

TO: BOARD OF DIRECTORS
 FROM: MICHAEL S. LEBRUN *MSL*
 GENERAL MANAGER
 DATE: JUNE 18, 2013



**APPROVE FUNDING AGREEMENT WITH SAN LUIS OBISPO COUNTY
 FLOOD CONTROL AND WATER CONSERVATION DISTRICT**

ITEM

Approve a funding agreement between the District and San Luis Obispo County regarding a \$2.2 million dollar grant of funds to the Supplemental Water Project Phase 1 [RECOMMEND ADOPT RESOLUTION APPROVING FUNDING AGREEMENT AND AUTHORIZE STAFF TO EXECUTE AGREEMENT]

BACKGROUND

INTEGRATED REGIONAL WATER MANAGEMENT BACKGROUND

Senate Bill 1672 established the Integrated Regional Water Management (IRWM) Act in 2002, intended to promote collaborative and integrated management of water resources. California voters passed a series of propositions, thereby establishing and funding efforts under the State's IRWM Program. These propositions authorized the State's Legislature to appropriate grant funds for IRWM plans and projects, and to establish grant eligibility requirements.

The DWR IRWM Program covers a wide range of water resource strategies, including projects that protect communities from drought and floods, protect and improve water quality and ecosystems, and address critical water supply or quality needs of disadvantaged communities. The IRWM Program is intended to promote a new model for water management, consistent with the California Water Plan and provides both "planning" and "implementation" grants. Planning grants are for updating existing IRWM Plans to meet the requirements of IRWM Program Guidelines and to help fund specific water resource planning efforts. Implementation grants are reserved for actual construction projects or implementation of programs.

IRWM GRANT APPROVAL

The San Luis Obispo County Flood Control District (Flood Control District), in coordination with NCSD and other local agencies and stakeholders, was successful in obtaining a \$10.4 million implementation grant for the participating agencies.

IRWM program funding benefits the region by facilitating the implementation of the region's highest priority water quality, water supply and flood management projects. The implementation grant funding approved by DWR is shown in the following table:

Implementation Grant Component	Grant Funding Allocation	Lead Agency
Grant Administration	\$55,556	Flood Control District
Los Osos Wastewater Project	\$5,945,444	San Luis Obispo County
Zone 1/1A Waterway Management Program	\$2,200,000	Flood Control District
Nipomo Supplemental Water Project	\$2,200,000	Nipomo CSD
Total Grant Award	\$10,401,000	

The Flood Control District has entered into Grant Agreement No. 4600009717 with the CA Department of Water Resources regarding grant disbursement. The State and County require the District enter a similar sub-agreement (Funding Agreement) specifying the grant relationship.

FISCAL IMPACT

The \$2.2 million grant is an integral part of the Board approved funding plan for the Supplemental Water Project Phase 1.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends your Board, by motion and roll call vote, adopt resolution approving the Funding Agreement and direct staff to execute the Agreement.

ATTACHMENTS

- A. Resolution (Proposed Funding Agreement is Exhibit A to proposed Resolution)

JUNE 20, 2013

ITEM 2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT APPROVING A FUNDING
AGREEMENT WITH SAN LUIS OBISPO COUNTY FLOOD CONTROL
DISTRICT FOR DISBURSEMENT OF INTEGRATED REGIONAL WATER
MANAGEMENT IMPLEMENTATION GRANT**

WHEREAS, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61000 et seq.); and

WHEREAS, the State of California has established an Integrated Regional Water Management grant program pursuant to the Safe Drinking Water, Water quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resources Code Section 75001 et seq.) (Also known as Proposition 84); and

WHEREAS, the San Luis Obispo County Flood Control District (County Flood Control District) is the lead agency on a \$10.4 million award of Proposition 84 grant funds by CA Department of Water Resources in accordance with a Grant Agreement No. 4600009717; and

WHEREAS, \$2.2 million of the Proposition 84 grant funds are designated for the District's Supplemental Water Project; and

WHEREAS, disbursement of Proposition 84 funds requires a sub-agreement (Exhibit A) between the County Flood Control District and the District.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Nipomo Community Services District, as follows:

1. The above recitation of facts and findings is true and correct and incorporated herein.
2. The Funding Agreement between County Flood Control District and the District is hereby approved and staff is authorized to execute the Agreement.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT APPROVING A FUNDING AGREEMENT WITH SAN
LUIS OBISPO COUNTY FLOOD CONTROL DISTRICT FOR DISBURSEMENT OF INTEGRATED
REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT**

Upon motion by Director _____, seconded by Director _____, on
the following roll call vote, to wit:

AYES:
NOES:
ABSTAIN:
CONFLICTS:

the foregoing resolution is hereby passed and adopted this 20th day of June,
2013.

JAMES HARRISON
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
Secretary to the Board

MICHAEL W. SEITZ
Deputy District Legal Counsel

**FUNDING AGREEMENT BETWEEN THE SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND
THE NIPOMO COMMUNITY SERVICES DISTRICT
INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT
CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

This Funding Agreement is entered into by and between the San Luis Obispo County Flood Control and Water Conservation District, a public agency in the County of San Luis Obispo, State of California, duly organized, existing, and acting pursuant to the laws thereof (FCWCD), and the Nipomo Community Services District, a community services district duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (NCSD), which parties do hereby agree as follows:

1. **PURPOSE.** On _____, 2013, FCWCD and the California Department of Water Resources (State) entered into Grant Agreement No. 4600009717 attached hereto and incorporated herein by this reference (Grant Agreement). Pursuant to the Grant Agreement, the State shall provide a grant from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to the FCWCD to assist in financing projects associated with the San Luis Obispo Integrated Regional Water Management (IRWM) Plan (Grant). One of the projects identified in the Grant Agreement is the Nipomo Supplemental Water (Waterline Intertie) Project (Project) to be locally sponsored by the NCSD. The purpose of this Funding Agreement is to set forth the terms and conditions under which the FCWCD will disburse funds provided by the State for the Project pursuant to the Grant Agreement to the NCSD.
2. **GENERAL RESPONSIBILITIES.** As the Grant administrator and fiscal agent for the Grant, FCWCD is responsible for disbursing to NCSD Grant funds provided by the State for implementation of the Project subject to the terms and conditions of this Funding Agreement. The NCSD shall be responsible for faithfully and expeditiously performing or causing to be performed all Project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Schedule) and Exhibit C (Budget). The NCSD shall comply with all of the terms and conditions of this Funding Agreement and applicable California Public Resources Code (PRC) requirements. In addition, NCSD acknowledges and agrees that this Funding Agreement is subject to the obligations and limitations imposed on the FCWCD by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it. The NCSD further acknowledges that if the Grant Agreement is terminated by the State, the FCWCD shall have the right to terminate or amend this Funding Agreement by giving written notice. The NCSD hereby expressly agrees to the provisions of the Grant Agreement and to take all actions (and provide all information) necessary for the FCWCD to satisfy its obligations thereunder. The NCSD further agrees that the FCWCD has the right to enter into amendments to the Grant Agreement and shall not be restricted or impaired, in any way, by this Funding Agreement.
3. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is executed by FCWCD, and terminates on May 30, 2018 or when all of the Parties' obligations under this Funding Agreement are fully satisfied, whichever occurs earlier. The Execution Date is the date the FCWCD signs this Funding Agreement as indicated on page 9.
4. **AMOUNT OF FUNDS AVAILABLE.** In accordance with the allocation set forth in the Grant Agreement, the maximum amount of funds available to NCSD under this Funding Agreement shall not exceed \$2,200,000.00.
5. **NCSD COST SHARE.** The estimated total Project cost is \$14,852,000.00. The NCSD shall provide a Cost Share (Funding Match) in the amount of at least 25% (unless a Disadvantaged Community project waiver is granted) of the total Project cost. The NCSD's Funding Match is estimated to be \$9,124,000.00. NCSD's Funding Match may include cost share performed after September 30, 2008.
6. **BASIC CONDITIONS.** A Commitment Letter from the State to FCWCD dated September 20, 2011 provides that the Grant is contingent upon the IRWM Regional Water Management Group adopting an updated IRWM Plan within two (2) years of the effective date of the Grant Agreement. In accordance with Paragraph 4.4 of the San Luis Obispo County Region IRWM Program Participants Memorandum of Understanding, NCSD shall contribute its proportionate share to the costs of the update. FCWCD has

determined NCSD's proportionate share to be \$32,970.00, and NCSD shall remit payment in full to the address listed in Paragraph 9 within forty five (45) days of the Execution Date. FCWCD shall have no obligation to disburse any Grant funds to NCSD until it receives full payment.

In addition, FCWCD shall have no obligation to disburse money for the Project under this Funding Agreement unless and until the NCSD has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

- a) NCSD demonstrates the availability of sufficient funds to complete the Project by submitting the most recent 3 years of audited financial statements.
- b) NCSD complies with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project construction if that tribe has traditional lands located within the area of the Project.
- c) To the extent that the Project is a groundwater management and recharge project or has potential groundwater impacts, the NCSD must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
- d) For the term of this Funding Agreement, the NCSD submits timely Quarterly Progress Reports to FCWCD as required by Paragraph 16, "Submission of Reports." The deadlines set forth in Paragraph 16 are intended to give the FCWCD sufficient time to prepare and submit combined Quarterly Progress Reports (covering all projects funded by the Grant) to the State before the deadlines prescribed in the Grant Agreement.
- e) NCSD submits all deliverables as specified in this Paragraph of the Funding Agreement and the Work Plan in Exhibit A.
- f) Prior to the commencement of construction or implementation activities, the NCSD shall submit to the FCWCD (for submittal to the State) the following:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the Project.
 - 2) NCSD shall not proceed with any work on the Project that is subject to the California Environmental Quality Act (CEQA) and/or environmental permitting until the following actions are performed:
 - i. NCSD submits all applicable environmental permits as indicated on the Environmental Information Form to the FCWCD (for submittal to the State),
 - ii. Documents that satisfy the CEQA process are received by the State,
 - iii. State has completed its CEQA compliance review as a Responsible Agency, and
 - iv. NCSD receives written concurrence from the State of NCSD's CEQA document(s) and State notice of verification of environmental permit submittal.
 - 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."

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

7. DISBURSEMENT OF FUNDS. Provided that the NCSD has satisfied the Basic Conditions set forth in Paragraph 6, has submitted proper invoicing to FCWCD pursuant to Paragraph 9 and is otherwise in full compliance with the terms of this Funding Agreement as determined by FCWCD (including the requirement that NCSD submit timely Quarterly Progress Reports), the FCWCD shall disburse to NCSD funds provided by the State to FCWCD specifically for the Project within four (4) weeks of receipt of said funds. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, the Grant Agreement, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to NCSD

under this Funding Agreement and any and all interest earned by NCSD on such money shall be used solely to pay Eligible Project Costs, as defined in Paragraph 8. "Eligible Project Costs."

8. ELIGIBLE PROJECT COSTS, NCSD shall apply any and all funds received pursuant to this Funding Agreement only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit C. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and Project construction. Work performed after the date of Grant award, August 16, 2011, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the Project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the Project, including the portion of overhead and administrative expenses that are directly related to the Project in accordance with the standard accounting practices of the NCSD.

Advanced funds will not be provided. Costs that are not reimbursable with Grant funds cannot be counted as Cost Share. Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
 - b) Operation and maintenance costs, including post construction performance and monitoring costs.
 - c) Purchase of equipment not an integral part of the Project.
 - d) Establishing a reserve fund.
 - e) Purchase of water supply.
 - f) Monitoring and assessment costs for efforts required after Project construction is complete.
 - g) Replacement of existing funding sources for ongoing programs.
 - h) Travel and per diem costs.
 - i) Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
 - j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the Grant award with the State.
 - k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of the Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as NCSD cost share (i.e. Funding Match)
 - l) Overhead not directly related to Project costs.
9. METHOD OF PAYMENT, Invoices submitted by NCSD to FCWCD shall include the following information:
- a) Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
 - b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the construction, operation, or maintenance of the Project.
 - c) Appropriate receipts and reports for all costs incurred.
 - d) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - 2) Invoices must be itemized based on the categories specified in Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) Sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant allocation for the Project, as depicted in Paragraph 4, "Amount of Funds Available" and those costs that represent NCSD's costs, as applicable, in Paragraph 5, "NCSD Cost Share."

- 5) Original signature and date (in ink) of NCSD's Project Manager.

Payment will be made no more than monthly, in arrears, upon receipt of the invoice. Submit the original and three (3) copies of the invoice form to the following address:

San Luis Obispo County Flood Control and Water Conservation District
Courtney Howard, Water Resources Engineer
County Government Center, Room 207
San Luis Obispo, CA 93408

10. WITHHOLDING OF DISBURSEMENT BY STATE OR FCWCD. If the State or FCWCD determines that the Project is not being implemented in accordance with the provisions of the Grant Agreement or this Funding Agreement, or that NCSD has failed in any other respect to comply with the provisions of the Grant Agreement or this Funding Agreement, and if NCSD does not remedy any such failure to State's or FCWCD's satisfaction, State or FCWCD may withhold from NCSD all or any portion of the Amount of Funds Available pursuant to Paragraph 4 and take any other action that they deem necessary to protect their interests. State or NCSD may require NCSD to immediately repay all or any portion of the disbursed Grant amount with interest, consistent with their determination. State or FCWCD may consider NCSD's refusal to repay the requested disbursed Grant amount a contract breach subject to the default provisions in Paragraph 12, "Default Provisions."

If State notifies FCWCD or NCSD of its decision to withhold the entire Amount of Funds Available for the Project pursuant to Paragraph 11 of the Grant Agreement, this Funding Agreement shall terminate upon receipt of such notice by NCSD or FCWCD and shall no longer be binding on either party.

11. CONTINUING ELIGIBILITY. NCSD must meet the following ongoing requirements to remain eligible to receive Grant funds:
 - a) An urban water supplier that receives grant funds governed by the Grant Agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
 - b) If the Project is a groundwater management and recharge project or has potential groundwater impacts, NCSD must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
12. DEFAULT PROVISIONS. NCSD will be in default under this Funding Agreement if any of the following occur:
 - a) Breach of this Funding Agreement, or any supplement or amendment to it, or any other agreement between NCSD and FCWCD evidencing or securing NCSD's obligations.
 - b) Failure to comply with the terms, provisions, conditions and written commitments set forth in the Grant Agreement or failure to take the actions (or provide the information) necessary for FCWCD to satisfy its obligations under the Grant Agreement.
 - c) Making any false warranty, representation, or statement with respect to this Funding Agreement.
 - d) Failure to operate or maintain the Project in accordance with this Funding Agreement.
 - e) Failure to make any remittance required by this Funding Agreement.
 - f) Failure to comply with Labor Compliance Program (LCP) requirements.
 - g) Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

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

- h) Declare the disbursed funds be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
 - i) Terminate any obligation to make future payments to NCSD.
 - j) Terminate the Funding Agreement.
 - k) Take any other action that they deem necessary to protect their interests.
13. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. NCSD shall be responsible for ensuring any and all permits, licenses, and approvals required for performing its obligations under this Funding Agreement are obtained, and shall comply with CEQA (PRC Section 21000 *et seq.*) and other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for the Project as described in Exhibit A.

14. RELATIONSHIP OF PARTIES. NCSD is solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by State or FCWCD is solely for the purpose of proper administration of Grant funds by State or FCWCD and shall not be deemed to relieve or restrict NCSD's responsibilities under this Funding Agreement.
15. NCSD REPRESENTATIONS. NCSD accepts and agrees to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by FCWCD or NCSD in the application, documents, amendments, and communications filed in support of FCWCD's request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing for the Project.
16. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to FCWCD. All reports shall be submitted to FCWCD, and shall be submitted in both electronic and hard copy forms. If requested, NCSD shall promptly provide any additional information deemed necessary by State or FCWCD for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of Grant funds. Submittal and subsequent approval by the State and FCWCD of a Project Completion Report for the Project is a requirement for the release of any funds retained for the Project.
- Quarterly Progress Reports: NCSD shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State and FCWCD's requirement for disbursement of funds. Quarterly Progress Reports shall be sent via e-mail to the FCWCD as specified in Exhibit B. Quarterly Progress Reports shall provide a brief description of the work performed, NCSD activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Quarterly Progress Report should be submitted to FCWCD no later than June, 15, 2013 with future reports then due on successive three month increments based on the invoicing schedule and this date. Quarters for this contract are designated as follows: March 1 – May 31, June 1 – August 31, September 1 – November 30, and December 1– February 28(or 29). Reports are due 15 days after the last month of the report period.
 - Project Completion Reports: NCSD shall prepare and submit to FCWCD a Project Completion Report for the Project. NCSD shall submit a Project Completion Report within sixty (60) calendar days of Project completion. The Project Completion Report shall include a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of the final Project by a registered civil engineer, consistent with Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State.
 - Project Performance Reports: NCSD shall submit a Project Performance Report for the Project. The Project Performance Report shall be submitted to FCWCD within sixty (60) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed Project begins operation.
17. NCSD PERFORMANCE AND ASSURANCES. NCSD agrees to faithfully and expeditiously perform or cause to be performed all work as described in the final plans and specifications for the Project under this Funding Agreement and implement the Project in accordance with applicable provisions of the law. In the event State or NCSD finds it necessary to enforce Paragraph 18 of the Grant Agreement or this provision of the Funding Agreement in the manner provided by law, NCSD agrees to pay all costs incurred by State or FCWCD including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

18. LABOR COMPLIANCE. NCSD is required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these *Guidelines*, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3.
19. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of the Project and in consideration of the funds made available by State, NCSD agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The NCSD hereby expressly assumes all operations and maintenance costs of the facilities and structures; neither FCWCD nor State shall be liable for any cost of such maintenance, management, or operation. NCSD may be excused from operations and maintenance only upon the written approval of the State's Project Manager. For purposes of this Funding Agreement, "useful life" means the period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of NCSD to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State or FCWCD, be considered a breach of this Funding Agreement and may be treated as a default under Paragraph 12, "Default Provisions."
20. STATEWIDE MONITORING REQUIREMENTS. If the Project is a groundwater project or a project that includes groundwater monitoring requirements, NCSD shall ensure that the Project is consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of the California Water Code (CWC)) and, if the Project affects water quality, NCSD shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.
21. PROJECT MONITORING PLAN REQUIREMENTS. The Funding Agreement work plan should contain activities to develop and submit to FCWCD a monitoring plan for the Project that is the subject of this Funding Agreement. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:
- a) Baseline conditions.
 - b) Brief discussion of monitoring systems to be utilized.
 - c) Methodology of monitoring.
 - d) Frequency of monitoring.
 - e) Location of monitoring points.
- A monitoring plan shall be submitted to the FCWCD prior to disbursement of Grant funds for construction or monitoring activities for the Project. See Exhibit G ("Requirements for Data Submittal") for web links and information regarding other State monitoring and data reporting requirements.
22. NOTIFICATION OF FCWCD. NCSD shall promptly notify FCWCD, in writing, of the following items:
- a) Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. NCSD agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to FCWCD and State and FCWCD and State have given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. See Exhibit H for guidance on Agreement Amendment requirements.

