



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Andrew Garcia, Senior Civil Engineer

DATE: December 3, 2018

RE: Authorization to Execute Local Project Sponsor Agreement with Contra Costa Water District et al. – Proposition 1 Disadvantaged Community Involvement Grant Program

BACKGROUND

The California Legislature passed the Regional Water Management Planning Act (Wat. Code, § 10530 et seq.) in 2002. The Act governs Integrated Regional Water Management (**IRWM**) in California, an effort to identify and implement water management solutions on a regional scale. Self-identified regions implement water management solutions for their regions, with regional water managers, who are organized into regional water management groups (**RWMGs**) taking the lead. RWMGs develop and adopt IRWM plans for their regions.

The Westside-San Joaquin IRWM region spans the service areas for twenty-four of the Water Authority's twenty-eight member agencies.¹ The boundary for this region was established by the Authority in 2001 as part of the initial Westside-San Joaquin IRWM Plan (**IRWMP**).

IRWM plans provide the means to ensure the needs of disadvantaged communities (**DACs**) and their water supply and water quality issues are being met. A DAC is defined as a community, (e.g. a city, town, or county), that has an annual median household income that is less than 80 percent of the statewide annual median household income.

Since 2002, various bond acts approved by California voters have provided over \$1.5 billion in State funding to support and advance integrated, multi-benefit regional projects. The current Proposition 1 IRWM Implementation Grant Program (Round 1 and Round 2) will be the primary source of funds available to the Water Authority as the RWMG for the region. Proposition 1 authorized \$510 million in IRWM grant funds that were allocated to twelve hydrologic region-

¹ Member agencies Santa Clara Valley Water District, San Benito County Water District, Turner Island Water District, and Byron Bethany Irrigation District are located outside the Westside-San Joaquin IRWM region.

based Funding Areas. The Westside-San Joaquin IRWM region spans two separate Funding Areas: the San Joaquin River funding area and the Tulare Lake funding area.

DWR released the 2018 Proposition 1 – Round 1 IRWM Implementation Grant Draft Proposal Solicitation Package (**PSP**) and Draft 2018 Guidelines on October 5, 2018. This draft outlines the requirements for applications for grant funding, and is open for public review until Friday, December 14, 2018 at 5 p.m. At present, DWR anticipates releasing the Final PSP in early 2019. Applications will likely be accepted beginning in April 2019. Round 1 Grant Awards will be later in 2019. The grant solicitation process for Round 2 will begin in 2020.

The Disadvantaged Community Involvement Program (**DACIP**) will be a secondary source of funds. The San Joaquin River Funding Area completed its DACIP grant proposal in summer 2018 and Contra Costa Water District (**CCWD**) executed a grant agreement with DWR in November 2018 on behalf of the San Joaquin River Funding Area to secure \$3.1 million in funding for DAC planning activities and projects.

LOCAL PROJECT SPONSOR AGREEMENT

As referenced above, CCWD submitted a proposal for a Proposition 1 DACIP grant on behalf of “Local Project Sponsors” that are members of IRWM groups within the San Joaquin River Funding Area.

The Local Project Sponsor Agreement outlines CCWD’s role as the Grantee as well as the responsibilities of the participating agencies, which include: Madera Regional Water Management Group, Merced Irrigation District, San Joaquin County Flood Control and Water Conservation District, Stanislaus County, Regional Water Authority, the Environmental Justice Coalition for Water, and the San Luis & Delta-Mendota Water Authority (**Water Authority**).

The \$3.1 million in DACIP grant funding will be used throughout the grant period (through April 30, 2022). At the conclusion of the grant period, the Work Plan will be completed.

The Local Project Sponsor Agreement explains that the Local Project Sponsors will act on CCWD’s behalf to fulfill each party’s respective Local Project(s), as outlined in the Work Plan. The responsibilities given to the Local Project Sponsors will include “individual project management, oversight, compliance, and operations and maintenance” (Grant Agreement, Paragraph 5).

RECOMMENDATION

Staff recommend that the Water Authority Board authorize the Interim Executive Director to finalize and execute the Local Project Sponsor Agreement with Contra Costa Water District et al. relating to the Proposition 1 DACIP Grant.

ANALYSIS

Executing the Local Project Sponsor Agreement will confirm that SLDMWA is the Local Project Sponsor for three of the thirteen projects within the San Joaquin River Funding Area. These projects and the associated grant amount for each are: Project 1 – Grant Proposal and Administration Assistance (\$192,203); Project 2 – DAC Needs Assessment (\$107,337); and Project 11 – Support for DAC Involvement in Westside-San Joaquin IRWM Planning (\$132,084).

The Local Project Sponsor Agreement will also confirm that CCWD, as the grantee, will administer the Grant Agreement and grant funding while the Water Authority will manage the Woodard & Curran contract for grant administration and the development of the DACIP Needs Assessment for the San Joaquin River Funding Area. The 2018 IRWM Plan update will be completed in December and brought to the Board in January for approval. When the update is finalized, the Water Authority and the WSJ IRWM region stakeholders will be eligible for grant funding from the DACIP grant and the 2018 IRWM Implementation grant.

The Grant Agreement outlines the involvement of each Local Project Sponsor based on their respective Local Project(s) and the associated budget. Exhibit A of the Grant Agreement provides a detailed Work Plan of the Local Projects to be covered by the Proposition 1 IRWM Disadvantaged Community Involvement (**DACI**) Grant Program.

The Local Project Sponsor Agreement requires all Local Project Sponsors to comply with the terms and conditions of the Grant Agreement and to act on behalf of CCWD to fulfill CCWD's responsibilities as the Grantee. In addition, the Local Project Sponsor Agreement outlines specific record-keeping and reporting requirements for all Local Project Sponsors and describes the methods of payment outlined within the Grant Agreement (reimbursement and advanced payment).

BUDGET IMPACT

Once the Local Project Sponsor Agreement is executed, the Water Authority will be entitled to reimbursement of \$64,000 for costs associated with the WSJ 2018 IRWM Plan update. Approximately sixty to eighty (60-80) hours of Water Authority Senior Civil Engineer labor hours are expected to be allocated to this effort. This staff time will be tracked and is reimbursable under the second phase of the DACI Grant Program.

EXHIBITS

1. Draft Local Project Sponsor Agreement by and between Contra Costa Water District, Madera Regional Water Management Group, Merced Irrigation District, San Joaquin County, San Luis & Delta-Mendota Water Authority, Stanislaus County, Regional Water Authority, and the Environmental Justice Coalition for Water – Proposition 1 Disadvantaged Community Involvement Grant Program

LOCAL PROJECT SPONSOR AGREEMENT
by and between
CONTRA COSTA WATER DISTRICT, MADERA REGIONAL WATER MANAGEMENT GROUP,
MERCED IRRIGATION DISTRICT, SAN JOAQUIN COUNTY,
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, STANISLAUS COUNTY,
REGIONAL WATER AUTHORITY, AND THE ENVIRONMENTAL JUSTICE COALITION FOR WATER
Proposition 1 Disadvantaged Community Involvement Grant Program

Through this Local Project Sponsor Agreement by and between Contra Costa Water District (CCWD), a California special district, Madera Regional Water Management Group (Madera RWMG), a proponent of a project benefitting a disadvantaged community, Merced Irrigation District (Merced ID), a California special district, San Joaquin County Flood Control and Water Conservation District, a political agency in the County of San Joaquin, State of California, San Luis & Delta-Mendota Water Authority (SLDMWA), a joint exercise of powers authority, Stanislaus County, a California municipal corporation, Regional Water Authority, a joint exercise of powers authority, and The Environmental Justice Coalition For Water (EJCW), a non-profit organization in the State of California, collectively referred to as "Local Project Sponsors" or "parties," the parties hereby agree as follows:

Recitals:

