



State Water Resources Control Board

June 16, 2026

City of Wheatland
Attn: Bill Zenoni – City Manager
111 C Street
Wheatland, CA 95692

Agreement Number: D2505004
Project Number: C-06-8753-110

Please review, and if appropriate, electronically sign the signature page of the Agreement via Adobe Sign no later than thirty (30) calendar days from the date of this letter. Once electronically signed, the Agreement will be routed automatically to the next signer. You will automatically receive a copy of the fully executed Agreement via Adobe Sign once the final signer has signed. This Agreement cannot be considered binding by either party until executed by the State Water Resources Control Board (State Water Board).

For the Funding Agreement to be executed by the State Water Board, the following items **must also be returned electronically with the signed signature pages**: The Opinion will need to be dated and signed on or after the date the agreement is signed. Counsel can file and attach the letters and submit them back to Adobe.

1. Opinion of General Counsel.

If you have questions about the General Counsel Opinion Letter, please contact Nathan Gluckman, at (916) 449-5629 or email at Nathan.Gluckman@waterboards.ca.gov.

Except for letterhead, date, and signature, opinions of counsel must be identical to the form of opinion attached to this submittal in order for timely execution and for the opinion cost to be reimbursable. For questions regarding General Counsel Opinion Letter, please contact your Agreement Analyst.

Please note that all projects receiving funding must comply with all applicable implementing guidelines and regulations adopted by the California Department of Industrial Relations (DIR), regarding state prevailing wage requirements. You must contact DIR for guidance on how to comply. Information can be found at: <http://www.dir.ca.gov/lcp.asp>.

We strive to provide superior service to our recipients and would appreciate your feedback on the application process. Please assist us in completing a 5-minute Customer Satisfaction Survey at <https://www.surveymonkey.com/s/DWSRFSatisfaction> so we can continue to improve on our service and process. Your comments are valuable to the success of the DWSRF Program. Thank you for your time and we look forward to continuing to work with you.

Mr. Nathan Gluckman may be contacted at (916) 449-5629 or Nathan.Gluckman@waterboards.ca.gov.

Enclosures

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov



CLEAN WATER CONSTRUCTION GRANT

AGREEMENT NO. D2505004

BY AND BETWEEN

CITY OF WHEATLAND ("Recipient")

AND



CALIFORNIA STATE WATER RESOURCES CONTROL BOARD ("State Water Board")

FOR THE PURPOSE OF THE

PROJECT NO. C-06-8753-110

REGIONAL WASTEWATER TRANSMISSION AND TREATMENT FACILITIES PROJECT ("Project")

- Senate Bill 108 (Stats. 2024, Ch. 35), Section 143, amending Section 2.00 of the Budget Act of 2024, Item 3940-102-3228, and Assembly Bill No. 157 (Stats. 2024, Ch. 994), Section 105, and Resolution No. 2025-0022.
- Section 91011 of the Public Resources Code, and Resolution Nos. 2025-0022 and 2025-0013.

PROJECT FUNDING AMOUNT: \$75,000,000

GRANT COMPONENT: \$75,000,000

ESTIMATED REASONABLE PROJECT COST: \$115,600,000

ELIGIBLE WORK START DATE: NOVEMBER 6, 2024

ELIGIBLE CONSTRUCTION START DATE: FEBRUARY 27, 2026

COMPLETION OF CONSTRUCTION DATE: DECEMBER 1, 2030

FINAL REIMBURSEMENT REQUEST DATE: JUNE 1, 2031

RECORDS RETENTION END DATE: DECEMBER 1, 2066

1. The State Water Board and the Recipient mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement, including the following Exhibits, which are attached hereto or are incorporated by reference:

- EXHIBIT A – SCOPE OF WORK AND SCHEDULE
- EXHIBIT B – FUNDING PROVISIONS
- EXHIBIT C – GENERAL TERMS AND CONDITIONS
- EXHIBIT D – SPECIAL CONDITIONS

2. The following documents are also incorporated by reference, as well as any documents incorporated by reference in Exhibit D:

- the Final Plans & Specifications, including any amendments approved by the Division, which are the basis for the construction contract to be awarded by the Recipient;
- the Waste Discharge Requirement Order No. R5-2021-0024 (and/or National Pollutant Discharge Elimination System Permit No. CA0077836), and any amendments thereto;
- the federal Davis-Bacon requirements. By accepting this Agreement, the Recipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients | US EPA \(https://www.epa.gov/grants/dbra-requirements-epa-subrecipients\)](https://www.epa.gov/grants/dbra-requirements-epa-subrecipients). The Recipient shall ensure that the following language is included in all contracts and subcontracts funded under this Agreement:

By accepting this contract, the contractor acknowledges and agrees to the terms and conditions provided in the [Contract Provisions for Davis-Bacon and Related Acts | US EPA \(https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts\)](https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts).

(For reference, see also https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.html.)

The Recipient must include this language in its agreement with District under Exhibit D.1, technical special condition 4.

3. Party Contacts during the term of this Agreement are:

State Water Board		City of Wheatland	
Section:	Division of Financial Assistance		
Name:	Gabriel Berzamina, Project Manager	Name:	Bill Zenoni, City Manager
Address:	1001 I Street, 16th Floor	Address:	111 C Street
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Wheatland, CA 95692-9757
Phone:	(916) 319-9325	Phone:	(530) 663-2761
Email:	gabriel.berzamina@waterboards.ca.gov	Email:	bzenoni@wheatland.ca.gov

Each party may change its contact upon written notice to the other party. While Party Contacts are contacts for day-to-day communications regarding Project work, the Recipient must provide official communications and notices to the Division's Deputy Director in addition to the Party Contacts.

4. Conditions precedent to this Agreement are set forth as follows:

- (a) The Recipient must deliver to the Division a resolution authorizing this Agreement and identifying its authorized representative by title.

- (b) The Recipient must deliver an opinion of general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.
5. The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement, which shall be at least until the Records Retention End Date:
- (a) The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.
 - (b) The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.
 - (c) None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.
 - (d) The Recipient is in compliance with all State Water Board funding agreements to which it is a party.
6. This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CITY OF WHEATLAND:

STATE WATER RESOURCES CONTROL BOARD:

By: _____
Name: Bill Zenoni
Title: City Manager

By: _____
Name: Michael Downey
Title: Acting Deputy Director
Division of Financial Assistance

Date: _____

Date: _____

EXHIBIT A – SCOPE OF WORK AND SCHEDULE

A.1 PROJECT PURPOSE AND DESCRIPTION.

The Project is for the benefit of the Recipient and has a Useful Life of at least 20 years. The funding under this Agreement will be used to construct new wastewater conveyance and pumping facilities needed to reroute wastewater from the City of Wheatland (City) to the Olivehurst Public Utility District (District) wastewater treatment plant for regional treatment.

The Project scope is divided into two phases. Phase 1A is for improvements within the City System to be constructed the Recipient. Phase 1B is for improvements within the District System, to be constructed and owned by the District, subject to the terms of the pass-through agreement between Recipient and District under Exhibit D.1, technical special condition 4.

A.2 SCOPE OF WORK.

The Recipient agrees to complete the following work:

Phase 1A (Contract 1):

- Construct wastewater transmission pipelines and associated appurtenances within the City service area.
- Construct associated electrical, mechanical, instrumentation, control, site, and utility improvements necessary to support operation of the conveyance facilities.
- Construct ancillary facilities necessary to convey wastewater flows from the City to the District regional wastewater system.

Phase 1B (Contract 2):

- Construct wastewater conveyance facilities within the District service area.
- Construct pump stations, force mains, gravity pipelines, and associated appurtenances necessary to receive and convey wastewater flows from the City to the District wastewater treatment plant.
- Construct associated electrical, mechanical, instrumentation, control, site, and utility improvements necessary to support operation of the conveyance facilities.

