

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER
RESOURCES) AND
SALTON SEA AUTHORITY
AGREEMENT NUMBER 4600013991
PROPOSITION 68 LOCAL ASSISTANCE GRANT**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and Salton Sea Authority, a joint powers authority in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide funding from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) to Grantee to assist in financing a project pursuant to Public Resources Code section 80110, subd. (a).
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is initially executed by the State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by September 30, 2024 and no funds may be requested after December 31, 2024.
3. GRANT AMOUNT. The maximum amount payable by the State under this Grant Agreement shall not exceed \$19,250,000.
4. GRANTEE'S RESPONSIBILITY. Grantee and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) with specific deliverables and in accordance with Exhibit B (Budget) and Exhibit C (Schedule). Any deviations to deliverables, budget changes or schedules targets will be approved by DWR pursuant to Paragraph D.3 in Exhibit D, "Standard Conditions"
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the documents, amendments, and communications filed in support of its request for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the project in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement and be responsible for the performance of the project.
5. BASIC CONDITIONS. The State shall have no obligation to disburse money for the project under this Grant Agreement until the Grantee has satisfied the following conditions:
 - a) The Grantee submits deliverables as specified in Paragraph 15 of this Grant Agreement and in Exhibit A.
 - b) Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:
 - 1) Final plans and specifications certified, signed, and stamped by a California Registered Professional Civil Engineer for the project listed in Exhibit A of this Grant Agreement.
 - 2) Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:

- i) The Grantee submits to the State all applicable environmental permits,
 - ii) Documents that satisfy the CEQA process are received by the State,
 - iii) The State has completed its CEQA compliance review as a Responsible Agency, and
 - iv) The Grantee receives written concurrence from the State of the Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.
- 3) Proof that the project has obtained a water supply sufficient for the project to be fully operational for the useful life of the project through a legally binding water use agreement. Such proof shall include, but not be limited to, a study showing the project's water supply needs and a copy of any fully executed water use agreements.

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

6. DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation.
7. ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Work performed on the project after 7/1/2020, shall be eligible for reimbursement.

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

- a) Operation and maintenance costs, including post construction performance and monitoring costs.
- b) Purchase of equipment that is not an integral part of a project.
- c) Establishing a reserve fund.
- d) Replacement of existing funding sources for ongoing programs.
- e) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- f) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
- g) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee Cost Share (i.e., Funding Match).
- h) Payment of stipends

- i) Acquisition of real property (land or easements) 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.
- j) Meals, food items, or refreshments
- k) Overhead not directly related to the project.

8. METHOD OF PAYMENT.

- a) **Reimbursement** – After the disbursement requirements in Paragraph 5 “Basic Conditions” are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via US mail or Express mail delivery of a “wet signature” invoice or an electronic invoice certified and transmitted via DocuSign for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 15, “Submission of Reports.” The State will notify the Grantee, in a timely manner, whenever, upon review of an invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs. The State will at all times utilize best efforts to expedite the efficient review and processing of all invoices submitted by Grantee.

Invoices submitted by the Grantee 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:
 - 1) Invoices must 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.
 - 2) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B, “Budget”. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) One set of sufficient evidence (i.e., receipts, copies of checks, personnel hours’ summary table, time sheets) must be provided for all costs included in the invoice.
 - 4) Original signature and date of the Grantee’s Project Representative. Submit the original “wet signature” copy of the invoice form to the following address: Department of Water Resources, Attention: Evon Willhoff, P.O. Box 942836 Sacramento, CA 94236-0001 or an electronic signature certified and transmitted via DocuSign from authorized representative to Evon Willhoff.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee

shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., Local Cost Share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Paragraph 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.)

9. WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that the project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 10, "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 notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 10. If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.
10. DEFAULT PROVISIONS. The Grantee will be in default under this Grant Agreement if any of the following occur:
- a) Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations.
 - b) Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement.
 - c) Failure to operate or maintain the project in accordance with this Grant Agreement.
 - d) Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
 - e) Failure to comply with Labor Compliance Program requirements (Paragraph 14).
 - f) Failure to submit quarterly progress reports pursuant to Paragraph 8.
 - g) Failure to routinely invoice the State pursuant to Paragraph 8.
 - h) Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

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

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

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

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

- a) An urban water supplier that receives grant funds pursuant to this Agreement must maintain compliance with the Urban Water Management Planning Act (UWMP; Water Code § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Water Code § 10608 et seq.).
- b) An agricultural water supplier receiving State funds must comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code § 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 supplier must have their 2015 AWMP identified on the State's website.
- c) The Grantee diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
- d) If applicable, the Grantee must demonstrate compliance with the Groundwater Management Act.
- e) Grantees that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code § 10932 and the CASGEM Program.
- f) Open and Transparent Water Data: Recipients of State funds through grants must adhere to the protocols developed pursuant to Water Code § 12406 for data sharing, transparency, documentation, and quality control.

12. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. The Grantee shall be responsible for ensuring the obtainment of any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. The Grantee shall provide copies of permits and approvals to State.

13. RELATIONSHIP OF PARTIES. The Grantee is responsible for design, construction, and operation and maintenance of the project within the Exhibit A "Work Plan". Review or approval of plans, specifications, bid documents, or other construction documents by the State is for the purpose of proper administration of funds by the State, and to ensure that the best design(s) or alternative(s) are selected based on, but not limited to costs, perceived risk, or other factors. Review and approval by the State shall not be deemed to relieve or restrict responsibilities of the Grantee under this Grant Agreement.

14. LABOR COMPLIANCE. The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.
15. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Grant Completion Report is a requirement for the release of any funds retained for the project.
- a) Quarterly Progress Reports: The Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be sent via e-mail to the State's Project Manager. Quarterly Progress Reports shall, in part, provide a brief description of the work performed during the reporting period including: Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Agreement.
 - b) Grant Completion Report: Upon completion of the Project included in Exhibit A, "Work Plan" the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted as outlined in Exhibits A, "Work Plan", and Exhibit F, "Report Formats and Requirements". Retention for the last component to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to and approved by the State.
 - c) Post-Performance Reports: The Grantee shall prepare and submit to the State Post-Performance Reports for the applicable project. Post-Performance Reports shall be submitted to the State within ninety (90) 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.
 - d) Monitoring and Maintenance Plan: A Monitoring and Maintenance Plan shall be submitted to the State prior to disbursement of State funds for implementation or monitoring activities. The Monitoring and Maintenance Plan shall incorporate items defined and listed in Exhibit I, "Monitoring and Maintenance Plan Components".
16. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects, and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. Nothing herein shall prevent the State from deciding in the future to conduct any maintenance, management, or operation of the Project. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs

incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures. If arrangements for costs of operations and maintenance, including post-construction and monitoring costs, are unsatisfactory to the Grantee prior to the commencement of construction, Grantee may terminate this Agreement without any further performance or reimbursement obligation.

17. STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Water Code §10780 et seq.) of Division 6 of California Water Code and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G (Requirements for Statewide Monitoring and Data Submittal), for web links and information regarding other State monitoring and data reporting requirements.
18. NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
 - a) Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee 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 State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 - b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) 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, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
 - d) The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
 - e) Final inspection of the completed work on a project by a California Registered Professional Civil Engineer in accordance with Paragraph D.18 in Exhibit D, "Standard Conditions". The Grantee shall notify the State's Project Manager of the inspection date at least fourteen (14) calendar days prior to the inspection in order to provide the 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 Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
 - a) By certified U.S. mail, return receipt requested, postage prepaid.
 - b) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.

c) By electronic means.

Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 21. 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 Grant Agreement, the Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

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

Department of Water Resources
Arthur Hinojosa
Chief, Division of IRWM
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 653-4736
e-mail: arthur.hinojosa@water.ca.gov

Salton Sea Authority
G. Patrick O'Dowd
Executive Director/General Manager
82995 Highway 111, Suite 200
Indio, CA 92201
Phone: (760) 863-2695
e-mail: GPODowd@SaltonSea.com

Direct all inquiries to the Project Manager:

Department of Water Resources
Evon Willhoff
Program Manager I
Division of Regional Assistance
PO Box 942836
Sacramento, CA 94236-0001
Phone: (916) 651-9286
e-mail: Evon.Willhoff@water.ca.gov

Salton Sea Authority
Johnathan McDannell
Grants Manager
82995 Highway 111, Suite 200
Indio, CA 92201
Phone: (760) 863-2695
e-mail: JMcDannell@SaltonSea.com

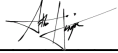
Either party may change its Project Representative or Project Manager upon written notice to the other party.