- A. WHEREAS, on behalf of the Local Project Sponsors, who are member agencies of various Integrated Regional Water Management (IRWM) groups in the San Joaquin River Funding Area, CCWD submitted a proposal for a Proposition 1 IRWM grant from the State of California, Department of Water Resources (DWR), to help ensure the involvement of disadvantaged communities, economically distressed areas (EDAs), and underrepresented communities (URCs), collectively referred to as "DACs," in IRWM planning efforts; and
- B. WHEREAS, on **November XX**, 2018, DWR and CCWD entered into Agreement No. 4600012737 (Grant Agreement) awarding to CCWD a grant for Three Million One Hundred Thousand Dollars (\$3,100,000) in State funding (State Grant) for the Proposition 1 Disadvantaged Community Involvement Grant Program to be expended over the grant period that extends from **November XX**, 2018 until April 30, 2022 when the Work Plan will be completed and which is attached hereto and incorporated herein as Attachment A to this Local Project Sponsor Agreement; and
- C. WHEREAS, in accordance with Paragraph 5 Local Project Sponsor's Responsibility of the Grant Agreement, CCWD shall assign Local Project Sponsors to act on behalf of CCWD for the purposes of individual project management, oversight, compliance, and operations and maintenance for the purpose of implementing their respective component parts of the Work Plan (generically referred to as "Local Projects") included in the Grant Agreement; and
- D. WHEREAS, the Grant Agreement contains a Work Plan, Budget, and Schedule describing the responsibilities of each Local Project Sponsor and commitments thereof; and
- E. WHEREAS, CCWD will provide necessary financial and administration services associated with implementing the Grant Agreement and this Local Project Sponsor Agreement,

including, but not limited to: negotiation and execution of the Grant Agreement and the Local Project Sponsor Agreement, coordination and submittal of quarterly invoices and reports to DWR, coordination and submittal of a funding plan and accountability reports, as necessary, for advanced funding, coordination and submittal of a grant completion report, organization and performance of annual check-ins with Local Project Sponsors, coordination and submittal of Grant Agreement amendments as necessary, and general coordination with DWR and Local Project Sponsors throughout the term of the Grant Agreement; and

- F. WHEREAS, the process by which Local Project Sponsors will submit reimbursement requests to CCWD, and how CCWD will disburse the State Grant to Local Project Sponsors will be governed by this Local Project Sponsor Agreement; and
- G. WHEREAS, this Local Project Sponsor Agreement is intended to protect CCWD from liability for executing the Grant Agreement on behalf of the Local Project Sponsors.

NOW, THEREFORE, based on the foregoing recitals, it is hereby agreed between the parties as follows:

AGREEMENT

The recitals set forth above constitute an integral part of this Agreement and are incorporated by this reference as if fully set forth herein.

1. Term of Agreement

This Local Project Sponsor Agreement shall commence and be effective, as between CCWD and a Local Project Sponsor, upon the date of its execution by both CCWD and that Local Project Sponsor. This Agreement will remain in effect so long as the Grant Agreement between CCWD and DWR is in effect, or until terminated by CCWD or the Local Project Sponsor pursuant to the terms of this Local Project Sponsor Agreement, or until the Grant Agreement is terminated by DWR or CCWD pursuant to the terms of the Grant Agreement.

Each Local Project Sponsor shall separately execute this Local Sponsor Agreement which shall at that time become effective as between that Local Agency Sponsor, CCWD, and any and all earlier executing Local Agency Sponsors.

2. State Grant Share and Matching Funds

CCWD will disburse up to Three Million One Hundred Thousand Dollars (\$3,100,000) of the State Grant in accordance with the amounts listed in Exhibit B Budget of the Grant Agreement. To be eligible to receive State Grant funds, Local Project Sponsors will implement the Local Projects as described in Exhibit A Work Plan of the Grant Agreement.

There are no matching funds required by the Grant Agreement; however, if modifications to the Grant Agreement occur such that matching funds are required, Local Project Sponsors will provide and document the matching funds in accordance with the Grant Agreement.

Pursuant to DWR requirements as described more fully in Attachment A to this Agreement, Local Project Sponsors may invoice CCWD for grant share reimbursement for eligible costs incurred after the January 22, 2016 in their first invoice. Subsequent invoices will include costs incurred by Local Project Sponsors during the reporting quarter. If total Local Project costs exceed that provided by the State Grant, any additional funding match necessary to complete the Local Project will be documented by Local Project Sponsor in the Final Project Report (described in Paragraph 5 Reporting).

3. Obligations of Local Project Sponsors

Local Project Sponsors are, and at all times will continue to be, in full compliance with the terms and conditions of the Grant Agreement that are applicable to them as a sub-recipient of the State Grant. In accordance with the Grant Agreement, Local Project Sponsors shall act on behalf of CCWD in the fulfillment of CCWD's responsibilities specified in the Grant Agreement. Local Project Sponsors understand and agree that for purposes of the foregoing, any requirements and responsibilities imposed upon CCWD as Grantee under the Grant Agreement are hereby passed-through to, and adopted by Local Project Sponsors, as obligations of the Local Project Sponsors, excepting only CCWD's obligations as defined in Paragraph 4 of this Local Project Sponsor Agreement. Further, the Local Project Sponsors acknowledge and agree to comply with any requirements directly imposed on the Local Project Sponsors under the Grant Agreement.

Local Project Sponsors must maintain all financial records associated with the total project cost of their respective Local Projects for inclusion in the Final Project Report.

Local Project Sponsors shall not cause CCWD to be in violation of the Grant Agreement, whether by act or omission.

Local Project Sponsors shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, now existing and as such may change from time-to-time. Any such laws, rules, regulations, ordinances, and directives required thereby to be included in the Grant Agreement or this Local Project Sponsor Agreement are incorporated herein by reference.

4. Obligations of Contra Costa Water District

CCWD shall disburse State Grant funds as required or permitted by the Grant Agreement. Notwithstanding the foregoing, CCWD is not obligated to disburse any State Grant funds to Local Project Sponsors and is not obligated to disburse any other funds until such are authorized and disbursed from DWR to CCWD in accordance with the Grant Agreement requirements.

CCWD will promptly notify Local Project Sponsors of any notices given or actions taken by DWR if such notices or actions are likely to affect the Local Project Sponsors' performance, duties, obligations or funding under this Local Project Sponsor Agreement, including but not limited to notices from DWR regarding Local Project Sponsor invoices under Paragraph 9 of the Grant Agreement or alleged default by the Local Project Sponsor under Paragraph 12 of the Grant Agreement.

Commencing with DWR's award of the State Grant on July 30, 2018 and continuing until termination of the Grant Agreement, CCWD will undertake and complete all administrative and management responsibilities under the Grant Agreement that are not related solely to Local Projects. CCWD has incurred, and will continue to incur, costs for administrative and management responsibilities under the Grant Agreement that are not related solely to Local Projects. At the time of original execution of the Grant Agreement, the State Grant allocates One Hundred Eighty Thousand Six Hundred Fifty Nine Dollars (\$180,659) for Grant Agreement and Local Project Sponsor Agreement administration by CCWD in accordance with the requirements of the Grant Agreement. At any time during the Grant Agreement term, if CCWD determines that assigned funds are insufficient to cover direct expenses incurred by CCWD in administration of the Grant Agreement, CCWD will prepare an estimate of additional costs and submit to the Local Project Sponsors for review. Up to \$51,841 in additional State funds (for a total of \$232,500 or 7.5% of total Grant Agreement funds) from the Grant Agreement budget shall be made available to CCWD to cover administrative costs, subject to justification and provision of supporting documentation.

5. Reporting

In accordance with the terms of the Grant Agreement, CCWD is obligated to submit reports to DWR throughout the term of the Grant Agreement. As such, Local Project Sponsors will provide CCWD with the required data for the Local Project(s) for which each Local Project Sponsor is responsible in accordance with the reporting and submittal requirements described in this section. Notwithstanding the reporting schedule described in this section, CCWD may, at any time, request any additional information from Local Project Sponsors pursuant to any Grant Agreement modification or that may be deemed necessary by CCWD in its sole discretion to provide adequate and sufficient documentation of Local Project status for the purposes of meeting the reporting requirements in the Grant Agreement.

All documentation and reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. Reports shall be presented in the formats described in the applicable portion of Exhibit G of the Grant Agreement.

- a) Quarterly Progress Reports: On a quarterly basis, CCWD will prepare a Progress Report and submit it to DWR in accordance with the terms of the Grant Agreement. On a quarterly schedule established by CCWD, Local Project Sponsors will provide CCWD with the required documentation for their respective Local Projects in electronic format using a Progress Report template developed by CCWD. Progress Reports shall provide a brief description of the work performed during the reporting period, including: Local Project Sponsor activities, estimate of percent of work complete, milestones achieved, accomplishments, concerns or problems encountered, work anticipated for the next reporting period, and updated schedule or budget inclusive of any changes that have occurred.