Upon Completion of Construction, the Recipient must expeditiously initiate Project operations.

A.3 SIGNAGE.

The Recipient must place a professionally prepared sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and must maintain the sign in good condition for the duration of Project implementation. The sign may

include another agency's required information and must include, prominently displayed, the following disclosure statement and color logos (available from the Division):



"Funding for this project has been provided in full or in part under the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 and the California Budget Act of 2024 through an agreement with the State Water Resources Control Board."

A.4 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the "Estimated Due Date" column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Recipient must complete and submit all work in time to be approved by the Division prior to Project Completion. As applicable for specific submittals, the Recipient must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Recipient must submit the final Reimbursement Request prior to the Final Reimbursement Request Date set forth on the Cover Page.

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
A.	ADDITIONAL SUBMITTAL(S) TO DIVISION		
1.	Final Plans and Specifications (with Davis-Bacon language)	N/A	September 1, 2026
2.	Final Budget Approval Package	N/A	September 1, 2026
3.	Construction Completion Date	December 1, 2030	N/A
B.	REPORTS		
1.	Progress Reports	N/A	Quarterly
2.	Final Inspection and Certification	N/A	November 1, 2030
3.	Project Completion Report	N/A	January 1, 2031
4.	As Needed Reports	N/A	As Requested by Division
EXHIBIT B – REIMBURSEMENTS, BUDGET DETAIL, AND REPORTING PROVISIONS			
A.	REIMBURSEMENTS		
1.	Eligible Work Start Date	November 6, 2024	N/A
2.	Reimbursement Requests	N/A	Quarterly
3.	Final Reimbursement Request	June 1, 2031	N/A

The Recipient must award the prime construction contract and begin construction timely. The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.

The Division may require corrective work to be performed prior to Project Completion. The State Water Board is not obligated to reimburse corrective work under this Agreement.

A.5 PROGRESS REPORTS.

The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement. The Recipient must provide a progress report with each Reimbursement Request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibits B and C. A progress report must contain the following information:

1. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
2. A description of compliance with environmental requirements;
3. A listing of change orders including amount, description of work, and change in contract amount and schedule; and
4. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

A.6 PROJECT COMPLETION REPORT.

1. The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate Regional Water Board on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:
 - (a) Description of the Project;
 - (b) Description of the water quality problem the Project sought to address;
 - (c) Discussion of the Project's likelihood of successfully addressing that water quality problem in the future; and
 - (d) Summary of compliance with applicable environmental conditions.
2. If the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold reimbursements under this Agreement or other agreements, and begin administrative proceedings.

A.7 GREENHOUSE GAS REDUCTION FUND REPORTING.

The Recipient must submit information required for compliance with Greenhouse Gas Reduction Fund requirements, if required by the Division.

A.8 ESTIMATED ACCRUAL REPORT FORM.

The Recipient must submit to the State Water Board an Estimated Accrual Report Form for the Project on or before July 15 of each year until the Recipient has submitted its Final Reimbursement Request.

A.9 FINAL PROJECT INSPECTION AND CERTIFICATION.

Upon completion of the Project, the Recipient must provide for a final inspection and must certify that the Project has been completed in accordance with this Agreement, any final plans and specifications submitted to the State Water Board, and any amendments or modifications thereto. If the Project involves the planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, or other professionals, the final inspection and certification must be conducted by a California Registered Civil Engineer or other appropriate California registered professional. The results of the final inspection and certification must be submitted to the Project Manager.

EXHIBIT B – FUNDING PROVISIONS.

B.1 ESTIMATED REASONABLE COST AND PROJECT FUNDS.

The estimated reasonable cost of the total Project is set forth on the Cover Page of this Agreement, and is greater than or equal to the funding anticipated to be provided by the State Water Board under this Agreement. Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

B.2 RECIPIENT CONTRIBUTIONS.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

For any Project Funds requested over the amount of fifty million (\$50,000,000), the Recipient agrees to provide a match contribution of fifty percent (50%) towards the Project. This match contribution is based on the budget, funding sources, and amounts submitted by the Recipient in its application and during the negotiation of this Agreement. The Recipient must submit documentation, to the satisfaction of the Division, that it has provided matching funds equal to any amounts requested beyond fifty million (\$50,000,000) with its Reimbursement Requests.

B.3 VERIFIABLE DATA.

Upon request by the Division, the Recipient must submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.

B.4 BUDGET COSTS.

1. Estimated budget costs are contained in the Summary Project Cost Table below:

ITEM	DESCRIPTION	TOTAL ESTIMATED COST	PROJECT FUNDING AMOUNT ^{1, 2}
A	Construction	\$103,600,000	\$75,000,000
B	Pre-Purchased Material/Equipment	\$0	\$0
C	Real Property/Easement Acquisition	\$0	\$0
D	Change Order Contingency	\$3,000,000	\$0
E	Force Account	\$0	\$0
G	Allowances (<i>Soft Costs</i>)		
	Planning	\$0	\$0
	Design	\$0	\$0
	Construction Management	\$9,000,000	\$0
	Administration	\$0	\$0
	Allowances Subtotal	\$0	\$0
	TOTAL	\$115,600,000	\$75,000,000

¹The Division will not disburse Project Funds beyond \$50,000,000 unless the Recipient has provided documentation of sufficient matching funds (50% match required for disbursements over \$50,000,000).

Project planning and design costs are not included in the Agreement budget, but may be used towards the Recipient's match component upon consent of the Division.

²A portion of the Project Funding Amount, in the amount of \$56,430,955, may not be available to reimburse Project Costs requested after February 28, 2029. If the Recipient has not requested reimbursement of Project Costs incurred on or after the Eligible Work Start Date through submittal of complete, adequately supported, properly documented, and accurately addressed Reimbursement Requests in accordance with the Reimbursement Procedures at Exhibit B, in an amount of no less than \$56,430,955 by February 28, 2029 the difference may revert to the State Water Board and may no longer be available under this Agreement, with no liability accruing to the State Water Board.

The Division's Final Budget Approval and related Form 259 and Form 260 will document a more detailed budget of eligible Project Costs and Project funding amounts. Construction of the Project may be completed in phases with written approval of the Division. If construction proceeds under separate phases, the Recipient must submit a Final Budget Approval package and receive Final Budget Approval from the Division for each phase.

2. The Recipient is prohibited from requesting disbursement amounts that represent Recipient's or District's mark-ups to costs invoiced or otherwise requested by consultants or contractors.
3. Indirect Costs are ineligible for funding under this Agreement.

B.5 LINE ITEM ADJUSTMENTS.

Upon written request by the Recipient, the Division may adjust the line items of the budget at the time of Division's Final Budget Approval(s). Upon written request by the Recipient, the Division may also adjust the line items of the budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the budget that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in the budget must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

Under no circumstances may the sum of line items in the budget approved through the Final Budget Approval process exceed the Project Funding Amount. Any increase in the Project Funding Amount will require an Agreement amendment.

B.6 REIMBURSEMENT PROCEDURE.

Except as may be otherwise provided in this Agreement, reimbursements will be made as follows:

1. Upon execution and delivery of this Agreement by both parties, the Recipient may request immediate reimbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed. To be eligible for reimbursement, Project Costs, including planning and design allowance costs, must have been incurred in compliance with all applicable requirements, including the state and federal cross-cutting requirements listed in Exhibits C and D.
2. The Recipient must submit a Reimbursement Request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late Reimbursement Requests may not be honored.

3. Additional Project Funds will be promptly disbursed to the Recipient upon receipt of Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under this Agreement.
4. The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of Reimbursement Request. Supporting documentation (e.g., receipts) must be submitted with each Reimbursement Request. The amount requested for Recipient's administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed Reimbursement Request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Reimbursement Requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
5. The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future reimbursements.
6. The Recipient must not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.
7. Notwithstanding any other provision of this Agreement, no reimbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.

