San Gorgonio Pass Water Agency

DATE: May 20, 2024

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Matthew Howard, Operations Manager

SUBJECT: PROCUREMENT POLICY CONTRACT AUTHORIZATION - USGS

RECOMMENDATION

Authorize the General Manager to enter into an Agreement with the United States Geological Survey (USGS) to provide drilling, construction, logging, and the installation of multiple groundwater monitoring wells throughout the Agency service area utilizing Sustainable Groundwater Management Grant Program funding.

PREVIOUS CONSIDERATION

- November 28, 2022: The Board approved Resolution 2022-29 authorizing the Agency to submit the Nested Casing Monitoring Wells Project application to the Sustainable Groundwater Management Grant Program through the Department of Water Resources.
- <u>January 8, 2024:</u> The Board was awarded a ceremonial grant funding check from the Department of Water Resources for the Nested Casing Monitoring Project totaling \$2,055,670.

BACKGROUND

The Procurement Policy requires the General Manager to notify the Board concerning various contracts and request approval for contracts over \$50,000. The General Manager requests approval for a sole source contract on the basis of the Agency's relationship with the USGS as described in the Analysis section of this report.

The Sustainable Groundwater Management Act (SGMA) was enacted on January 1, 2015, with the aim of identifying unmanaged or unadjudicated basins across California. For each of these basins, a Groundwater Sustainability Agency must be formed and tasked with developing a Groundwater Sustainability Plan (GSP). Within the Agency's service area, the San Gorgonio Pass sub-basin is the only principal sub-basin that was not managed or adjudicated.

In April 2017, the San Gorgonio Pass Water Agency (Agency) joined the City of Banning, Banning Heights Mutual Water Company, Cabazon Water District, Desert Water Agency, and Mission Springs Water District to establish the San Gorgonio Pass Groundwater Sustainability Agency (SGPGSA) in accordance with the SGMA. The SGPGSA submitted its mandatory GSP to the Department of Water Resources (DWR) on January 25, 2022,

receiving approval from DWR on October 26, 2023. The SGPGSA is required to submit annual reports on groundwater conditions and the progress of the GSP to DWR.

The GSP is the guiding planning document for groundwater basin sustainability for the San Gorgonio Pass Sub-Basin. One of the components of the GSP is to address data gaps identified during the development of the GSP. One of the main data gap categories highlighted in the GSP was the need for more monitoring wells to understand groundwater flow, quality, and water levels.

The SGPGSA collaborated with Provost and Prichard in late 2022 to submit a grant application to the Sustainable Groundwater Management Grant Program through the DWR to install four nested casing monitoring wells at known data gap areas. The grant application included letters of support from each SGPGSA member supporting the grant application and the project.

On October 2, 2023, DWR provided a notice of grant award for our Nested Casings Monitoring Project through the Sustainable Groundwater Management Grant Program in the amount of \$2,055,670. This grant award allows the Agency and the SGPGSA to drill these monitoring wells in the identified data gaps. DWR also gave the Agency a ceremonial check for this grant award at the January 8, 2024 Board Meeting.

The Agency completed a similar project in 2020, where the Agency was awarded a Proposition 1 SGMA grant to drill four nested casing monitoring wells in support of the SGPGSA and GSP development. The Agency utilized these grant funds to have the USGS perform the drilling, construction, logging, and installation of 11 wells at three locations along Interstate 10 in Cabazon.

<u>ANALYSIS</u>

The USGS will be drilling and installing a minimum of eight monitoring wells at four sites outlined in the attached map. The USGS will work with Agency staff to finalize the location sites. The USGS is projecting that drilling operations for all four multiple-well monitoring sites will span a total of 35-50 days. The USGS will be on site during drilling and construction to coordinate drilling activities, oversee drill conditions, record borehole conditions, collect drill cuttings, and provide regular project management updates. Borehole geophysical logs will be collected to measure the physical properties of earth material in each borehole. The depth of each well monitoring well may be modified based on the hydrogeological conditions encountered during drilling. Two to five wells will be installed at different hydrostatigraphic zones isolated from each other by grout to allow for aquifer-specific monitoring of groundwater levels, groundwater quality, and hydraulic properties. Each monitoring well will be assembled using a two-inch PVC casing with a well screen interval of 20 feet. Agency and USGS staff will assess the geologic, hydrologic, and logistical factors at each site to determine the final well construction design. Groundwater level and water quality samples will be collected at each new well to assess water quality and help characterize the source, movement, and relative age of water between all sites. A permanent benchmark will be installed at each site as a permanent elevation benchmark and used in future efforts to monitor land subsidence.

Four monitoring sites proposed construction and depth, USGS cost share, and total cost table are outlined in the table below:

Program element	USGS	SGPWA	Total
Drilling and Construction of 4 monitoring sites			
Site 1- proposed depth approximately 1,000 ft, with 5 wells or less	\$22,240	\$581,380	\$603,620
Site 2- proposed depth approximately 1,000 ft, with 5 wells or less	\$22,240	\$581,380	\$603,620
Site 3- proposed depth approximately 500 ft, with 5 wells or less	\$14,830	\$387,590	\$402,420
Site 4- proposed depth approximately 500 ft, with 5 wells or less	\$14,830	\$387,590	\$402,420
Total cost	\$74,140	\$1,937,940	\$2,012,080

The Agency has selected the USGS to perform the drilling, construction, logging, and installation of these monitoring wells for the following reasons:

- 1. In 2020, USGS successfully completed a similar monitoring well drilling project for the Agency
- 2. USGS utilizes a scientific drilling process that collects specific lithologic data that support regional groundwater models and modeling efforts utilized by the SGPGSA.
- 3. USGS is widely recognized and respected for its scientific integrity and professionalism, which enhances the credibility of the drilling project.
- 4. The Agency has an annual data collection program to assist in water resource studies and evaluations.
- 5. Continues a partnership with USGS that fosters continuity and long-term collaboration, which is beneficial for ongoing monitoring and future projects.

FISCAL IMPACT

This item is included in the proposed General Fund Budget for FY 2024-25, in the Consulting and Engineering Services category, line #74. The contract with the USGS is for an amount not to exceed \$1,937,940, with the USGS contributing \$74,140, bringing the total project funding to \$2,012,080. This portion of the project will be entirely funded through the Sustainable Groundwater Management Grant Program grant awarded to the Agency. The budget includes some additional services to be paid for by the Agency, such as security and mud hauling, because it is easier and less expensive for the Agency to contract for these services than the USGS.

AGENCY'S STRATEGIC PLAN APPLICATION

Contracting with the USGS to complete the Nested Casing Monitoring Well Project is consistent with the Agency's Mission Statement to support the region's quality of life through sustainable water management and with the following strategies:

- Align with the current and future water landscape, supporting the region's longterm needs by diversifying the local supply portfolio and advancing water sustainability.
- Serve the public with dedication, determination, transparency, collaboration, and a commitment to expanding knowledge.
- Maintain, foster and expand collaboration with local, regional, state and federal partners to develop strategic solutions to water supply challenges and opportunities.
- Engage and educate the public in a meaningful way that generates a greater understanding of the agency's role in water supply reliability and the importance of sustainability.

ACTION

Authorize the General Manager to enter into an Agreement with the United States Geological Survey (USGS) to provide drilling, construction, logging, and the installation of multiple groundwater monitoring wells throughout the Agency service area utilizing Sustainable Groundwater Management Grant Program funding.

ATTACHMENTS

- USGS Joint Funding Agreement for drilling, construction, instrumentation, and documentation of four multiple-well monitoring sites.
- Grant Agreement Between the State of California (Department of Water Resources) and San Gorgonio Pass Water Agency Agreement # 4600015630.
- Map of the SGPGSA storage areas with the proposed monitoring wells locations.