- b) Any public or media event publicizing the accomplishments and/or results of this Funding Agreement or the Grant Agreement and provide the opportunity for attendance and participation by FCWCD and State representatives. NCSD shall make such notification at least fourteen (14) calendar days prior to the event.
- c) Completion of work on the Project shall include final inspection of the Project by a Registered Civil Engineer, as determined and required by FCWCD or State, and in accordance with Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." Furthermore, the NCSD shall provide the FCWCD and State the opportunity to participate in the inspection. NCSD shall make such notification at least fourteen (14) calendar days prior to the final inspection.
23. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party or to the State under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below. FCWCD will notify NCSD if it receives notice of a change of address from the State.
24. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, NCSD's performance will be evaluated by the FCWCD and State and a copy of the evaluations will be placed in the State and FCWCD files. Copies will be sent to the NCSD.
25. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows.

Nipomo Community Services District
 Michael S. LeBrun
 General Manager
 148 South Wilson Street, P.O. Box 326
 Nipomo, CA 93444
 Phone : (805) 929-1932
 e-mail: mlebrun@ncsd.ca.gov

Department of Water Resources
 Paula Landis
 Chief, Division of IRWM
 P.O. Box 942836
 Sacramento CA 94236-0001
 Phone: (916) 651-9220
 e-mail: plandis@water.ca.gov

San Luis Obispo County Flood Control and
 Water Conservation District
 Paavo Ogren
 Director of Public Works
 Public Works Department
 County Government Center, Room 207
 San Luis Obispo, CA 93408
 Phone: (805) 781-5252
 e-mail: pogren@co.slo.ca.us

Direct all inquiries to the Project Manager:

Nipomo Community Services District
Peter Sevcik
148 South Wilson Street, P.O. Box 326
Nipomo, CA 93444
(805) 929-1133
e-mail: psevcik@ncsd.ca.gov

Department of Water Resources
Monica Reis
Division of Integrated Regional Water
Management
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9291
e-mail: mreis@water.ca.gov

San Luis Obispo County Flood Control and
Water Conservation District
Courtney Howard
Public Works Department
County Government Center, Room 207
San Luis Obispo, CA 93408
Phone: (805) 781-1016
e-mail: choward@co.clo.ca.us

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

26. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Schedule
- Exhibit C – Budget
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Local Project Sponsors (intentionally omitted)
- Exhibit G – Requirements for Data Submittal
- Exhibit H – Guidelines for Grantees
- Exhibit I – Grantee Resolution (intentionally omitted)
- Exhibit J – Grant Agreement

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

<p>COUNTY OF SAN LUIS OBISPO FLOOD CONTROL AND WATER CONSERVATION DISTRICT</p> <p>By: _____</p> <p>Date: _____, 20__</p>	<p>NIPOMO COMMUNITY SERVICES DISTRICT</p> <p>By: _____</p> <p>Date: _____, 20__</p>
<p>APPROVED AS TO FORM AND LEGAL EFFECT: RITA L. NEAL County Counsel</p> <p>By:  _____ Deputy County Counsel</p> <p>Date: <u>JUNE 7</u>, 20<u>13</u></p>	<p>APPROVED AS TO FORM AND LEGAL EFFECT: Nipomo Community Services District Counsel</p> <p>By: _____</p> <p>Date: _____, 20__</p>
<p>ATTEST:</p> <p>_____</p> <p>County Clerk and Ex-Officio Clerk of the Board of Supervisors, County of San Luis Obispo Flood Control and Water Conservation District, State of California</p> <p>Date: _____, 20__</p>	

EXHIBIT A
WORK PLAN

Project 4: Nipomo Supplemental Water (Waterline Intertie) Project

The Nipomo Community Services District (NCSD) is the lead agency for Implementation of the Nipomo Supplemental Water Project (Project). The Project will interconnect the NCSD water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4,800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), approximately 2,600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, approximately 2,726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing NCSD production wells (Figure 1). The project as described constitutes Phase 1.

The Project will deliver approximately 645 acre-feet per year (AFY) of supplemental water purchased by NCSD from the City of Santa Maria and will allow NCSD to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the NCSD water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin.

Future Phase 2 will consist of approximately 5,000 lineal feet of 12 inch diameter waterline, a 500,000 gallon partially buried pre-stressed concrete tank at the pump station, and installation of three (3) larger pumps at the pump station. This additional infrastructure will allow for the delivery of a total of 1,600 AFY of supplemental water.

Future Phase 3 will consist of approximately 11,000 lineal feet of 12 inch diameter waterline and installation of one (1) additional pump at the pump station as well as four (4) pressure reducing stations. This additional infrastructure will allow for the delivery of a total of 3,000 AFY of supplemental water.

Budget Category (a): Direct Project Administration

Project Management

Project Management includes District staff time and necessary expenses incidental to the project for project management. The purpose of this task is to keep the Project budget and schedule on track, and execute and manage all consultant contracts. As the lead agency for Implementation of the Supplemental Water Project, the NCSD has and will continue to be responsible for the daily management of the Project. The baseline schedule and schedule updates are prepared and reported to the NCSD Board of Directors on a monthly basis.

In support of the IRWM Implementation Grant administration, quarterly project reports will be provided to the San Luis Obispo County Flood Control and Water Conservation District that describe the progress and accomplishments for the quarter. An assessment of the project schedule and budget, and updated schedules and budgets, if appropriate, will also be included. Following project close-out, the NCSD will prepare a Final Project Completion Report summarizing the project implementation, demonstrating completion of all task items, and documenting the project costs and grant distributions. The Final Report will be submitted within 90 days of project completion (including environmental mitigation and compliance work). The Invoicing, quarterly reports and final reports shall be prepared consistent with State grant guidelines.

Project Performance and Monitoring Plan

The Nipomo Mesa Management Area (NMMA) Technical Group has established a monitoring program that has been approved by the Court that exists specifically to monitor the health of the basin. Performance of the Supplemental Water Project will be monitored within the existing Court approved NMMA Monitoring Program. Evaluating changes in groundwater levels following implementation of the Project will require collection and analyses of monitoring information including groundwater elevation, groundwater production, and other related data. The most direct Project performance measures will be the increase in groundwater levels within the NMMA and reduction in the quantity of groundwater pumped as measured at the NCSD's existing production wells. NCSD will submit a copy of the established monitoring program.

Deliverables:

Invoices
Quarterly Reports
Project Performance Monitoring Plan

Project Completion Report

Budget Category (b): Land Purchase/Easements

Land Acquisition

Land acquisition is the anticipated cost to obtain one 0.77 acre parcel in fee title and 5.4 acres of temporary construction easements and 8.2 acres of permanent easements across 11 parcels. Property negotiations are currently underway and subject to confidentiality. Actual costs will be submitted after final acquisition. The parcel in fee title is required for the pump station facility. Temporary construction easements are anticipated to be needed for stockpiling, equipment storage, equipment mobilization, and construction through the project area. The permanent easements are needed for the water line, underground utilities and access road facilities. Property appraisals, easement document preparation, and property owner correspondence will be completed by NCS&D's right-of-way acquisition consultant.

Deliverables:

Fee Title (one parcel)
Temporary and Permanent Easements

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

Design

Relevant planning studies were completed prior to September 30, 2008.

The design drawings and specifications are being developed as three separate bid packages as follows:

1. Bid Package 1 ~ Santa Maria River Crossing
2. Bid Package 3 ~ Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4 ~ Joshua Street Pump Station

Design of the Supplemental Water Project will be completed to current civil, geotechnical, seismic, mechanical, electrical, and architectural standard practices. Each submittal has been through a third party review for value engineering as well as constructability and bidability. Construction documents and contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan.

A variety of standards are being used for the piping, materials, equipment, and construction of the Supplemental Water Project including standards from the:

- American Concrete Institute (ACI);
- American Society for Testing and Materials (ASTM);
- American Institute of Steel Construction (AISC);
- American Water Works Association (AWWA);
- American Society of Mechanical Engineers (ASME);
- American National Standards Institute (ANSI); and
- American Welding Society (AWS)

Note that the list above is a sampling of organizations whose standards are used for the Nipomo Supplemental Water Project and is not comprehensive. Numerous other standards, too many to list, are also called for in the Nipomo Supplemental Water Project contract documents.

Environmental Documentation

The Project Final EIR was certified by the NCS&D in April 2009 as the lead agency and the City of Santa Maria as a responsible agency. A Supplemental EIR was certified by NCS&D in April 2011. A notification to the Native American Heritage Commission (NAHC) was submitted and a response was received on July 3, 2008. A records search and field survey were conducted in accordance with their response and mitigation measures were incorporated into the EIR to address cultural resources.

Deliverables:

Bid Package 1 Final Design – Santa Maria River Crossing
Bid Package 3 Final Design – Blosser Road Waterline, Meter, and Flow Control Station
Bid Package 4 Final Design – Joshua Street Pump Station
EIR and Supplemental EIR

Budget Category (d): Construction/Implementation

Construction contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan. The normal contract advertisement and competitive bidding process will be utilized. This process will follow State public contracting code. All bid packages include mobilization, demobilization, and pressure testing and disinfection.

Bid Package 1 – Santa Maria River Crossing

The Bid Package 1 work task involves the installation of approximately 2,600 feet of 24-inch nominal inside diameter fusion-welded high-density polyethylene (HDPE) pipe under the Santa Maria River at a maximum depth of approximately 110 feet underneath the riverbed using the horizontal directional drilling method (HDD). HDD is typically a three-stage construction method with the first stage consisting of a pilot hole excavation, the second stage consisting of reaming the hole to the required size and the third stage consisting of pulling the pipe into the stabilized hole. The horizontally directionally drilled borehole shall include pilot hole drilling, tracking and guidance of the pilot during drilling, reaming, installation of surface monitors, CCTV inspection, disposal of materials and spoils, recycling and disposal of driller's mud, HDPE pipe and pipe joint fusion, HDPE electro fusion couplings, annulus grouting, and other work necessary to complete the bore. A 54-inch steel casing will be required for the Santa Maria River crossing. In addition, approximately 333 lineal feet of 24-inch diameter ductile iron pipe (DIP) installed by the open trench method is included in the bid package and will connect to the 24-inch waterline installed in Bid Package 3 and Bid Pack 4. This scope includes all labor and materials (including appurtenances) to complete the construction of Santa Maria River Crossing.

Bid Package 3 – Blosser Road Waterline, Meter and Flow Control Station

The major Bid Package 3 work task involves the installation of approximately 4,800 lineal feet of 18 inch DIP waterline from a connection to the north end of the City of Santa Maria water distribution system at the intersection of Blosser Road and West Taylor Street north along Blosser Road to Atlantic Place. At Atlantic Place, the diameter changes to 24 inch DIP and continues for approximately 670 feet underneath the Santa Maria River levee to connect to the 24 inch waterline installed in Bid Package 1. Bore and jack of approximately 320 feet of 36inch-casing, approximately 275 feet of 24-inch carrier pipe, and approximately 75 feet of 18-inch carrier pipe will need to be necessary for crossing under a storm drain and under the levee. The work also includes a flow meter to measure the quantity of water delivered for billing purposes and a flow control station that will regulate the delivery flow rate. Also included is the provisions for the future pig launching facility. This scope includes all labor and materials (including appurtenances) to complete the construction of Blosser Road Waterline, Meter and Flow Control Station.

Bid Package 4 – Joshua Road Pump Station

Bid Package 4 includes multiple major work tasks including construction of approximately 1,723 feet of 24-inch diameter DIP waterline to connect the pump station to the existing 12-inch diameter waterline in Santa Maria Vista, construction of a two pump, 400 GPM booster pump station and related facilities including a site building, pig retrieving station and electrical work, and installation of chloramination equipment at the District's Sundale, Eureka, Via Concha and Blacklake #4 wells. Construction of the Santa Maria Vista Way Pressure Reducing Valve Station is included in this scope. This scope includes all labor and materials (including appurtenances) to complete the construction of Joshua Road Pump Station.

Deliverables:

Notice to Proceed for each contract
Notice of Completion for Bid Package

Budget Category (e): Environmental Compliance/ Mitigation/ Enhancement

Permitting

All environmental permits required, with the exception of the Water Supply Permit Amendment from the California Department of Public Health (CDPH), have been obtained. This task covers the effort to obtain the permits and permit costs.

Permitting Agency	Permit	Status	Issue Date
City of Santa Maria	Encroachment	Contractor to apply	After Bid Award
CA Fish & Game	Streambed Alteration Agreement	Received	3/22/2012
ACOE	404 & other permits	Received exemption	3/25/2010
DOSH (OSHA)	Tunnel Classification	Received	3/22/2010 & 3/30/2010
DOSH (OSHA)	Excavations > 5 ft	Contractor to apply	After Bid Award
DOSH (OSHA)	Safety Rep. Tunnelling Certification	Contractor to apply	After Bid Award
SLO APCD	Auth. to Construct/Permit to Operate	NCSO to apply	At Bid Phase
SLO APCD	Naturally Occurring Asbestos	Received exemption	11/2/2009
RWQCB	Notice of Intent to Discharge	NCSO to file	At Bid Phase
RWQCB	SWPPP	Contractor to complete	After Bid Award
CDPH	Water Supply Permit Amendment	NCSO to file	Min. 4 mo. prior to startup

Construction related permits, where required, are the responsibility of the construction contractors and are covered in Budget Category (d).

Deliverables:

- Permits
- Water Supply Permit Amendment
- Environmental Inspection Reports

Budget Category (f): Construction Administration

Construction Management Services

Construction administration of the three bid packages is based on a proposal from NCSO's construction management consultant that assumes the simultaneous construction of all three bid packages during a 16 month construction schedule. The scope of work includes:

- Full-time inspection
- Survey oversight
- Geotechnical services
- Oversight of environmental subconsultants
- Assistance during the bid period
- Preparation of a construction management procedures manual
- Coordination between the contractor, design engineer and NCSO
- Labor Compliance
- Documentation of the project's construction
- Claims analysis services
- Preparation of monthly construction progress reports

The Construction Manager will be responsible for reviewing the contractor's payroll submittals for labor compliance as required in the State Standard Specifications and Labor Compliance Program.

Environmental specialists will be contracted to provide environmental compliance during construction as part of the construction management contract to ensure that construction is being implemented in compliance with all archeological monitoring and biological monitoring mitigation measures stipulated in the environmental documentation and permits. Environmental compliance during construction will include:

- Awareness level training for contractor personnel and field inspectors
- Environmental inspections per environmental documentation and permit requirements
- Monthly documentation of inspections

Engineering Services During Construction

The Engineering Services during Construction (ESDC) assumes the simultaneous construction of all three bid packages during a 16 month construction schedule. The scope of work includes shop drawing review, responding to requests for information, bi-weekly site visits, and preparation of as-built construction drawings.

Deliverables:

Letter to County with exhibits documenting Labor Compliance
As Built Drawings

Budget Category (g): Construction/ Implementation Contingency

The 15% construction contingency is based on the detailed Opinion of Probable Construction Costs. The construction cost estimates were developed by individual bid packages.