Notwithstanding any other provision of this Agreement, the Recipient agrees that the State Water Board may retain an amount equal to ten percent (10%) of the Project Funding Amount until Project Completion. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon Project Completion.

Except as follows, construction costs and disbursements are not available until after the Division has issued a Final Budget Approval for the corresponding costs. The Deputy Director of the Division may authorize the disbursement of up to ten percent (10%) of Project Funds for the reimbursement of eligible construction costs and pre-purchased materials prior to Division approval of a final budget form submitted by the Recipient. All other construction costs are not eligible for reimbursement until after the Division has approved the corresponding final budget form submitted by the Recipient. Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

B.7 REVERTING FUNDS AND DISENCUMBRANCE.

In the event the Recipient does not submit Reimbursement Requests for all funds encumbered under this Agreement timely, any remaining funds revert to the State. The State Water Board may notify the Recipient that the project file is closed, and any remaining balance will be disencumbered and unavailable for further use under the Agreement.

EXHIBIT C – GENERAL TERMS AND CONDITIONS

GENERAL TERMS AND CONDITIONS 2019-NOV is posted at https://www.waterboards.ca.gov/water_issues/programs/grants_loans/general_terms.html and replicated below:

1. DEFINITIONS. Unless otherwise specified in this Agreement, each capitalized term used in this Agreement has the following meaning:
 - “Agreement” means this agreement, including all exhibits and attachments hereto.
 - “Cover Page” means the front page of this Agreement.
 - “Days” means calendar days unless otherwise expressly indicated.
 - “Deputy Director” means the Deputy Director of the Division.
 - “Division” means the Division of Financial Assistance of the State Water Board or any other division or unit of the State Water Board authorized to administer this Agreement.
 - “Event of Default” means the occurrence of any of the following events:
 - a) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
 - b) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
 - c) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient’s property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient’s entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient’s existence, or any action in furtherance of any of the foregoing;
 - d) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or
 - e) Loss of the Recipient’s rights, licenses, permits, or privileges necessary for the Project, or the occurrence of any material restraint on the Recipient’s enterprise by a government agency or court order.
 - “Final Reimbursement Request Date” means the date set forth as such on the Cover Page of this Agreement, after which date, no further reimbursements or disbursements may be requested.
 - “Fiscal Year” means the period of twelve (12) months terminating on June 30 of any year.
 - “GAAP” means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public

Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

- "Material Obligation" means an obligation of the Recipient that is material to this transaction.
- "Party Contact" means, for the Recipient, the Authorized Representative of the Recipient or any designee of the Authorized Representative, and, for the State Water Board, the Division staff set forth in Section 2 of this Agreement.
- "Project" means the Project funded by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.
- "Project Completion" means, as determined by the Division, that the Project is complete to the reasonable satisfaction of the Division.
- "Project Costs" means the incurred costs of the Recipient which are eligible for funding under this Agreement, pursuant to applicable statutes, policy, regulations, or guidelines.
- "Project Funding Amount" means the maximum amount payable under this Agreement, as set forth on the Cover Page.
- "Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.
- "Project Manager" means the person designated by the State Water Board to manage performance of this Agreement. The Project Manager is set forth on the Cover Page.
- "Records Retention End Date" means the last date that the Recipient is obligated to maintain records related to this Agreement and is set forth on the Cover Page of this Agreement.
- "Regional Water Quality Control Board" or "Regional Water Board" means the appropriate Regional Water Quality Control Board.
- "Reimbursement Period" means the period during which Project Funds may be disbursed.
- "Reimbursement Request" means the Recipient's request for Project Funds from the State Water Board as set forth in Exhibit B.
- "State" means State of California.
- "State Water Board" means the State Water Resources Control Board.
- "Work Completion" means the Recipient's submittal of all work set forth under Exhibit A for review and approval by the Division.
- "Work Completion Date" means the date set forth on the Cover Page of this Agreement and is the last date on which Project Costs may be incurred under this Agreement.
- "Year" means calendar year unless otherwise expressly indicated.

2. **ACCESS, INSPECTION, AND PUBLIC RECORDS.** The Recipient must ensure that the State Water Board, the State Auditor, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times through the Records Retention End Date or useful life of the Project, whichever is longer. The Recipient acknowledges that, except for a subset of information regarding archaeological records and personally identifiable information, the Project records and locations may be public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, Reimbursement Requests, and supporting documentation submitted hereunder.
3. **ACCOUNTING AND AUDITING STANDARDS; FINANCIAL MANAGEMENT SYSTEMS.** The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets. Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:
 - (a) Establish an official file for the Project which adequately documents all significant actions relative to the Project;
 - (b) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all Project Funds received under this Agreement;
 - (c) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to Project Funds disbursed under this Agreement;
 - (d) Establish an accounting system which will accurately depict final total costs of the Project if authorized under this Agreement;
 - (e) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
 - (f) If the Recipient uses its own employees, equipment, or resources for any phase of the Project, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee.
4. **AMENDMENT.** No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee and approved as required.
5. **ASSIGNABILITY.** This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board. Amendment of the Agreement may be required.
6. **AUDIT.** The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of State or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division. The Recipient must return, or ensure the return of, any audit disallowances within 30 days.
7. **BONDING.** Where construction contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and

materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

8. **COMPETITIVE BIDDING.** Recipient must adhere to any applicable State law or local ordinance for competitive bidding and applicable labor laws. If Recipient is a private entity, any construction contracts related in any way to the Project must be let by competitive bid procedures which assure award of such contracts to the lowest responsive and responsible bidders. Recipient must not award a construction contract until a summary of bids and identification of the selected lowest responsible bidder is submitted to and approved in writing by the Division. Recipient must provide a full explanation if Recipient is proposing to award a construction contract to anyone other than the lowest responsible bidder.
9. **COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REQUIREMENTS.** The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements and with provisions of the adopted environmental mitigation plan, if any, for the useful life of the Project.
10. **COMPUTER SOFTWARE.** The Recipient certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
11. **CONFLICT OF INTEREST.** The Recipient certifies that it, its owners, officers, directors, agents, representatives, and employees are in compliance with applicable State and federal conflict of interest laws and will remain in compliance for the useful life of the Project. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances. Public entities are required to have adopted conflict of interest codes and may be required to provide documentation of those codes to the Division.
12. **DATA MANAGEMENT.** The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.
13. **DEBARRED, DISQUALIFIED, OR EXCLUDED CONTRACTORS.** The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml
14. **DRUG-FREE WORKPLACE.** The Recipient certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that

every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

15. **ENVIRONMENTAL CLEARANCE.** No work that is subject to California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA) may proceed under this Agreement until the State Water Board has provided approval to proceed. Upon receipt and review of the Recipient's environmental documents, the State Water Board shall make the appropriate environmental findings before determining whether to approve construction or implementation funding for the Project under this Agreement. Providing approval for such construction or implementation funding is fully discretionary. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement. If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.
16. **FINAL REIMBURSEMENT REQUEST.** The Recipient agrees to ensure that its final Reimbursement Request is received by the Division no later than the Final Reimbursement Request Date, unless prior approval has been granted by the Division. If the final Reimbursement Request is not received timely, the undisbursed balance of this Agreement may be deobligated.
17. **FRAUD AND MISUSE OF PUBLIC FUNDS.** All requests for disbursement must be accurate and signed by the Recipient or its Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must 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). Any costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit 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.
18. **FUNDING CONTINGENCY.** The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement. The State Water Board's obligation to disburse funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the State Water Board

has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

19. **GOVERNING LAW.** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
20. **RECIPIENT'S SHARE.** The Recipient agrees that it will provide for the payment of its full share, if any share is required, of Project Costs and that all costs connected with the Project will be timely paid by the Recipient.
21. **INDEMNIFICATION AND STATE REVIEWS.** The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