United States Department of the Interior

U.S. GEOLOGICAL SURVEY California Water Science Center 6000 J Street, Placer Hall Sacramento, CA 95819

March 21, 2024

Lance Eckhart, PG, CHG General Manager/Chief Hydrogeologist San Gorgonio Pass Water Agency 1210 Beaumont Ave. Beaumont CA 92223

Dear Mr. Eckhart:

This letter confirms discussions between our respective staffs, concerning the cooperative program between the San Gorgonio Pass Water Agency (SGPWA) and the U.S. Geological Survey (USGS) during the period May 1, 2024, to October 31, 2026.

The work proposed under the enclosed Joint Funding Agreement (JFA) is a continuation of the cooperative basin-wide monitoring program between the SGPWA and the USGS. The proposed work includes the drilling, construction, instrumentation, and documentation of four multiple-well monitoring sites. A detailed description of the work is included as an attachment to this letter.

The total cost of the proposed cooperative program is \$2,012,080; of this total, SGPWA will contribute \$1,937,940 and, subject to the availability of Cooperative Matching Funds (CMF), the USGS will contribute \$74,140. A summary of the costs for the proposed program is presented in Table 1.

Table 1. Federal fiscal year 2024-26 Budget

Program element	USGS	SGPWA	Total
Drilling and Construction of 4 monitoring sites			
Site 1- proposed depth approximately 1,000 ft, with 5 wells or less	\$22,240	\$581,380	\$603,620
Site 2- proposed depth approximately 1,000 ft, with 5 wells or less	\$22,240	\$581,380	\$603,620
Site 3- proposed depth approximately 500 ft, with 5 wells or less	\$14,830	\$387,590	\$402,420
Site 4- proposed depth approximately 500 ft, with 5 wells or less	\$14,830	\$387,590	\$402,420
Total cost	\$74,140	\$1,937,940	\$2,012,080

Enclosed is a digital version of Joint Funding Agreement (JFA) XXXXXXXXX, signed by our agency, for your approval. If you are in agreement with this proposed program, please return a fully executed JFA to our office via email, iarios@usgs.gov. Work performed with funds from this agreement will be conducted on a fixed-price basis. Billing for this agreement will be rendered quarterly. The USGS is required to have an agreement in place prior to any work being performed on a project. We request that a fully executed JFA be returned prior to May 1, 2024.

If you have any questions concerning this program, please contact Meghan Dick at (619) 225-6154 or Allen Christensen at (619) 225-6175 in our San Diego Office. If you have any administrative questions, please contact Irene Rios at (619) 225-6156.

Sincerely,

Anke Mueller-Solger Director, USGS California Water Science Center

Enclosures

cc: Meghan Dick, USGS CAWSC

Allen Christensen, USGS CAWSC

THIS AREA IS FOR THE AGREEMENT DOCUMENTS

San Gorgonio Pass Water Agency Cooperative Program: Progress, Plans, and Costs

New Multiple-well Monitoring Sites

The USGS has installed 13 multiple-well monitoring sites within the San Gorgonio Pass to improve the understanding of the aquifer system. For this work, the USGS will install four new multiple-well monitoring sites. Preliminary site locations have already been selected based on data gaps, previous studies, and discussions with SGPWA staff (fig. 1). The USGS will work with the SGPWA to finalize the locations of the multiple-well monitoring sites. USGS drilling operations for all four multiple-well monitoring sites is expected to span a total of about 35-50 days and will be completed as scheduling permits. U.S. Geological Survey staff will be on-site during the drilling and construction of monitoring sites to coordinate drilling activity, record borehole and drilling conditions, collect and describe drill cuttings, and provide regular progress updates. Groundwater-level and water-quality samples will be collected at each new well to assess the quality of water and help characterize the source, movement, and relative age of water between all sites. Electronic pressure transducers will be installed in each well and the wells will be added into the continuous monitoring network. The USGS will have access to the wells for monitoring, testing, and sampling throughout the span of cooperative work agreements between the USGS and SGPWA.

The USGS drilling procedure for each monitoring site will include setting a surface casing and drilling a borehole using a mud-rotary technique to a depth of approximately 1,000 feet for sites 1 and 2, approximately 500 feet for sites 3 and 4. The depth of each monitoring site may be modified based on hydrogeological conditions encountered or budget constraints. Borehole geophysical logs will be collected to measure physical properties of earth materials near each borehole. Two to five wells will be installed at different depths and isolated from each other by a low-permeability grout (fig. 2) to allow for aquifer-specific monitoring of groundwater levels, groundwater quality, and hydraulic properties. This aquifer-specific information is important for understanding the three-dimensional movement of groundwater and tracing of dissolved constituents in the groundwater system. Each monitoring well will be assembled using two-inch diameter schedule-80 polyvinyl chloride casing, using a well screen interval of 20 feet in length. At each site, SGPWA and USGS staff will assess the geologic, hydrologic, and logistical factors, and determine the final well construction design. The wells will be secured within a locking vault (fig. 2).

Drill cuttings will be collected during drilling in two ways: throughout a 10-40 ft interval from the return drilling fluid and a grab-sample every ten feet or at distinguishable changes in lithology. Cutting samples and field descriptions of lithology will be evaluated offsite under microscopic examination for grain size, texture, sorting, rounding, color, and any other noticeable features, such as wood or shell fragments.

Investigation-derived waste is anticipated to be non-hazardous soil, drilling mud, and well development fluids. All waste will be contained onsite in poly-lined 20-cubic-yard rolloff bins (solid waste) and a 20,000-gallon Baker tank (liquid waste). After profiling, waste will be removed and transported to appropriate waste-disposal site. The SGPWA will be responsible for funding disposal of drilling waste separate from this agreement. The USGS will implement an on-site spill prevention and clean-up plan to prevent equipment-related hydrocarbon releases and spills of drilling mud and to maintain the site in its original condition. At the site, plastic is placed underneath each piece of drilling equipment that has the potential of leaking hydraulic oil, gear oil, or diesel. Hydrocarbon-absorbent materials are kept on site in case a leak is detected, or a spill occurs. The work area surrounding the monitoring-well site will be restored to its near original condition prior to well construction, including any infrastructure damage caused by the drilling operation.

A Level-3 static survey, using high-precision global navigation satellite systems equipment will be completed to determine the location and elevation of the multiple-well monitoring sites. This method will also be used to establish a reference mark and vertical geodetic control at each monitoring site. After surveying the sites, USGS

personnel will equip the wells with continuous water-level monitoring equipment. The SGPWA will be responsible for providing the water-level monitoring equipment outside of this agreement and will maintain ownership through the life of the equipment.

Data collected during drilling, geophysical logging, and well construction will be compiled, archived and publicly available in either the USGS National Water Information System database (NWIS; http://waterdata.usgs.gov/nwis) or the USGS Geolog Locator (https://webapps.usgs.gov/geologlocator/#!/), and archived locally in the CAWSC San Diego Project Office according to USGS Office of Groundwater Technical Memorandum 2010.01. Individual Well Completion Reports will be prepared and submitted to the California Department of Water Resources for assignment and approval of an official State Well Number. A copy of the Well Completion Reports, along with a description of the site boring, well-construction procedures, well-completion diagram, well-development notes, field lithologic log showing sequence-stratigraphic units, geophysical-log data, and other available preliminary data, will be sent to SGPWA.