EXHIBIT B
SCHEDULE

EXHIBIT C
BUDGET

Project 4: Nipomo Supplemental Water (Waterline Intertie) Project

Budget Category		Total Cost	Required Funding Match (Non-State Share)	"Additional" Cost Share*	Grant Funding
(a)	Direct Project Administration	\$303,000	\$ -	\$303,000	\$ -
	Project Management	\$228,000	\$ -	\$228,000	\$ -
	Project Performance Monitoring Plan	\$75,000	\$ -	\$75,000	\$ -
(b)	Land Purchase/ Easements	\$350,000	\$350,000	\$ -	\$ -
	Land Acquisition	\$350,000	\$350,000	\$ -	\$ -
(c)	Planning/ Design/ Engineering/ Environmental Documentation	\$1,045,000	\$1,045,000	\$ -	\$ -
	Design	\$978,000	\$978,000	\$ -	\$ -
	Environmental Documentation*	\$67,000	\$67,000	\$ -	\$ -
(d)	Construction/ Implementation	\$9,924,000	\$7,724,000	\$ -	\$2,200,000
	Bid Package 1 – Santa Maria River Crossing	\$4,347,000	\$4,347,000	\$ -	\$ -
	Bid Package 3 – Blosser Road Water Main and Flow Meter	\$2,418,000	\$218,000	\$ -	\$2,200,000
	Bid Package 4 – Joshua Road Pump Station and Reservoir	\$3,159,000	\$3,159,000	\$ -	\$ -
(e)	Environmental Compliance/ Mitigation/ Enhancement	\$5,000	\$5,000	\$ -	\$ -
	Permitting	\$5,000	\$5,000	\$ -	\$ -
(f)	Construction Administration	\$1,740,000	\$ -	\$1,740,000	\$ -
	Construction Management Services	\$ -	\$ -	\$1,490,000	\$ -
	Engineering Services During Construction	\$ -	\$ -	\$250,000	\$ -
(g)	Construction/ Implementation Contingency	\$1,485,000	\$ -	\$1,485,000	\$ -
	Total	\$14,852,000	\$9,124,000	\$3,528,000	\$2,200,000

*Source of "Additional" Cost Share: Nipomo Community Service District funds

*Environmental documentation costs are based on actual consultant contracts and invoices that were incurred after September 30, 2008.

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **Separate Accounting of Grant Disbursement and Interest Records:** NCSD shall account for the money disbursed pursuant to this Funding Agreement separately from all other NCSD funds. NCSD shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. NCSD shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. NCSD shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State or FCWCD at any and all reasonable times.
- b) **Fiscal Management Systems and Accounting Standards:** The NCSD agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of Grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law, the Grant Agreement or this Funding Agreement.
- c) **Remittance of Unexpended Funds:** NCSD, within a period of forty-five (45) calendar days from the final disbursement from FCWCD to NCSD of Grant funds, shall remit to FCWCD any unexpended funds that were disbursed to NCSD under this Funding Agreement and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: NCSD shall include appropriate acknowledgement of credit to the State and FCWCD when promoting the Project or using any data and/or information developed under this Funding Agreement. During construction of the Project, NCSD shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. NCSD shall notify FCWCD that the sign has been erected by providing it with a site map with the sign location noted and a photograph of the sign.

D.3 AMENDMENT: No amendment or variation of the terms of this Funding Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Funding Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

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

D.5 AUDITS: NCSD acknowledges that the State and FCWCD have the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State or FCWCD. After completion of the Project, the State and FCWCD have the right to require NCSD to conduct a final audit, at NCSD's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by NCSD to comply with this provision shall be considered a breach of this Funding Agreement, and the State and FCWCD may take any action they deem necessary to protect their interests.

Pursuant to Government Code Section 8546.7, NCSD shall be subject to the examination and by State for a period of three years after final payment under the Grant Agreement with respect of all matters connected with the Grant Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of NCSD or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion. See Exhibit H for a listing of documents/records that auditors would need to review in the event of a grant being audited.

D.6 BUDGET CONTINGENCY – LIMIT ON STATE FUNDS: The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. Neither the State nor the FCWCD will make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.

- D.7 CHILD SUPPORT COMPLIANCE ACT:** NCSD acknowledges in accordance with Public Contract Code 7110, that:
- a) The NCSD recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b) The NCSD, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.8 COMPETITIVE BIDDING AND PROCUREMENTS:** NCSD shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in NCSD's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by FCWCD under this Funding Agreement.
- D.9 COMPUTER SOFTWARE:** The NCSD certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** NCSD agrees to expeditiously provide, during work on the Project and throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by the State or the FCWCD.
- D.12 DISPOSITION OF EQUIPMENT:** NCSD shall provide to State, not less than 30 days prior to submission of the final Project invoice, a final inventory list of equipment purchased with Grant funds. NCSD shall consult with State on the scope of the inventory not less than 60 days prior to the submission of the final Project invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item.
- D.13 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the NCSD. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that NCSD may have regarding the performance of this Funding Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the FCWCD within thirty (30) calendar days of NCSD's knowledge of the claim. FCWCD and NCSD shall then attempt to negotiate a resolution of such claim and process an amendment to the Funding Agreement to implement the terms of any such resolution.

D.14 DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this Funding Agreement, NCSD, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

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

D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project and as determined by State, NCSD shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement and to the State's satisfaction.

D.16 GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.17 NCSD COMMITMENTS: NCSD accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement and all incorporated documents, including, without limitation, the Grant Agreement, and to fulfill all assurances, declarations, representations, and statements made by NCSD or FCWCD in the application, documents, amendments, and communications filed in support of FCWCD's request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing for the Project.

D.18 INCOME RESTRICTIONS: NCSD agrees that any refunds, rebates, credits, or other amounts (including any interest thereon, accruing to or received by the NCSD under this Funding Agreement) shall be paid by the NCSD to the State, to the extent that they are properly allocable to costs for which the NCSD has been reimbursed by the FCWCD or the State under the Grant Agreement or this Funding Agreement.

D.19 INDEPENDENT CAPACITY: NCSD, and the agents and employees of NCSD, if any, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of FCWCD or the State.

D.20 INSPECTIONS: NCSD acknowledges that the State and FCWCD shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the Funding Agreement. NCSD acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 et. seq.). State and FCWCD shall have the right to inspect these documents at any and all reasonable times after completion of the Project to ensure compliance with the terms and conditions of the Grant Agreement and this Funding Agreement. During regular office hours, State and FCWCD shall have the right to inspect and to make copies of any books, records, or reports of the NCSD relating to the Grant Agreement or this Funding Agreement. NCSD shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or

refusal by NCSD to comply with this provision shall be considered a breach of this Funding Agreement, and State or FCWCD may withhold disbursements to NCSD or take any other action they deem necessary to protect their interests.

D.21 NONDISCRIMINATION: During the performance of this Funding Agreement, NCSD and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. NCSD and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. NCSD and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Funding Agreement by reference and made a part hereof as if set forth in full. NCSD and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. NCSD shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Funding Agreement.

D.22 NO THIRD PARTY RIGHTS: Subject to NCSD's obligations to the State, as set forth in this Funding Agreement, the parties do not intend to create rights in, or grant remedies to, any third party.

D.23 OPINIONS AND DETERMINATIONS: The parties agree that review or approval of any Project applications, documents, permits, plans and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the NCSD of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.

D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. NCSD shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Funding Agreement. NCSD shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to expending any funds disbursed pursuant to this Funding Agreement.

Without limiting the foregoing, NCSD shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements, including but not limited to Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done under this Funding Agreement. Pursuant to the provisions of Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Cal. Pub. Res. Code § 75076 *et seq.*, the NCSD must have a labor compliance program that meets the requirements of California Labor Code Section 1771.5.

D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE OR FCWCD PERMISSION: NCSD shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project without prior permission of State and FCWCD. NCSD shall not take any action concerning the performance of this Funding Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of NCSD to meet its obligations under this Funding Agreement, without prior written permission of State and FCWCD. State or FCWCD may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this Funding Agreement be remitted to State.

D.26 REMEDIES, COSTS, AND ATTORNEY FEES: The NCSD agrees that any remedy provided in this Funding Agreement is in addition to and not in derogation of any other legal or equitable remedy available to

the FCWCD as a result of breach of this Funding Agreement by the NCSD, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Funding Agreement by the FCWCD shall not preclude the FCWCD from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Funding Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.

- D.27 RETENTION:** Notwithstanding any other provision of this Funding Agreement, the NCSD acknowledges that the State will be withholding five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter, of the funds requested by FCWCD for reimbursement of Eligible Project Costs. The Project will be eligible to release its retention when the Project is completed and NCSD has met the requirements of Paragraph 16, "Submissions of Reports" as follows. At such time as the "Project Completion Report" required under Paragraph 16 is submitted to and approved by State, State will disburse the retained funds for the Project to FCWCD, unless the Project is the last project to be completed under the Grant Agreement, in which case retention for the Project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State. The FCWCD will timely release the retention to NCSD upon receipt of said funds from the State.
- D.28 RIGHTS IN DATA:** To the extent permitted by law, the NCSD agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Funding Agreement shall be in the public domain. NCSD may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to the State and FCWCD for financial support. NCSD shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- D.29 SEVERABILITY OF UNENFORCEABLE PROVISION:** If any provision of this Funding Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Funding Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
- D.30 STATE OR FCWCD REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the NCSD of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, NCSD agrees to indemnify, defend and hold harmless the FCWD and State against any loss or liability arising out of any claim or action brought against the FCWCD and/or State 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:
- a) 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;
 - b) Performing any of the terms contained in this Funding Agreement or any related document;
 - c) 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 California Hazardous Waste Control Law and CWC Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the natural water system; or
 - d) 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 NCSD for use in any disclosure document utilized in connection with any of the transactions contemplated by this Funding Agreement. NCSD agrees to pay and discharge any judgment or award entered or made against the FCWCD or State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of the Funding Agreement.

Without limiting the foregoing, the NCSD expressly agrees to indemnify, defend and hold harmless the FCWCD against any loss or liability arising out of any claim or action brought against the FCWCD by State for breach of the Grant Agreement (or any related cause of action) based on NCSD's failure to comply with the terms, provisions, conditions and written commitments set forth therein.

D.31 INSURANCE: NCSD, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Funding Agreement. Such policies shall be maintained for the full term of this Funding Agreement and the related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of NCSD's work under this Funding Agreement and acceptance by the FCWCD. Any failure to comply with the reporting provision(s) of the policies referred to above shall not affect coverage provided to the FCWCD, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "FCWCD" shall include officers, employees, volunteers and agents of the FCWCD, individually or collectively.

a) **Minimum Scope and Limits of Required Insurance Policies.** The following policies shall be maintained with insurers authorized to do business in the State of California and shall be used under forms of policies satisfactory to the FCWCD:

1. **Commercial General Liability Insurance Policy (CGL).** Policy shall include coverage at least as broad as set forth in Insurance Services Office (ISO) Commercial General Liability coverage (Occurrence Form CG 0001) with policy limits of not less than the following:
\$1,000,000 each occurrence (combined single limit);
\$1,000,000 for personal injury liability;
\$1,000,000 aggregate for products-completed operations; and
\$1,000,000 general aggregate

The general aggregate limits shall apply separately to NCSD's work under this Funding Agreement.

2. **Business Automobile Liability Policy (BAL).** Policy shall include coverage at least as broad as set forth in ISO Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than one-million dollars (\$1,000,000) for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any activities associated with this Funding Agreement. NCSD shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of the FCWCD.

3. **Workers' Compensation and Employers Liability Insurance Policy (WC/EL).** This policy shall include at least the following coverages and policy limits:

- i. Workers' Compensation Insurance as required by the State of California; and
- ii. Employer's Liability Insurance Coverage B with coverage amounts not less than one million dollars (\$1,000,000) each accident/bodily injury (BI); one million dollars (\$1,000,000) policy limit BI by disease; and one million dollars (\$1,000,000) each employee BI by disease.

b) **Deductibles and Self Insurance Retentions.** Any deductible and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by NCSD and approved by FCWCD before work is begun pursuant to this Funding Agreement. At the option of the FCWCD, NCSD shall either reduce or eliminate such deductibles or self-insured retentions as respect to the FCWCD, its officers, employees, volunteers and agents or shall provide a financial guarantee satisfactory to the FCWCD guaranteeing payment of losses and related investigations, claim administration and/or defense expenses.

c) **Endorsements.** All of the following clauses and endorsements, or similar provisions, are required to be made a part of the insurance policies indicated in parentheses below:

1. A "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);
2. The FCWCD, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of the NCSD's performance of work under this Funding Agreement (CGL & BAL);
3. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL);

4. This policy shall be considered primary insurance with respect to any other valid and collective insurance FCWCD may possess, including any self-insured retention FCWCD may have, and any other insurance FCWCD does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL & BAL &);
 5. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to FCWCD at the address set forth in Paragraph 25 (CGL, BAL & WC/EL &);
 6. NCSD and its insurers shall agree to waive all rights of subrogation against FCWCD, its officers, employees, volunteers and agents for any loss arising under this Funding Agreement (CGL); and
 7. Deductibles and self-insured retentions must be declared (all policies).
- d) **Absence of Insurance Coverage.** FCWCD may direct NCSD to immediately cease all activities with respect to this Funding Agreement if it determines that NCSD fails to carry, in full force and effect, all insurance policies with coverage at or above the limits specified in this Funding Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered NCSD's delay and expense. At the FCWCD's discretion, under conditions of lapse, the FCWCD may purchase appropriate insurance and charge all costs related to such policy to NCSD.
- e) **Proof of Insurance Coverage and Coverage Verification.** Prior to commencement of work under this Funding Agreement and annually thereafter for the term of this Funding Agreement, NCSD, or each of NCSD's insurance brokers or companies, shall provide FCWCD a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage certifications, as evidence of the stipulated coverages. All of the insurance companies providing insurance for NCSD shall have and provide evidence of a Best Rating Service Rate of A VI or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to FCWCD at the address set forth in Paragraph 25.

D.32 SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the NCSD shall be valid unless and until it is approved by FCWCD and made subject to such reasonable terms and conditions as FCWCD may impose.

D.33 TIMELINESS: Time is of the essence in this Funding Agreement.

D.34 TRAVEL: NCSD agrees that travel and per diem costs shall NOT be eligible for reimbursement with Grant funds, and shall NOT be eligible for computing NCSD cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement.

D.35 WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
REPORT FORMAT AND
REQUIREMENTS

The following reporting formats should be utilized:

QUARTERLY PROGRESS REPORT

NCSD shall submit Quarterly Progress Reports on a consistent basis to meet the State's requirement for disbursement of funds. The quarterly progress report should describe the work performed during the reporting period, including:

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- In areas that receive water supplied from the Sacramento-San Joaquin Delta, the IRWM Plan must reduce dependence on the Sacramento-San Joaquin Delta for water supply (SB 855 (Stats. 2010) Section 31(c)(1)(B)).
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs.
- An update on efforts to adopt a Groundwater Management Plan.

PROJECT INFORMATION (INCLUDE ANY OF THE BELOW THAT WERE APPLICABLE DURING THE REPORTING PERIOD)

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.).
- Discussion of data submittal effort(s) for the previous quarter, including a description of the data submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the Project work plans.

COST INFORMATION

- Provide a list showing all costs incurred during the quarter by the NCSD, and each contractor working on the Project. The list should include for all non-construction, or implementation costs, (i.e., design, and admin charges) the hours per task worked on during the quarter for above personnel.
- A discussion on how the actual budget is progressing in comparison to the Project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from the latest budget shown in Appendix C, Budget. Note, a revised budget may require an official amendment to the Grant Agreement as well as this Funding Agreement before it is accepted as final.

SCHEDULE INFORMATION

- A schedule showing actual progress versus planned progress as shown in Exhibit B.
- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit B.
- A revised schedule, by task, if changed from latest schedule in Exhibit B. Note, a revised schedule may require an official amendment to the Grant Agreement as well as this Funding Agreement before it is accepted as final.

ANTICIPATED ACTIVITIES NEXT QUARTER

- Provide a description of anticipated activities for the next quarterly reporting period.

PROJECT COMPLETION REPORT

A Project Completion Report is required for the Project and shall include the following Sections:

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of ten (10) pages summarizing Project information (see report status section below for topics). The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application.
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement or Funding Agreement. List any official amendments to the Grant Agreement or Funding Agreement, with a short description of the amendment.
- Describe the mechanism or process that allows for continued performance monitoring of the Project in meeting the objectives of the IRWM Plan.

REPORTS AND/OR PRODUCTS

- Provide a copy of any final technical report or study, produced for the Project as described in the Work Plan, if applicable.
- Provide a map and shapefile(s) showing the location of the completed Project. A description of the geographic projection and datum used for the shapefile must be submitted with the shapefile (a NAD '83 datum and either a UTM 10 or UTM 11 projection, dependent on the Project's location in the state, should be utilized).
- If any wells were constructed as part of the Project, provide the following information: well logs; borehole geophysical logs; state well number; site information to include horizontal (NAD '83) and vertical (NAVD '88) datum to be determined within 0.5 feet.
- Provide an electronic copy of any as-built plans (media: CD-ROM; PDF format).
- Provide copies of any data collected along with location maps.
- If applicable, describe the findings of any study and whether the study determined the engineering, hydrologic, hydrogeologic, environmental, economic and financial feasibility of the Project.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Funding Agreement.

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices showing:
 - The date each invoice was submitted to FCWCD.

- The amount of the invoice.
- The date the check was received.
- The amount of the check (If a check has not been received for the final invoice, then state this in this section).
- A spreadsheet summary of the original budget costs by task versus the final Project costs.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/major consultant/sub-consultants (indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of Grant disbursements.
- Summary of Project cost including:
 - Accounting of the cost of Project expenditure.
 - Include all internal and external costs not previously disclosed.
 - A discussion of factors that positively or negatively affected the Project cost and any deviation from the original Project cost estimate.

ADDITIONAL INFORMATION

- Benefits derived from the Project, with quantification of such benefits provided, if applicable.
- A final Project schedule showing actual progress verse planned progress.
- Certification from a California Registered Civil Engineer that the Project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

POST-PERFORMANCE REPORT

A Post Performance Report is required annually for a period of 10 (ten) years beginning after the first year of operation and shall include the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, i.e., Oct 2014 through September 2015.
- Short Project description.
- Brief discussion of the Project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual Project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the Project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Funding Agreement.
- Any additional information relevant to or generated by the continued operation of the Project.