22. **INDEPENDENT ACTOR.** The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.
23. **INSPECTION.** Throughout the useful life of the Project, the State Water Board shall have the right to inspect the Project area to ascertain compliance with this Agreement.
24. **INTEGRATION.** This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.
25. **LIENS.** The Recipient must not make any pledge of or place any lien on the Project or Project assets except upon consent of the Division.
26. **NO DISCRIMINATION.** The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 14000 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project. If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property. The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b). The Recipient's obligations under this section shall survive the term of this Agreement. During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status. The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subs. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.
27. **NO THIRD-PARTY RIGHTS.** This Agreement creates no rights in and grants no remedies to any third party as a beneficiary of this Agreement.
28. **NO OBLIGATION OF THE STATE.** Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.
29. **NON-WAIVER.** Nothing in this Agreement shall affect or impair the Recipient's obligation to undertake work under this Agreement or shall affect or impair the right of the State Water Board to bring suit to enforce such work. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a

waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement. Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

30. **OTHER FUNDING SOURCES; INCOME RESTRICTIONS.** If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's contribution to Project costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board. The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient as related to this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.
31. **PERMITS AND AUTHORIZATIONS.** Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction or implementation begins.
- Any contractors, outside associates, or consultants required by the Recipient in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by the State Water Board's Project Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Project Manager.
32. **PREVAILING WAGES.** If applicable, the Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. If applicable, the Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the applicable prevailing wage provisions of the State Labor Code are being met. Division of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.
33. **PRIOR COSTS.** No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.
34. **PROFESSIONALS.** The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.
35. **RECORDS, INSPECTION, AUDITS, AND INTERVIEWS; RECORDS RETENTION.** The Recipient must maintain separate books, records and other material relative to the Project and retain such books, records, subcontracts, and other material until at least the Records Retention End Date set forth on the Cover Page of this Agreement. The Recipient must require that such

books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Department of Finance, the California State Auditor, the Bureau of State Audits, or any authorized representatives of the aforementioned, including federal funding agencies and their auditors, if any. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

36. **RELATED LITIGATION.** Under no circumstances may the Recipient use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to complete the Project funded by this Agreement or to repay all of the disbursed funds plus interest.
37. **REMEDIES.** The State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy. Any dispute of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the procedures provided to the Recipient under this Agreement.
38. **REPORTS - AS NEEDED.** The Recipient must provide expeditiously any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the State or federal government.
39. **RESPONSIBILITY FOR WORK.** The Recipient shall be 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 Recipient shall be responsible for responding to 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 Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.
40. **RIGHTS IN DATA.** The Recipient 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 Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request. The Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

41. STATE WATER BOARD ACTION; COSTS AND ATTORNEY FEES. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.
42. STATUS QUO. If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights, and remedies as if no such action had been brought.
43. TERMINATION, IMMEDIATE REPAYMENT, AND INTEREST: This Agreement may be terminated by written notice at any time, at the option of the State Water Board, if:
 - a. the Recipient has received funds as a result of a material misrepresentation in the funding application or other submitted document; or
 - b. upon violation by the Recipient of any material provision of this Agreement after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board.

In the event of such termination, the Recipient agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of Project Funds disbursed to the Recipient prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Recipient to the date of full repayment by the Recipient.

44. TIMING. Time is of the essence. The Recipient must expeditiously proceed with and complete the Project. Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.
45. TRAVEL AND PER DIEM. No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. No work or travel outside the United States of America is authorized. Failure to comply with this restriction may constitute an Event of Default and result in termination of this Agreement. Any reimbursement for necessary travel and per diem shall be set pursuant to and at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.
46. UNDISBURSED FUNDS. The Recipient is not entitled to interest earned on undisbursed funds.
47. UNENFORCEABLE PROVISION; SEVERABILITY. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
48. UNION ACTIVITIES: The Recipient hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Agreement. The Recipient certifies that none of the Project Funds will be used to assist, promote, or deter union organizing. If the Recipient incurs costs or makes expenditures to assist, promote, or deter union organizing, the Recipient will maintain records sufficient to show that no reimbursement from Project Funds has been sought for these costs and the Recipient shall provide those records to the Attorney General upon request.
49. VENUE. Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

50. **WAIVER AND RIGHTS OF THE STATE WATER BOARD.** Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.
51. **WATER CONSERVATION AND EFFICIENCY PROGRAMS:** The Recipient acknowledges that it has appropriate water conservation and efficiency programs in place, and that this provision constitutes a condition of this Agreement. A web link with examples of water conservation and efficiency programs is available at:
http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/conservation.shtml.
52. **WATER DIVERSION AND USE:** To the extent applicable, the Recipient has complied with, and shall continue to comply with, the requirements of Water Code, division 2, part 5.1, section 5100 et seq. for filing statements of water diversion and use.
53. **WITHHOLDING OF DISBURSEMENTS AND REIMBURSEMENTS.** Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:
- a) Failure of the Recipient to maintain reasonable progress on the Project as determined by the Division;
 - b) Commencement of litigation or a judicial or administrative proceeding related to the Project, or Recipient that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
 - c) Any investigation by State, local, or federal investigators or auditors, or a grand jury, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
 - d) A material adverse change in the condition of the Recipient, or the Project, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
 - e) The Recipient's material violation of, or threat to materially violate, any provision of this Agreement;
 - f) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents directly or indirectly regarding the Project;
 - g) An event requiring notice under this Agreement; or
 - h) An Event of Default or an event that the Division determines may become an Event of Default.

EXHIBIT D – SPECIAL CONDITIONS

D.1 ENVIRONMENTAL, TECHNICAL, AND FINANCIAL SPECIAL CONDITIONS.

ENVIRONMENTAL SPECIAL CONDITIONS:

1. The documents identified below are incorporated by reference and the Recipient shall comply with the conditions and recommendations therein and, as applicable, ensure the District complies with the conditions and recommendations therein:
 - a. The Mitigation Monitoring and Reporting Program from the EIR adopted by the City of Wheatland on February 28, 2023, for the Project.
 - b. The Mitigation Monitoring and Reporting Program from the MND adopted by the City of Wheatland on November 10, 2025, for the Project.
 - c. Recipient shall obtain a copy of the Clean Water Act (CWA), Section 401 Certification, Section 404 Permit, and Streambed Alteration Agreement prior to the start of the Project construction.
2. The Recipient shall make no changes to the Project, construction area, or special conditions, without obtaining the appropriate and necessary prior approval(s) from the State Water Board.
3. The Recipient shall provide notice to the CWSRF Program at CleanWaterSRF@waterboards.ca.gov or (916) 327-9978 within 24 hours of the discovery of any potential tribal cultural resource and/or archaeological or historical resource, and shall notify the Division promptly upon the discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. For additional requirements, please refer to the Notice provisions of this Agreement.
4. In the Recipient's Progress Reports and the Project Completion Report, submitted pursuant to this Agreement, the Recipient shall include a discussion of the status of its compliance with all environmental measures identified in this Exhibit D, with separate sections clearly labeled with section titles, discussing the status of Recipient's and District's compliance with:
 - a. The EIR Mitigation Monitoring and Reporting Program water quality measures adopted for the Project.
 - i. 4.3-14 for biological resources, and
 - ii. 4.7-1 through 4.7-4 for hydrology and water quality.
 - b. The MND Mitigation Monitoring and Reporting Program water quality measures adopted for the Project.
 - i. BIO-13 and BIO-14 for biological resources, and
 - ii. HYD-1 through HYD-3 for hydrology and water quality.
5. Recipient shall submit a copy of any applicable CWA, Section 401 Certification, Section 404 Permit, Streambed Alteration Agreement, and Waste Discharge Requirements to the State Water Board, Division of Financial Assistance prior to the start of the Project construction.