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

Exhibit A – Work Plan
Exhibit B – Budget
Exhibit C – Schedule
Exhibit D – Standard Conditions
Exhibit E – Authorizing Resolution Accepting Funds
Exhibit F – Report Formats and Requirements
Exhibit G – Requirements for Statewide Monitoring and Data Submittal
Exhibit H – State Audit Document Requirements for Grantees
Exhibit I – Monitoring and Maintenance Plan Components
Exhibit J - Project Preliminary Alternative Locations

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

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES



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

Date 4/26/2021

SALTON SEA AUTHORITY



G. Patrick O'Dowd, Executive Director/General
Manager

Date 4/26/2021

Approved as to Legal Form and Sufficiency



Catherine Cavanaugh, Staff Counsel IV
Counsel Office of Chief Counsel

Date 4/26/2021

EXHIBIT A

WORK PLAN

PROJECT TITLE: North Lake Demonstration Pilot Project**GRANTEE:** Salton Sea Authority**IMPLEMENTING AGENCY:** County of Riverside Transportation Land Management Agency**PARTNER AGENCIES:** Grantee, Implementing Agency, California Department of Water Resources (DWR), California Natural Resources Agency (CNRA), and California Department of Fish and Wildlife (CDFW)**PROJECT DESCRIPTION**

The North Lake Pilot Demonstration Project (Project) will construct an approximately 156-acre lake. The Project will be considered the first phase of the larger project in the Whitewater Area identified in the Salton Sea Management Program: Phase 1 10-Year Plan. As shown in Exhibit J, "Project Location," the Project is located at the northern end of the Salton Sea, in Riverside County just north of the Salton Sea State Recreation Area. The Project will have shallow habitat running along over one mile of shoreline and approximately 30 acres will be developed as deep-water habitat for fish. Due to the soft soils present in the project area, this project includes the design, construction and testing of a pilot berm prior to the completion of the final design for the demonstration project.

The Project will also include the development of habitat, water supply infrastructure, and recreational features that will be determined through the planning, design, and outreach and engagement tasks. The scope of work includes the planning, design, coordination of regulatory compliance, permitting, land access, and construction related tasks necessary to complete the Project. Public input will be solicited to influence the design and public access features of the Project.

Budget Category (a): Grant Agreement Administration**Task 1 Agreement Administration**

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

The Grantee will be responsible for compiling invoices for submittal to DWR. This includes collecting invoice documentation and compiling the information into a DWR invoice package. The Grantee will also be responsible for compiling progress reports for submittal to DWR. The Grantee will coordinate with the Implementing Agency to prepare and submit Quarterly Progress Reports and the Grant Completion Report. Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F, "Report Formats and Requirements" of this Agreement.

Deliverables:

- Invoices and associated backup documentation
- Quarterly Progress Reports
- Draft and Final Grant Completion Report

Task 2 Project Coordination

The Grantee will coordinate all aspects of the Project with Partner Agencies; including but not limited to the coordination and review of environmental documentation and permits to ensure consistency with planned task implementation, and administrative responsibilities associated with the Project such as coordinating and meeting with Partner Agencies on a monthly or regular basis and managing consultants/contractors.

Deliverable:

- Meeting Notes

Budget Category (b): Outreach and Community Engagement

Task 3 Outreach and Community Engagement

Develop an Outreach and Engagement Plan (Plan) for the Project for review and approval by the State. The Plan will describe how the Grantee will coordinate Project talking points with Partner Agencies, the process to develop and review meeting materials, and the frequency of public meetings and the timing relative to the development of environmental document(s).

This task also includes the work necessary to prepare, conduct and compile notes from public workshops and other forms of engagement with community members and stakeholders.

Deliverables:

- Outreach and Community Engagement Plan
- Copies of Meeting Materials and Presentations
- Public Notices
- Record of Meeting Minutes/Videos and Comments Received

Budget Category (c): Land Access and Surveys

Task 4 Land Access and Surveys

Define project boundary and identify landowners for properties within the project boundary. Prepare exhibits for showing land ownership, right-of-way, and identify land acquisitions needed for the project.