ELECTRONIC REPORT FORMATTING

NCSD agrees that work funded under this Funding Agreement will be provided in an electronic format to FCWCD. Electronic submittal of final reports, plans, studies, data, and other work performed under this Grant shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR-required naming convention; and Appendix number/letter and named in the TOC.
- If the Project involves a modeling component, NCSD shall provide the major input data files, parameters, calibration statistics, output files, and other information requested by State's Project Manager.

EXHIBIT F
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EXHIBIT G
REQUIREMENTS FOR
DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

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

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

<http://www.ceden.org>.

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

http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

GROUNDWATER LEVEL DATA

If the Project collects groundwater level data, NCSD will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in Project reports, as described in Exhibit E. Information regarding the WDL and in what format to submit data in can be found at:

<http://wdl.water.ca.gov/>.

DWR's WDL has been replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). NCSD will submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

EXHIBIT H
STATE AUDIT DOCUMENT
REQUIREMENTS AND
GUIDELINES FOR GRANTEES
UNDER DWR FINANCIAL
ASSISTANCE PROGRAMS

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

List of Documents for Audit

Internal Controls:

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

Agreements and Contracts:

1. Original signed Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants received from the State.
3. A listing of all other funding sources for each project.
4. All subcontractor and consultant contracts and related or partners documents, if applicable.
5. Contracts between the Agency and member agencies as related to this funding agreement.

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs: Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on this grant funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to this Funding Agreement.

Project Files:

1. All supporting documentation maintained in the project files.
2. All correspondence related to this Funding Agreement.

General Funding Agreement Guidelines

Amendment Requirements:

Amendments to the Work Plan, Budget, and/or Schedule of the Grant Agreement and this Funding Agreement are triggered when the proposed changes are deemed by the State to be substantial. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. For example, a formal budget change to the Grant Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged.

Funding Match Contribution

Funding Match (often referred to as NCSD Cost Share) is the amount defined in Paragraph 5 of this Agreement. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the NCSD (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can be counted as funding match in-lieu of actual funds (or revenue) provided by the NCSD. Other funding match and in-kind service eligibility conditions apply (see paragraph 8). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the NCSD for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
 - o Describe contributed item(s) or service(s)
 - o Purpose for which contribution was made (tie to scope of work)
 - o Name of contributing organization and date of contribution
 - o Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see item #4, below)
 - o Person's name and function of the contributing person
 - o Hours of contribution
 - o If multiple sources exist, summarize these on a table with summed charges
 - o Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in this Funding Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of this Funding Agreement. Evaluate eligibility with DWR Project Manager in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.
4. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the NCSD organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

EXHIBIT I
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EXHIBIT J
GRANT AGREEMENT NO.
460009717

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT 4600009717
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANTS
CALIFORNIA PUBLIC RESOURCES CODE §75026 ET SEQ.**

THIS AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the San Luis Obispo County Flood Control And Water Conservation District, a public agency in the County of San Luis Obispo, State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide a grant from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to Grantee to assist in financing projects associated with the San Luis Obispo Integrated Regional Water Management (IRWM) Plan pursuant to Chapter 8 (commencing with Section 79560) of Division 26.5 of the California Water Code (CWC), hereinafter collectively referred to as "IRWM Program."
2. **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on the date this Grant Agreement is executed by State, and terminates on May 30, 2018 or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement indicated on page 9.
3. **GRANT AMOUNT.** The maximum amount payable by State under this Grant Agreement shall not exceed \$10,401,000.
4. **GRANTEE COST SHARE.** Estimated total project costs for this Agreement are \$190,539,772. Grantee shall provide a Grantee Cost Share (Funding Match) in the amount of at least 25% (unless a Disadvantaged Community project waiver is granted) of the total project cost. Grantee's Funding Match is estimated to be \$49,124,000. Grantee's Funding Match may include cost share performed after September 30, 2008.
5. **GRANTEES RESPONSIBILITY.** Grantee shall faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Schedule) and Exhibit C (Budget). Grantee shall comply with all of the terms and conditions of this Grant Agreement and applicable California Public Resources Code (PRC) requirements.
6. **LOCAL PROJECT SPONSOR'S RESPONSIBILITY.** Grantee shall assign Local Project Sponsors to act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors shall be assigned in accordance with the participating agencies identified in the San Luis Obispo County Integrated Proposal grant application. Exhibit F identifies Local Project Sponsors. Local Project Sponsors shall also act on behalf of Grantee in the fulfillment of Grantee responsibilities where specifically specified in this Grant Agreement.
7. **BASIC CONDITIONS.** State shall have no obligation to disburse money for a project under this Grant Agreement unless and until Grantee has satisfied the following conditions in accordance with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.
 - a) By signing this Grant Agreement, Grantee demonstrates the designated Local Project Sponsors for each project are aware of and comply with the provisions of the Grant Agreement between State and Grantee.
 - b) Grantee demonstrates the availability of sufficient funds to complete the project, as stated in the Grant Award/Commitment Letter, by submitting the most recent 3 years of audited financial statements.
 - c) Grantee complies with PRC §75102 to notify the California Native American tribe (which is on the contact list maintained by the Native American Heritage Commission) of Project Construction if that tribe has traditional lands located within the area of the Project.
 - d) For groundwater management and recharge projects and for projects with potential groundwater impacts, the Grantee must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
 - e) For the term of this Grant Agreement, Grantee submits timely Quarterly Progress Reports as required by Paragraph 17, "Submission of Reports."

- l) Grantee submits all deliverables as specified in this Paragraph of this Grant Agreement and Work Plan in Exhibit A.
- g) Since the Grantee's IRWM region (region) receives water supplied from the Sacramento-San Joaquin Delta (Delta), then the region's IRWM Plan (existing or any future update) must help reduce dependence on the Delta for water supply.
- h) For each project, prior to the commencement of construction or implementation activities, Grantee shall submit to the State the following:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for each approved project as listed in Exhibit A of this Grant Agreement.
 - 2) Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
 - i. Grantee submits all applicable environmental permits as indicated on the Environmental Information Form to the State.
 - ii. Documents that satisfy the CEQA process are received by the State.
 - iii. State has completed its CEQA compliance review as a Responsible Agency, and
 - iv. Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (ex. construction or implementation activities) for which it is required. Therefore, the Grantee should get concurrence from DWR on CEQA before beginning any of the work that is subject to CEQA. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.
 - 3) For each project included in this Grant Agreement a monitoring plan as required by Paragraph 22. "Project Monitoring Plan Requirements."

8. DISBURSEMENT OF GRANT FUNDS. Following the review of each invoice, State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. For each project, funds will be disbursed by State in response to each approved invoice in accordance with the Exhibit C. Any and all money disbursed to Grantee under this Grant Agreement and any and all interest earned by Grantee on such money shall be used solely to pay Eligible Costs.
9. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit C. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Work performed after the date of grant award, August 16, 2011, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, implementation, and maintenance. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including the portion of overhead and administrative expenses that are directly related to the projects included in this Agreement in accordance with the standard accounting practices of the Grantee.

Advanced funds will not be provided. Costs that are not reimbursable with grant funds cannot be counted as cost share. Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment not an integral part of a project.

- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after project construction is complete.
- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs.
- i) Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the grant award with the State.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee cost share (i.e. Funding Match)
- l) Overhead not directly related to project costs.

10. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 7 "Basic Conditions" are met, State will disburse the whole or portions of the Grant Amount to Grantee, following receipt from Grantee of an invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 17, "Submission of Reports."

Invoices submitted by Grantee shall include the following information:

- a) Costs incurred for work performed in implementing the IRWM Program or program contracts during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the construction, operation, or maintenance of a project.
- c) Appropriate receipts and reports for all costs incurred.
- d) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - 2) Invoices must be itemized based on the categories specified in the Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) Sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's grant amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent Grantee's and Local Project Sponsors' costs, as applicable, in Paragraph 4, "Grantee Cost Share."
 - 5) Original signature and date (in ink) of Grantee's Project Manager.

Payment will be made no more than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Submit the original and three (3) copies of the invoice form to the following address:

California Department of Water Resources
Monica Reis
Division of Integrated Regional Water Management
Financial Assistance Branch

U.S. Postal Service
P.O. Box 942836
Sacramento, CA 94236

Other Delivery Service
1416 9th Street, Room 338
Sacramento, CA 95814

Hand Delivery
901 P Street, Lobby
Sacramento, CA 95814

11. WITHHOLDING OF GRANT DISBURSEMENT BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any

other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the Grant Amount and take any other action that it deems necessary to protect its interests. State may require the Grantee to immediately repay all or any portion of the disbursed grant amount with interest, consistent with its determination. State may consider Grantee's refusal to repay the requested disbursed grant amount a contract breach subject to the default provisions in Paragraph 13, "Default Provisions."

If State notifies Grantee of its decision to withhold the entire grant amount from Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by Grantee and shall no longer be binding on either party.

12. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirements to remain eligible to receive State grant funds:
- An urban water supplier that receives grant funds governed by this Grant Agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 et. seq.)
 - For groundwater management and recharge projects and for projects with potential groundwater impacts, the Grantee must demonstrate compliance with the groundwater compliance options set forth on page 15 of the IRWM Program Guidelines, dated August 2010.
 - Reporting of status of IRWM Plan Update as described in Exhibit E under the heading "Quarterly Progress Report."

13. DEFAULT PROVISIONS. Grantee will be in default under this Grant Agreement if any of the following occur:
- Breach of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - Making any false warranty, representation, or statement with respect to this Grant Agreement.
 - Failure to operate or maintain projects in accordance with this Grant Agreement.
 - Failure to make any remittance required by this Grant Agreement.
 - Failure of Grantee or a Local Project Sponsor receiving grant funding through this Grant Agreement to adopt, no later than 2 years after the State executes the Grant Agreement, an IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with Section 10530.
 - Failure to undertake all reasonable and feasible efforts to take into account the water-related needs of disadvantaged communities in the area within the boundaries of the IRWM Plan.
 - Failure to comply with Labor Compliance Program (LCP) requirements.
 - Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

Should an event of default occur, State may do any or all of the following:

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

14. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS: Grantee and Local Project Sponsors shall be responsible for ensuring any and all permits, licenses, and approvals required for performing their obligations under this Grant Agreement are obtained, and shall comply with CEQA (PRC Section 21000 et seq.) and other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for each project described in Exhibit A.

15. RELATIONSHIP OF PARTIES. Grantee and Local Project Sponsors are solely responsible for design, construction, and operation and maintenance of Projects within the San Luis Obispo County IRWM Program. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of grant funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee and Local Project Sponsors under this Grant Agreement.

16. GRANTEE REPRESENTATIONS. Grantee accepts and agrees to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all

assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing. Grantee warrants that all Local Project Sponsors will be contractually required to comply with this Grant Agreement for their respective project or projects.

17. **SUBMISSION OF REPORTS.** The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted in both electronic and hard copy forms. If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report for each project listed on Exhibit A is a requirement for the release of any funds retained for such project.

- **Quarterly Progress Reports:** Grantee shall submit Quarterly Progress Reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be sent via e-mail, to the State's Project Manager as specified in Exhibit B. Quarterly Progress Reports shall provide a brief description of the work performed, Grantee's activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report should be submitted to DWR no later than June 30, 2013 with future reports then due on successive three month increments based on the invoicing schedule and this date. Quarters for this contract are designated as follows: March 1 – May 31, June 1 – August 31, September 1 – November 30, and December 1 – February 28 (or 29). Reports are due 30 days after the last month of the report period.
- **Project Completion Reports:** Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of project completion. Each Project Completion Report shall include a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during a project. The Project Completion Report shall also include, if applicable, certification of final project by a registered civil engineer, consistent Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State.
- **Grant Completion Report:** Upon completion of all projects included in Exhibit A, Grantee shall submit to State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Project Completion Report for the final project to be completed under the Grant Agreement. The Grant Completion Report shall include reimbursement status, a brief description of each project completed, and how those projects will further the goals of the IRWM Plan and identify any changes to the IRWM Plan, as a result of project implementation. Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to and approved by the State.
- **Project Performance Reports:** Grantee shall submit a Project Performance Report for each project. Project Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated, for each project, annually for a total of 10 years after the completed project begins operation.

18. **IRWM PROGRAM PERFORMANCE AND ASSURANCES.** Grantee agrees to faithfully and expeditiously perform or cause to be performed all IRWM Program work as described in the final plans and specifications for each project under this Grant Agreement and implement the project in accordance with applicable provisions of the law. In the event State finds it necessary to enforce this provision of this Grant Agreement in the

manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

19. **LABOR COMPLIANCE.** Grantee will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under California Labor Code Section 1771.3.
20. **OPERATION AND MAINTENANCE OF PROJECT.** For the useful life of construction and implementation projects and in consideration of the Grant made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of the projects, and shall ensure or cause the projects to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The Grantee shall ensure that all operations and maintenance costs of the facilities and structures are contractually assumed by the appropriate Local Project Sponsors for their respective projects; State shall not be liable for any cost of such maintenance, management, or operation. Grantee or Local Project Sponsors may be excused from operations and maintenance only upon the written approval of the State's Project Manager. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 13, "Default Provisions."
21. **STATEWIDE MONITORING REQUIREMENTS.** Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of CWC) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.
22. **PROJECT MONITORING PLAN REQUIREMENTS.** The Grant Agreement work plan should contain activities to develop and submit to State a monitoring plan for each project contained in this Grant Agreement. Monitoring plan can be for the entire Proposal or on a per project basis. Along with the Attachment 6 Project Performance Measures Tables requirements outlined on page 21 of the Proposition 84 Round 1 Implementation Proposal Solicitation Package, the Project Monitoring Plan should also include:
 - a) Baseline conditions.
 - b) Brief discussion of monitoring systems to be utilized.
 - c) Methodology of monitoring.
 - d) Frequency of monitoring.
 - e) Location of monitoring points.A monitoring plan shall be submitted to the State prior to disbursement of grant funds for construction or monitoring activities for each project in this Grant Agreement. See Exhibit G ("Requirements for Data Submittal") for web links and information regarding other State monitoring and data reporting requirements.
23. **NOTIFICATION OF STATE.** For each project, Grantee shall promptly notify State, in writing, of the following items:

- a) Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. See Exhibit H for guidance on Agreement Amendment requirements.
 - b) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 - c) Completion of work on a project shall include final inspection of a project by a Registered Civil Engineer, as determined and required by State, and in accordance with Standard Condition D-15 (Final Inspections and Certification of Registered Civil Engineer). Furthermore, the Grantee shall provide the State the opportunity to participate in the inspection. Grantee shall make such notification at least fourteen (14) calendar days prior to the final inspection.
24. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
25. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.
26. PROJECT REPRESENTATIVES. The Grantee has acknowledged authorization to enter into a cost sharing partnership agreement as documented in Exhibit I. The Project Representatives during the term of this Grant Agreement is as follows.

Department of Water Resources
Paula Landis
Chief, Division of IRWM
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9220
e-mail: plandis@water.ca.gov

San Luis Obispo County Flood Control and Water
Conservation District
Pavva Ogren
Director of Public Works
Public Works Department
County Government Center
San Luis Obispo, CA 93408
Phone: (805) 781-5252
e-mail: pogren@co.slo.ca.us

Direct all inquiries to the Project Manager:

Department of Water Resources
Monica Reis
Division of Integrated Regional
Water Management
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9291
e-mail: Monica.Reis@water.ca.gov

San Luis Obispo County Flood Control and Water
Conservation District
Courtney Howard
Public Works Department
County Government Center
San Luis Obispo, CA 93408
Phone: (805) 781-1016
e-mail: choward@co.slo.ca.us

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

27. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Schedule
- Exhibit C – Budget
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Local Project Sponsors
- Exhibit G – Requirements for Data Submittal
- Exhibit H – Guidelines for Grantees
- Exhibit I – Grantee Resolution

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

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Paula J. Landis, P.E., Chief
Division of Integrated Regional Water
Management
Date _____



Paavo Ogren
Director of Public Works
Date 6/4/2013

Approved as to Legal Form and Sufficiency

Spencer Kenner, Assistant Chief Counsel
Office of Chief Counsel
Date _____

APPROVED AS TO FORM
AND LEGAL EFFECT
Rita L. Neal, County Counsel
By:  _____ Date 6-4-13
Deputy County Counsel

**EXHIBIT A
WORK PLAN**

Project 1: Grant Administration SLO

The San Luis Obispo County Flood Control and Water Conservation District (District) will be the grant administrator and fiscal agent for the Proposition 84 IRWM Implementation Grant.

Budget Category (a): Direct Project Administration

- Develop, negotiate, secure and manage all grant agreements necessary for grant award and implementation, including grant agreements with the Department of Water Resources (DWR) and the non-District project sponsors San Luis Obispo County and Nipomo Community Services District (NCSD).
- Monitor and communicate project and grant progress with DWR in accordance with the grant agreement. Prepare quarterly grant reports that describe the progress and accomplishments for the quarter, including an assessment of project schedule and budget, and updated schedules and budgets, if appropriate. The quarterly reports shall be prepared consistent with State grant guidelines. Project proponents will be providing this information to the District per Budget Category (a) for each project.
- Collect invoicing documentation from project proponents and prepare the invoicing packet to submit to DWR.
- Following the completion of a project, prepare and submit to DWR a Project Completion Report for each project summarizing the project implementation, demonstrating completion of all task items, and documenting the project costs and grant distributions. The Project Completion Reports shall be prepared consistent with State grant guidelines. Project proponents will be providing this information to the District per Budget Category (a) for each project.
- Upon completion of all projects in the grant, submit to DWR a Grant Completion Report. The Grant Completion Report shall include a brief description of each project completed and how they will further the goals of the IRWM Plan.
- Integrate data collected from each project into the District's Data Management System for transmittance to State data programs such as the Water Data Library, Surface Water Ambient Monitoring Program, Groundwater Ambient Monitoring and Assessment program, California Environmental Information Catalog, Integrated Water Resources Information System, California Environmental Resources Evaluation System and California Statewide Groundwater Elevation Monitoring program. A description of data collected and provided to State programs will be included in Quarterly Reports.