Quarterly Progress Reports will be submitted according to the following process:

- i. CCWD will request quarterly Progress Report documentation from Local Project Sponsors, who will submit their documentation electronically to CCWD by the fifteenth day (15th) of the calendar month following the end of each quarter.

- ii. By the twenty-fifth (25th) day of the same calendar month, CCWD will prepare and distribute a draft quarterly Progress Report to the Local Project Sponsors for review, which shall include a detail of CCWD's work performed for the quarter.
 - iii. Local Project Sponsors will provide written corrections to CCWD within five (5) business days of receipt of CCWD's draft quarterly Progress Report.
 - iv. Within three (3) business days of receipt of timely corrections or approval from Local Project Sponsors, CCWD will incorporate any corrections and submit the final quarterly Progress Report to DWR pursuant to its obligations under the Grant Agreement.
- b) **Accountability Report (for Advanced Funding):** If Local Project Sponsors request Advanced Funding through the procedures described in Paragraph 6 of this Local Project Sponsor Agreement and in Paragraph 9.b of the Grant Agreement, Local Project Sponsors must prepare and submit, on a quarterly basis, an Accountability Report that includes the following information:
- i. Includes an itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B Budget of the Grant Agreement.
 - ii. Includes a funding plan that shows how the remaining advanced funds will be spent.
 - iii. Documents that the advanced funds were spent on eligible reimbursable costs.
- c) **Final Report:** Pursuant to the Grant Agreement, CCWD will submit a Final Report within ninety (90) days of completion of Local Projects in the Grant Agreement. The Final Report must include a Local Project Sponsor summary; description of involvement activities and the projects developed from those activities; discussion of findings from the needs assessment, identification of ongoing barriers, and recommendations for future activities; and a list of references. Local Project Sponsors will provide CCWD with the necessary project documentation for their respective Local Projects and will review drafts of the Final Report as requested by CCWD.
- d) **Post-Performance Reports:** The Grant Agreement describes the requirements for submittal of Post-Performance Reports. However, it is not anticipated that post-performance reports will be a requirement of this program. If Post-Performance Reports are required, Local Project Sponsors will prepare Post-Performance Reports for their respective Local Projects in accordance with the requirements of the Grant Agreement.

Failure of an individual Local Project Sponsors to meet these reporting deadlines constitutes a breach of this Local Project Sponsor Agreement and may cause noncompliance with the requirements of the Grant Agreement. Each Local Project Sponsor will continue to report its activities throughout the State Grant period until the project is completed.

6. Method of Payment

Pursuant to the Grant Agreement, there are two methods of payment available to CCWD, and thereby to Local Project Sponsors, including (a) reimbursement and (b) advanced payment. Both

methods require that Local Project Sponsors submit only costs that are eligible project costs as specified in the Grant Agreement. DWR may withhold a percentage of payment on each quarterly invoice ("retention") of up to 5% of the invoice amount. If a percentage of grant funds is withheld by DWR for any Local Project in the Grant Agreement, CCWD may withhold the same percentage from payment on Local Project Sponsors' invoices.

- a) Reimbursement – Reimbursement is the typical payment method for state grants and involves invoicing and repayment of project costs in arrears. Reimbursement will be the default payment method for State Grant funds, unless Local Project Sponsors are eligible for and elect for Advanced Payment.

Under the Reimbursement method of payment, CCWD will solicit invoices for eligible project costs at the same frequency and timing as the quarterly Progress Reports described in Paragraph 5 of this Local Project Sponsor Agreement. CCWD will solicit invoices no more than quarterly. Along with any and all invoices submitted to CCWD, Local Project Sponsors must also submit backup documentation that sufficiently supports claimed costs. If invoice and sufficient backup documentation is not received by CCWD from the Local Project Sponsor by the timing specified in Paragraph 5, the individual Local Project Sponsor invoice(s) will not be included in the submittal to DWR and payment of the Local Project Sponsor costs will be delayed until a future quarter. CCWD will remit payment of Local Project Sponsors' invoice(s) within thirty (30) business days of receipt of State Grant funds from DWR.

Invoices submitted to CCWD, and thereafter by CCWD to DWR, for Reimbursement shall include the information specified in Paragraph 9 Method of Payment in the Grant Agreement.

- b) Advanced Payment – Advanced Payment method provides financial flexibility to Local Project Sponsors that opt to have access to State Grant funding prior to or immediately following incurrence of project costs. Water Code §10551 authorizes advanced payment by State for projects that are sponsored by a nonprofit organization, a DAC, or the Local Project Sponsor of a project that benefits a DAC. If Local Projects are awarded less than \$1,000,000 in grant funds, the Local Project Sponsors may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears.

i. Advanced Funding Request to DWR

Within fifteen (15) calendar days after execution of the Grant Agreement, CCWD will notify Local Project Sponsors of their eligibility to receive Advanced Payment funding.

Within fifteen (15) calendar days after the above notice is provided by CCWD, Local Project Sponsors must elect whether or not to participate in the Advanced Payment option. Local Project Sponsors that request the Advanced Payment option shall submit with its request the following information:

1. A Funding Plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution. (i.e., for what, how much, and when)

2. A discussion of the Local Project Sponsor's financial capacity to complete the project once the advanced funds have been expended.

Within ninety (90) calendar days after execution of the Grant Agreement, CCWD may submit to DWR an Advanced Payment Request in accordance with the requirements of the Grant Agreement. The Advanced Payment Request will include the Local Project Sponsors' requests and Funding Plans. The Advanced Payment Request will also include an Advanced Payment invoice, prepared by CCWD with input from Local Project Sponsors and in accordance with the requirements in the Grant Agreement, containing the funding request for each qualified Local Project. In accordance with the Grant Agreement, DWR will authorize payment of the advanced funds to CCWD within sixty (60) calendar days of receiving the Advanced Payment invoice.

ii. Local Project Sponsor Advanced Funding Requests to CCWD

Advanced Funding is available to Local Project Sponsors for eligible work consistent with the Grant Agreement. CCWD will accept requests for Advanced Funding from Local Project Sponsors on a quarterly basis. Local Project Sponsors may request Advanced Funding for eligible project costs at the same frequency and timing as the quarterly Progress Reports described in Paragraph 5 of this Local Project Sponsor Agreement. A request for Advanced Funding from a Local Project Sponsor to CCWD must include:

1. A copy of the quarter's Accountability Report prepared by the Local Project Sponsor.
2. A written description of the tasks or subtasks in Exhibit A of the Grant Agreement for which the Advanced Funding will pay.
3. A schedule and supporting description of the timeline for completion of the work for which the Advanced Funding will pay.
4. If costs for which Advanced Funding is requested have already been incurred, copies of all invoices and services agreements that support project costs.

iii. Payment of Advanced Funding to Local Project Sponsors

In accordance with the Grant Agreement, CCWD is responsible for the timely distribution of Advanced Funding to individual Local Project Sponsors. CCWD will not distribute Advanced Payment funding to individual Local Project Sponsors that are not party to a Local Project Sponsor Agreement.

CCWD will remit payment of Local Project Sponsors' invoice(s) within thirty (30) calendar days of submittal of the final quarterly Progress Report to DWR as described in Paragraph 5 of this agreement. If there is a delay by CCWD in payment of the requested Advanced Funding to Local Project Sponsors, CCWD will communicate the delay to Local Project Sponsors.

Once CCWD and Local Projects Sponsors have expended all advanced funds, then the method of payment will revert to the Reimbursement process specified in Paragraph 6.a) of this Local Project Sponsor Agreement and relevant sections of the Grant Agreement. Local Project Sponsor(s) must utilize all Advanced Funding and provide to CCWD supporting documentation of the disbursement of Advanced Funding, or repay any portion of the advanced funds as may be appropriate, before CCWD will remit any

further grant funding allocated to the Local Project Sponsor(s) under the Grant Agreement.

iv. Additional Reporting for Advanced Funding

On a quarterly basis, to coincide with submittal of quarterly Progress Reports described in Paragraph 5 of this Local Project Sponsor Agreement, Local Project Sponsors will submit to CCWD, and thereafter CCWD will submit to DWR, an Accountability Report prepared in accordance with the reporting requirements of the Grant Agreement and Paragraph 5.b) of this Local Project Sponsor Agreement. For their respective Local Projects, Local Project Sponsors shall provide CCWD with sufficient documentation and data to meet the reporting requirements of the Accountability Report. If CCWD or DWR finds that any portion or portions of the expenditures claimed in the Accountability Report are not eligible costs or consistent with the tasks in Exhibit A of the Grant Agreement, CCWD or DWR will reject the claim and remove the proposed project costs from the Accountability Report.