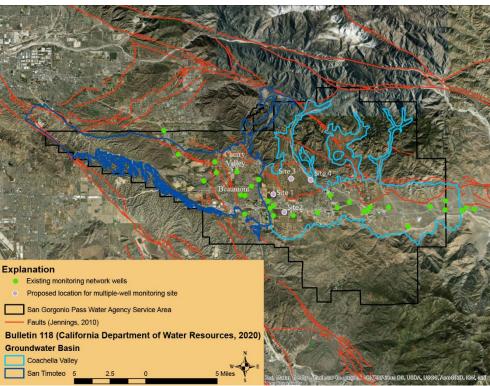


Figure 1- Proposed location for multiple-well monitoring sites

TYPICAL WELL CONSTRUCTION

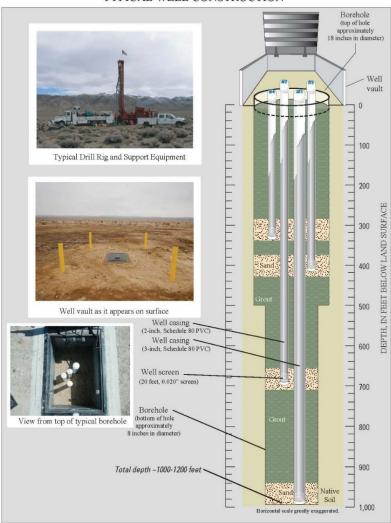


Figure 2- Construction diagram of a typical multiple-well monitoring site.

GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND SAN GORGONIO PASS WATER AGENCY AGREEMENT NUMBER 4600015630

SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT Amendment 1

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR," and the San Gorgonio Pass Water Agency, a Public Agency 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. <u>PURPOSE</u>. The State shall provide funding from the Budget Acts of 2021 and 2022 (Stats. 2021, ch. 240, § 80; Stats. 2022, ch. 43, § 2), and Public Resources Code section 80146 et seq. (Proposition 68) to the Grantee to assist in financing the San Gorgonio Pass Nested Monitoring Wells (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is to implement SGMA as outlined in the Grantee's Groundwater Sustainability Plan (GSP) or Alternative to a GSP. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the GSP or Alternative to GSP, or any components of the GSP, implemented in accordance with the Work Plan as set forth in Exhibit A will be: adopted by the applicable Groundwater Sustainability Agency (GSA); obtain the necessary desirable results of Sustainable Management Criteria; or, meet all of the evaluation and assessment criteria when submitted to DWR as required by the SGMA and implementing regulations.
- 2. <u>TERM OF GRANT AGREEMENT.</u> The term of this Grant Agreement begins on MARCH 1, 2024, and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by MARCH 31, 2026, and no funds may be requested after APRIL 15, 2026.
- 3. <u>GRANT AMOUNT.</u> The maximum amount payable by the State under this Agreement shall not exceed \$2,055,670. Any additional costs are the responsibility of the Grantee.
- 4. <u>BASIC CONDITIONS.</u> 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 must demonstrate compliance with all eligibility criteria set forth on Pages 7 through 13 of the SGM Grant Program 2021 Guidelines, amended April 2023 (2021 Guidelines).
 - B. For the term of this Grant Agreement, the Grantee submits Quarterly Progress Reports, associated quarterly invoices, and all invoice backup documentation no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30th, August 29th, November 29th, and February 28th) and all other deliverables as required by Paragraph 11, "Submission of Reports" and Exhibit A, "Work Plan."
 - C. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State:
 - Final plans and specifications certified by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A, "Work Plan" of this Grant Agreement.
 - ii. Work that is subject to the California Environmental Quality Act (CEQA) process and/or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
 - a. The Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form (EIF) to the State,
 - b. Documents that satisfy the CEQA process are received by the State,
 - c. The State has completed its CEQA compliance review as a Responsible Agency, and

- d. The Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.
 - The State's concurrence of the 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 (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.
- iii. A monitoring plan as required by Paragraph 13, "Project Monitoring Plan Requirements."
- 5. <u>DISBURSEMENT OF FUNDS.</u> 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. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest-bearing account and shall be used solely to pay Eligible Project Costs.
- 6. <u>ELIGIBLE PROJECT COST.</u> The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget." Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs that are incidental but directly related to the Project included in this Agreement. Work performed on the Project after OCTOBER 4, 2022, shall be eligible for reimbursement.

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

- A. Costs for preparing and filing a grant application and/or spending plan.
- B. Costs associated with the formation of a GSA(s) or other board formation that is responsible for implementing SGMA.
- C. Operation and maintenance costs, including post-construction performance and monitoring costs.
- D. Purchase of equipment that is not an integral part of a project.
- E. Establishing a reserve fund.
- F. Purchase of water supplies.
- G. Replacement of existing funding sources.
- H. Travel and per diem costs, except for mileage.
- I. Support of existing agency requirements and mandates.
- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
- K. Meals, food items, or refreshments.
- L. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.

- M. Overhead and indirect costs: "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs, include but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
- 7. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 4, "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 11, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Invoices must accompany a Quarterly Progress Report and shall be submitted within no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30th, August 29th, November 29th, and February 28th). 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.

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. If backup documentation provided is outside of the period identified in the particular invoice, the Grantee must provide justification within the associated Quarterly Progress Report and note the discrepancy on the Invoice Submittal Summary Sheet.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
 - i. 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.
 - ii. 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).
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount."

Original signature and date (in ink) of the Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: Pakiza Chatha, Division of Regional Assistance, 770 Fairmont Avenue, Suite 200, Glendale, CA 91203-1035, or an electronic signature certified and transmitted via DocuSign from authorized representative to Pakiza Chatha at pakiza.chatha@water.ca.gov.

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., match costs/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.)

- 8. WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a 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 9, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately 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 9. 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.
- 9. <u>DEFAULT PROVISIONS.</u> 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;
 - i. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
 - ii. Failure to operate or maintain the Project in accordance with this Grant Agreement.
 - iii. 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.
 - iv. Failure to submit quarterly progress reports pursuant to Paragraph 4.
 - v. Failure to routinely invoice the State pursuant to Paragraph 7.
 - vi. Failure to meet any of the requirements set forth in Paragraph 10, "Continuing Eligibility."
 - vii. A determination pursuant to Government Code section 11137 that the Grantee has violated any of the following: Government Code sections 11135 or 12960 et seq.; Civil Code sections 51-54.2, inclusive; or any regulations adopted to implement these sections.
 - B. 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. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:
 - i. Declare the funding to be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of default.

- ii. Terminate any obligation to make future payments to the Grantee.
- iii. Terminate the Grant Agreement.
- iv. 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.

- 10. <u>CONTINUING ELIGIBILITY.</u> The Grantee must meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2021 Guidelines, amended April 2023, to remain eligible to receive State funds:
 - A. The Grantee must continue to demonstrate eligibility, and the groundwater basin must continue to be an eligible basin as outlined in the 2021 Guidelines, amended April 2023, and 2021 PSP.
 - B. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
 - C. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
 - D. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
 - E. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seg.
 - F. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with and to refrain from entering any new agreements with individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee with advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
- 11. <u>SUBMISSION OF REPORTS.</u> 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. All reports shall be submitted to the State's Grant Manager and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS) or an equivalent online submittal tool. 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 Project Completion Report is a requirement for the release of any funds retained for such project.
 - A. <u>Quarterly Progress Reports:</u> The Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be uploaded via GRanTS or an equivalent online submittal tool, and the State's Grant Manager notified of the upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, the Grantee's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report should be submitted to the State no later than APRIL 30, 2024, with future reports then