TECHNICAL SPECIAL CONDITIONS:

1. The Recipient shall submit an Energy Conservation Report that complies with the California Air Resources Board (CARB) 2024 Funding Guidelines and applicable reporting requirements. The report shall identify the energy-efficiency measures implemented under the Project, provide baseline and projected annual energy use, and quantify associated energy savings, including as applicable electricity (kilowatt-hours), natural gas (therms), and any other relevant fuel types. The report shall also demonstrate how the submittal satisfies the CARB reporting requirements in effect at the time of submission. The Recipient shall submit the report electronically to the Project Manager prior to completion of construction, unless otherwise approved in writing by the State.
2. The Recipient shall certify to the Division that a Fiscal Sustainability Plan meeting the requirements described in the CWSRF Policy has been developed and implemented by Recipient, and as applicable, District, no later than December 31, 2028. The Division may retain an amount equal to ten percent (10%) of the Project Funding Amount until the Fiscal Sustainability Plan certification is submitted. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon submittal.
3. Before requesting reimbursement of any Project Costs under this Agreement and prior to the Division's Final Budget Approval, the Recipient must secure and submit documentation of legally binding funding commitments sufficient, in combination with the Project Funding Amount, Prepaid Conveyance Connection Fees secured by the Recipient, and amounts self-funded by the Recipient, to meet the Estimated Total Project Cost set forth on the Cover Page. The Recipient must execute and submit a copy of all such legally binding funding commitments to provide funding towards the Project necessary to meet this condition, to the satisfaction of the Division. The terms of any such agreements must not conflict with this Agreement nor impair the ability of the Recipient to comply with its obligations under this Agreement including but not limited to the Rates, Fees, and Charges condition in Exhibit D.7.

Any loan agreements required under this condition must not be secured by Revenues other than future Conveyance Fees, and Prepaid Conveyance Connection Fees in excess of the amount necessary to complete the Project, unless Recipient receives prior written consent from the Division. For purposes of this condition, "Conveyance Fees" means the connection fee charged to new development for capacity in the regional wastewater project facilities, to be adopted by Recipient and District no later than completion of construction, and "Prepaid Conveyance Connection Fees" means the fees for future connections to the regional conveyance system prepaid by willing property owners within the Recipient or District's service area.

The Recipient must satisfy any conditions precedent to the funding commitments submitted under this condition prior to requesting Project Funds, unless the Division provides prior written approval. Such approval may be conditioned as determined to be appropriate by the Division.

4. Before requesting reimbursement of any Project Costs under this Agreement, the Recipient must execute and submit a legally binding agreement with the District, in a form satisfactory to the Division's counsel, obligating the District to complete Phase 1B of the Project consistent with all terms and conditions of this Agreement no later than the Completion of Construction Date, and operate and maintain the Project components within the District System consistent with all terms and conditions of this Agreement through the useful life of the Project.

The Recipient must include and enforce any terms in its agreement with District as necessary for the Recipient to comply with its obligations under this Agreement. The Recipient will be responsible for certifying and submitting all invoices on the forms provided by Division for the Project consistent with the reimbursement procedures at Exhibit B.6. No construction costs will be reimbursable unless and until they have been included in a Final Budget Approval issued by the Division.

The Recipient and District shall agree that the State Water Board is a third-party beneficiary to their agreement submitted under this condition, and their agreement shall not be amended nor terminated without the prior written consent of the State Water Board, which may require an amendment to this Agreement.

5. The Recipient must execute and submit a capacity purchase agreement and treatment and operations agreement to the Division before requesting reimbursement of any Project Costs under this Agreement. The capacity purchase agreement and treatment and operations agreement must not conflict with the terms of this Agreement.

D.2 PROPERTY RIGHTS OPINION.

Prior to any request for reimbursement for construction costs under this Agreement, the Recipient must deliver an opinion of counsel satisfactory to the Division's counsel that sufficient property rights in the Project property for the purposes contemplated in the Agreement have been obtained, and that Recipient has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601) with respect to any property acquired for the purposes of the Project. No construction funds will be disbursed under this Agreement until the Recipient satisfies this condition.

D.3 RESERVED.

D.4 DEFINITIONS.

1. Notwithstanding Exhibit C, the following terms have no meaning for the purposes of this Agreement:
 - Work Completion
 - Work Completion Date
2. Each capitalized term used in this Agreement has the following meaning:
 - "Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.
 - "Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.
 - "Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is established on the Cover Page of this Agreement.
 - "District" means the Olivehurst Public Utility District.
 - "Eligible Construction Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

- “Eligible Work Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.
- “City Enterprise Fund” means the enterprise fund of the Recipient in which City Revenues are deposited.
- “District Enterprise Fund” means the enterprise fund of the District in which District Revenues are deposited.
- “Event of Default” means, in addition to the meanings set forth in Exhibit C, the occurrence of any of the following events:
 - a) A material adverse change in the condition of the Recipient, District, the City or District Revenues, or the City System or District System, which the Division reasonably determines would materially impair the Recipient’s ability to satisfy its obligations under this Agreement.
 - b) Failure to operate the City System, District System, or the Project, unless the Division has given its approval for such non-operation;
 - c) The occurrence of a material breach or event of default under any Recipient or District obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption, or that the Division determines would materially impair the Recipient’s ability to satisfy its obligations under this Agreement;
 - d) A representation or warranty made by or on behalf of the District in this Agreement or in any document furnished by or on behalf of the District to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
 - e) Loss of the District’s rights, licenses, permits, or privileges necessary for the Project, or the occurrence of any material restraint on the District’s enterprise by a government agency or court order;
 - f) Failure by the District to observe and perform any covenant, condition, or provision in the agreement with Recipient under Exhibit D.1, technical special condition 4., which failure shall continue for a period of time, to be determined by the Division;
 - g) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the District’s property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the District’s entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the District’s existence, or any action in furtherance of any of the foregoing; or
 - h) A determination pursuant to Gov. Code section 11137 that the District has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.
 - i)
- “Final Budget Approval (FBA)” means the Division’s written approval of the final budget for the Project or a phase of the Project.

- "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 Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.
- "Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.
- "Match Contribution" means funds provided by the Recipient towards the Project. Costs necessary for the Project that were incurred by the Recipient prior to the Eligible Work Start Date may be used as Match Contribution upon consent of the Division.
- "City Net Revenues" means, for any Fiscal Year, all City Revenues received by the Recipient less the City Operations and Maintenance Costs for such Fiscal Year.
- "District Net Revenues" means, for any Fiscal Year, all District Revenues received by the District less the District Operations and Maintenance Costs for such Fiscal Year.
- "City Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the City System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the City System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the City System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the City System and insurance premiums; but excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.
- "District Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the District System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the District System in good repair and working order, and including all reasonable and necessary administrative costs of the District that are charged directly or apportioned to the operation of the District System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the District System and insurance premiums; but excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.
- "Policy" means the State Water Board's "Policy for Implementing the Clean Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

- "City Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the City System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the City System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the City System or arising from the City System, including all income from the deposit or investment of any money in the City Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.
- "District Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the District from the ownership or operation of the District System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the District for the services of the District System, and all other income and revenue howsoever derived by the District from the ownership or operation of the District System or arising from the District System, including all income from the deposit or investment of any money in the District Enterprise Fund or any rate stabilization fund of the District or held on the District behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.
- "City System" means all wastewater collection, pumping, transport, treatment, storage, and disposal facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the City System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.
- "District System" means all wastewater collection, pumping, transport, treatment, storage, and disposal facilities, including land and easements thereof, owned by the Olivehurst Public Utility District, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the District and determined to be a part of the District System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.
- "Useful Life" means the economically useful life of the Project beginning at Project Completion and is set forth in Exhibit A.