Deliverables:

- Land Ownership Map(s), and copies of any restrictions, easements or limitations to use.

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

Task 5 Project Planning

Task 5.1 Project Siting Evaluation

Identify potential project locations and evaluate opportunities and constraints including but not limited to accessibility to the site, potential land acquisition needs, habitat potential, and water supply sources as described in Task 5.2.

Deliverable:

- Alternatives Analysis Technical Memo

Task 5.2 Water Supply Assessment

Partner Agencies will coordinate with Coachella Valley Water District (CVWD) to analyze water supply options and the associated water supply infrastructure needed to develop the Project and will result in the development of a Water Supply Assessment Technical Memo. The Water Supply Assessment will include an evaluation of water supply options, and may include, but is not limited to, an evaluation of All-American Canal water, groundwater including existing and planned well water, and agricultural and other drainage flows. It will also include an assessment of water infrastructure needed to convey water to the Project. This assessment will inform the development of Project concepts.

Deliverable:

- Draft Water Supply Assessment Technical Memo
- Final Water Supply Assessment Technical Memo

Task 5.3 Project Description

In coordination with Partner Agencies, utilize the information from Tasks 5.1 and 5.2 to select the Project location and develop a comprehensive project description for the North Lake Pilot Demonstration Project.

Deliverable:

- Project Description

Task 5.4 Environmental Review of State NEPA and CEQA Documents

All environmental documentation will be closely coordinated with the State, considering existing environmental analysis. A review will be conducted of existing CEQA/NEPA documents to determine if this project is exempt from any further CEQA and/or if supplemental studies and/or environmental documentation will be required. Partner Agencies will coordinate the preparation and review of supplemental environmental documentation if it is needed. The Implementing Agency will oversee the preparation of supplemental environmental documentation as needed for the project.

Deliverables:

- Project Specific CEQA Evaluation
- Supplemental CEQA document (if needed)
- Special Studies to Support CEQA document (if needed)
- Notice for Appropriate NEPA/CEQA Determination (as required)
- Notice of Determination (as required)

Task 6 Water Supply Agreement

Based on the findings and recommendations of the Water Supply Assessment Technical Memo (Task 5.2) and the Project Description (Task 5.3), develop a draft water supply agreement or recommendation that describes the agreement(s) and/or water right(s) needed to secure a water supply for the Project. Work with Partner Agencies and CVWD to secure the water supply for the Project and complete the water supply agreement(s) or permit(s) as needed.

Deliverables:

- Draft Water Supply Agreement
- Final Water Supply Agreement
- Water-related permits (if needed)

Task 7 Design

Task 7.1 Land Surveys

Selected design consultant will complete preconstruction land surveys. The consultant will be responsible for preparation of survey records and topographic maps.

Deliverables:

- Detailed topographic and possible bathymetric surveys
- Light Detection and Ranging (LiDAR) surveys with ground truthing (if required)
- Aerial topographic survey

Task 7.2 Geotechnical Surveys and Engineering

Conduct Geotechnical surveys of the project area to collect data such as soil type, grain size distribution, expansion index, and soil shear strength to support perimeter berms. A variety of data collection techniques will be considered and likely include borings, cone penetrometer testing, and hand augers.

Deliverables:

- Draft Geotechnical Report
- Final Geotechnical Report

Task 7.3 Conceptual Designs

Develop the advanced conceptual design by utilizing the existing preliminary conceptual designs that have previously been prepared. The advanced conceptual design will include a site layout, site access plan, preliminary berm profiles, conceptual drawings of features such as inlet and outlet structures, the water supply source and appurtenant structures, habitat and other key features of the project such as developing the design to allow for integration with future phases of the larger North Lake Project. The draft advanced conceptual design will be submitted to DWR for the state's review and input. The Grantee shall provide written responses to all DWR comments provided on the Draft Conceptual Design prior to finalizing the concept. Comments provided shall sufficiently explain the rationale behind acceptance or rejection of each specific DWR comment. Sufficiency shall be at the sole discretion of DWR.