- due on successive three-month increments based on the invoicing schedule and this date. The DWR Grant Manager will provide a Quarterly Progress Report template that shall be used for the duration of the Agreement.
- B. <u>Groundwater Sustainability Plan or Alternative</u>: The Grantee shall ensure that any updates to the GSP or Alternative shall be formatted, drafted, prepared, and completed as required by the GSP Regulations and in accordance with any other regulations or requirements that are stipulated through SGMA.
- C. <u>Grant Completion Report</u>: Upon completion of the Project included in Exhibit A, "Work Plan," the Grantee shall submit to the State a Grant Completion Report. The draft Grant Completion Report shall be submitted to the DWR Grant Manager for comment and review 90 days before the work completion date outlined on Page 1, Paragraph 2. The final Grant Completion Report shall address the DWR Grant Manager's comments prior to the work completion date. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements." Retention for the project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted and approved by the State.
- D. <u>Post Performance Reports:</u> The Grantee shall submit Post Performance Reports. Post Performance Reports shall be submitted to the State within ninety (90) calendar days after the first operational year of a project has elapsed. This record-keeping and reporting process shall be repeated annually for a total of three (3) years after the completed project begins operation.
- E. <u>Deliverable Due Date Schedule:</u> The Grantee shall submit a Deliverable Due Date Schedule within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the Deliverable Due Date Schedule has been received by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager, and the revised schedule must be saved in the appropriate project files.
- F. <u>Environmental Information Form (EIF)</u>: Prepare and submit the EIF within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager.
- 12. 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 State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 9, "Default Provisions."
- 13. PROJECT MONITORING PLAN REQUIREMENTS. As required in Exhibit A, "Work Plan," a Monitoring Plan shall be submitted to the State prior to the disbursement of State funds for construction or monitoring activities. The Monitoring Plan should incorporate Post Performance Monitoring Report requirements as defined and listed in Exhibit J, "Monitoring and Maintenance Plan Components." The SGM Grant Program has developed post-construction monitoring methodologies that shall be used for the Post Performance Reporting.

- 14. <u>NOTIFICATION OF STATE.</u> 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 a 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 the 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. For implementation/construction Projects, final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer." The Grantee shall notify the State's Grant 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.
- 15. <u>NOTICES</u>. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
 - A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By "overnight" delivery service, provided that next-business-day delivery is requested by the sender.
 - D. By electronic means.
 - E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
- 16. <u>PERFORMANCE EVALUATION.</u> 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.

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

Department of Water Resources San Gorgonio Pass Water Agency

Arthur Hinojosa Lance Eckhart

Manager, Division of Regional Assistance General Manager and Chief Hydrogeologist

P.O. Box 942836

Sacramento, CA 94236-0001 Beaumont, CA 92223 Phone: (916) 902-6713 Phone: (951) 845-2577 Email: Arthur.Hinojosa@water.ca.gov Email: leckhart@sgpwa.com

Direct all inquiries to the Grant Manager:

Department of Water Resources San Gorgonio Pass Water Agency

Pakiza Chatha

Water Resources Engineer, Division of Regional

Assistance

770 Fairmont Avenue, Suite 200 Glendale, CA 91203-1035 Phone: (818) 549-2318

Email: pakiza.chatha@water.ca.gov

Matthew Howard **Operations Manager** 1210 Beaumont Avenue Beaumont, CA 92223 Phone: (951) 845-2577

1210 Beaumont Avenue

Email: mhoward@sgpwa.com

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

18. 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 Data Submittal

Exhibit H– State Audit Document Requirements

Exhibit I- Project Location

Exhibit J- Monitoring and Maintenance Plan Components

Exhibit K- Appraisal Specifications

Exhibit L- Information Needed for Escrow Process and Closure

Exhibit M– Invoice Guidance for Administrative and Overhead Charges

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

STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES	SAN GORGONIO PASS WATER AGENCY		
Arthur Hinojosa Manager, Division of Regional Assistance	Lance Eckhart General Manager and Chief Hydrologist		
Date	Date		
Approved as to Legal Form and Sufficiency			
for			
Robin Brewer Assistant General Counsel, Office of the General Counsel			
Date			

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Exhibit A WORK PLAN

Project Title: San Gorgonio Pass Nested Monitoring Wells (Project)

Project Description: The Work Plan includes activities associated with the expansion of the San Gorgonio Pass Groundwater Sustainability Agency's (SGPGSA's) groundwater monitoring network. The Project consists of the drilling and installation of a minimum of four (4) nested monitoring wells to fill spatial data gaps in high-priority and unique geologic areas. The drilling and installation of the four nested monitoring wells will be performed by the United States Geological Survey (USGS) like previous Sustainable Groundwater Management Program grants that have been awarded to the SGPGSA. The USGS has performed numerous geologic studies in the subbasin, is under contract to monitor groundwater in the subbasin, and has recently constructed nested monitoring wells in the subbasin. The nested monitoring wells will address data gaps identified in the Banning Bench Storage Unit, as well as in the northern boundary of the Banning Storage Unit within the Beaumont Basin.

Category (a): Grant Agreement Administration

Prepare reports detailing work completed during the reporting period as outlined in Exhibit F, "Report Formats and Requirements" of this Agreement. Progress Reports will include sufficient information for the DWR Grant Manager to understand and review backup documentation submitted with invoices. Quarterly invoices will accompany the Quarterly Progress Reports and should be submitted to the DWR Grant Manager for review to receive reimbursement of Eligible Project Costs. Collect and organize backup documentation by component, budget category, and task and prepare a summary Excel document detailing the contents of the backup documentation organized by component, budget category, and task.

Prepare and submit the Environmental Information Form (EIF) within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager. Submit a deliverable due date schedule within 30 days of the execution date of the Grant Agreement to be reviewed and approved by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager, and the revised schedule saved in the appropriate project files.

Prepare the Draft Grant Completion Report and submit it to the DWR Grant Manager for comment and review 90 days before the work completion date. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30 days of receipt, when possible. Submit a Final Grant Completion Report addressing the DWR Grant Manager's comments prior to the work completion date. The report shall be prepared and presented in accordance with the provisions of Exhibit F, "Report Formats and Requirements," and approved by the DWR Grant Manager within 30 days after the work completion date. All deliverables listed within the Work Plan shall be submitted with the Final Grant Completion Report unless a new deliverable due date was approved by the DWR Grant Manager.

Deliverables:

- EIF
- Deliverable due date schedule
- Quarterly Progress Reports, Quarterly Invoices, and all required backup documentation
- Draft and Final Grant Completion Reports

Category (b): Environmental / Engineering / Design

Task 1: Permitting, Environmental, and Rights-of-Way

Prepare environmental documentation and file Notice(s) of Exemption (NOE) with the County Clerk's Office and State Clearinghouse. Submit the CEQA document(s) to the DWR Grant Manager for review and concurrence prior to beginning construction.

Construction may not begin, and no costs for Category (c) may be incurred until an exemption from CEQA is granted, or the State has reviewed the CEQA document(s), completed its CEQA responsible agency Obligations, and given its environmental clearance in accordance with Paragraphs 4 and D.8 of this Agreement. Any costs incurred for Category (c) prior to an exemption from CEQA being granted or DWR giving its environmental clearance shall not be reimbursed, and any such amounts shall be deducted from the total Grant Amount in Paragraph 3.

Prepare well construction permit applications. Obtain other required permits, if any. Prepare and submit any right-of-way, access agreements, or easements for the Project.

Deliverables:

- All completed CEQA and NEPA documents, as required
- No Legal Challenges Letter
- · Permits, as required
- Rights-of-Way, as required

Task 2: Monitoring Well Design

Prepare a conceptual design memorandum based on an understanding of the hydrogeologic setting and groundwater flow conditions, including details of project design and hydrogeologic basis for well design and layout. Develop design and specification drawings at conceptual and completion levels. Submit them to the Grant Manager for review and concurrence. The final design and specifications will be submitted to the DWR Grant Manager for review and concurrence.