If Advanced Funding is disbursed by CCWD to a Local Project Sponsor prior to costs being incurred, upon completion of the work and incurrence of project costs for which Advanced Funding was used, Local Project Sponsors shall provide CCWD with invoices, services agreements, and/or other supporting documentation that supports incurred costs. CCWD will review documentation provided by Local Project Sponsors to confirm that work performed is consistent with the Local Project Sponsor's Accountability Report and Advanced Funding request, and CCWD will include the documentation in a quarterly report to DWR.

v. Conditions for Repayment of Advances

The Grant Agreement contains provisions and requirements for repayment of advances that apply to CCWD and therefore to Local Project Sponsors, in accordance with the relationship and responsibilities developed by and between CCWD and Local Project Sponsors by execution of this Local Project Sponsor Agreement. If the State demands repayment of all or any portion of the Advanced Funding pursuant to the conditions described in Paragraph 10 of the Grant Agreement, Local Project Sponsors, inclusive of CCWD, will be responsible for repayment of the specified Advanced Funding amounts to the State for the Advanced Funds, along with interest, that have been disbursed to the Local Project Sponsor.

If conditions arise that result in termination of this Local Project Sponsor Agreement pursuant to Paragraph 18 of this agreement, or if an individual Local Project Sponsor terminates its participation in this agreement pursuant to the same paragraph, all Advanced Funding previously paid by CCWD to the Local Project Sponsor(s), irrespective of work completed, must be returned to CCWD in a single payment within three (3) months of the termination activity.

Notwithstanding anything to the contrary in this Agreement, each Local Project Sponsor shall defend, indemnify and hold harmless CCWD, its members, elected and appointed officers, employees, and agents from any and all liability, actions, claims, costs, and expenses, including attorneys' fees, related to that Local Project Sponsor's failure to comply with any repayment request or requirement imposed by DWR. In the event that

the multiple Local Agency Sponsors fail to comply with any repayment request or requirement imposed by DWR, CCWD may, in its sole discretion, seek to enforce this provision against each noncompliant party in full or on a pro rata basis. If enforced against a single party, that party may pursuant to this Agreement seek pro rata reimbursement from any additional noncompliant party or parties.

7. Third Party Beneficiaries

If more than one Local Project Sponsor Agreement is executed between CCWD and responsible agencies identified in the Grant Agreement, Local Project Sponsors acknowledge and affirm that every other responsible agency specified in the Grant Agreement is a third party beneficiary of this Local Project Sponsor Agreement and that Local Project Sponsors of this agreement are third party beneficiaries of every other Local Project Sponsor Agreement executed for the purposes of implementing the Grant Agreement.

8. Communication

All notices or notifications under this Local Project Sponsor Agreement shall be in writing addressed to the persons set forth in this section.

All notices or notifications to CCWD shall be sent to:

Maggie Dutton
Contra Costa Water District
P.O. Box H20
Concord, CA 94524
Email: mdutton@ccwater.com

All notices or notifications to Madera Regional Water Management Group shall be sent to:

Jeannie Habben
Madera Regional Water Management Group
P.O. Box 1061
Coarsegold, CA 93614
Email: cfwatershed@gmail.com

All notices or notifications to Merced ID shall be sent to:

Hicham Eltal
Merced Irrigation District
744 W 20th St
Merced, CA 95340
Email: heltal@mercedid.org

All notices or notifications to San Joaquin County Flood Control and Water Conservation District shall be sent to:

Brandon Nakagawa
San Joaquin County
P.O. Box 1810
Stockton, CA 95201-3018
Email: bnakagawa@sjgov.org

All notices or notifications to SLDMWA shall be sent to:

Andrew Garcia
San Luis & Delta Mendota Water Authority
P.O. Box 2157
Los Banos, CA 93635
Email: andrew.garcia@sldmwa.org

All notices or notifications to Stanislaus County shall be sent to:

Dhyan Gilton
Stanislaus County
1010 Tenth Street, Suite 4200
Modesto, CA 95354
Email: giltond@stancounty.com

All notices or notifications to Regional Water Authority shall be sent to:

Rob Swartz
Regional Water Authority
5620 Birdcage St #180
Citrus Heights, CA 95610
Email: rswartz@rwah2o.org

All notices or notifications to EJCW shall be sent to:

Colin Bailey
Environmental Justice Coalition for Water
PO Box 188911
Sacramento, CA 95818-8911
Email: colin@ejcw.org

9. Flow Through of Specific Grant Requirements

Participants will comply with all applicable provisions of the Local Project Sponsor Agreement and Grant Agreement.

10. Inspection of Records

Pursuant to the Grant Agreement, DWR is entitled to inspect and make copies of any records pertaining to the program and Local Project Sponsors are required to make available for such inspection accurate records of all costs, disbursements, and documentation as necessary to comply with the requirements of the Grant Agreement. Local Project Sponsors hereby expressly agree to comply with these requirements.

11. Indemnification

CCWD shall defend, indemnify, and hold Local Project Sponsors and their respective members, elected and appointed officers, employees, and agents harmless from any and all liability, actions, claims, costs, and expenses, including attorneys' fees, caused by the willful misconduct or sole

negligence of CCWD, its officers, directors, agents, or employees in CCWD's performance under this Local Project Sponsor Agreement, except to the extent caused by the negligent acts, errors, or omissions of Local Project Sponsors, their officers, agents, or employees.

A Local Project Sponsor shall defend, indemnify, hold CCWD and other Local Project Sponsors and their respective members, elected and appointed officers, employees, and agents harmless from any and all liability, actions, claims, costs, and expenses, including attorneys' fees, caused by the willful misconduct or the negligent acts, errors, or omissions of that specific Local Project Sponsor, their officers, directors, agents, or employees in that specific Local Project Sponsors' performance under this Local Project Sponsor Agreement, except to the extent caused by the sole negligence or willful misconduct of CCWD, its officers, agents, or employees.

12. Breach

Non-compliance by any Local Project Sponsors with any applicable provision of this Local Project Sponsor Agreement or the Grant Agreement, including but not limited to Section 12 Default Provisions, shall constitute a breach of this Local Project Sponsor Agreement. The waiver by either party of a breach of any provision of this Local Project Sponsor Agreement by the other, or by the State with regard to the Grant Agreement shall not operate or be construed as a waiver of any subsequent breach.

13. Dispute Resolution

The parties to this Local Project Sponsor Agreement shall meet promptly to address any dispute that may arise and make a good faith effort to negotiate a resolution. The use by any party of any remedy specified herein for the enforcement of this Local Project Sponsor Agreement is not exclusive and shall not deprive any party of, or limit the application of, any other remedy provided by law.

14. Governing Law

This Local Project Sponsor Agreement, its construction, and all work performed under it shall be governed by the laws of the State of California. Venue shall be proper only in the Superior Court of Contra Costa County.

15. Severability

If any provision of this Local Project Sponsor Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Local Project Sponsor Agreement shall remain valid and in force and be construed in such a manner so as to affect the original intent of the parties to the maximum extent possible.

16. Amendment

This Local Project Sponsor Agreement may be changed only by a written amendment duly signed all parties to this Local Project Sponsor Agreement.

Any amendment to the Grant Agreement made pursuant to the Standard Condition D.4 of the Grant Agreement, including amendment to the terms, requirements, work plan, budget, schedule,

or exhibits of the Grant Agreement, will thereafter apply in full to this Local Project Sponsor Agreement. If an amendment to the Grant Agreement conflicts with the content of this Local Project Sponsor Agreement, the Local Project Sponsor Agreement shall be amended to remedy such conflicts.

17. Entire Agreement

This Local Project Sponsor Agreement, together with the attachments hereto, is the complete and exclusive statement of understanding between the parties, and supersedes any and all previous understandings or agreements, whether written or oral, and all communications between the parties relating to the subject matter of this Local Project Sponsor Agreement.

18. Termination

A Local Project Sponsor may, at any time and without cause, terminate its individual participation in this Local Project Sponsor Agreement by providing written notice to CCWD of its termination. Notwithstanding any other provision of this Local Project Sponsor Agreement, if an individual Local Project Sponsor terminates its participation in this Local Project Sponsor Agreement, it shall not under any circumstances be responsible or liable for disrupting or discontinuing the disbursement of the State Grant funds allocated to other agencies as described in the Grant Agreement.