Deliverables:

- Draft Conceptual Design
- Responses to DWR comments on Draft Conceptual Design
- Final Conceptual Design

Task 7.4 Pilot Test Berm

Prepare design for a test berm. Due to the composition soils in the area, and potential seepage concerns, a test berm is needed prior to completing final design. Following construction and testing of the pilot berm, the contractor will complete the final design for the demonstration project.

Deliverable:

- Technical Memo including photographs of test berm

Task 7.5 Final Design

Complete Project design based on the following supporting work: execution of a Water Supply Agreement and necessary permits for implementing supply geotechnical investigation, land survey(s), pilot berm findings, and the advanced conceptual design. The information obtained by the supporting work and outreach and engagement activities will be used to inform the development of final design, plans, and specifications including, but not limited to: preliminary earthwork calculations, design details and water supply infrastructure to produce 100% (Final) design, plans, and specifications.

Deliverables:

- 50% Design
- 90% Design
- 100% Design
- Plan Specifications
- Engineering Estimates

Budget Category (e): Construction/Implementation

Task 8 Construction Contracting

The Implementing Agency, in coordination with the Grantee, will oversee project management, evaluate design-build and design-bid-build delivery approaches to select an approach that best meets the overall goals of the project, and oversee the process to secure a contractor. Activities necessary to secure a contractor and award the contract include, but are not limited to: 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 9 Construction Administration

The Grantee, Implementing Agency, or construction management consultant will review construction contractor submittals, answer requests for information, and issue work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties include, but are not limited to: 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.

Deliverable:

- Notice of Completion

Task 10 Monitoring and Maintenance Plan

Develop a Monitoring and Maintenance Plan as described in Paragraph 15 (d) and Exhibit I, "Monitoring and Maintenance Plan Components." Conduct pre- and post-construction monitoring to verify Project benefits claimed.

Deliverables:

- Monitoring and Maintenance Plan
- Technical memorandum for pre-construction site conditions
- Post-construction monitoring report

Task 11 Permitting

Obtain and comply with all permits required to implement the Project including a stormwater pollution prevention plan (SWPPP), acquire right-of-way (ROW) encroachment, construction dust control permit, etc. (as-needed). Additional permits may be required and will be obtained as necessary.

Deliverable:

- Copies of all required permits

Task 12 Construction/Implementation Activities

Construction of the approximately 156-acre demonstration project. This task includes contractor mobilization, foundation preparation including clearing and grubbing, excavation, and grading for the berm system that is approximately 1.5 miles in length. As needed by a Water Supply Agreement (Task 6) and Final Design (Task 7.5), construction of a gravity water line and/or a pump station to supply water to this demonstration project will be included.

Deliverables:

- Inspection Reports
- Photographic documentation

Task 13 Performance Testing and Reporting

As a demonstration project, this project will provide in-field data that will be utilized to inform the design of future phases of north perimeter lake. Following the construction of the demonstration project yearly biological assessments will take place to evaluate the effectiveness of the project on creating habitat. Included as part of the evaluation will be any recommendations to improve the viability of the habitat in future phases. Also included as part of the annual report will be any observations and recommendations that will improve the ongoing operation and maintenance of the berms.

Deliverables:

- Annual Performance Reports

EXHIBIT B
BUDGET**North Lake Demonstration Pilot Project**

BUDGET CATEGORY		Cost Share: Non-State Fund Source*	Grant Amount	Other Cost Share*	Total Cost
(a)	Project Administration	\$0	\$840,000	\$0	\$840,000
(b)	Outreach and Community Engagement	\$0	\$180,000	\$0	\$180,000
(c)	Land Access and Surveys	\$0	\$60,000	\$0	\$60,000
(d)	Planning / Design / Engineering/ Environmental Documentation	\$0	\$6,430,000	\$0	\$6,430,000
(e)	Construction / Implementation	\$0	\$11,740,000	\$0	\$11,740,000
TOTAL COSTS		\$0	\$19,250,000	\$0	\$19,250,000

NOTES:

* Not required for this grant

EXHIBIT C
SCHEDULE**North Lake Demonstration Pilot Project**

	Task	Start Date	End Date
1.0	Project Administration	7/1/2020	12/31/2024
2.0	Outreach and Community Engagement	1/4/2021	10/31/2021
3.0	Land Access and Surveys	1/7/2021	2/28/2022
4.0	Planning/ Design / Engineering / Environmental Documentation	9/1/2020	4/14/2023
5.0	Construction/ Implementation	4/15/2023	9/30/2024

EXHIBIT D
STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

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

D.2) ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: The Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Grant Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

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

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

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

take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of the Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the Grantee's activities. (Public Resources Code § 80012, subd. (b))

- D.6)** BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.
- D.7)** CALIFORNIA CONSERVATION CORPS: The Grantee 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 Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 10, "Default Provisions."
- D.9)** CHILD SUPPORT COMPLIANCE ACT: The Grantee acknowledges in accordance with Public Contract Code § 7110, that:
- a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code § 5200 et seq.; and
 - b) The Grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

- D.10) CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.11) COMPETITIVE BIDDING AND PROCUREMENTS:** The Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by the State under this 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 Grantee 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:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13) CONFLICT OF INTEREST:** All participants are subject to State and federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - d) **Employees and Consultants to the Grantee:** Individuals working on behalf of the Grantee may be required by California Department of Water Resources 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:** The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.15) DISPOSITION OF EQUIPMENT:** The Grantee shall provide to the State, not less than thirty (30) calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within sixty (60) calendar days of receipt of such inventory, the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.
- D.16) DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
 - b) Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i) The dangers of drug abuse in the workplace,
 - ii) The Grantee's policy of maintaining a drug-free workplace,
 - iii) Any available counseling, rehabilitation, and employee assistance programs, and
 - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - c) Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 - i) Will receive a copy of the Grantee's drug-free policy statement, and
 - ii) Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.
- D.17) EASEMENTS:** Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

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

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

- D.18) FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** Upon completion of the Project, the Grantee shall provide for a final inspection and certification by a California Registered Professional Civil Engineer, that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.
- D.19) GRANTEE'S RESPONSIBILITIES:** The Grantee and its representatives shall:
- a) Faithfully and expeditiously perform, or cause to be performed, all project work as described in Exhibit A, "Work Plan" and in accordance with Exhibit B, "Budget" and Exhibit C, "Schedule".
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
 - c) Comply with all applicable California, federal, and local laws and regulations.
 - d) Implement the Project in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.
 - f) Obtain any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall provide copies of permits and approvals to the State.
 - g) Be solely responsible for design, construction, and operation and maintenance of projects within the Work Plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Grant Agreement.
 - h) Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Grant Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.20) GOVERNING LAW:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21) INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement, shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.22) INDEMNIFICATION:** The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this

Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of this Project and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

- D.23) INDEPENDENT CAPACITY:** The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.24) INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- D.25) INSPECTIONS OF PROJECT BY STATE:** The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.
- D.26) LABOR CODE COMPLIANCE:** The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.27) MODIFICATION OF OVERALL WORK PLAN:** At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Grant Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Grant Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Grant Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.28) NONDISCRIMINATION:** During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, 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 or domestic partner status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its

contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

- D.29) OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.30) PERFORMANCE BOND:** Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee 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 Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.32) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.
- D.33) PROJECT ACCESS:** The Grantee shall ensure that the State, the Governor of the State, 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 Agreement.
- D.34) REMAINING BALANCE:** In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.35) REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36) RETENTION:** The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Grant Completion

Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project(s).

- D.37) RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.38) SEVERABILITY:** Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.39) SUSPENSION OF PAYMENTS:** This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- a) The Grantee, its contractors, or subcontractors have made a false certification, or
 - b) The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.40) SUCCESSORS AND ASSIGNS:** This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as the State may impose.
- D.41) TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.42) TERMINATION FOR CAUSE:** Subject to the right to cure under Paragraph 10, "Default Provisions," the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 10, "Default Provisions."
- D.43) TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on thirty (30) days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44) THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.45) TIMELINESS:** Time is of the essence in this Grant 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 State.