Deliverables:

- Conceptual Design Memorandum
- Preliminary design and specification
- Final design and specification

Category (c): Implementation / Construction

Task 3: Contract Services

Prepare and execute agreements with the USGS for, among other things, the Project's design, construction, and ongoing maintenance and related studies and analysis for the benefit of the same. Ensure that the terms and conditions of the USGS agreements reflect all applicable terms and conditions and subcontractor flow down requirements of this Agreement. Provide the DWR Grant Manager with copies of the executed USGS agreements within thirty (30) days of signing by both SGPWA and the USGS.

Deliverables:

- Executed USGS Agreements
- Notice to Proceed

Task 4: Construction

Drill and construct a minimum of eight monitoring wells in approximately four monitoring well sites with a minimum of two wells at each site. Manage and dispose of waste solids and fluids from well development. Install pressure transducers at each well that is constructed. Manage the construction to verify completion is on schedule and consistent with the specifications. Summarize construction activity in the quarterly Progress Reports, including descriptions of any change orders. Photo-document pre-construction, construction activities log, and post-construction site conditions to include in the associated quarterly Progress Reports. Prepare and submit a well completion report(s) at the conclusion of well installation and development.

Install a permanent benchmark at each well as a permanent reference and for future efforts to monitor land subsidence.

Deliverables:

- Summaries of activities and photo documentation pre-construction, during construction, and post-construction to include in the associated quarterly Progress Reports
- Inspection Reports
- · Final survey data
- Notice of Completion
- Well completion report(s)
- Acknowledgement of Credit signage

Category (d): Monitoring / Assessment

Task 5: Project Monitoring Plan and Initial Well Testing

Prepare a long-term Project Monitoring Plan (PMP) to incorporate water level and water quality testing of the wells into the existing GSA-wide monitoring program. Analyze water quality for recommended constituents per State requirements. Test the wells by completing post-construction monitoring to ensure the wells are performing as expected.

Deliverables:

- Project Monitoring Plan
- Groundwater level and water quality data summary

Task 6: Hydrogeologic and Stratigraphic Evaluation

Prepare a hydrogeologic and stratigraphic evaluation and document via a technical memorandum. Upon completion, correlate the collected data with regional studies.

Deliverables:

Hydrogeologic and Stratigraphic Evaluation Technical Memorandum

Category (e): Engagement / Outreach

Inform interested parties of the progress of project activities. Conduct public meetings and include interested parties and partnering agencies. Post information on media platforms to increase community awareness and provide updates on project activities. Notify property owners located on or adjacent to monitoring wells prior to construction and during construction activities.

Deliverables:

- Proof of media posts
- Meeting agendas and minutes of community meetings

Exhibit B BUDGET

Grant Title: San Gorgonio Pass Nested Monitoring Wells

Grantee: San Gorgonio Pass Water Agency

Grant serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community? (check all that apply): ⊠DAC, ⊠SDAC, ⊠Tribe, and/or ⊠Underrepresented Community

Components	Grant Amount
Category (a) Grant Administration	\$68,200
Category (b) Environmental / Engineering / Design	\$54,320
Category (c) Implementation / Construction	\$1,879,900
Category (d) Monitoring / Assessment	\$45,990
Category (e) Engagement / Outreach	\$7,260
Total:	\$2,055,670

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Exhibit C SCHEDULE

Grant Title: San Gorgonio Pass Nested Monitoring Wells

Categories	Start Date ¹	End Date ¹
(a) Grant Agreement Administration	03/01/2024	03/31/2026
(b) Environmental / Engineering / Design	08/01/2023	03/31/2025
(c) Implementation / Construction	04/01/2024	11/30/2025
(d) Monitoring / Assessment	11/01/2024	01/31/2026
(d) Education / Outreach	11/01/2023	01/31/2026

NOTES:

¹Exhibit C Schedule only dictates the work start date and the work end date for the Budget Category listed. The Grantee must adhere to the Deliverable Due Date Schedule that has been approved by the DWR Grant Manager. The dates listed in Exhibit C Schedule are date ranges that correlate to the Deliverable Due Date Schedule. Eligible costs for each line item will only be approved if the work completed falls within the date ranges listed in Exhibit C.

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 the 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 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. <u>AMENDMENT:</u> 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. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." The State shall have no obligation to agree to an amendment.
- D.4. <u>AMERICANS WITH DISABILITIES ACT:</u> 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 9, "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. (Pub. Resources Code, § 80012, subd. (b).)

- D.6. <u>BUDGET CONTINGENCY:</u> 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. <u>CALIFORNIA CONSERVATION CORPS:</u> 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 DWR Grant 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 9, "Default Provisions."
- D.9. <u>CHILD SUPPORT COMPLIANCE ACT:</u> The Grantee acknowledges, in accordance with Public Contract Code section 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 section 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. <u>CLAIMS DISPUTE:</u> Any claim that the Grantee may have regarding the performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the 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 Grant 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. <u>COMPUTER SOFTWARE:</u> 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. <u>CONFLICT OF INTEREST:</u> 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 a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. <u>DELIVERY OF INFORMATION, REPORTS, AND DATA:</u> 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. <u>DISPOSITION OF EQUIPMENT:</u> The Grantee shall provide to the State, not less than 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 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. The cost of transportation, if any, shall be borne by the State.

- D.16. <u>DRUG-FREE WORKPLACE CERTIFICATION:</u> 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. <u>EASEMENTS:</u> 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 Grant Agreement, an appropriate easement or other title restriction shall be provided and approved by 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 or other title restriction acceptable to the State may result in termination of this Agreement.
- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.
- D.19. <u>GRANTEE'S RESPONSIBILITIES:</u> 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 Project Exhibit B, "Budget," and Exhibit C, "Schedule."
 - B. Must maintain eligibility requirements as outlined in the 2021 Guidelines, amended April 2023, and 2021 PSP and pursuant to Paragraph 10.
 - C. 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.

- D. Comply with all applicable California, federal, and local laws and regulations.
- E. Implement the Project in accordance with applicable provisions of the law.
- F. Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.
- G. 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.
- H. Be solely responsible for the 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 the responsibilities of the Grantee under this Agreement.
- I. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this 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 the performance of work.
- D.20. <u>GOVERNING LAW:</u> This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21. <u>INCOME RESTRICTIONS:</u> 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, 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. <u>INDEPENDENT CAPACITY:</u> 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 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. <u>INSPECTIONS OF PROJECT BY STATE:</u> 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. <u>LABOR CODE COMPLIANCE</u>: 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/lcp.asp. 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 Funding Recipient, 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 Funding Agreement. Non-material changes with respect to the work plan are changes that help clarify the original language, the addition of tasks without deleting others, and minor edits that will not result in a change to the original scope. Non-material changes with respect to the budget are changes that only result in the reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient 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, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medical 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 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. <u>OPINIONS AND DETERMINATIONS:</u> 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. <u>PERFORMANCE BOND:</u> 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 the contract value and labor and materials (100%) of the 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. <u>PROJECT ACCESS:</u> 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. <u>REMAINING BALANCE:</u> 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. <u>REMEDIES NOT EXCLUSIVE:</u> 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. <u>RETENTION:</u> 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 the Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- 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. <u>SEVERABILITY:</u> 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. <u>SUSPENSION OF PAYMENTS:</u> 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. <u>SUCCESSORS AND ASSIGNS:</u> 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 the State and made subject to such reasonable terms and conditions as the State may impose.