Upon the effectiveness of a Local Project Sponsor's termination of its participation in this Local Project Sponsor Agreement, that Local Project Sponsor's remaining allocation of the grant funds, if any, will be redistributed to the remaining parties in accordance with this Local Project Sponsor Agreement and the Grant Agreement. Any Local Project Sponsor terminating its participation in this Local Project Sponsor Agreement must continue to comply with the reporting obligations to CCWD, as described in Paragraph 5 of this Local Project Sponsor Agreement and in the Grant Agreement.

This Local Project Sponsor Agreement will remain in full force and effect as to the Local Project Sponsors that do not terminate their participation in the Local Project Sponsor Agreement.

The provisions of Paragraph 9 in this Local Project Sponsor Agreement shall survive termination of this Local Project Sponsor Agreement and shall remain in force through the later of the termination date of the Grant Agreement or when grant closeout activities are completed.

19. Successors and Assigns

This Local Project Sponsor Agreement and all of its provisions shall apply to and bind the successors and assigns of each and every party to this Local Project Sponsor Agreement. Local Project Sponsors shall not assign their rights or delegate their duties under this Local Project Sponsor Agreement. Any attempted assignment or delegation shall be null and void, and constitute a material breach of this Local Project Sponsor Agreement.

20. Priority of Documents

The provisions of the Grant Agreement shall prevail over provisions of this Local Project Sponsor Agreement.

21. Counterpart Signatures

This Local Project Sponsor Agreement may be executed in counterparts each of which shall be deemed to be an original but all of which taken together shall constitute one and the same Local Project Sponsor Agreement.

IN WITNESS THEREOF, this Local Project Sponsor Agreement has been executed by the parties hereto:

DRAFT

CONTRA COSTA WATER DISTRICT

By: Jeff Quimby, Director of Planning

Dated: _____

DRAFT

**MADERA REGIONAL WATER MANAGEMENT
GROUP**

By: Tom Wheeler, County Supervisor,
Madera RWMG Chairperson

Dated: _____

DRAFT

MERCED IRRIGATION DISTRICT

By: Hicham Eltal, Deputy General
Manager

Dated: _____

DRAFT

**SAN JOAQUIN COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By: ROBERT V. ELLIOTT, Chair, Board of
Supervisors of the County of San Joaquin,
State of California

Dated: _____

ATTEST

By: MIMI DUZENSKI, Clerk, Board of
Supervisors of the County of San Joaquin,
State of California

Dated: _____

RECOMMENDED FOR APPROVAL

By: KRIS BALAJI, PMP, P. E., Director of
Public Works

Dated: _____

APPROVED AS TO FORM

By: LAWRENCE P. MEYERS, Deputy County
Counsel

Dated: _____

**SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY**

By: Frances Mizuno, Interim Executive
Director

Dated: _____

DRAFT

STANISLAUS

COUNTY

By: David A. Leamon, Public Works
Director

Dated: _____

DRAFT

REGIONAL WATER AUTHORITY

By: John Woodling, Executive Director

Dated: _____

DRAFT

THE ENVIRONMENTAL JUSTICE
COALITION FOR WATER

By: Colin Bailey, Executive Director

Dated: _____

DRAFT

**Attachment A
DWR Grant Agreement**

DRAFT

LOCAL PROJECT SPONSOR AGREEMENT
by and between
CONTRA COSTA WATER DISTRICT, MADERA REGIONAL WATER MANAGEMENT GROUP,
MERCED IRRIGATION DISTRICT, SAN JOAQUIN COUNTY,
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, STANISLAUS COUNTY,
REGIONAL WATER AUTHORITY, AND THE ENVIRONMENTAL JUSTICE COALITION FOR WATER
Proposition 1 Disadvantaged Community Involvement Grant Program

Through this Local Project Sponsor Agreement by and between Contra Costa Water District (CCWD), a California special district, Madera Regional Water Management Group (Madera RWMG), a proponent of a project benefitting a disadvantaged community, Merced Irrigation District (Merced ID), a California special district, San Joaquin County Flood Control and Water Conservation District, a political agency in the County of San Joaquin, State of California, San Luis & Delta-Mendota Water Authority (SLDMWA), a joint exercise of powers authority, Stanislaus County, a California municipal corporation, Regional Water Authority, a joint exercise of powers authority, and The Environmental Justice Coalition For Water (EJCW), a non-profit organization in the State of California, collectively referred to as "Local Project Sponsors" or "parties," the parties hereby agree as follows:

Recitals:

- A. WHEREAS, on behalf of the Local Project Sponsors, who are member agencies of various Integrated Regional Water Management (IRWM) groups in the San Joaquin River Funding Area, CCWD submitted a proposal for a Proposition 1 IRWM grant from the State of California, Department of Water Resources (DWR), to help ensure the involvement of disadvantaged communities, economically distressed areas (EDAs), and underrepresented communities (URCs), collectively referred to as "DACs," in IRWM planning efforts; and
- B. WHEREAS, on **November XX**, 2018, DWR and CCWD entered into Agreement No. 4600012737 (Grant Agreement) awarding to CCWD a grant for Three Million One Hundred Thousand Dollars (\$3,100,000) in State funding (State Grant) for the Proposition 1 Disadvantaged Community Involvement Grant Program to be expended over the grant period that extends from **November XX**, 2018 until April 30, 2022 when the Work Plan will be completed and which is attached hereto and incorporated herein as Attachment A to this Local Project Sponsor Agreement; and
- C. WHEREAS, in accordance with Paragraph 5 Local Project Sponsor's Responsibility of the Grant Agreement, CCWD shall assign Local Project Sponsors to act on behalf of CCWD for the purposes of individual project management, oversight, compliance, and operations and maintenance for the purpose of implementing their respective component parts of the Work Plan (generically referred to as "Local Projects") included in the Grant Agreement; and
- D. WHEREAS, the Grant Agreement contains a Work Plan, Budget, and Schedule describing the responsibilities of each Local Project Sponsor and commitments thereof; and
- E. WHEREAS, CCWD will provide necessary financial and administration services associated with implementing the Grant Agreement and this Local Project Sponsor Agreement,

including, but not limited to: negotiation and execution of the Grant Agreement and the Local Project Sponsor Agreement, coordination and submittal of quarterly invoices and reports to DWR, coordination and submittal of a funding plan and accountability reports, as necessary, for advanced funding, coordination and submittal of a grant completion report, organization and performance of annual check-ins with Local Project Sponsors, coordination and submittal of Grant Agreement amendments as necessary, and general coordination with DWR and Local Project Sponsors throughout the term of the Grant Agreement; and

- F. WHEREAS, the process by which Local Project Sponsors will submit reimbursement requests to CCWD, and how CCWD will disburse the State Grant to Local Project Sponsors will be governed by this Local Project Sponsor Agreement; and
- G. WHEREAS, this Local Project Sponsor Agreement is intended to protect CCWD from liability for executing the Grant Agreement on behalf of the Local Project Sponsors.

NOW, THEREFORE, based on the foregoing recitals, it is hereby agreed between the parties as follows:

AGREEMENT

The recitals set forth above constitute an integral part of this Agreement and are incorporated by this reference as if fully set forth herein.

1. Term of Agreement

This Local Project Sponsor Agreement shall commence and be effective, as between CCWD and a Local Project Sponsor, upon the date of its execution by both CCWD and that Local Project Sponsor. This Agreement will remain in effect so long as the Grant Agreement between CCWD and DWR is in effect, or until terminated by CCWD or the Local Project Sponsor pursuant to the terms of this Local Project Sponsor Agreement, or until the Grant Agreement is terminated by DWR or CCWD pursuant to the terms of the Grant Agreement.

Each Local Project Sponsor shall separately execute this Local Sponsor Agreement which shall at that time become effective as between that Local Agency Sponsor, CCWD, and any and all earlier executing Local Agency Sponsors.

2. State Grant Share and Matching Funds

CCWD will disburse up to Three Million One Hundred Thousand Dollars (\$3,100,000) of the State Grant in accordance with the amounts listed in Exhibit B Budget of the Grant Agreement. To be eligible to receive State Grant funds, Local Project Sponsors will implement the Local Projects as described in Exhibit A Work Plan of the Grant Agreement.