- D.47) UNION ORGANIZING:** The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:
- a) No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
 - b) The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
 - c) The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - d) If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.
- D.48) VENUE:** The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.49) WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
AUTHORIZING RESOLUTION ACCEPTING FUNDS

OFFICIAL
MINUTE ORDER
of the
SALTON SEA AUTHORITY
BOARD OF DIRECTORS MEETING
October 29, 2020

ITEM NO.: VI.C

APPROVED ACTION:

On *motion by Director Estrada* and *second by Director Perez*, the Board authorized Salton Sea Authority's GM/Executive Director to enter into a funding agreement with the California Department of Water Resources to receive a Proposition 68 Local Assistance grant in the approximate amount of \$19,250,000 to implement the SSMP project for a North Lake Pilot Demonstration Project on terms acceptable to the President of the Board and Authority Legal Counsel.

Approved by the following vote:

AYES: Cardenas, Hanks, Perez, Hewitt, Tortez♦, Plancarte♦, Estrada♦.
(♦ per SSA bylaws, carrying both votes for their agency in the absence of a second director from that agency)

NOES: None

ABSENT: Santillanes, Kelley, (2nd Director from CVWD not yet appointed)

Motion Passed: 10-0

I hereby attest that the foregoing is a true and correct copy of action taken by the Board of Directors of said Salton Sea Authority at a regular meeting thereof duly held and convened on the 29th day of October 2020, at which meeting a quorum of said Board was present and acting throughout.

Dated this 25th day of November 2020.



Linda Thill
Board Secretary
Salton Sea Authority

EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

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

QUARTERLY PROGRESS REPORTS

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

- Estimate of percent work complete.
- Milestones or deliverables completed during the reporting period.
- Discussion of work accomplished during the reporting period and submission of deliverables per Exhibit A.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Work anticipated for the next reporting period.
- Updated schedule or budget inclusive of any changes that have occurred.

GRANT COMPLETION REPORT

The Grant Completion Report 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 request.
- Description of actual work completed and any deviations from Exhibit A, "Work Plan". List any official amendments to this Grant Agreement, with a short description of the amendment.

Reports and/or Products

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

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

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

- As-built 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.
- Certification from a California Registered Professional Civil Engineer, consistent with Exhibit D, "Standard Conditions" that the project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post-Performance Report.

POST-PERFORMANCE MONITORING REPORT

The Post-Performance Report (PPR) should be concise and focus on how the Project is actually performing compared to its expected performance; whether the Project is being operated and maintained and providing intended benefits as proposed. The following information, at a minimum, shall be provided:

Reports and/or products

- Header including the following:
 - Grantee Name
 - Implementing Agency (if different from Grantee)
 - Grant Agreement Number
 - Project Name
 - Funding grant source (i.e., 2019 Proposition 1Grant)
 - Report number
- Post-Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- 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 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 STATEWIDE MONITORING AND DATA SUBMITTAL

Surface and Groundwater Quality Data

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

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

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

Groundwater Level Data

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

EXHIBIT H**STATE AUDIT DOCUMENT REQUIREMENTS GUIDELINES FOR GRANTEES****State Audit Document Requirements**

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

Internal Controls:

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

State Funding:

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

Contracts:

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

Invoices:

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

Cash Documents:

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

3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Grant Agreement.

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

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

EXHIBIT I

MONITORING AND MAINTENANCE PLAN COMPONENTS

Introduction

- Goals and objectives of project
- Site location and history
- Improvements implemented

Monitoring and Maintenance Plan

- Monitoring Metrics (ex: Plant establishment, bank erosion, hydraulic characteristics, habitat expansion)
- Maintenance Metrics (ex: irrigation, pest management, weed abatement, continuous invasive species removal until natives established)
- Special Environmental Considerations (ex: resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)
- Performance Measures, or success/failure criteria monitoring results measured against (ex: percent canopy cover after 1, 5, 10 years, water temperature decrease, site specific sediment scour or retention)
- Method of Reporting (ex: paper reports, online databases, public meetings)
- Frequency of Duration Monitoring and Reporting (daily, weekly, monthly, yearly)
- Frequency and Duration of Maintenance Activities
- Responsible Party (who is conducting monitoring and/or maintenance) Implementing responsibility (i.e., who is responsible for monitoring and maintenance)
- Adaptive Management Strategies (i.e., what happens when routine monitoring or maintenance encounters a problem)

Exhibit J PROJECT PRELIMINARY ALTERNATIVE LOCATIONS