- D.41. <u>TERMINATION BY THE GRANTEE:</u> 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 the termination date.
- D.42. <u>TERMINATION FOR CAUSE:</u> Subject to the right to cure under Paragraph 9, "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 9, "Default Provisions."
- D.43. <u>TERMINATION WITHOUT CAUSE:</u> The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44. <u>THIRD PARTY BENEFICIARIES:</u> 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. <u>TIMELINESS:</u> Time is of the essence in this Grant Agreement.
- D.46. <u>UNION ORGANIZING:</u> 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.47. 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.48. 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

RESOLUTION NO. 2022- 29

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY TO SUBMIT AN APPLICATION FOR NESTED MONITORING WELLS TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT IMPLEMENTATION GRANT PROGRAM

Resolved by the San Gorgonio Pass Water Agency, that an application be made to the Department of Water Resources to obtain a grant under the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Pub. Resources Code, § 80000, et seq.) and the Budget Acts of 2021 and 2022. Be it further resolved that the San Gorgonio Pass Water Agency has the authority and shall enter into a funding agreement with the Department of Water Resources to receive a grant for the: Nested Monitoring Wells Project.

The General Manager of the San Gorgonio Pass Water Agency, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, execute a funding agreement and any future amendments thereto, submit invoices, and submit any reporting requirements with the Department of Water Resources.

Passed and adopted at a meeting of the San Gorgonio Pass Water Agency on November 28, 2022

Authorized Original Signature:,

Printed Name: Larry 1

Title: Board Premi

Clerk/Secretary:

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the San Gorgonio Pass Water Agency held on November 28, 2022.

Clerk/Secretary:

Resolution No. 2022-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS GROUNDWATER SUSTAINABILITY AGENCY AUTHORIZING APPLICATION BY THE SAN GORGONIO PASS WATER AGENCY TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT IMPLEMENTATION GRANT PROGRAM

WHEREAS, grant funding has been made available through the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Pub. Resource Code, § 80000 et seq.) and the California Budget Acts of 2021 and 2022;

WHEREAS, this grant funding is directed towards projects and actions that further sustainable groundwater management;

WHEREAS, San Gorgonio Pass Water Agency, is a member of the San Gorgonio Pass Groundwater Sustainability Agency (SGPGSA);

WHEREAS, San Gorgonio Pass Water Agency has indicated a willingness to act on behalf of the SGPGSA in preparation of a grant application and to enter into a funding agreement with the Department of Water Resources to receive a grant for the San Gorgonio Pass Subbasin Groundwater Sustainability Plan (GSP) Round 2 Implementation;

THEREFORE BE IT RESOLVED:

San Gorgonio Pass Water Agency is authorized to act on behalf of the San Gorgonio Pass Groundwater Sustainability Agency for the preparation of a grant application and to enter into a funding agreement with the Department of Water Resources to receive a grant for the San Gorgonio Pass Subbasin GSP Round 2 Implementation.

Pass and Adopted at the meeting of the San Gorgonio Pass Groundwater Sustainability Agency
Board of Directors on December 6, 2022.

Authorized Original Signature:

Printed Name:

Title:

Clerk/Secretary:

I hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at the San Gorgonio Pass Groundwater Sustainability Agency held on

December 6, 2022 Clerk/Secretary:

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.

1. QUARTERLY PROGRESS REPORTS

A Quarterly Progress Report template will be provided by the DWR Grant Manager. Grantees must use the template provided for all Quarterly Progress Reports to obtain reimbursement reported. The Quarterly Progress Report must accompany an Invoice and be numbered the same for ease of reference for auditing purposes. In addition, the reporting period for the Quarterly Progress Report must also align with the corresponding quarterly Invoice.

2. COMPONENT COMPLETION REPORT

Component Completion Reports shall generally use the following format. This report should summarize all work completed as part of this grant. This is a standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

<u>EXECUTIVE SUMMARY</u> – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided:

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the Grant Agreement (e.g., 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

<u>COSTS AND DISPOSITION OF FUNDS</u> – A list of showing:

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

- Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
- Evaluation cost information, shown by material, equipment, labor costs, and any change orders
- Any other incurred cost detail
- A statement verifying separate accounting of funding disbursements
- Summary of project cost, including the following items:
 - Accounting of the cost of project expenditure;
 - o Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

<u>ADDITIONAL INFORMATION</u> – Any relevant additional Information should be included.

3. GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This report should summarize all work completed as part of this grant. This is a standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

- Executive Summary: consisting of a maximum of ten (10) pages summarizing information for the grant as well as the individual projects.
- Brief discussion of whether the level, type, or magnitude of benefits of each project are comparable to the
 original project proposal; any remaining work to be completed and mechanism for their implementation;
 and a summary of final funds disbursement for each project.

Additional Information: Summary of the submittal schedule for the Post Performance Reports applicable for the projects in this Grant Agreement.

4. POST-PERFORMANCE REPORT

The Post Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance. The PPR should follow the Methodology Report for the specific project type(s) provided by the DWR Grant Manager. The PPR should identify whether the project is being operated and maintained. DWR requirements are for all funded projects and should be maintained and operated for a minimum of 15 years. If the project is not being maintained and operated, justification must be provided. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

Reports and/or products

- Header including the following:
 - o Grantee Name
 - Implementing Agency (if different from Grantee)
 - Grant Agreement Number
 - Project Name
 - Funding grant source
 - o Report number
- Post Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- Project Description Summary

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- 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.

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Exhibit G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

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

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. The inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: http://www.ceden.org.

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

Groundwater Level Data

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

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Exhibit H

STATE AUDIT DOCUMENT REQUIREMENTS

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertaining to both State funding and the Grantee's Local Cost Share and details of the documents/records that State Auditors would need to review in the event that this Grant Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

State Audit Document Requirements

Internal Controls

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

State Funding:

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

Contracts:

- 1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
- 2. Contracts between the Agency and member agencies 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 grants or loans.
- 4. Bank statements showing the deposit of the receipts.

Accounting Records:

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

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Administration Costs:

1. Supporting documents showing the calculation of administration costs.

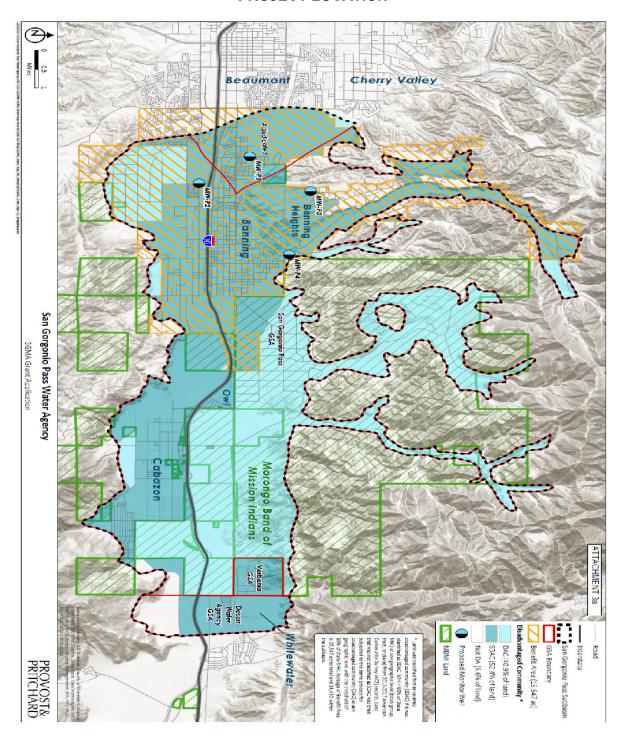
Personnel:

- 1. List of all contractors and Agency staff that worked on the State-funded Program/Project.
- 2. Payroll records, including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

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

Exhibit I PROJECT LOCATION



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Exhibit J

MONITORING AND MAINTENANCE PLAN COMPONENTS AND GUIDANCE

Introduction

- Goals and objectives of the project
- Site location and history
- Improvements implemented
- Monitoring and Reporting Plan

For each construction Component or Project contained in Exhibit A, a post-performance monitoring and reporting plan shall be submitted according to the Monitoring Method(s) developed by DWR. The Monitoring Methods are designed to provide the necessary steps needed to monitor Components or Project within the grant to DWR's monitoring standards. The detailed Monitoring Methods and protocols specific to the Components or Project listed in Exhibit A will be provided by the Grant Manager. The full monitoring method report is available on the SGM Grant Program website at: www.water.ca.gov/sgmgrants.