There are no matching funds required by the Grant Agreement; however, if modifications to the Grant Agreement occur such that matching funds are required, Local Project Sponsors will provide and document the matching funds in accordance with the Grant Agreement.

Pursuant to DWR requirements as described more fully in Attachment A to this Agreement, Local Project Sponsors may invoice CCWD for grant share reimbursement for eligible costs incurred after the January 22, 2016 in their first invoice. Subsequent invoices will include costs incurred by Local Project Sponsors during the reporting quarter. If total Local Project costs exceed that provided by the State Grant, any additional funding match necessary to complete the Local Project will be documented by Local Project Sponsor in the Final Project Report (described in Paragraph 5 Reporting).

3. Obligations of Local Project Sponsors

Local Project Sponsors are, and at all times will continue to be, in full compliance with the terms and conditions of the Grant Agreement that are applicable to them as a sub-recipient of the State Grant. In accordance with the Grant Agreement, Local Project Sponsors shall act on behalf of CCWD in the fulfillment of CCWD's responsibilities specified in the Grant Agreement. Local Project Sponsors understand and agree that for purposes of the foregoing, any requirements and responsibilities imposed upon CCWD as Grantee under the Grant Agreement are hereby passed-through to, and adopted by Local Project Sponsors, as obligations of the Local Project Sponsors, excepting only CCWD's obligations as defined in Paragraph 4 of this Local Project Sponsor Agreement. Further, the Local Project Sponsors acknowledge and agree to comply with any requirements directly imposed on the Local Project Sponsors under the Grant Agreement.

Local Project Sponsors must maintain all financial records associated with the total project cost of their respective Local Projects for inclusion in the Final Project Report.

Local Project Sponsors shall not cause CCWD to be in violation of the Grant Agreement, whether by act or omission.

Local Project Sponsors shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, now existing and as such may change from time-to-time. Any such laws, rules, regulations, ordinances, and directives required thereby to be included in the Grant Agreement or this Local Project Sponsor Agreement are incorporated herein by reference.

4. Obligations of Contra Costa Water District

CCWD shall disburse State Grant funds as required or permitted by the Grant Agreement. Notwithstanding the foregoing, CCWD is not obligated to disburse any State Grant funds to Local Project Sponsors and is not obligated to disburse any other funds until such are authorized and disbursed from DWR to CCWD in accordance with the Grant Agreement requirements.

CCWD will promptly notify Local Project Sponsors of any notices given or actions taken by DWR if such notices or actions are likely to affect the Local Project Sponsors' performance, duties, obligations or funding under this Local Project Sponsor Agreement, including but not limited to notices from DWR regarding Local Project Sponsor invoices under Paragraph 9 of the Grant Agreement or alleged default by the Local Project Sponsor under Paragraph 12 of the Grant Agreement.

Commencing with DWR's award of the State Grant on July 30, 2018 and continuing until termination of the Grant Agreement, CCWD will undertake and complete all administrative and management responsibilities under the Grant Agreement that are not related solely to Local Projects. CCWD has incurred, and will continue to incur, costs for administrative and management responsibilities under the Grant Agreement that are not related solely to Local Projects. At the time of original execution of the Grant Agreement, the State Grant allocates One Hundred Eighty Thousand Six Hundred Fifty Nine Dollars (\$180,659) for Grant Agreement and Local Project Sponsor Agreement administration by CCWD in accordance with the requirements of the Grant Agreement. At any time during the Grant Agreement term, if CCWD determines that assigned funds are insufficient to cover direct expenses incurred by CCWD in administration of the Grant Agreement, CCWD will prepare an estimate of additional costs and submit to the Local Project Sponsors for review. Up to \$51,841 in additional State funds (for a total of \$232,500 or 7.5% of total Grant Agreement funds) from the Grant Agreement budget shall be made available to CCWD to cover administrative costs, subject to justification and provision of supporting documentation.

5. Reporting

In accordance with the terms of the Grant Agreement, CCWD is obligated to submit reports to DWR throughout the term of the Grant Agreement. As such, Local Project Sponsors will provide CCWD with the required data for the Local Project(s) for which each Local Project Sponsor is responsible in accordance with the reporting and submittal requirements described in this section. Notwithstanding the reporting schedule described in this section, CCWD may, at any time, request any additional information from Local Project Sponsors pursuant to any Grant Agreement modification or that may be deemed necessary by CCWD in its sole discretion to provide adequate and sufficient documentation of Local Project status for the purposes of meeting the reporting requirements in the Grant Agreement.

All documentation and reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. Reports shall be presented in the formats described in the applicable portion of Exhibit G of the Grant Agreement.

- a) Quarterly Progress Reports: On a quarterly basis, CCWD will prepare a Progress Report and submit it to DWR in accordance with the terms of the Grant Agreement. On a quarterly schedule established by CCWD, Local Project Sponsors will provide CCWD with the required documentation for their respective Local Projects in electronic format using a Progress Report template developed by CCWD. Progress Reports shall provide a brief description of the work performed during the reporting period, including: Local Project Sponsor activities, estimate of percent of work complete, milestones achieved, accomplishments, concerns or problems encountered, work anticipated for the next reporting period, and updated schedule or budget inclusive of any changes that have occurred.

Quarterly Progress Reports will be submitted according to the following process:

- i. CCWD will request quarterly Progress Report documentation from Local Project Sponsors, who will submit their documentation electronically to CCWD by the fifteenth day (15th) of the calendar month following the end of each quarter.

- ii. By the twenty-fifth (25th) day of the same calendar month, CCWD will prepare and distribute a draft quarterly Progress Report to the Local Project Sponsors for review, which shall include a detail of CCWD's work performed for the quarter.
 - iii. Local Project Sponsors will provide written corrections to CCWD within five (5) business days of receipt of CCWD's draft quarterly Progress Report.
 - iv. Within three (3) business days of receipt of timely corrections or approval from Local Project Sponsors, CCWD will incorporate any corrections and submit the final quarterly Progress Report to DWR pursuant to its obligations under the Grant Agreement.
- b) **Accountability Report (for Advanced Funding):** If Local Project Sponsors request Advanced Funding through the procedures described in Paragraph 6 of this Local Project Sponsor Agreement and in Paragraph 9.b of the Grant Agreement, Local Project Sponsors must prepare and submit, on a quarterly basis, an Accountability Report that includes the following information:
- i. Includes an itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (e.g. contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B Budget of the Grant Agreement.
 - ii. Includes a funding plan that shows how the remaining advanced funds will be spent.
 - iii. Documents that the advanced funds were spent on eligible reimbursable costs.
- c) **Final Report:** Pursuant to the Grant Agreement, CCWD will submit a Final Report within ninety (90) days of completion of Local Projects in the Grant Agreement. The Final Report must include a Local Project Sponsor summary; description of involvement activities and the projects developed from those activities; discussion of findings from the needs assessment, identification of ongoing barriers, and recommendations for future activities; and a list of references. Local Project Sponsors will provide CCWD with the necessary project documentation for their respective Local Projects and will review drafts of the Final Report as requested by CCWD.
- d) **Post-Performance Reports:** The Grant Agreement describes the requirements for submittal of Post-Performance Reports. However, it is not anticipated that post-performance reports will be a requirement of this program. If Post-Performance Reports are required, Local Project Sponsors will prepare Post-Performance Reports for their respective Local Projects in accordance with the requirements of the Grant Agreement.

Failure of an individual Local Project Sponsors to meet these reporting deadlines constitutes a breach of this Local Project Sponsor Agreement and may cause noncompliance with the requirements of the Grant Agreement. Each Local Project Sponsor will continue to report its activities throughout the State Grant period until the project is completed.

6. Method of Payment

Pursuant to the Grant Agreement, there are two methods of payment available to CCWD, and thereby to Local Project Sponsors, including (a) reimbursement and (b) advanced payment. Both

methods require that Local Project Sponsors submit only costs that are eligible project costs as specified in the Grant Agreement. DWR may withhold a percentage of payment on each quarterly invoice ("retention") of up to 5% of the invoice amount. If a percentage of grant funds is withheld by DWR for any Local Project in the Grant Agreement, CCWD may withhold the same percentage from payment on the invoice of the Local Project Sponsor that is responsible for that Local Project.

- a) Reimbursement – Reimbursement is the typical payment method for state grants and involves invoicing and repayment of project costs in arrears. Reimbursement will be the default payment method for State Grant funds, unless Local Project Sponsors are eligible for and elect for Advanced Payment.