Deliverables:

Quarterly Reports

Grant Reimbursement Invoices

Project Completion Reports

IRWM Grant Completion Report

Project 2: Los Osos Community Wastewater Project

San Luis Obispo County will be the lead agency for this project.

The Los Osos Wastewater Project includes design, construction, and operation of a gravity wastewater collection system and tertiary treatment facility intended for water reuse in the Los Osos Groundwater Basin. The overall collection system project will be built within the project service area (see Figure 1). The Los Osos Wastewater Project (LOWWP) will provide wastewater collection, conveyance, treatment, and recycled water reuse for the community of Los Osos that is currently unsewered and utilizes septic tanks. The LOWWP consists of area construction divided into four geographical areas (Area A, Area B, Area C, and Area D), Pump Station construction, Habitat site restoration (commonly known as Midtown Restoration), water recycling facility, and roadway improvement, including storm drainage facilities.

The total project budget is estimated at \$173.4M. These values and basic discussion of the overall project are simply described for an understanding of the overall project that will be constructed (see Figure 2); however, only portions of this work are described and monitored under this scope.

The community's water is currently supplied entirely by groundwater, divided into an upper aquifer and a lower aquifer. Presently the lower aquifer is experiencing seawater intrusion while the upper aquifer shows signs of nitrate contamination. Recognizing that septic tank discharge was contributing to high nitrate levels within the upper aquifer, the Regional Water Quality Control Board (RWQCB) issued Resolution 83-13 in 1983, an amendment to its Basin Plan. This resolution prohibited waste discharge from septic tanks with leach fields and seepage pits within a Los Osos prohibition zone effective January 1, 1988, halting new construction or major expansions until the water pollution problem was solved. Resolution No. 83-13 necessitated development of a community wastewater treatment system and set a timeline for design and construction of a treatment plant. The new infrastructure and ongoing operations will enable the community to comply with Resolution 83-13. The planned effluent reuse/disposal system will both reduce fresh water demand from the aquifer and return highly treated water back to the aquifer, both of which will help mitigate seawater intrusion. In May 2011 the RWQCB issued Order No. R3-2011-0001, which identified the waste discharge requirements for the LOWWP. The California Coastal Commission issued the Coastal Development Permit (CDP) in September 2010. All the pre-construction CDP conditions were approved on May 22, 2012.

Both the RWQCB and the CDP have provided specific requirements regarding the use of recycled water as an essential component of the wastewater treatment system. The RWQCB issued both effluent and recycled water quality requirements. The CDP states that the Los Osos Recycled Water Reuse Program shall place the highest priority on replacing existing potable water use with recycled water use where feasible, including both urban and agricultural use.

The final approved project description is depicted in Figure 1 as a map with the collection system layout, treatment facility site, recycled water reuse areas, and other project components.

Budget Category (a): Direct Project Administration

Work completed under Budget Category (a) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

Project Management

Ongoing project management tasks during the final design and construction will be conducted by following an established project management plan. Project management activities will focus on factors that are critical to the success of the project by tracking schedule and budget details. Project management roles also include project documentation, quality control, public and team communications, and risk management.

In support of the IRWM Implementation Grant administration, quarterly project reports will be provided to the Department of Water Resources (DWR) via the County that describes the progress and accomplishments for the quarter and is in accordance with the Project Performance Monitoring Plan. An assessment of the project schedule and budget, and updated schedules and budgets, if appropriate, will also be included. Following project completion, the County will prepare a Project Completion Report summarizing the project implementation, demonstrating completion of all task items, and documenting the project costs and grant distributions. The quarterly reports and final report shall be prepared consistent with State grant guidelines.

Contractor outreach for construction is included under this task is necessary to ensure that an acceptable number of qualified bidders are prepared to respond to the bidding process. Initial outreach, prior to the release of the collection system bid documents, will be

made with informal contacts through industry councils and associations to ensure that potential bidders are aware of the upcoming project, informed of the project goals, and aware of the County's financial and contracting history. Outreach will be in compliance with applicable State public contracting code.

The project management task also includes efforts for the bidding and advertising for the construction of the project. A multi-phased contract advertisement and competitive bidding process will be utilized for the construction of the collection system with multiple bid packages. The bid packages will be divided by collection zone based on the previous LOCSD design, as delineated below.

- Collection System Areas A and D;
- Collection System Areas B and C; and
- Collection System Pump Stations.

After design of the treatment plant is complete it will go through the construction contract bidding process. Contractors who meet the licensing and bonding requirements will be eligible to submit a construction cost bid to construct the treatment plant per the approved plans and specifications.

This process will follow State public contracting code with the construction contract awarded to the lowest responsible and responsible bidder.

Project Performance and Monitoring Plan

The Project Performance and Monitoring Plan (PPMP) will be prepared at the initiation of implementation to outline how the project performance will be assessed and evaluated. The PPMP will lay out an evaluation and assessment process based on the San Luis Obispo County Prop 84 Integrated Proposal goals and outcomes.

There are nine project goals that the completed project will be evaluated against to determine the project's performance.

1. Eliminate wastewater discharges from septic systems in high-density residential areas, including failing septic systems.
2. Reduce nitrate concentrations in groundwater to below the drinking water standard.
3. Decrease pathogen levels in groundwater seeps, storm water runoff, and Morro Bay Estuary.
4. Reduce high water table conditions and flooding in low-lying areas, while preserving existing wetland habitat.
5. Reduce average indoor water use to 50 gal/person/day through implemented water conservation measures.
6. Recycle all collected wastewater and reuse within the groundwater basin area.
7. Increase the safe yield of the Los Osos Valley Groundwater Basin.
8. Mitigate sea water intrusion.
9. Improve the community's ability to manage water resources.

Deliverables:

Quarterly Reports
Project Completion Report
Labor Compliance Program Documentation
Project Performance Monitoring Plan
Invoices

Budget Category (b): Land Purchase/Easements

Work completed under Budget Category (b) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

The collection system pipeline alignments and pump station locations were largely determined during the Los Osos Community Services District (LOCSD) project development. Existing County right of way will be utilized for most pipeline alignments and pump stations with a few exceptions. The LOCSD acquired most of the required easements and property, which will be transferred to the County for use on the project. Negotiations for the remaining collection system easements are in progress. Additional costs associated in this category includes costs of legal, appraisals, and acquisitions work efforts performed by outside consultants.

The treatment plant will be sited on a parcel of land east of Los Osos and 1,500 feet north of the intersection of Los Osos Valley Road and Clark Valley Road. The 25-acre site is commonly called the Giacomazzi site. And even though the price is still being negotiated, the County has legal right of entry to the property to access, build, and operate the plant on the Giacomazzi site.

Deliverables:

Easements – Collection System
Easements – Treatment Facility
Glacomazzi Site Easement

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

Work completed under Budget Category (c) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

The design of project facilities is planned to be completed in concurrent efforts for each of the major engineering components: collection system, treatment system, and disposal/reuse system. Although design will occur concurrently, the design packages will be completed at different times, allowing construction to begin in phases as designs are completed.

Each of these designs will be according to civil and mechanical engineering industry best practices with national standards used for materials, piping, equipment, and general construction specifications. Construction documents and contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan.

Collection System Design

The collection system design will include: gravity collectors, pump stations and force mains, and recycled water distribution design for the whole system.

The scope of services includes modifications and design updates to the LOCSO 2005 collection system design to make the necessary changes related to the relocated treatment facility and mitigations in the CDP conditions.

The collection system contracts are divided into several separate bid packages and contracts, consistent with the LOCSO approach. The multiple contracts allowed for phasing of the design and construction. The majority of the gravity collection design requires minimal changes and can be completed in a relatively short time frame, based on the 100% construction documents prepared by the LOCSO. Pump stations, force mains, and recycled water mains that require additional design work, will be included in a separate contract to be released for bid several months after the gravity collection portion.

Design of the recycled water distribution system is included in the design services for the collection system. Pipeline alignments are parallel to the collection system lines throughout the community and most of the system alignments were previously designed by the LOCSO. Turn-outs to urban and agricultural irrigation users are included in the design, including standard details for future turn-outs as irrigation users are added to the system. The design addresses applicable regulatory requirements including Regional Water Board waste discharge requirements and State Department of Health Services reuse and recharge regulations.

Deliverables:

Collection System Area A/D Design
Collection System Area B/C Design
Collection System Pump Station Design and Specifications

Treatment Facility Design

The CDP approved construction of a wastewater treatment plant. The plant will be designed for an average daily flow of 1.2 MGD and will consist of the following:

- Headworks and bar screens covered for odor control
- Extended aeration secondary treatment process designed to meet total nitrogen limits of 7 mg/L
- Tertiary filter process with ultraviolet disinfection designed to meet California Title 22 standards for tertiary recycled water
- Mechanical sludge dewatering (belt filter press or screw press) enclosed in a building for odor control

Deliverables:

Treatment Facility Design Plans and Specifications

Environmental Documentation

The Environmental Impact Report (EIR) Notice of Preparation was distributed to responsible, trustee, and interested State agencies through the State Clearinghouse (SCH# 2007121034) on December 7, 2007, with responses due back by January 7, 2008.

A Final EIR was prepared and circulated for the project. Impacts were identified and mitigation measures were proposed for: visual resources, agricultural resources, air quality, biological resources, cultural resources, geology & soils, public health and safety, noise, traffic/circulation, groundwater resources, drainage and surface water quality, environmental justice, and land use & planning. The Final EIR also considered several project alternatives. Significant and unavoidable impacts to agricultural resources were identified for the project alternative (Giacomazzi treatment plant site) that was selected by the Planning Commission at the July 24, 2009 hearing. The EIR process was completed in accordance with CEQA and a Final EIR was certified by the Planning Commission. On September 29, 2009, the County Board of Supervisors adopted the Final EIR and a Notice of Determination was filed with the State Clearinghouse.

Deliverable:

Final Environmental Impact Report and Notice of Determination

Budget Category (d): Construction/Implementation

Collection System Areas A and D Construction

Areas A and D work includes, but is not limited to, the following:

1. Wastewater collection system consisting of approximately 111,020 linear feet of gravity mains ranging in size from 8-inch to 18-inch diameter, approximately 10,183 linear feet of sewer force mains ranging in size from 2-inch to 14-inch diameter, approximately 305 manholes, approximately 3,038 service laterals and approximately 35,424 linear foot of fiber optic conduit for SCADA.
2. Recycled water system consisting of approximately 8,088 linear feet of 6- and 4-inch diameter recycled effluent water force mains.
3. Wetwells and ancillary items, consisting of 11 Pocket Pump Stations, 4 Duplex Submersible Stations, and 1 Triplex Submersible Station.

Work associated with the construction of the items described above includes mobilization, site preparation, sheeting, shoring and bracing during excavation, dewatering during excavation, road and concrete work, required appurtenances, and testing. The pump stations will include all precast concrete sections, cast in place concrete, PVC lining and protective coatings, vaults, hatches, valves, discharge piping to force main connection, odor control canisters and venting; water service connections, meters, and backflow preventers, excavation, backfill, compaction, removal and disposal of excavation spoils, site accessories, testing, cleaning, and all incidental work pertaining to pump stations and submersible stations sitework and wetwells.

Collection System Areas B and C Construction

Areas B and C work includes, but is not limited to, the following:

1. Wastewater collection system consisting of approximately 81,306 linear feet of gravity mains ranging in size from 8-inch to 18-inch diameter, approximately 17,515 linear feet of sewer force mains ranging in size from 3-inch to 16-inch diameter, 283 manholes, approximately 1,757 service laterals and approximately 27,019 linear foot of fiber optic conduit for SCADA.
2. Recycled water system consisting of approximately 27,264 linear feet of recycled effluent water force mains ranging in size from 2-inch to 12-inch.
3. Wetwells and ancillary items, consisting of one Pocket Pump Station, three Duplex Submersible Stations, and one Triplex Submersible Station.
4. Broderson effluent disposal system consisting of effluent disposal site preparation and installation of approximately 19,775 linear feet of subsurface horizontal perforated pipe and arched infiltration chambers and five monitoring wells.

Work associated with the construction of the items described above includes mobilization, site preparation, sheeting, shoring and bracing during excavation, dewatering during excavation, road and concrete work, required appurtenances, and testing. The pump stations will also include associated piping, vaults, appurtenances, and all incidental work pertaining to the sitework and wetwells.

All work pertaining to the installation of the ductile iron pipe recycled effluent water (REW) and force main (FM) crossings of the Los Osos Creek Bridge between REW stations 43+38 and 44+90 and between FM stations 402+68 and 405+50 is also including in this scope.

Construction of the Broderson effluent disposal system includes fittings, valves, blowoffs, turnouts, isolation and flow control valves and vaults, and manholes is also included in this scope. Once the effluent disposal system has been constructed, native vegetation and irrigation for the vegetation will be placed at the site.

Five monitoring wells will be installed throughout the project area. All associated with the construction of the monitoring wells such as: well drilling, casing and backfill; well piping, fittings and valves; removal and disposal of spoils; backfill to road subbase; compaction; removal and replacement of existing pipes as needed to facilitate installation; protecting existing installed facilities; cleaning; testing; and all incidental work pertaining to monitoring wells are included in the scope.

Pump Station Construction

Pump Station work includes, but is not limited to, the following:

1. Nine sewage lift stations equipped with submersible solids-handling pumps.
2. Twelve 'pocket pumps stations' equipped with submersible grinder-type sewage pumps.
3. Each of the sewage lift stations will be equipped with back-up generators, associated system controls, valves, and accessories.

The pocket pumps stations will have associated system controls, valves, and accessories.

Pump Stations Contract scope consists of installation of pump equipment within the wetwells and valve vaults constructed in the Areas A and D and B and C contracts. The backup generator buildings and control system will also be constructed under this scope. Such work includes, but is not limited to: grout; pumps; pump removal accessories; valves; control panels; wiring; instrumentation; discharge piping to force main connection; site accessories; complete as specified and as indicated per the contract documents.

Each pump station will also receive a standby power building including: generators; control panels; conduit and wiring; site grading; structural excavation, backfill, and compaction; perimeter footings; equipment foundation; building concrete and masonry; framing; thermal and moisture protection; trusses; roofing; doors; interior and exterior finishes; lighting; site work; complete as specified and as indicated on the contract documents.

Once construction is complete, sites will be fitted with native vegetation comprising of soil preparation, provision and installation of native plantings and irrigation system installation at the pump station sites, ornamental gates, complete as specified and shown on the contract documents.

Treatment Facility Construction

Construction will include the following:

- Construction of treatment facility and appurtenances
- Construction coordination with related interconnections and integrated uses with other current and planned County facilities
- Compliance with all County and industry construction standards
- Compliance with all Federal and State labor and wage requirements
- Compliance with all environmental mitigation requirements (CEQA, etc.)
- Completion of all required equipment and plant acceptance tests
- Assist County with obtaining final regulatory permit approvals for facility operation

Water Conservation Implementation

The CDP approved by the California Coastal Commission in 2010 imposed water conservation requirements on the County in connection with approval of the Los Osos project. Condition 99 and Special Condition 5b of the CDP permit require the County to implement a water conservation program, in consultation with the Los Osos Water Purveyors, within the Wastewater Service Area for the Los Osos community. The following outlines the necessary actions to achieve the measures of the Water Conservation Program, Condition 5b of the CDP.

The County will implement water conservation measures that will be broken into three categories:

- Residential;
- Commercial & Institutional; and
- Educational & Outreach.

The table below provides a summary of the water conservation measures. An implementation plan has been developed for each measure. The implementation plan provides sufficient detail for the County, Water Purveyors, and the customers to understand the process of how to implement each measure and what actions are required to meet the goals of the measure. Each implementation page provides the following information:

- Action Item
- Measure Objective and Goals
- Fixtures to be Replaced
- Detailed Measure Description
- Rebates
- Measure Implementation Costs
- Approved Manufacturers
- Activities to be Conducted by the County of San Luis Obispo
- Activities to be Conducted by Water Purveyors and Property Owners
- Measure Implementation Target, Schedule, and Cost
- Rebate Values in Surrounding Areas

The goals of all the water conservation measures are the following:

1. Reduce average residential indoor per capita water use below 50 gallons per capita per day.
2. Maintain a flexible program with multiple ways for all customers to participate before their mandated connection to the Project.
3. Encourage early implementation and installation of high efficiency units.
4. Require existing and new buildings to meet or exceed the current state and federal plumbing code and building code (Cal Green) standards.
5. Recommend technology that is proven and readily / locally available for installations.
6. Encourage coordination of programs and contractors / County staff during installations. Limit visits to customers who participate in the subsidized community program (Measure 1A and 2A), so as to be efficient and organized with resources.

