records including timesheets for contractor staff and the City personnel who provided services charged to the program

Project Files:

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

Cost Share Guidelines

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

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

EXHIBIT I

LOCAL PROJECT SPONSORS AND PROJECT LOCATIONS

[INTENTIONALLY OMITTED]

EXHIBIT J

APPRAISAL SPECIFICATIONS

[INTENTIONALLY OMITTED]

EXHIBIT K

INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE

[INTENTIONALLY OMITTED]

EXHIBIT L

PROJECT MONITORING PLAN GUIDANCE

Introduction

Please include a brief description of the Project (maximum ~150 words) including Project location, implementation elements, need for the Project (what problem will the Project address) and respond to the requirements listed below.

Project Monitoring Plan Requirements

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

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

EXHIBIT M

INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

The funds provided pursuant to this Funding Agreement may only be used for costs that are directly related to the funded Project. The following provides a list of typical requirements for invoicing, specifically providing guidance on the appropriate methods for invoicing administrative and direct overhead charges.

Administration Charges

Indirect and General Overhead (i.e., indirect overhead) charges are not an allowable expense for reimbursement. However, administrative expenses that are apportioned directly to the Project are eligible for reimbursement. Cost such as rent, office supplies, fringe benefits, etc. can be "Direct Costs" and are eligible expenses as long as:

- There is a consistent, articulated method for how the costs are allocated that is submitted and approved by the FCWCD and State. The allocation method must be fully documented for auditors.
- A "fully-burdened labor rate" can be used to capture allowable administrative costs.
- The administrative/overhead costs can never include:
 - Non-project specific personnel and accounting services performed within the City or an LPS' organization
 - Markup
 - Tuition
 - Conference fees
 - Building and equipment depreciation or use allowances
- Using a general overhead percentage is never allowed

Labor Rates

The City must provide FCWCD with supporting documentation for personnel hours (see personnel billing rates letter in example invoice packet). The personnel rate letter should be submitted to the FCWCD prior to submittal of the first invoice. The supporting documentation must include, at a minimum, employee classifications that will be reimbursed by grant funds and the corresponding hourly rate range. These rates should be "burdened"; the burdened rate must be consistent with the City's standardized allocation methodology. The supporting documentation should also provide an explanation of what costs make up the burdened rate and how those costs were determined. This information will be used to compare against personnel hours summary table invoice back up documentation. Periodic updates may be needed during the life of the grant which would be handled through a revised billing rate letter.

EXHIBIT N

GRANT AGREEMENT

The Grant Agreement between the California Department of Water Resources and the San Luis Obispo County Flood Control and Water Conservation District (FCWCD) has been provided separately and is available upon request by the FCWCD's Project Manager per Paragraph 21 of this Agreement.

EXHIBIT O
REIMBURSEMENT AGREEMENT

IRWM Prop 1, Round 2 Funding & Reimb. Agreements for Signature

Final Audit Report

2024-10-20

Created:	2024-10-18
By:	Heather Goodwin (hgoodwin@morrobayca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAs7TGm82hExWm6C5oAUAnsgtpbRmE3od

"IRWM Prop 1, Round 2 Funding & Reimb. Agreements for Signature" History

-  Document created by Heather Goodwin (hgoodwin@morrobayca.gov)
2024-10-18 - 5:39:55 PM GMT
-  Document emailed to cneumeyer@awattorneys.com for signature
2024-10-18 - 5:40:54 PM GMT
-  Email viewed by cneumeyer@awattorneys.com
2024-10-20 - 5:33:25 PM GMT
-  Signer cneumeyer@awattorneys.com entered name at signing as Chris F. Neumeyer
2024-10-20 - 5:36:37 PM GMT
-  Document e-signed by Chris F. Neumeyer (cneumeyer@awattorneys.com)
Signature Date: 2024-10-20 - 5:36:39 PM GMT - Time Source: server
-  Agreement completed.
2024-10-20 - 5:36:39 PM GMT