Under the Reimbursement method of payment, CCWD will solicit invoices for eligible project costs at the same frequency and timing as the quarterly Progress Reports described in Paragraph 5 of this Local Project Sponsor Agreement. CCWD will solicit invoices no more than quarterly. Along with any and all invoices submitted to CCWD, Local Project Sponsors must also submit backup documentation that sufficiently supports claimed costs. If invoice and sufficient backup documentation is not received by CCWD from the Local Project Sponsor by the timing specified in Paragraph 5, the individual Local Project Sponsor invoice(s) will not be included in the submittal to DWR and payment of the Local Project Sponsor costs will be delayed until a future quarter. CCWD will remit payment of Local Project Sponsors' invoice(s) within thirty (30) business days of receipt of State Grant funds from DWR.

Invoices submitted to CCWD, and thereafter by CCWD to DWR, for Reimbursement shall include the information specified in Paragraph 9 Method of Payment in the Grant Agreement.

- b) Advanced Payment – Advanced Payment method provides financial flexibility to Local Project Sponsors that opt to have access to State Grant funding prior to or immediately following incurrence of project costs. Water Code §10551 authorizes advanced payment by State for projects that are sponsored by a nonprofit organization, a DAC, or the Local Project Sponsor of a project that benefits a DAC. If Local Projects are awarded less than \$1,000,000 in grant funds, the Local Project Sponsors may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears.

i. Advanced Funding Request to DWR

Within fifteen (15) calendar days after execution of the Grant Agreement, CCWD will notify Local Project Sponsors of their eligibility to receive Advanced Payment funding.

Within fifteen (15) calendar days after the above notice is provided by CCWD, Local Project Sponsors must elect whether or not to participate in the Advanced Payment option. Local Project Sponsors that request the Advanced Payment option shall submit with its request the following information:

- 1. A Funding Plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution. (i.e., for what, how much, and when)

2. A discussion of the Local Project Sponsor's financial capacity to complete the project once the advanced funds have been expended.

Within ninety (90) calendar days after execution of the Grant Agreement, CCWD may submit to DWR an Advanced Payment Request in accordance with the requirements of the Grant Agreement. The Advanced Payment Request will include the Local Project Sponsors' requests and Funding Plans. The Advanced Payment Request will also include an Advanced Payment invoice, prepared by CCWD with input from Local Project Sponsors and in accordance with the requirements in the Grant Agreement, containing the funding request for each qualified Local Project. In accordance with the Grant Agreement, DWR will authorize payment of the advanced funds to CCWD within sixty (60) calendar days of receiving the Advanced Payment invoice.

ii. Local Project Sponsor Advanced Funding Requests to CCWD

Advanced Funding is available to Local Project Sponsors for eligible work consistent with the Grant Agreement. CCWD will accept requests for Advanced Funding from Local Project Sponsors on a quarterly basis. Local Project Sponsors may request Advanced Funding for eligible project costs at the same frequency and timing as the quarterly Progress Reports described in Paragraph 5 of this Local Project Sponsor Agreement. A request for Advanced Funding from a Local Project Sponsor to CCWD must include:

1. A copy of the quarter's Accountability Report prepared by the Local Project Sponsor.
2. A written description of the tasks or subtasks in Exhibit A of the Grant Agreement for which the Advanced Funding will pay.
3. A schedule and supporting description of the timeline for completion of the work for which the Advanced Funding will pay.
4. If costs for which Advanced Funding is requested have already been incurred, copies of all invoices and services agreements that support project costs.

iii. Payment of Advanced Funding to Local Project Sponsors

In accordance with the Grant Agreement, CCWD is responsible for the timely distribution of Advanced Funding to individual Local Project Sponsors. CCWD will not distribute Advanced Payment funding to individual Local Project Sponsors that are not party to a Local Project Sponsor Agreement.

CCWD will remit payment of Local Project Sponsors' invoice(s) within thirty (30) calendar days of submittal of the final quarterly Progress Report to DWR as described in Paragraph 5 of this agreement. If there is a delay by CCWD in payment of the requested Advanced Funding to Local Project Sponsors, CCWD will communicate the delay to Local Project Sponsors.

Once CCWD and Local Projects Sponsors have expended all advanced funds, then the method of payment will revert to the Reimbursement process specified in Paragraph 6.a) of this Local Project Sponsor Agreement and relevant sections of the Grant Agreement. Local Project Sponsor(s) must utilize all Advanced Funding and provide to CCWD supporting documentation of the disbursement of Advanced Funding, or repay any portion of the advanced funds as may be appropriate, before CCWD will remit any

further grant funding allocated to the Local Project Sponsor(s) under the Grant Agreement.

iv. Additional Reporting for Advanced Funding

On a quarterly basis, to coincide with submittal of quarterly Progress Reports described in Paragraph 5 of this Local Project Sponsor Agreement, Local Project Sponsors will submit to CCWD, and thereafter CCWD will submit to DWR, an Accountability Report prepared in accordance with the reporting requirements of the Grant Agreement and Paragraph 5.b) of this Local Project Sponsor Agreement. For their respective Local Projects, Local Project Sponsors shall provide CCWD with sufficient documentation and data to meet the reporting requirements of the Accountability Report. If CCWD or DWR finds that any portion or portions of the expenditures claimed in the Accountability Report are not eligible costs or consistent with the tasks in Exhibit A of the Grant Agreement, CCWD or DWR will reject the claim and remove the proposed project costs from the Accountability Report.

If Advanced Funding is disbursed by CCWD to a Local Project Sponsor prior to costs being incurred, upon completion of the work and incurrence of project costs for which Advanced Funding was used, Local Project Sponsors shall provide CCWD with invoices, services agreements, and/or other supporting documentation that supports incurred costs. CCWD will review documentation provided by Local Project Sponsors to confirm that work performed is consistent with the Local Project Sponsor's Accountability Report and Advanced Funding request, and CCWD will include the documentation in a quarterly report to DWR.

v. Conditions for Repayment of Advances

The Grant Agreement contains provisions and requirements for repayment of advances that apply to CCWD and therefore to Local Project Sponsors, in accordance with the relationship and responsibilities developed by and between CCWD and Local Project Sponsors by execution of this Local Project Sponsor Agreement. If the State demands repayment of all or any portion of the Advanced Funding pursuant to the conditions described in Paragraph 10 of the Grant Agreement, Local Project Sponsors, inclusive of CCWD, will be responsible for repayment of the specified Advanced Funding amounts to the State for the Advanced Funds, along with interest, that have been disbursed to the Local Project Sponsor.

If conditions arise that result in termination of this Local Project Sponsor Agreement pursuant to Paragraph 18 of this agreement, or if an individual Local Project Sponsor terminates its participation in this agreement pursuant to the same paragraph, all Advanced Funding previously paid by CCWD to the Local Project Sponsor(s), irrespective of work completed, must be returned to CCWD in a single payment within three (3) months of the termination activity.

Notwithstanding anything to the contrary in this Agreement, each Local Project Sponsor shall defend, indemnify and hold harmless CCWD, its members, elected and appointed officers, employees, and agents from any and all liability, actions, claims, costs, and expenses, including attorneys' fees, related to that Local Project Sponsor's failure to comply with any repayment request or requirement imposed by DWR. In the event that

the multiple Local Agency Sponsors fail to comply with any repayment request or requirement imposed by DWR, CCWD may, in its sole discretion, seek to enforce this provision against each noncompliant party in full or on a pro rata basis. If enforced against a single party, that party may pursuant to this Agreement seek pro rata reimbursement from any additional noncompliant party or parties.

7. Third Party Beneficiaries

If more than one Local Project Sponsor Agreement is executed between CCWD and responsible agencies identified in the Grant Agreement, Local Project Sponsors acknowledge and affirm that every other responsible agency specified in the Grant Agreement is a third party beneficiary of this Local Project Sponsor Agreement and that Local Project Sponsors of this agreement are third party beneficiaries of every other Local Project Sponsor Agreement executed for the purposes of implementing the Grant Agreement.

8. Communication

All notices or notifications under this Local Project Sponsor Agreement shall be in writing addressed to the persons set forth in this section.