Summary of County of San Luis Obispo Proposed Conservation Measures		
Measure ID	Measure Name	Description
Category 1: Residential		
1A	Subsidize Partial Community Retrofit, Residential	Subsidize the replacement of designated fixtures before residential properties connect to the Project. Included in the retrofit would be inefficient toilets (flushing higher than 1.6 gpf), showerheads, and faucet aerators. Required to connect to the Project.
1B	Residential Clothes Washer Rebate	Residential property owners would be eligible to receive a rebate on a new high efficiency clothes washer. Not seeking grant funding.
1C	Alternatives for Fully Retrofitted Residences	Existing residences that are currently equipped with 1.28gpf or less toilets, 1.5gpm or less showerheads, and 1.5 gpm or less faucet aerators are eligible for alternative options such as dishwashers, hot water on demand units, or additional clothes washer rebates. These rebates cannot be used in conjunction with Measure 1A. Not seeking grant funding.
Category 2: Commercial & Institutional		
2A	Subsidize Partial Community Retrofit, Commercial	Subsidize the replacement of designated fixtures before commercial properties connect to the Project. Included in the retrofit would replace inefficient toilets, flushing with more than 1.6 gpf, urinals using more than 1 gallon, showerheads, and faucet aerators. Required to connect to the Project.

Summary of County of San Luis Obispo Proposed Conservation Measures		
Measure ID	Measure Name	Description
2B	Replace Pre-Rinse Spray Nozzles	Provide free installation of 1.6 gpm (or lower) flow pre-rinse spray nozzles for the rinse and clean operation in food establishments, grocery stores and other commercial businesses. Required to connect to the Project.
2C	School Building Retrofit	A retrofit program in which schools receive grants to replace inefficient fixtures to efficient commercial fixtures and upgrade irrigation systems. Required to connect to the Project.
2D	Commercial High Efficiency Clothes Washer Rebate	Commercial property owners would be eligible to receive a rebate on a new high efficiency clothes washer. Not seeking grant funding.
Category 3: Educational & Outreach (In Coordination with Water Purveyors)		
3A	Residential Water Surveys	Conventional indoor and outdoor water surveys for existing single- and multi-family residential customers. Required to connect to the Project.
3B	Commercial, Industrial and Institutional Surveys	Conventional indoor and outdoor water survey for commercial customers. Required to connect to the Project.
3C	Public Information Program	Public education would be used to raise awareness of conservation measures available to customers. This program could include school programs, poster contests, community presentations, conservation hotline, etc.
3D	Media Campaign	Design and run a media campaign, e.g., "20 Gallon Challenge".
Plan Development and Program Start-up		
n/a	Program Start-up Costs	Program start-up includes such activities as coordination with local purveyors, hiring and training inspection and administrative staff, creating forms, coordinating recycling program for old fixtures, etc.
n/a	Plan Preparation Costs	Developing the Water Conservation Plan.

The following table shows the equipment that would be upgraded. For ease of understanding and consistency among programs, the goal is to have one standard for the entire service area regardless if the structure is existing or new.

Recommended Technology

Fixture or Appliance	Retrofits for Wastewater Service Area
Toilets – Residential and Commercial	Over 1.6 gpf replaced with 1.28 gpf or less
Showerheads – Residential and Commercial	Over 2.0 gpm replaced with 1.5 gpm or less
Washers – Residential and Commercial	Tier 3
Faucet Aerators - Residential	1.5 gpm or less
Faucet Aerators - Commercial	0.5 gpm
Urinals - Commercial	0.5 gpf
Pre-rinse Spray Valves - Commercial	1.15 gpm

gpm = gallons per minute, gpf = gallons per flush

*State Law AB 715 takes effect in the year 2014. This law will be in place before the completion of the Project planned for completion in the year 2015 / 2016.

Deliverables:

Notice of Completion

Budget Category (e): Environmental Compliance/ Mitigation/ Enhancement

Work completed under Budget Category (e) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

Various environmental studies and reports, including related plans, are required for pre-construction compliance in addition to during construction and post construction. In addition, several required permits will be obtained that guide implementation of the project. Environmental monitoring by qualified biologists and archaeologists during the course of construction will be required due presence of environmentally and archaeologically sensitive areas. Also included is the preparation of the Recycled Water Management Plan and the Septic System Decommissioning Plan.

Deliverables:

Federal Endangered Species Act Biological Opinion
California Coastal Development Permit
California Department of Fish and Game Streambed Alteration Agreement
RWQCB Waste Discharge Requirements
Authority to Construct or Portable Construction Equipment Registration (APCD)
Recycled Water Management Plan
Septic System Decommissioning Plan

Budget Category (f): Construction Administration

Work completed under Budget Category (f) is part of the agreement and must be completed prior to the pay out of retention; however, costs associated with this budget category will not be reviewed.

The County will maintain oversight of all construction activities and develop an inspection and construction management process that ensures quality assurance and quality control. The construction management services will be completed for, and under the direction of, the county. The scope of work will include the following:

- Design constructability review
- Resident engineer services
- Management of multiple construction contracts
- Inspection
- Surveying
- Materials testing
- Contract administration
- Labor compliance administration
- GIS based project records services
- Public outreach program
- Monthly construction progress reports

The Construction Manager will also be responsible for reviewing the contractor's payroll submittals for labor compliance as required in the State Standard Specifications and Labor Compliance Program.

Qualified engineering and construction management consultant firms will be selected through competitive RFP processes prior to the completion of the design for both the collection system and treatment facility. Separate RFP processes are planned for the collector and treatment components of the project due to the different size and scope of each project.

Deliverables:

Construction Management RFP
Monthly Construction Progress Reports

Budget Category (g): Other Costs

The County is not seeking any grant reimbursement or match consideration for other cost expenditures.

Budget Category (h): Construction/ Implementation Contingency

The County is not seeking any grant reimbursement or match consideration for contingency expenditures.

Figure 1. Los Osos Community Wastewater Project Detailed Facilities Map

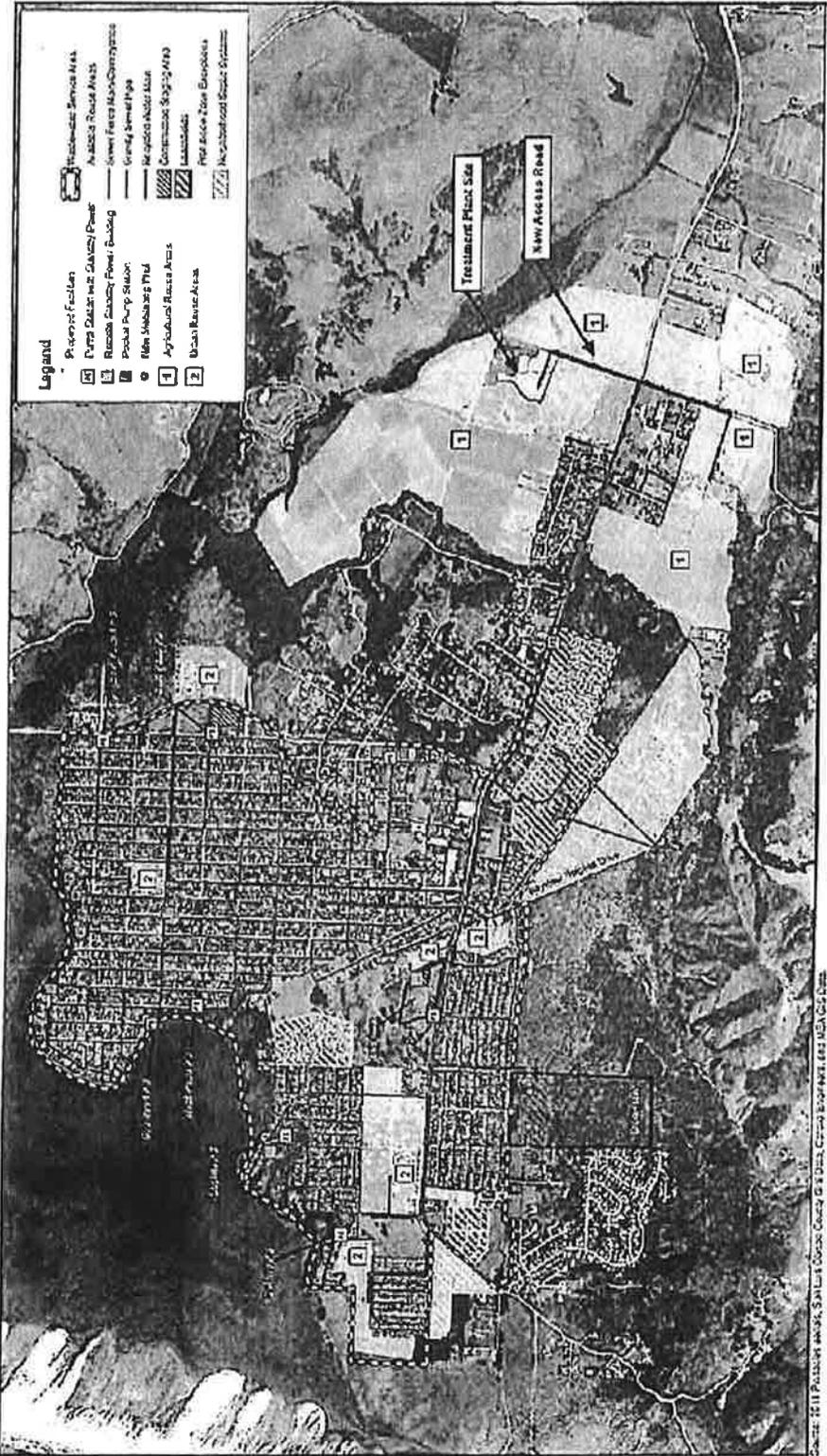
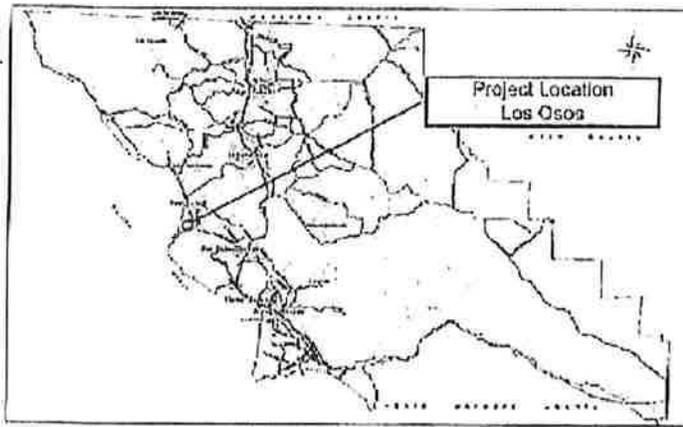


Figure 2. Los Osos Community Wastewater Project Construction Contract Vicinity Map



County Map (no scale)



Project Site Map (no scale)

Project 3: Flood Control Zone 1/1A – Modified 3c Project

San Luis Obispo County will be the lead agency for this project.

The Flood Control Zone 1/1A Modified Alternative 3c (Modified 3c) project, as shown on Figures 3-1, 3-2 and 3-3 will improve flood protection for the Arroyo Grande Creek channel and the community of Oceano. The Vicinity Map (Figure 3-1) depicts the project location and how it relates to the surrounding regional area. This project was identified in the Arroyo Grande Creek Channel Waterway Management Program (WMP). The WMP was developed to provide a long term plan to restore and maintain the capacity of the flood control channel while enhancing creek habitat.

As part of WMP implementation, the San Luis Obispo County Public Works Department (County) acting on behalf of the San Luis Obispo County Flood Control and Water Conservation District (District) will design, permit and construct the Modified 3c project. Project benefits include a) increasing flood protection from the 10-year event to the 20-year event for the residential areas north of the channel and agricultural lands to the south; b) protecting the exterior slope of the south levee through installation of erosion control and slope reinforcement; and c) stabilizing and improving the levee top access roads to reduce long-term maintenance costs. These benefits will be achieved through implementation of levee improvements along the north and south levees. The proposed project, as shown on Figure 3-2 and Figure 3-3, will involve:

- 1) Raising portions of the north levee through construction of flood walls from river station 74+00 to 100+00; approximately 500 linear feet of wall along private property (known as the Rapp property); from river station 122+00 to 127+00 and river station 132+00 to 134+00;
- 2) Protecting approximately 8,100 linear feet of the exterior slope of the south levee from erosion and overtopping damage through installation of slope reinforcement between river station 37+00 and river station 118+00 (downstream of the Highway 1 bridge); and
- 3) Stabilizing approximately 17,500 linear feet of the 15-foot wide north and south levee top access roads to allow for erosion stabilization and improved maintenance access. After completion of the levee raise (being completed outside the contractual scope of this Agreement), in-place soil stabilization will be achieved through the addition of a stabilizing agent (such as cement, bentonite or lime) and re-compaction of the upper 12-inches of the levee tops as shown graphically on Figure 3.2.

Raising portions of the north levee higher than the south levee continues the current policy of protecting the residential areas, the regional sewer treatment plant and the Oceano Airport to the north and directing overtopping flows over the south levee into the mostly agricultural lands.

Budget Category (a): Direct Project Administration

Project Administration is an on-going task. Modified 3c project-specific status updates are prepared in response to the various stake holders, their meeting schedules and quarterly reports for DWR. As milestones are met, the project manager documents and notifies sponsoring agencies, stakeholders and the various divisions of the Public Works Department.

Project Management

The purpose of this task is to keep the Modified 3c project scope, budget and schedule on track, and to communicate project progress to the Department of Water Resources (DWR) via the Grantee, permitting agencies, stakeholders (Zone 1/1A Advisory Committee, Water Resources Advisory Committee) and the various divisions of the County Public Works Department involved with project delivery.

The County will be responsible for the implementation of the Modified 3c project. In support of the project, the following administrative tasks will be performed by County staff:

- Develop, negotiate, secure and manage the County overhead expenses, consultant agreements and contracts necessary for implementation of the project;
- Be responsible for the coordination of efforts by and between the project stakeholders, design professionals, permitting agencies and the County for implement of the project; and
- Insure the timely completion and delivery of the Modified 3c project within the parameters of the scope, budget and schedule.

Project Management includes project and overhead expenses necessary to effectively implement and manage the Modified 3c project.

Project Performance Monitoring Plan (PPMP)

A Project Performance and Monitoring Plan (PPMP) will be prepared at the initiation of the Modified 3c project implementation. The PPMP will present the planned project monitoring, assessment, and performance measures that will demonstrate that the project will meet its intended goals, achieve measurable outcomes, and provide value to the State of California.

The PPMP will include the following items:

- Modified 3c Project goals
- Desired outcome of the levee raise and construction of flood walls
- Output indicators – measures to effectively track output
- Outcome Indicators – measures to evaluate change that is a direct result of the work
- Measurement tools and methods
- Targets – measurable targets that are feasible to meet during the life of the Modified 3c project

The PPMP will define the parameters and process for measuring output and outcome indicators to demonstrate progress towards the desired Modified 3c project goals. The completed project will be evaluated against the following goals to determine project performance.

- Goal #1: Increase the existing flood carrying capacity of the Arroyo Grande Creek channel to provide protection in excess of a 20-year storm event with freeboard for District Zone 1/1A residents north of the levee.
- Goal #2: Reinforce the exterior slope of the south levee against erosion and breaching through the installation of erosion control and slope reinforcement to provide protection in excess of a 20-year event for District Zone 1/1A agricultural properties south of the levee.
- Goal #3: Reduce long-term maintenance costs for the levee top access roads through stabilization of the access roads.

Performance measurement of Goals #1 and #2 will be through comparison of pre-project baseline surveys (completed outside the contractual scope this Agreement) of the levee top elevations and post-construction levee elevations and the associated reduction in damage claims related to reduced frequency of flooding. Performance measurement of Goal #3 will be through comparison of pre- and post-construction maintenance budgets.

Deliverables:

Quarterly Reports
Project Performance Monitoring Plan
Final Project Completion Report
Invoices

Budget Category (b): Land Purchase / Easements

The majority of construction work will be within the existing 200-foot wide Arroyo Grande Creek flood control easement. To perform work outside the existing easement, the Modified 3c project will require the acquisition of temporary construction easements and permanent maintenance easements. These easements will allow for construction and future maintenance of the flood control wall on private property, known as the Rapp property. The actual number and location of the required easements will be determined in conjunction with development of the Modified 3c final design plans, specifications and estimates.

For temporary construction and maintenance easements associated with the Modified 3c project, County staff will complete property surveys, appraisals, easement documents, negotiations, property owner correspondence and escrow documentation for the Rapp property.

Deliverables:

Rapp property survey
Easement Documents: Agreements, Exhibits and Appraisals
Executed Temporary Construction Easements
Executed Maintenance Easements

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

Planning for this project included the work needed to establish project design criteria and details. This planning was completed (outside the contractual scope of this Agreement) as part of the WMP. Design, Engineering and Environmental Documentation for the Modified 3c project will be completed under this budget category.

Design

As part of the design process, a North Levee Seepage Analysis Report will be completed to evaluate and provide recommendations for seepage conditions along the north levee and the potential for underseepage within the levee foundation soils. Report recommendations, as appropriate, will be included in the project plans prepared under the Engineering subcategory.

A topographic survey on private property, also known as the Rapp property and cross-sections along the north levee for installation of the flood wall are necessary to complete preparation of engineering plans for this project. Other information and criteria necessary to design the flood wall will be completed outside the contractual scope of this Agreement.

Engineering

Under this subcategory, the County will contract for the preparation of bid-ready Project Design Plans, Specifications & Estimates (PS&E) for this project. These plans will be construction documentation for the installation of flood walls along a portion of the north levee and private property, the stabilization of access roads along portions of the north and south levee tops and installation of slope reinforcement on the exterior of the south levee.