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Exhibit K APPRAISAL SPECIFICATIONS

NOT APPLICABLE

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EXHIBIT M

INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

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

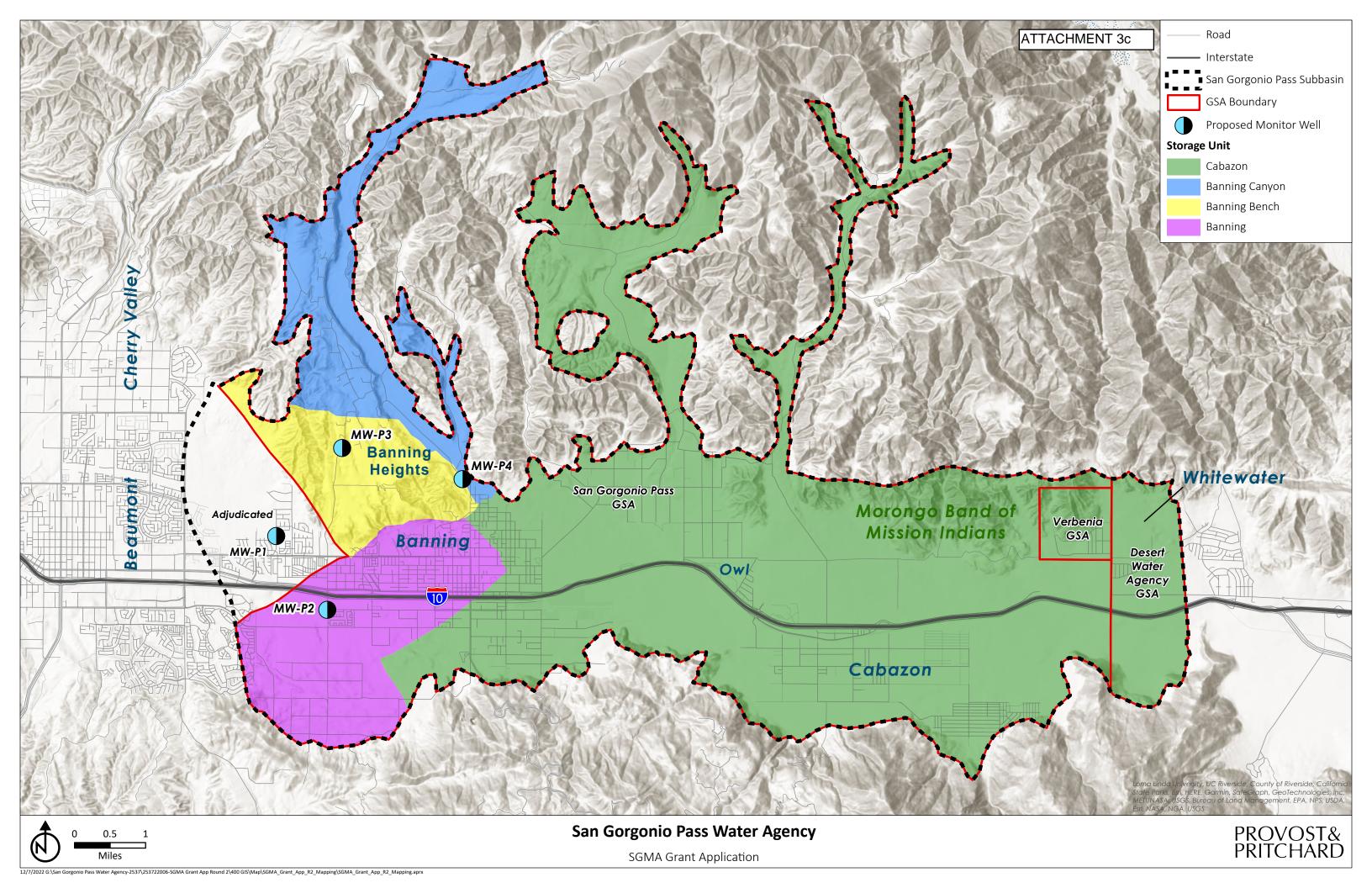
Administration Charges

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

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

Labor Rates

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



Nested Casings Monitoring Well Project: USGS Drilling Contract

Board of Directors Meeting

May 20, 2024



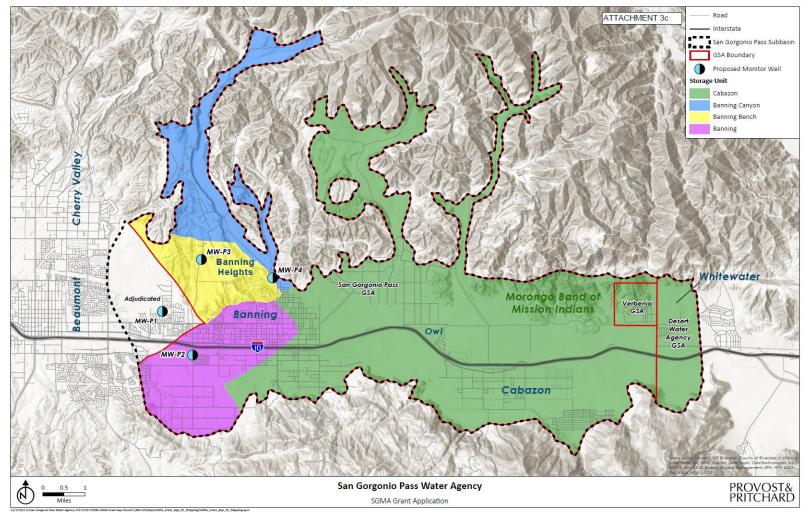


Overview of the Project

- The Nested Casings Monitoring Well Project objective is to drill ~10 monitoring wells at four different locations in the San Gorgonio Pass Sub-Basin
- •This project addresses identified data gap areas within the San Gorgonio Pass Sub-Basin Groundwater Sustainability Agency (GSA)
- •Water level and water quality data from these monitoring wells will provide the scientific data used in groundwater models and will help assist in project identification and priority



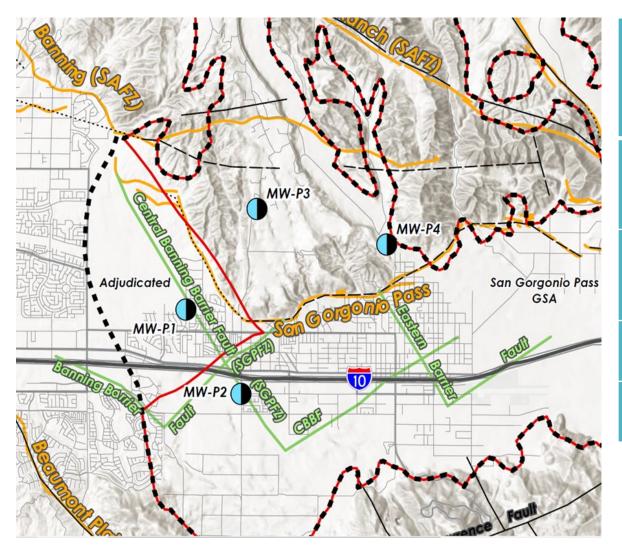
Nested Casings Well Monitoring Well Project