D.5 ADDITIONAL REPRESENTATIONS AND WARRANTIES.

The Recipient represents, warrants, and covenants each of the following:

1. The Recipient has not made any untrue statement of a material fact in its application for this financial assistance or omitted to state in its application a material fact that makes the statements in its application not misleading.
2. The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

3. The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date of execution of this Agreement by the Recipient, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date of execution of this Agreement by the Recipient.
4. There are, as of the date of execution of this Agreement by the Recipient, no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect, or if resolved unfavorably to the Recipient or District, would materially affect, the financial condition or operations of the Recipient, the District, the City or District Revenues, and/or the Project.
5. There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain any of the real or personal property related to or necessary for the Project.
6. The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.
7. Any financial statements or other financial documentation of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements or other financial documentation: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements or other financial documentation, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements or other financial documentation been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.
8. The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.
9. The Recipient has no conflicting Material Obligations.
10. The Recipient and District has sufficient real or personal property rights necessary for the purposes of this Agreement, not subject to third party revocation, which rights extend at least to the Records Retention End Date of this Agreement, except as disclosed to the State Water Board. The Recipient and District legally possess property access rights to any real or personal property necessary for the purposes of this Agreement for which the Recipient or District do not legally possess all real or personal property rights, except as disclosed to the State Water Board. The Recipient has disclosed to the State Water Board all proceedings, actions, or offers of which the Recipient has knowledge or belief that may in any way affect the Recipient's or District's ability to access or legally possess all of the property necessary for the purpose of this Agreement, including any proceedings, actions, or offers to lease, purchase, or acquire by eminent domain any of the real or personal property related to or necessary for the Project.
11. The Recipient and its principals, contractors, and subcontractors, to the best of the Recipient's knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized; nor have they engaged or permitted the performance of services covered by this Agreement from parties that are debarred or suspended or otherwise excluded from or ineligible for participation in any

work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. The Recipient must include this term in its agreement with District under Exhibit D.1, technical special condition 4.

D.6 ACKNOWLEDGEMENTS.

The Recipient must include the following acknowledgement in any document, written report, or brochure to be shared with the general public prepared in whole or in part pursuant to this Agreement:

- "Funding for this project has been provided in full or in part under Proposition 4 – the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, and the California Budget Act of 2024 through Agreement No. D2505004 with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor do the foregoing endorse trade names or recommend the use of commercial products mentioned in this document, as well as any images, video, text, or other content created by generative artificial intelligence tools, nor does any such content necessarily reflect the views and policies of the foregoing."

The Recipient must include this term in its agreement with District under Exhibit D.1, technical special condition 4

D.7 RATES, FEES, AND CHARGES.

The Recipient must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for the City System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate City Revenues in the amounts necessary to cover City Operations and Maintenance Costs, and must ensure that City Net Revenues are in an amount necessary to meet its obligations under this Agreement. The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the City Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

The Recipient must include this term in its agreement with District under Exhibit D.1, technical special condition 4, requiring the District, to the extent permitted by law, to fix, prescribe and collect rates, fees and charges for the District System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate District Revenues in the amounts necessary to cover District Operations and Maintenance Costs, and must ensure that District Net Revenues are in an amount necessary to meet its obligations under the agreement. The District may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the District Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

D.8 RETURN OF FUNDS.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, to immediately return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement and pay interest at the highest legal rate on all of the foregoing.

D.9 DAMAGES FOR BREACH OF TAX-EXEMPT STATUS.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the

federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

D.10 OPERATION AND MAINTENANCE.

The Recipient shall ensure the facility and structures constructed or improved as part of the Project are sufficiently and properly staffed, operated, and maintained throughout the term of this Agreement, consistent with the purposes of this Agreement. The Recipient and District assume all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation. The Recipient must include this term in its agreement with District under Exhibit D.1, technical special condition 4.

D.11 INSURANCE.

The Recipient will procure and maintain or cause to be maintained insurance on the City System and Project with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the City System and Project) as are usually covered in connection with systems similar to the City System and Project, and require District to procure and maintain or cause to be maintained insurance on the District System and Project with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the District System and Project) as are usually covered in connection with systems similar to the District System and Project. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient or, as applicable, District of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the City System, District System, or Project caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Systems or Project. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the City System, District System, and Project must be free and clear of all claims and liens.

Recipient agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

D.12 CONTINUOUS USE OF PROJECT; NO LEASE, SALE, TRANSFER OF OWNERSHIP, OR DISPOSAL OF PROJECT.

The Recipient agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due. The Recipient must include this term in its agreement with District under Exhibit D.1, technical special condition 4.

D.13 NOTICE.

Upon the occurrence of any of the following events, the Recipient must notify the Division's Deputy Director and Party Contacts by phone and email within the time specified below:

1. Within 24 hours, the Recipient must notify the Project Manager by phone and by email and the Division by phone at (916) 327-9978 and by email, CleanWaterSRF@waterboards.ca.gov of any discovery of any potential tribal cultural resource, archaeological or historical resource, or human remains in the Project area. If there are any applicable provisions of a mitigation, monitoring and reporting program adopted for the project, the Recipient shall comply with such provisions, and ensure District complies with such provisions. The Recipient must coordinate with the Division to determine the appropriate course of action necessary to mitigate potential impacts. In the event of the discovery of human remains during construction of the Project, the Recipient and District shall cease construction and take other action required by any applicable laws, which may include but are not limited to Health and Safety Code, section 7050.5 and Public Resources Code, section 5097.98.
2. The Recipient must notify the Division and Party Contacts promptly of the occurrence of any of the following events:
 - i. Bankruptcy, insolvency, receivership or similar event of the Recipient or District, or actions taken in anticipation of any of the foregoing;
 - ii. Change of ownership of the Project (no change of ownership may occur without written consent of the Division);
 - iii. Loss, theft, damage, or impairment to Project;
 - iv. Events of Default, except as otherwise set forth in this section;
 - v. A proceeding or action by a public entity to acquire the Project by power of eminent domain.
 - vi. Any litigation pending or threatened with respect to the Project or the Recipient's or District's technical, managerial or financial capacity or the Recipient's or District's continued existence, or any judgment or court order relating to such litigation that has a significant effect on the Project, the City System, or the District System;
 - vii. Consideration of dissolution, or disincorporation;
 - viii. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board.
 - ix. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this funding, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
 - x. Any substantial change in scope of the Project. The Recipient and District must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;

- xi. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
- xii. Any disputes related to the Project that may affect the Recipient's ability to comply with the terms of this Agreement;
- xiii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
- xiv. The Recipient must promptly notify the Division and Party Contacts of the discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during implementation of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
- xv. Any Project monitoring, demonstration, or other implementation activities required in this Agreement;
- xvi. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state representatives with at least ten (10) working days' notice to the Division;
- xvii. Any event requiring notice to the Division pursuant to any other provision of this Agreement;
- xviii. The award of the prime construction contracts for the Project; and the initiation of construction of the Project; and
- xix. Completion of Construction, and Project Completion.

The Recipient must include notice provisions in its agreement with District under Exhibit D.1, technical special condition 4, as necessary for the Recipient to meet its obligations under this condition.

D.14 FRAUD, WASTE, AND ABUSE.

The Recipient shall prevent fraud, waste, and the abuse of Project Funds, and shall cooperate in any investigation of such activities that are suspected in connection with this Agreement. The Recipient understands that discovery of any evidence of misrepresentation or fraud related to Reimbursement Requests, invoices, proof of payment of invoices, or other supporting information, including but not limited to double or multiple billing for time, services, or any other eligible cost, may result in an administrative action by the State Water Board and/or referral to the Attorney General's Office or the applicable District Attorney's Office for appropriate action. The Recipient further understands that any suspected occurrences of false claims, misrepresentation, fraud, forgery, theft or any other misuse of Project Funds may result in withholding of reimbursements and/or the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

The Recipient must include this term in its agreement with District under Exhibit D.1, technical special condition 4.