Environmental Documentation

An EIR for the WMP was completed and certified on November 2, 2010 and included Modified 3c components to "...raise levees throughout the flood control channel to achieve channel capacity for up to 20-year flood flows." As part of this Agreement, project components (south levee slope protection and in-place soil stabilization of the levee top access roads) not evaluated in the WMP EIR will need to be fully addressed and evaluated in order to satisfy CEQA requirements. It is anticipated that an Addendum to the WMP will satisfy the CEQA review requirements for this project.

Deliverables:

Design: North Levee Seepage Analysis Report & Topographic Survey and Cross-Sections
Engineering: Bid-ready set of Modified 3c Project Design Plans, Specifications & Estimates (PS&E)
Environmental Documentation

Budget Category (d): Construction/ Implementation

Construction

Construction of the Modified 3c project will begin after the contractor has been chosen, contract awarded and permits obtained from the necessary agencies. Construction work includes activities (1) to raise portions of the north levee through construction of flood walls from river station approximately 74+00 to 100+00; approximately 500 linear feet of wall along private property; from river station approximately 122+00 to 127+00 and river station approximately 132+00 to 134+00; (2) installing approximately 8,100 linear feet of slope reinforcement and erosion control measures on the exterior slope of the south levee from river station approximately 37+00 to 118+00; and (3) stabilizing approximately 17,500 linear feet of the approximately 15-foot wide north and south levee top access roads through in-place soil rehabilitation.

The construction window will be limited by anticipated conditions of the environmental agency permits. Due to the known presence of three endangered species, portions of the Modified 3c project will be conducted after June 15th and before October 15th. Project construction will be scheduled to coincide with the conditions and restrictions contained within the environmental agency permits.

Construction contracting will be completed outside the scope of this agreement using San Luis Obispo Public Works staff.

Deliverables:

Board of Supervisors letter awarding Construction Contract
Executed Construction Contract
Notice to Proceed
Notice of Completion

Budget Category (e): Environmental Compliance/ Mitigation/ Enhancement

Environmental compliance tasks are associated with permitting, environmental monitoring, mitigation and enhancements required before, during and after implementation of the project. Requirements to be met are in the adopted WMP and certified EIR and will be finalized as part of the Modified 3c CEQA document and environmental agency permits.

Permits for Flood Wall on Private Property

The Modified 3c permit scope involves preparation and processing of necessary permits to install the flood control wall on private property.

Mitigation and Monitoring Report

Environmental mitigation and enhancement will be required per the environmental permits obtained for the project and the certified EIR. These items will be incorporated into the design and final PS&Es to be completed as part of this Agreement. An Environmental Resource Specialist will monitor and oversee environmental compliance and prepare Mitigation and Monitoring Reports to show how the mitigation and monitoring requirements within the certified EIR, other CEQA documentation and environmental permits were addressed during construction.

Deliverables:

Permits for Flood Wall on Private Property
Mitigation and Monitoring Reports

Budget Category (f): Construction Management

Construction Management will occur for the duration of the construction period. The County will be responsible for developing, negotiating and securing all contracts, including construction contractors, construction managers, and environmental monitoring consultants necessary to complete implementation of the project.

Construction Management:

The County Public Works Department will provide construction management staffing and support for the project.

Specifically for the Modified 3c project, the Construction Manager will be responsible for:

- Providing assistance during the bid period;
- Provide on-site representation for the County;
- Perform quality assurance and control practices on the work performed;
- Analyze and provide recommendations on contractor claims;
- Maintain construction contract budget, approve contractor pay requests, construction documentation; and
- Review contractor's payroll submittals for labor compliance as required in the State Standard Specifications and Labor Compliance Program and provide compliance documentation to DWR.

Engineering Services During Construction (ESDC):

Engineering services will be contracted with the design engineering firm.

The engineer will be responsible for:

- Performing submittal review;
- Responding to contractor requests for information;
- Issuing clarifications;
- Recommending change orders to the owner; and
- Creating as-built records for the project based on construction documentation.

Deliverables:

Labor Compliance Documentation
As Built Drawings
Engineer's Certificate of Project Completion

Budget Category (g): Construction / Implementation Contingency

Construction / Implementation Contingency:

To account for unforeseen conditions during construction, a construction contingency has been included within the cost of the project. In accordance with the Public Works Project Management Manual, the Contingency is estimated to be approximately 10% of the raw capital costs.

Figure 3-1 Vicinity Map: Zone 1/1A Modified Alternative 3c Project

San Luis Obispo County Integrated Proposal Regional Map - Oceano

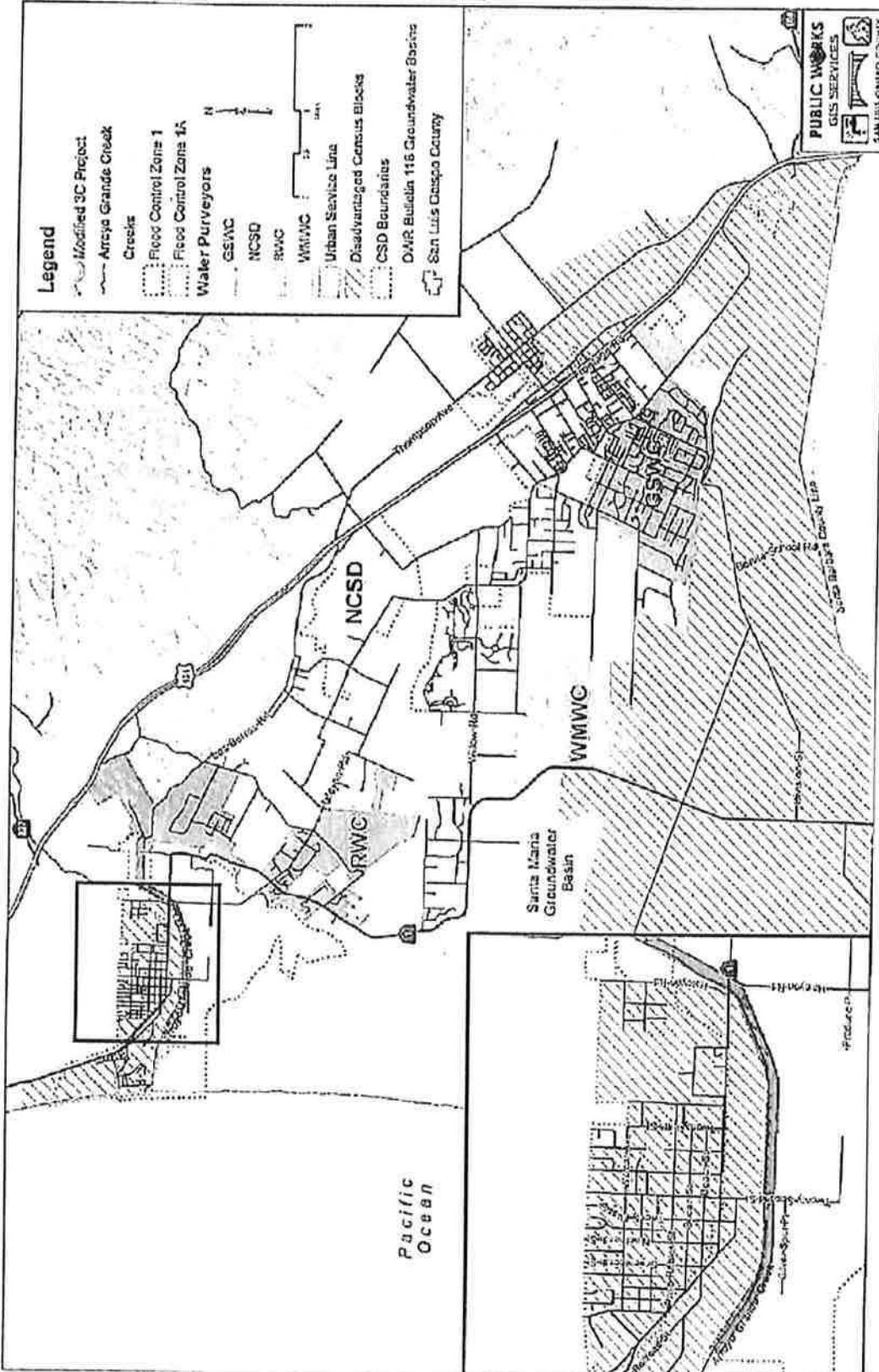
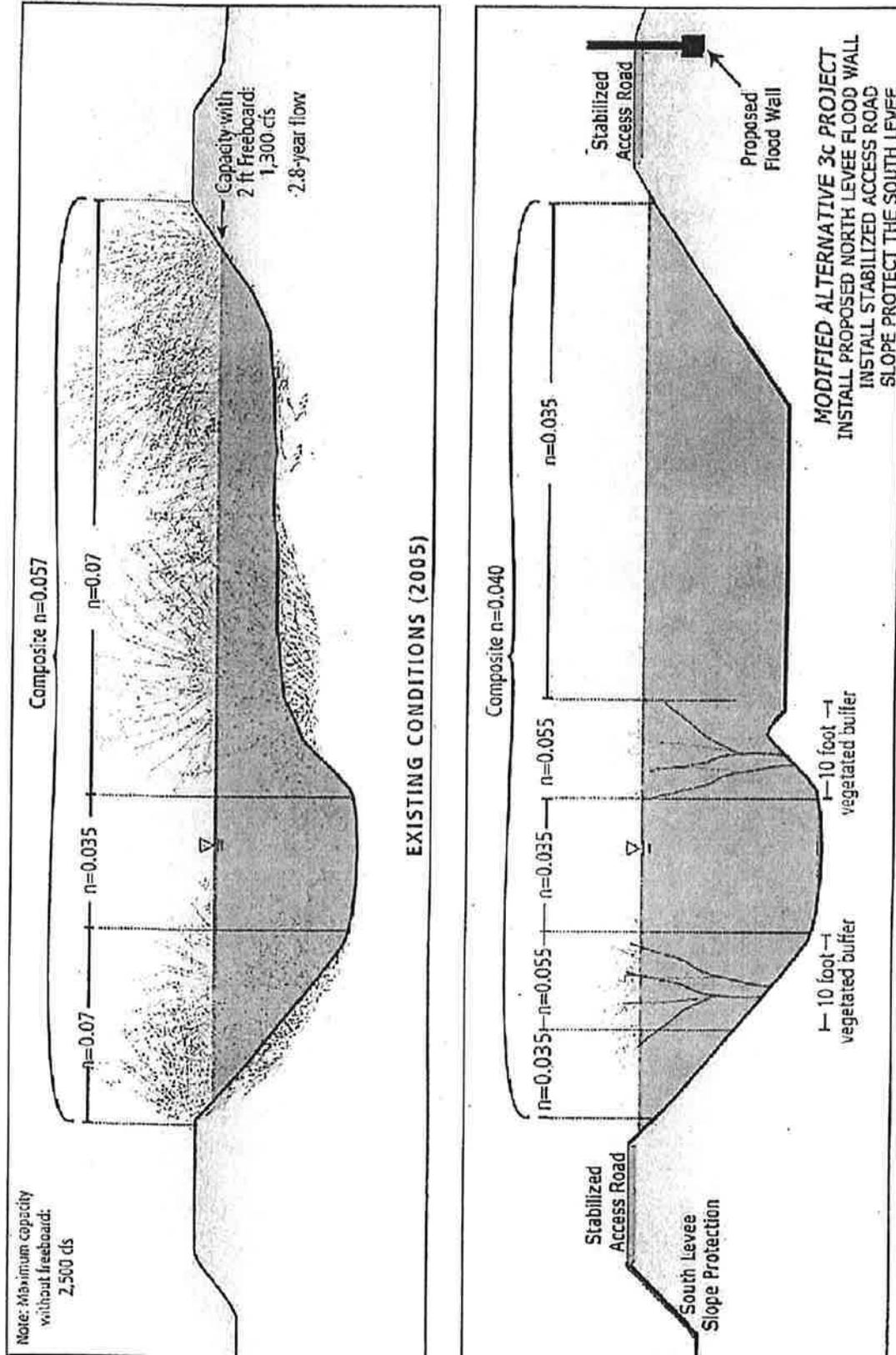


Figure 3.2 Project Area Overview: Zone 1/1A Modified Alternative 3c Project



Figure 3.3 Creek Cross Section: Zone 1/1A Modified Alternative 3c Project



Project 4: Nipomo Supplemental Water (Waterline Intertie) Project

The Nipomo Community Services District (NCS D) is the lead agency for implementation of the Nipomo Supplemental Water Project (Project). The Project will interconnect the NCS D water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4,800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), approximately 2,600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, approximately 2,726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing NCS D production wells (Figure 1). The project as described constitutes Phase 1.

The Project will deliver approximately 645 acre-feet per year (AFY) of supplemental water purchased by NCS D from the City of Santa Maria and will allow NCS D to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the NCS D water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin.

Future Phase 2 will consist of approximately 5,000 lineal feet of 12 inch diameter waterline, a 500,000 gallon partially buried pre-stressed concrete tank at the pump station, and installation of three (3) larger pumps at the pump station. This additional infrastructure will allow for the delivery of a total of 1,600 AFY of supplemental water.

Future Phase 3 will consist of approximately 11,000 lineal feet of 12 inch diameter waterline and installation of one (1) additional pump at the pump station as well as four (4) pressure reducing stations. This additional infrastructure will allow for the delivery of a total of 3,000 AFY of supplemental water.

Budget Category (a): Direct Project Administration

Project Management

Project Management includes District staff time and necessary expenses incidental to the project for project management. The purpose of this task is to keep the Project budget and schedule on track, and execute and manage all consultant contracts. As the lead agency for implementation of the Supplemental Water Project, the NCS D has and will continue to be responsible for the daily management of the Project. The baseline schedule and schedule updates are prepared and reported to the NCS D Board of Directors on a monthly basis.

In support of the IRWM Implementation Grant administration, quarterly project reports will be provided to the San Luis Obispo County Flood Control and Water Conservation District that describe the progress and accomplishments for the quarter. An assessment of the project schedule and budget, and updated schedules and budgets, if appropriate, will also be included. Following project close-out, the NCS D will prepare a Final Project Completion Report summarizing the project implementation, demonstrating completion of all task items, and documenting the project costs and grant distributions. The Final Report will be submitted within 90 days of project completion (including environmental mitigation and compliance work). The invoicing, quarterly reports and final reports shall be prepared consistent with State grant guidelines.

Project Performance and Monitoring Plan

The Nipomo Mesa Management Area (NMMA) Technical Group has established a monitoring program that has been approved by the Court that exists specifically to monitor the health of the basin. Performance of the Supplemental Water Project will be monitored within the existing Court approved NMMA Monitoring Program. Evaluating changes in groundwater levels following implementation of the Project will require collection and analyses of monitoring information including groundwater elevation, groundwater production, and other related data. The most direct Project performance measures will be the increase in groundwater levels within the NMMA and reduction in the quantity of groundwater pumped as measured at the NCS D's existing production wells. NCS D will submit a copy of the established monitoring program.

Deliverables:

Invoices

Quarterly Reports

Project Performance Monitoring Plan

Project Completion Report

Budget Category (b): Land Purchase/Easements

Land Acquisition

Land acquisition is the anticipated cost to obtain one 0.77 acre parcel in fee title and 5.4 acres of temporary construction easements and 8.2 acres of permanent easements across 11 parcels. Property negotiations are currently underway and subject to confidentiality. Actual costs will be submitted after final acquisition. The parcel in fee title is required for the pump station facility. Temporary construction easements are anticipated to be needed for stockpiling, equipment storage, equipment mobilization, and construction through the project area. The permanent easements are needed for the water line, underground utilities and access road facilities. Property appraisals, easement document preparation, and property owner correspondence will be completed by NCSO's right-of-way acquisition consultant.

Deliverables:

Fee Title (one parcel)
Temporary and Permanent Easements

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

Design

Relevant planning studies were completed prior to September 30, 2008.

The design drawings and specifications are being developed as three separate bid packages as follows:

1. Bid Package 1— Santa Maria River Crossing
2. Bid Package 3— Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4— Joshua Street Pump Station

Design of the Supplemental Water Project will be completed to current civil, geotechnical, seismic, mechanical, electrical, and architectural standard practices. Each submittal has been through a third party review for value engineering as well as constructability and bidability. Construction documents and contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan.

A variety of standards are being used for the piping, materials, equipment, and construction of the Supplemental Water Project including standards from the:

- American Concrete Institute (ACI);
- American Society for Testing and Materials (ASTM);
- American Institute of Steel Construction (AISC);
- American Water Works Association (AWWA);
- American Society of Mechanical Engineers (ASME);
- American National Standards Institute (ANSI); and
- American Welding Society (AWS)

Note that the list above is a sampling of organizations whose standards are used for the Nipomo Supplemental Water Project and is not comprehensive. Numerous other standards, too many to list, are also called for in the Nipomo Supplemental Water Project contract documents.

Environmental Documentation

The Project Final EIR was certified by the NCSO in April 2009 as the lead agency and the City of Santa Maria as a responsible agency. A Supplemental EIR was certified by NCSO in April 2011. A notification to the Native American Heritage Commission (NAHC) was submitted and a response was received on July 3, 2008. A records search and field survey were conducted in accordance with their response and mitigation measures were incorporated into the EIR to address cultural resources.