- DWR's Sustainable
 Groundwater Management
 Grant Program's SGMA
 Implementation Round 2
- GSP identified data gaps in Banning and Banning Bench Storage Units
- Project supported by the entire San Gorgonio Pass GSA
- DWR awarded SGPWA \$2.05 million in September 2023



Project Scope



Well Name	Approximate Groundwater Depth (feet)	Casing	Screen Interval (feet)
MW-P1	450	Shallow	480-500
		Mid	680-700
		Deep	980-1000
MW-P2	350	Shallow	380-400
		Mid	680-700
		Deep	980-1000
MW-P3	200	Shallow	280-300
		Deep	680-700
MW-P4	50	Shallow	180-200
		Deep	480-500



Grant and Project Schedule

Grant Agreement Implementation/ Education/ Administration Construction Outreach 03/01/2024 -04/01/2024 -11/01/2023 01/31/2026 03/31/2026 11/30/2025 2025 2025 2024 2024 2024 Environmental/ Monitoring/ Engineering/ Assessment 11/01/2024 -Design 08/01/2023 -01/31/2026 03/31/2025

2026



Project Cost Budget Summary

- •Total Contract Agreement with the USGS: \$2,012,080 with USGS cost sharing \$74,140 and includes:
- Finalize Site Locations
- Mobilization and Demobilization
- Drilling at four sites
- Construction of wells
- E-logging Instrumentation at each site
- Documentation of well cuttings
- Submitting Well Completion Reports to DWR
- Outfitting each well with a transducer
- Surveying in the location and elevation of each well

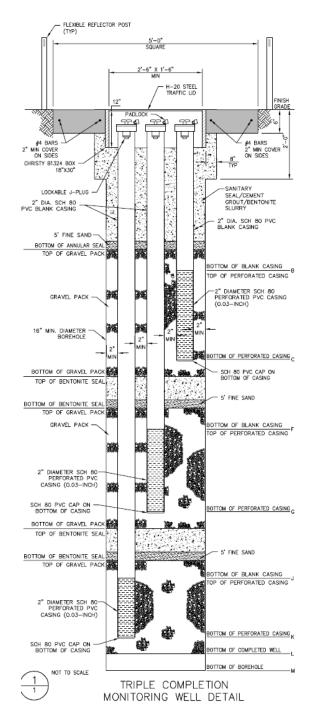
Program element	USGS	SGPWA	Total
Drilling and Construction of 4 monitoring sites			
Site 1- proposed depth approximately 1,000 ft, with 5 wells or less	\$22,240	\$581,380	\$603,620
Site 2- proposed depth approximately 1,000 ft, with 5 wells or less	\$22,240	\$581,380	\$603,620
Site 3- proposed depth approximately 500 ft, with 5 wells or less	\$14,830	\$387,590	\$402,420
Site 4- proposed depth approximately 500 ft, with 5 wells or less	\$14,830	\$387,590	\$402,420
Total cost	\$74,140	\$1,937,940	\$2,012,080





Proposed MW-P1 Location

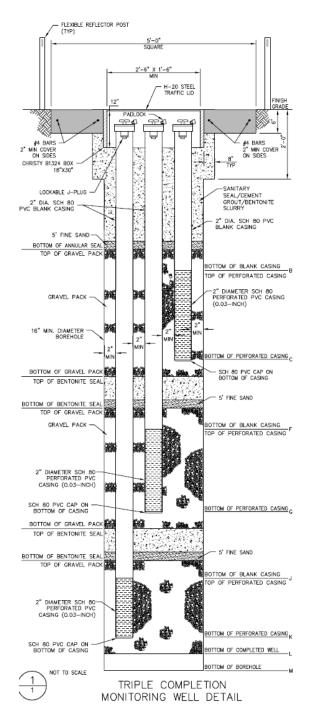






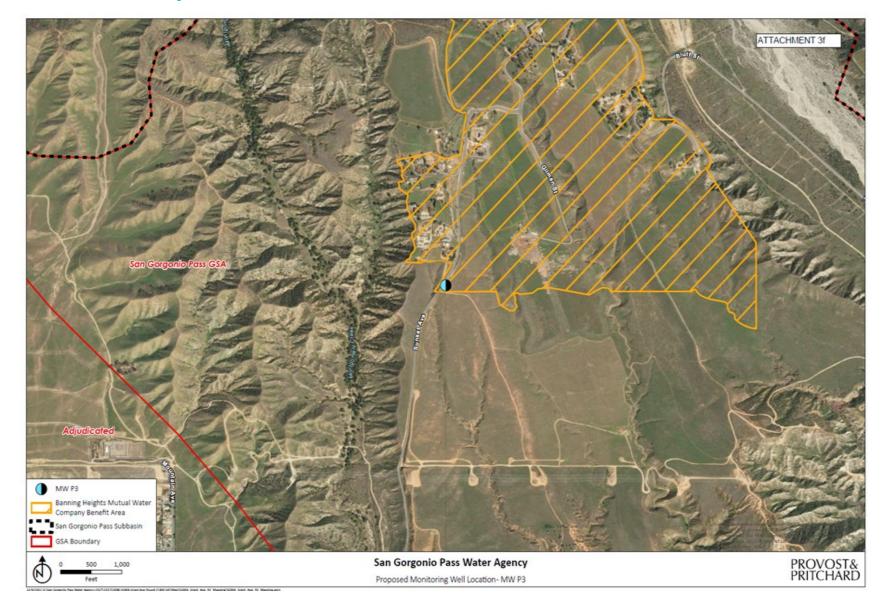
Proposed MW-P2 Location

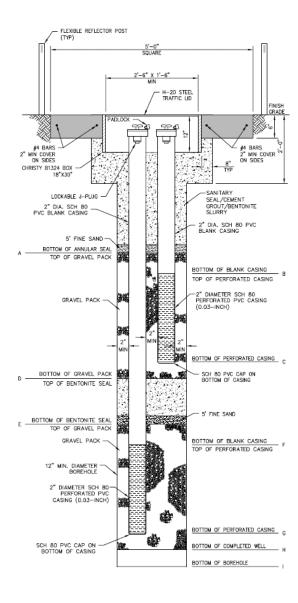






Proposed MW-P3 Location







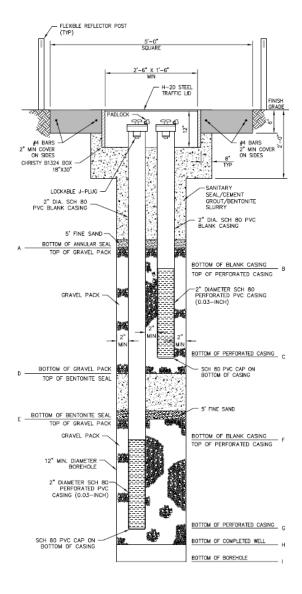
NOT TO SCALE

DOUBLE COMPLETION MONITORING WELL DETAIL



Proposed MW-P4 Location







NOT TO SC

DOUBLE COMPLETION MONITORING WELL DETAIL

Expectations During Drilling









Next Steps

- Execute Agreement with USGS for Drilling
- Schedule USGS Drilling for ~Q1-Q2 2025
- Finalize Site Selection for Four Sites
- Easement Acquisition from the City of Banning, County, and others
- Start Environmental, CEQA, and obtain Permits
- Public Relations campaign highlighting Project
- Begin Drilling

Recommendation

Authorize the General Manager to enter into an Agreement with the United States Geological Survey (USGS) to provide drilling, construction, logging, and the installation of multiple groundwater monitoring wells throughout the Agency service area utilizing Sustainable Groundwater Management Grant Program funding.



Questions