D.15 DISPUTES.

The Recipient must continue with the responsibilities under this Agreement during any dispute. The Recipient may, in writing, appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute. This provision does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law. This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

D.16 EXECUTIVE ORDER N-6-22 — RUSSIAN SANCTIONS.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "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 state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient 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 Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;
2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
3. Direct support to the government and people of Ukraine.

D.17 STATE CROSS-CUTTERS.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following with respect to all Project Costs for the term of this Agreement. As applicable, the Recipient must include the following terms in its agreement with District under Exhibit D.1, technical special condition 4.:

- The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.
- The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.
- Regulations in Division 4 of Title 22 of the California Code of Regulations, including but not limited to California Waterworks Standards in Chapter 16, and Lead and Copper regulations in Chapter 17.5.

D.18 DAMAGES FOR BREACH OF FEDERAL CONDITIONS.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

D.19 ACCESS AND INSPECTION.

In addition to the obligations set forth in section 2 of the General Terms and Conditions incorporated in Exhibit C of this Agreement, the Recipient must ensure that the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during the term of the Agreement.

D.20 FINANCIAL MANAGEMENT SYSTEMS.

The Recipient must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement.

D.21 FEDERAL CROSS-CUTTERS.

The Recipient acknowledges, warrants compliance with, and covenants to continuing compliance with the following federal terms and conditions with respect to all Project Costs for the term of this Agreement and for the Useful Life of the Project, and must include the following terms in its agreement with District under Exhibit D.1, technical special condition 4:

- i. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. The Recipient agrees to comply with the Davis-Bacon provisions incorporated by reference in this Agreement. The Recipient must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in all construction contracts and subcontracts.
- iii. The Recipient shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.
- iv. The Recipient shall comply with applicable USEPA general terms and conditions found at <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2024-or-later>.
- v. No Recipient may receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award management, to the State Water Board.

- vi. The Recipient represents and warrants that it and its principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient is excluded after execution of this Agreement, the Recipient shall notify the Division within ten (10) days and shall inform the Division of the Recipient's exclusion in any request for amendment of this Agreement. The Recipient shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.
- vii. To the extent applicable, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- viii. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement. This includes the right to require the Recipient to make such works available through agency-designated public access repositories.
- ix. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient. The Recipient must utilize the Interagency Edison extramural invention reporting system at <http://iEdison.gov> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- x. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Acknowledgment statement set forth in Exhibit D.
- xi. The Recipient acknowledges that it is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xii. The Recipient, its employees, contractors and subcontractors and their employees warrants that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, use forced labor in the performance of this Agreement, or engage in acts that directly support or advance trafficking in persons, including (i) destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents; (ii) failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if request by the employee, unless exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreements or the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action; (iii) soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment; (iv) charging recruited employees a placement or recruitment fee; or (v) providing or arranging housing that fails to meet the host country's housing and safety standards. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient

understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.

xiii. The Recipient certifies to the best of its knowledge and belief that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient shall require this certification from all parties to any contract or agreement that the Recipient enters into and under which the Recipient incurs costs for which it seeks reimbursement under this Agreement.

xiv. The Recipient must comply with the following federal non-discrimination requirements:

- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
- b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
- c. The Age Discrimination Act of 1975, which prohibits age discrimination.
- d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
- e. 40 CFR Part 7, as it relates to the foregoing.
- f. All applicable federal civil rights regulations, including statutory and national policy requirements (2 CFR section 200.300).

xv. If the Project relates to construction of a publicly owned treatment works, where the Recipient contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services, the Recipient shall ensure that any such contract is negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement as determined by the State Water Board.

xvi. If the Project relates to construction of a publicly owned treatment works, the Recipient certifies that it has developed and is implementing a fiscal sustainability plan for the Project, except as set forth in Exhibit D, that includes an inventory of critical assets that are a part of the Project, an evaluation of the condition and performance of inventoried assets or asset groupings, a certification that the recipient has evaluated and will be implementing water and energy

conservation efforts as part of the plan, and a plan for maintaining, repairing, and, as necessary, replacing the Project and a plan for funding such activities.

- xvii. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: sam.gov
- xviii. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.
- xix. The Recipient agrees that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure. For purposes of this subsection, a connection is defined as a dedicated persistent interface between a USEPA information technology system and an external information technology system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the Recipient's connections as defined above do not go through the Environmental Information Exchange Network or USEPA's Central Data Exchange, the Recipient agrees to contact the USEPA Project Officer and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet USEPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the Recipient into systems operated and used by USEPA's regulatory programs for the submission of reporting and/or compliance data.
- xx. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at www.fgdc.gov.
- xxi. If the Recipient is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxii. The Recipient represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.
- xxiii. The Recipient agrees to comply with, and require all contractors and subcontractors to comply with, USEPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the

USEPA's Scientific Integrity Policy. The Recipient must refrain from acts of research misconduct, including publication or reporting, as described in USEPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.

- xxiv. The Recipient agrees to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient also agrees to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.
- xxv. The Recipient certifies that no Project Funds will be used on:
- a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), video surveillance or telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
 - b. Telecommunications or video surveillance services produced by such entities;
 - c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;
 - d. Systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
 - e. Other telecommunications or video surveillance services or equipment in violation of [2 CFR 200.216](#).

[DATE]

[FORM OF OPINION OF GENERAL COUNSEL – insert your letterhead]

State Water Resources Control Board
Division of Financial Assistance
Attn:
1001 I Street
Sacramento, CA 95814

Re: Recipient Entity ("Recipient") – Name of Project –Project No. [xxxxxxxxxxxx]
("Project") – Agreement No. [xxxxxxxxxxxxxxxxxxxx] ("Agreement")

Ladies and Gentlemen:

I am/This firm acts as General Counsel to the Recipient in connection with the Project. This opinion is delivered to the State Water Resources Control Board ("State Water Board") at the request of the Recipient. In connection therewith, I have examined the laws pertaining to the Recipient, originals of the Agreement between the Recipient and the State Water Board, the Recipient's authorized representative resolution [number] adopted on [DATE], the Recipient's rate-setting resolution [number] adopted on [DATE], (collectively, "the Resolutions"), and such other documents, legal opinions, instruments and records, and have made such investigation of law, as I have considered necessary or appropriate for the purpose of this opinion.

Based on the foregoing, it is my opinion that:

- a. The Recipient, a general law city/charter city/county/special district of the State of California duly organized, validly existing under the laws of the State of California pursuant to [INSERT SPECIFIC CODE SECTIONS], has the requisite legal right, power, and authority to execute and deliver the Agreement and carry out and consummate all transactions contemplated therein.
- b. The Resolutions have been duly adopted at meetings of the Recipient which were called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolutions were adopted. The Resolutions are in full force and effect and have not been amended, modified, supplemented, or rescinded, nor has the rate-setting resolution been challenged or the rates become subject of a referendum or initiative or other similar process.