All notices or notifications to CCWD shall be sent to:

Maggie Dutton
Contra Costa Water District
P.O. Box H20
Concord, CA 94524
Email: mdutton@ccwater.com

All notices or notifications to Madera Regional Water Management Group shall be sent to:

Jeannie Habben
Madera Regional Water Management Group
P.O. Box 1061
Coarsegold, CA 93614
Email: cfwatershed@gmail.com

All notices or notifications to Merced ID shall be sent to:

Hicham Eltal
Merced Irrigation District
744 W 20th St
Merced, CA 95340
Email: heltal@mercedid.org

All notices or notifications to San Joaquin County Flood Control and Water Conservation District shall be sent to:

Brandon Nakagawa
San Joaquin County
P.O. Box 1810
Stockton, CA 95201-3018
Email: bnakagawa@sjgov.org

All notices or notifications to SLDMWA shall be sent to:

Andrew Garcia
San Luis & Delta Mendota Water Authority
P.O. Box 2157
Los Banos, CA 93635
Email: andrew.garcia@sldmwa.org

All notices or notifications to Stanislaus County shall be sent to:

Dhyan Gilton
Stanislaus County
1010 Tenth Street, Suite 4200
Modesto, CA 95354
Email: giltond@stancounty.com

All notices or notifications to Regional Water Authority shall be sent to:

Rob Swartz
Regional Water Authority
5620 Birdcage St #180
Citrus Heights, CA 95610
Email: rswartz@rwah2o.org

All notices or notifications to EJCW shall be sent to:

Colin Bailey
Environmental Justice Coalition for Water
PO Box 188911
Sacramento, CA 95818-8911
Email: colin@ejcw.org

9. Flow Through of Specific Grant Requirements

Participants will comply with all applicable provisions of the Local Project Sponsor Agreement and Grant Agreement.

10. Inspection of Records

Pursuant to the Grant Agreement, DWR is entitled to inspect and make copies of any records pertaining to the program and Local Project Sponsors are required to make available for such inspection accurate records of all costs, disbursements, and documentation as necessary to comply with the requirements of the Grant Agreement. Local Project Sponsors hereby expressly agree to comply with these requirements.

11. Indemnification

CCWD shall defend, indemnify, and hold Local Project Sponsors and their respective members, elected and appointed officers, employees, and agents harmless from any and all liability, actions, claims, costs, and expenses, including attorneys' fees, caused by the willful misconduct or sole

negligence of CCWD, its officers, directors, agents, or employees in CCWD's performance under this Local Project Sponsor Agreement, except to the extent caused by the negligent acts, errors, or omissions of Local Project Sponsors, their officers, agents, or employees.

A Local Project Sponsor shall defend, indemnify, hold CCWD and other Local Project Sponsors and their respective members, elected and appointed officers, employees, and agents harmless from any and all liability, actions, claims, costs, and expenses, including attorneys' fees, caused by the willful misconduct or the negligent acts, errors, or omissions of that specific Local Project Sponsor, their officers, directors, agents, or employees in that specific Local Project Sponsors' performance under this Local Project Sponsor Agreement, except to the extent caused by the sole negligence or willful misconduct of CCWD, its officers, agents, or employees.

12. Breach

Non-compliance by any Local Project Sponsors with any applicable provision of this Local Project Sponsor Agreement or the Grant Agreement, including but not limited to Section 12 Default Provisions, shall constitute a breach of this Local Project Sponsor Agreement. The waiver by either party of a breach of any provision of this Local Project Sponsor Agreement by the other, or by the State with regard to the Grant Agreement shall not operate or be construed as a waiver of any subsequent breach.

13. Dispute Resolution

The parties to this Local Project Sponsor Agreement shall meet promptly to address any dispute that may arise and make a good faith effort to negotiate a resolution. The use by any party of any remedy specified herein for the enforcement of this Local Project Sponsor Agreement is not exclusive and shall not deprive any party of, or limit the application of, any other remedy provided by law.

14. Governing Law

This Local Project Sponsor Agreement, its construction, and all work performed under it shall be governed by the laws of the State of California. Venue shall be proper only in the Superior Court of Contra Costa County.

15. Severability

If any provision of this Local Project Sponsor Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Local Project Sponsor Agreement shall remain valid and in force and be construed in such a manner so as to affect the original intent of the parties to the maximum extent possible.

16. Amendment

This Local Project Sponsor Agreement may be changed only by a written amendment duly signed all parties to this Local Project Sponsor Agreement.

Any amendment to the Grant Agreement made pursuant to the Standard Condition D.4 of the Grant Agreement, including amendment to the terms, requirements, work plan, budget, schedule,

or exhibits of the Grant Agreement, will thereafter apply in full to this Local Project Sponsor Agreement. If an amendment to the Grant Agreement conflicts with the content of this Local Project Sponsor Agreement, the Local Project Sponsor Agreement shall be amended to remedy such conflicts.

17. Entire Agreement

This Local Project Sponsor Agreement, together with the attachments hereto, is the complete and exclusive statement of understanding between the parties, and supersedes any and all previous understandings or agreements, whether written or oral, and all communications between the parties relating to the subject matter of this Local Project Sponsor Agreement.

18. Termination

A Local Project Sponsor may, at any time and without cause, terminate its individual participation in this Local Project Sponsor Agreement by providing written notice to CCWD of its termination. Notwithstanding any other provision of this Local Project Sponsor Agreement, if an individual Local Project Sponsor terminates its participation in this Local Project Sponsor Agreement, it shall not under any circumstances be responsible or liable for disrupting or discontinuing the disbursement of the State Grant funds allocated to other agencies as described in the Grant Agreement.

Upon the effectiveness of a Local Project Sponsor's termination of its participation in this Local Project Sponsor Agreement, that Local Project Sponsor's remaining allocation of the grant funds, if any, will be redistributed to the remaining parties in accordance with this Local Project Sponsor Agreement and the Grant Agreement. Any Local Project Sponsor terminating its participation in this Local Project Sponsor Agreement must continue to comply with the reporting obligations to CCWD, as described in Paragraph 5 of this Local Project Sponsor Agreement and in the Grant Agreement.

This Local Project Sponsor Agreement will remain in full force and effect as to the Local Project Sponsors that do not terminate their participation in the Local Project Sponsor Agreement.

The provisions of Paragraph 9 in this Local Project Sponsor Agreement shall survive termination of this Local Project Sponsor Agreement and shall remain in force through the later of the termination date of the Grant Agreement or when grant closeout activities are completed.

19. Successors and Assigns

This Local Project Sponsor Agreement and all of its provisions shall apply to and bind the successors and assigns of each and every party to this Local Project Sponsor Agreement. Local Project Sponsors shall not assign their rights or delegate their duties under this Local Project Sponsor Agreement. Any attempted assignment or delegation shall be null and void, and constitute a material breach of this Local Project Sponsor Agreement.

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The provisions of the Grant Agreement shall prevail over provisions of this Local Project Sponsor Agreement.

21. Counterpart Signatures

This Local Project Sponsor Agreement may be executed in counterparts each of which shall be deemed to be an original but all of which taken together shall constitute one and the same Local Project Sponsor Agreement.

IN WITNESS THEREOF, this Local Project Sponsor Agreement has been executed by the parties hereto:

CONTRA COSTA WATER DISTRICT

By: Jeff Quimby, Director of Planning

Dated: _____

**MADERA REGIONAL WATER MANAGEMENT
GROUP**

By: Tom Wheeler, County Supervisor,
Madera RWMG Chairperson

Dated: _____

MERCED IRRIGATION DISTRICT

By: Hicham Eltal, Deputy General
Manager

Dated: _____

**SAN JOAQUIN COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By: ROBERT V. ELLIOTT, Chair, Board of
Supervisors of the County of San Joaquin,
State of California

Dated: _____

ATTEST

By: MIMI DUZENSKI, Clerk, Board of
Supervisors of the County of San Joaquin,
State of California

Dated: _____

RECOMMENDED FOR APPROVAL

By: KRIS BALAJI, PMP, P. E., Director of
Public Works

Dated: _____

APPROVED AS TO FORM

By: LAWRENCE P. MEYERS, Deputy County
Counsel

Dated: _____

**SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY**

By: Frances Mizuno, Interim Executive
Director

Dated: _____

STANISLAUS

COUNTY

By: David A. Leamon, Public Works
Director

Dated: _____

REGIONAL WATER AUTHORITY

By: John Woodling, Executive Director

Dated: _____

**THE ENVIRONMENTAL JUSTICE
COALITION FOR WATER**

By: Colin Bailey, Executive Director

Dated: _____

**Attachment A
DWR Grant Agreement**