- c. To the best of my knowledge and based upon a reasonable investigation, all proceedings required by law or under the ordinances or bylaws of the Recipient to be taken by the Recipient in connection with the authorization of the Agreement and the transactions contemplated by and related thereto, and all such approvals, authorizations, consents or other orders of or filings or registrations with such public boards or bodies, if any, as may be legally required to be obtained by the Recipient prior to the date hereof with respect to all or any of such matters have been taken or obtained and are in full force and effect, except that no opinion is expressed as to any approvals, obligations or proceedings which may be required under any federal securities laws or state blue sky or securities laws.
- d. To the best of my knowledge and based upon a reasonable investigation, the execution and delivery of the Agreement and the consummation of the transactions therein will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under (i) the statutes creating the Recipient or any amendments thereto, (ii) the ordinances or by laws of the Recipient, (iii) any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the Recipient is a party or by which it or its properties are otherwise subject or bound or (iv) any applicable law or administrative regulation or any applicable court or administrative decree or order. All material contracts, agreements, or leases are listed in Exhibit D of the Agreement.
- e. [paragraph required for construction projects; delete if solely planning and no access to property will occur during planning]: To the best of my knowledge and based upon a reasonable investigation, the Recipient has sufficient property rights in the Project property for the purposes contemplated in the Agreement and has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) with respect to any property acquired for the purposes of the Project. These property rights extend for at least 50 years from today's date, as follows: [in perpetuity][date certain].
- f. To the best of my knowledge and based upon a reasonable investigation, there is no action, suit, proceeding, inquiry or investigation before any court, or by any federal, state, municipal or other governmental authority pending or threatened against or affecting the Project or the system of which the Project is a part (the System), or the assets, properties, or operations of the Recipient relating to the Project or System, which, if determined adversely to the Recipient or its interests would result in any material change in the assets or financial condition of the Recipient, the Project, or the

System; and the Recipient is not in default with respect to any order or decree of any court or any order, regulation, or demand of any federal, state, municipal, or other governmental agency which default might have consequences that would materially and adversely affect the financial condition of the Recipient, the Project, or the System.

- g. No facts have come to my attention which lead me to believe that the Recipient's authorized representative has made any untrue statement of a material fact or omitted or omits to state a material fact or has made misleading statements in the Agreement.
- h. The Agreement has been duly authorized, executed, and delivered, and assuming due authorization, execution and delivery of the Agreement by the State Water Board, constitutes legal, valid, and binding obligation of the Recipient enforceable against the Recipient in accordance with its terms, subject to the laws relating to bankruptcy, insolvency, reorganization, or creditors' rights generally and to the application of equitable principles, if equitable remedies are sought.

Sincerely,

General Counsel
[Recipient Name]

California Environmental Quality Act (CEQA) Determination

City of Wheatland (Applicant)
Regional Wastewater Transmission and Treatment Facilities Project (Project)
Project Number: 8753-110

As the Deputy Director for the State Water Resources Control Board (State Water Board), Division of Financial Assistance, I have been delegated the authority to approve and execute financing agreements for projects that are routine and non-controversial. The approval of financing is an action that is subject to CEQA. The authority to make this CEQA determination necessarily accompanies the delegation to approve financing for this Project.

1. The Applicant is the CEQA Lead Agency for the Wheatland portion of the Project and has prepared an Environmental Impact Report (EIR) titled "Wheatland Regional Sewer Pipeline Project," for the Project which was circulated through the Governor's Office of Land Use and Climate Innovation (LCI), State Clearinghouse (No. 2021110022) for review and comments. The Applicant certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and a Statement of Overriding Considerations (SOC) for farmland conversion and approved the Project on February 28, 2023. The Applicant filed a Notice of Determination (NOD) with the Yuba County Clerk and the LCI on March 2, 2023.

The Olivehurst Public Utility District (OPUD) is the CEQA Lead Agency for the OPUD portion of the Project and has prepared an Initial Study/Mitigated Negative Declaration (MND) titled "OPUD South County Service Area Improvements Project," for the Project which was circulated through the LCI, State Clearinghouse (No. 2023030233) for review and comments. The OPUD adopted the MND and MMRP and approved the Project on April 20, 2023. The OPUD filed a NOD with the Yuba County Clerk and the LCI on April 24, 2023.

The Applicant is a Responsible Agency under CEQA and has adopted the OPUD MND and MMRP for the Project, and approved the Project on November 10, 2025. The Applicant filed an NOD with the Yuba County Clerk on November 12, 2025, and the LCI on November 14, 2025.

2. The State Water Board is a Responsible Agency under CEQA. A Responsible Agency complies with CEQA by considering the EIR, MND and MMRPs prepared/adopted by the Lead Agency and by reaching its own conclusions on whether and how to approve the Project involved. The State Water Board has independently considered the EIR, MND and MMRPs, and pursuant to my delegated authority, I make the following determinations regarding the Project:
 - The EIR identified potentially significant environmental effects of the Project related to hydrology/water quality. Mitigation measures 4.3-14 for biological

resources, and 4.7-1 through 4.7-4 for hydrology and water quality have been incorporated into the Project to reduce the potential water quality impacts of the Project to less than significant levels as described in the final EIR and MMRP. Because of mitigation measures identified herein and in the EIR and the MMRP, the Project will not result in any significant adverse water quality impacts.

- The MND and MMRP include mitigation measures BIO-13 and BIO-14 for biological resources, and HYD-1 through HYD-3 for hydrology and water quality to reduce the potential water quality impacts of the Project to less than significant levels as described in the final MND and MMRP. Because of the mitigation measures identified herein and in the MND and MMRP, the Project will not result in any significant adverse water quality impacts.
- The MND and MMRP also include mitigation measures for air quality, biological resources, cultural resources, energy, geology and soils, greenhouse gas emissions, hazards and hazardous materials, noise, and transportation that mitigate potential environmental impacts to less than significant levels for these impact categories. Changes or alterations to the Project based on these mitigation measures are within the responsibility and jurisdiction of other public agencies and are not within the jurisdiction of the State Water Board. Such changes either have been adopted by other relevant agencies or can and should be adopted by such other agencies.
- The EIR also identified potentially significant environmental effects of the Project related to tribal cultural resources, hazards and hazardous materials, geology and soils, cultural resources, biological resources, and air quality. The EIR includes mitigation measures that mitigate potential environmental impacts to less than significant levels for these impact categories. Changes or alterations to the Project based on these mitigation measures are within the responsibility and jurisdiction of other public agencies and are not within the jurisdiction of the State Water Board. Such changes either have been adopted by other relevant agencies or can and should be adopted by such other agencies.

Significant environmental effects regarding project-level and cumulative farmland conversion were identified in the EIR and were not avoidable or substantially lessened to a level of less than significant.

- a) The Applicant adopted a SOC, finding that the impacts are an acceptable consequence of the Project because of the benefits it will provide, and no feasible mitigation measures or alternatives have been identified to reduce the Project's significant unavoidable impacts. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained

Applicant: City of Wheatland
Project No: 8753-110

workers, make infeasible the mitigation measures or Project alternatives identified in the final EIR.

- b) These considerations are that the Project will a) provide a financially feasible and viable alternative for wastewater treatment and disposal to the continued use of the existing wastewater treatment plant sufficient to meet existing and future demands of the City of Wheatland (City), as well as to comply with State tertiary treatment requirements; b) Provide long-term sewer stability for the City with an opportunity for future expansion; c) Consolidate the City's wastewater into a regional sewer system for South Yuba County, consistent with state policy of consolidation of smaller plants into larger, regional systems; d) Provide needed infrastructure to support employment and housing development in the City in order to improve economic development activities within the City and accommodate the City's fair-share of regional housing needs allocations; and e) Modernize the City's wastewater operations, equipment, and controls and ensure that the facilities meet anticipated future standards.
- c) These considerations constitute overriding considerations that outweigh the significant unavoidable adverse environmental effects of the Project-related farmland conversion impacts.

A final copy of the MND, EIR, SOC, MMRPs, comments and responses, and records of the financing approval for the Project are available to the general public at the State Water Board, Division of Financial Assistance at 1001 I Street, 16th Floor, Sacramento, CA 95814.

Michael Downey
Digitally signed by Michael Downey
Date: 2026.06.16 13:46:37 -07'00'


Michael Downey, Acting Deputy Director
Division of Financial Assistance

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF POLITICAL SCIENCE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]

[Illegible text]

DATE: [Illegible]

[Illegible text]