Deliverables:

Bid Package 1 Final Design – Santa Maria River Crossing
Bid Package 3 Final Design – Blosser Road Waterline, Meter, and Flow Control Station
Bid Package 4 Final Design – Joshua Street Pump Station
EIR and Supplemental EIR

Budget Category (d): Construction/Implementation

Construction contracts will include Section 7 Caltrans State Standard Specifications and the requirements of the State labor code for Public Works projects in accordance with the Labor Compliance Plan. The normal contract advertisement and competitive bidding process will be utilized. This process will follow State public contracting code. All bid packages include mobilization, demobilization, and pressure testing and disinfection.

Bid Package 1 – Santa Maria River Crossing

The Bid Package 1 work task involves the installation of approximately 2,600 feet of 24-inch nominal inside diameter fusion-welded high-density polyethylene (HDPE) pipe under the Santa Maria River at a maximum depth of approximately 110 feet underneath the riverbed using the horizontal directional drilling method (HDD). HDD is typically a three-stage construction method with the first stage consisting of a pilot hole excavation, the second stage consisting of reaming the hole to the required size and the third stage consisting of pulling the pipe into the stabilized hole. The horizontally directionally drilled borehole shall include pilot hole drilling, tracking and guidance of the pilot during drilling, reaming, installation of surface monitors, CCTV inspection, disposal of materials and spoils, recycling and disposal of driller's mud, HDPE pipe and pipe joint fusion, HDPE electro fusion couplings, annulus grouting, and other work necessary to complete the bore. A 54-inch steel casing will be required for the Santa Maria River crossing. In addition, approximately 333 lineal feet of 24-inch diameter ductile iron pipe (DIP) installed by the open trench method is included in the bid package and will connect to the 24-inch waterline installed in Bid Package 3 and Bid Pack 4. This scope includes all labor and materials (including appurtenances) to complete the construction of Santa Maria River Crossing.

Bid Package 3 – Blosser Road Waterline, Meter and Flow Control Station

The major Bid Package 3 work task involves the installation of approximately 4,800 lineal feet of 18 inch DIP waterline from a connection to the north end of the City of Santa Maria water distribution system at the intersection of Blosser Road and West Taylor Street north along Blosser Road to Atlantic Place. At Atlantic Place, the diameter changes to 24 inch DIP and continues for approximately 670 feet underneath the Santa Maria River levee to connect to the 24 inch waterline installed in Bid Package 1. Bore and jack of approximately 320 feet of 36inch-casing, approximately 275 feet of 24-inch carrier pipe, and approximately 75 feet of 18-inch carrier pipe will need to be necessary for crossing under a storm drain and under the levee. The work also includes a flow meter to measure the quantity of water delivered for billing purposes and a flow control station that will regulate the delivery flow rate. Also included is the provisions for the future pig launching facility. This scope includes all labor and materials (including appurtenances) to complete the construction of Blosser Road Waterline, Meter and Flow Control Station.

Bid Package 4 – Joshua Road Pump Station

Bid Package 4 includes multiple major work tasks including construction of approximately 1,723 feet of 24-inch diameter DIP waterline to connect the pump station to the existing 12-inch diameter waterline in Santa Maria Vista, construction of a two pump, 400 GPM booster pump station and related facilities including a site building, pig retrieving station and electrical work, and installation of chloramination equipment at the District's Sundale, Eureka, Via Concha and Blacklake #4 wells. Construction of the Santa Maria Vista Way Pressure Reducing Valve Station is included in this scope. This scope includes all labor and materials (including appurtenances) to complete the construction of Joshua Road Pump Station.

Deliverables:

Notice to Proceed for each contract
Notice of Completion for Bid Package

Budget Category (e): Environmental Compliance/ Mitigation/ Enhancement

Permitting

All environmental permits required, with the exception of the Water Supply Permit Amendment from the California Department of Public Health (CDPH), have been obtained. This task covers the effort to obtain the permits and permit costs.

Permitting Agency	Permit	Status	Issue Date
City of Santa Maria	Encroachment	Contractor to apply	After Bid Award
CA Fish & Game	Streambed Alteration Agreement	Received	3/22/2012
ACOE	404 & other permits	Received exemption	3/25/2010
DOSH (OSHA)	Tunnel Classification	Received	3/22/2010 & 3/30/2010
DOSH (OSHA)	Excavations > 5 ft	Contractor to apply	After Bid Award
DOSH (OSHA)	Safety Rep. Tunneling Certification	Contractor to apply	After Bid Award
SLO APCD	Auth. to Construct/Permit to Operate	NCSD to apply	At Bid Phase
SLO APCD	Naturally Occurring Asbestos	Received exemption	11/2/2009
RWQCB	Notice of Intent to Discharge	NCSD to file	At Bid Phase
RWQCB	SWPPP	Contractor to complete	After Bid Award
CDPH	Water Supply Permit Amendment	NCSD to file	Min. 4 mo. prior to startup

Construction related permits, where required, are the responsibility of the construction contractors and are covered in Budget Category (d).

Deliverables:

- Permits
- Water Supply Permit Amendment
- Environmental Inspection Reports

Budget Category (f): Construction Administration

Construction Management Services

Construction administration of the three bid packages is based on a proposal from NCSD's construction management consultant that assumes the simultaneous construction of all three bid packages during a 16 month construction schedule. The scope of work includes:

- Full-time inspection
- Survey oversight
- Geotechnical services
- Oversight of environmental subconsultants
- Assistance during the bid period
- Preparation of a construction management procedures manual
- Coordination between the contractor, design engineer and NCSD
- Labor Compliance
- Documentation of the project's construction
- Claims analysis services
- Preparation of monthly construction progress reports

The Construction Manager will be responsible for reviewing the contractor's payroll submittals for labor compliance as required in the State Standard Specifications and Labor Compliance Program.

Environmental specialists will be contracted to provide environmental compliance during construction as part of the construction management contract to ensure that construction is being implemented in compliance with all archeological monitoring and biological monitoring mitigation measures stipulated in the environmental documentation and permits. Environmental compliance during construction will include:

- Awareness level training for contractor personnel and field inspectors
- Environmental inspections per environmental documentation and permit requirements
- Monthly documentation of inspections

Engineering Services During Construction

The Engineering Services during Construction (ESDC) assumes the simultaneous construction of all three bid packages during a 16 month construction schedule. The scope of work includes shop drawing review, responding to requests for information, bi-weekly site visits, and preparation of as-built construction drawings.

Deliverables:

Letter to County with exhibits documenting Labor Compliance
As Built Drawings

Budget Category (g): Construction/ Implementation Contingency

The 15% construction contingency is based on the detailed Opinion of Probable Construction Costs. The construction cost estimates were developed by individual bid packages.

EXHIBIT B
SCHEDULE

ID	Task Name	Start	Finish
1	Project 1: Grant Administration SLO	Tue 8/16/11	Fri 2/2/18
2	Budget Category (a) Direct Administrative Costs	Tue 9/18/11	Fri 2/2/18
3	Grant Project Quarterly Reporting	Sat 3/30/13	Sat 9/30/17
4	Grant Project Quarterly Reporting 1	Sat 3/30/13	Sat 3/30/13
5	Grant Project Quarterly Reporting 2	Sun 6/30/13	Sun 6/30/13
6	Grant Project Quarterly Reporting 3	Mon 9/30/13	Mon 9/30/13
7	Grant Project Quarterly Reporting 4	Mon 12/30/13	Mon 12/30/13
8	Grant Project Quarterly Reporting 5	Sun 3/30/14	Sun 3/30/14
9	Grant Project Quarterly Reporting 6	Mon 6/30/14	Mon 6/30/14
10	Grant Project Quarterly Reporting 7	Tue 9/30/14	Tue 9/30/14
11	Grant Project Quarterly Reporting 8	Tue 12/30/14	Tue 12/30/14
12	Grant Project Quarterly Reporting 9	Mon 3/30/15	Mon 3/30/15
13	Grant Project Quarterly Reporting 10	Tue 6/30/15	Tue 6/30/15
14	Grant Project Quarterly Reporting 11	Wed 9/30/15	Wed 9/30/15
15	Grant Project Quarterly Reporting 12	Wed 12/30/15	Wed 12/30/15
16	Grant Project Quarterly Reporting 13	Wed 3/30/16	Wed 3/30/16
17	Grant Project Quarterly Reporting 14	Thu 6/30/16	Thu 6/30/16
18	Grant Project Quarterly Reporting 15	Fri 9/30/16	Fri 9/30/16
19	Grant Project Quarterly Reporting 16	Fri 12/30/16	Fri 12/30/16
20	Grant Project Quarterly Reporting 17	Thu 3/30/17	Thu 3/30/17
21	Grant Project Quarterly Reporting 18	Fri 6/30/17	Fri 6/30/17
22	Grant Project Quarterly Reporting 19	Sat 9/30/17	Sat 9/30/17
23	Last Project Completion Report	Mon 10/2/17	Mon 10/2/17
24	Grant Completion Report	Fri 2/2/18	Fri 2/2/18

Project: Project 1 Grant Admin 7.20.11
 Date: Tue 1/22/13

Legend:

 Task

 Split

 Progress

 Milestone

 Summary

 Project Summary

 External Task

 External Milestone

 Deadline

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Project 2 - Los Osos Wastewater Treatment Plant Project

Task Name	Duration	Start	2008	2010	2012	2014
1 Budget Category (s) Direct Project Administration	758 days	Mon 3/11/13	o	o	o	o
2 Grant Project Quarterly Reporting	652 days	Mon 3/11/13	o	o	o	o
4 Grant Completion Report	1 day	Wed 2/1/16	o	o	o	o
22 Project Performance Monitoring Plan	1 day	Mon 3/11/13	o	o	o	o
23 Budget Category (s) Land Purchases/ Easements	945 days	Tue 9/20/08	o	o	o	o
24 Budget Category (s) Planning/Design/Engineering/Environmental Document	1135 days	Tue 9/30/08	o	o	o	o
25 Engineers Report	433 days	Tue 9/30/08	o	o	o	o
26 Collection System Design	935 days	Tue 9/30/08	o	o	o	o
27 Treatment Facility Design	1022 days	Mon 1/16/09	o	o	o	o
28 Environmental Documentation	357 days	Tue 9/30/08	o	o	o	o
29 Budget Category (s) Construction/Implementation	1048 days	Mon 1/12/12	o	o	o	o
30 Contractor Outreach	65 days	Mon 1/21/12	o	o	o	o
31 Bid Advertise / Award	92 days	Tue 4/3/12	o	o	o	o
32 Collection System Areas B & C	63 days	Tue 4/3/12	o	o	o	o
33 Collection System Areas A & D	62 days	Tue 4/24/12	o	o	o	o
34 Collection System Pump Stations	62 days	Tue 5/15/12	o	o	o	o
35 Construction	793 days	Mon 8/13/12	o	o	o	o
36 Collection System Areas A & D Construction	754 days	Mon 8/13/12	o	o	o	o
37 Collection System Areas B & C Construction	725 days	Tue 9/4/12	o	o	o	o
38 Pump Station Construction	746 days	Mon 10/15/12	o	o	o	o
39 Treatment Facility Construction	521 days	Mon 3/4/13	o	o	o	o
40 Conservation Program Implementation	914 days	Sun 7/1/12	o	o	o	o
41 Conservation Program Start Date	0 days	Sun 7/1/12	o	o	o	o
42 Year 1 Conservation Program	313 days	Tue 10/23/12	o	o	o	o
43 Year 2 Conservation Program	261 days	Wed 1/1/14	o	o	o	o
44 Year 3 Conservation Program	361 days	Thu 1/1/15	o	o	o	o
45 Budget Category (s) Environmental Compliance/ Mitigation/Enhancement	725 days	Mon 8/6/12	o	o	o	o
46 Budget Category (s) Construction Administration	912 days	Mon 2/27/12	o	o	o	o

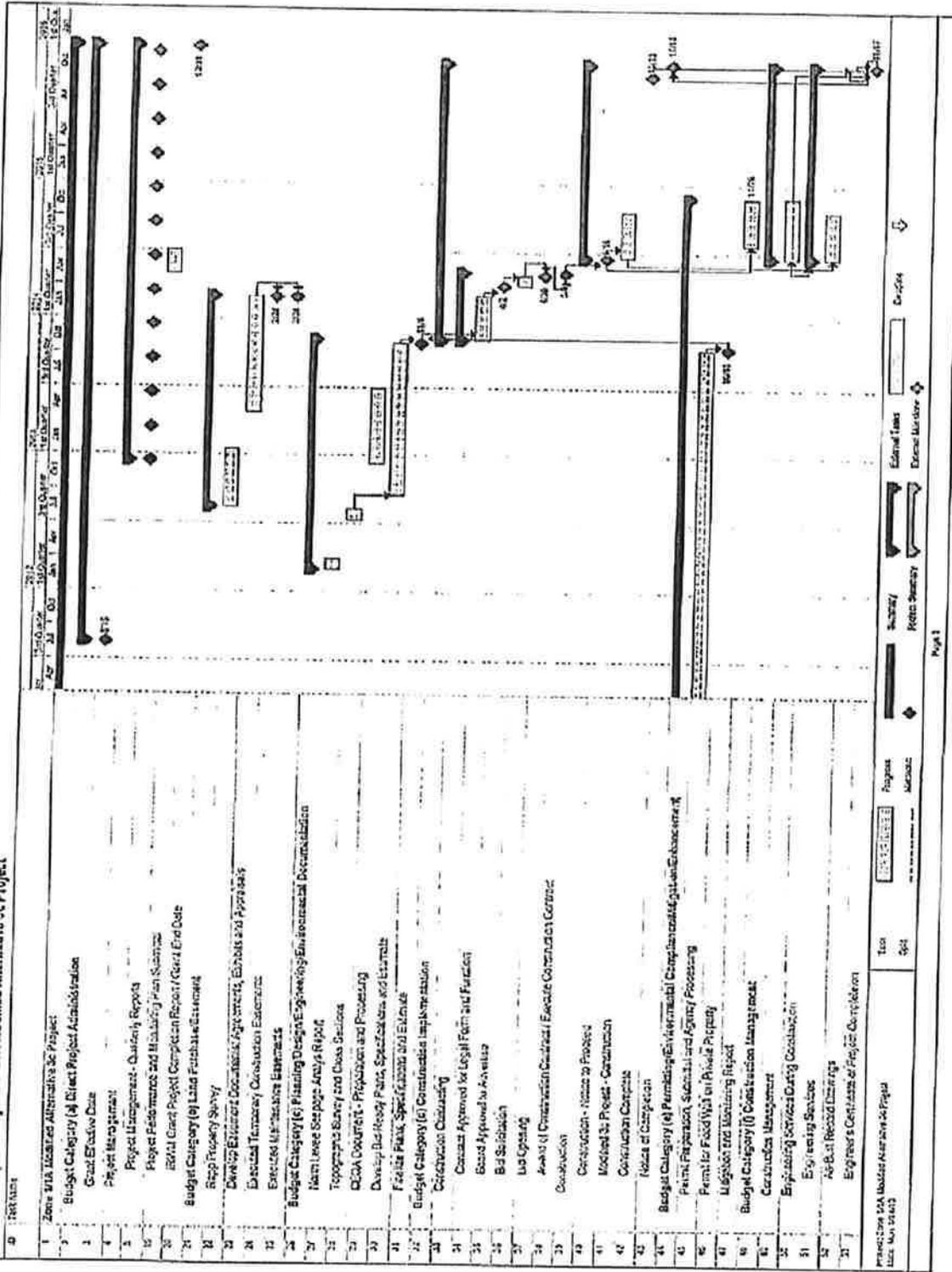
Project Summary
 External Tasks
 Internal Milestone
 Progress
 Building

Task Split
 Milestone Summary

Project Summary Schedule
 Date: Mon 5/13/13

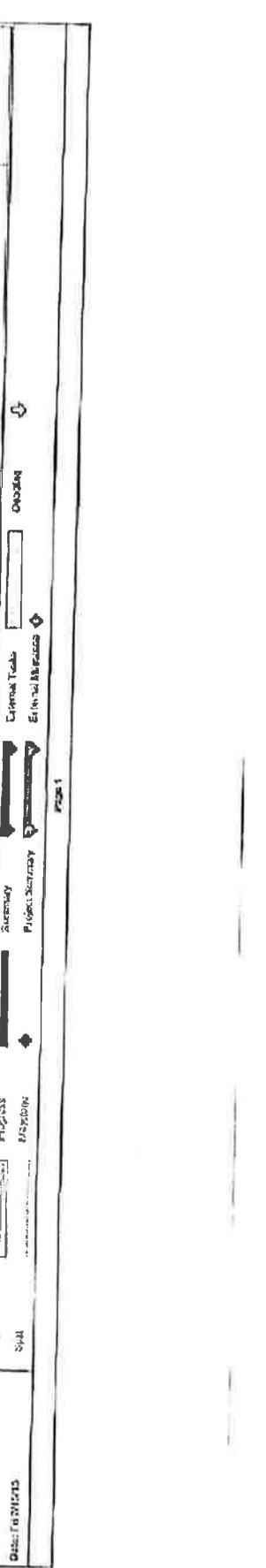
Page 1

San Luis Obispo County Zone 471A Modified Alternative 3c Project



Project 4 - National Superconducting Cyclotron (NCSX) Project

ID	Task Name	Start	Finish
1	Budget Category (A) Direct Project Administration Costs	Tue 01/01/12	Mon 02/28/12
2	Cost Estimate Costs	Tue 01/01/12	Tue 01/01/12
3	Cost Estimate Costs	Mon 12/11/11	Mon 12/11/11
4	Project Management	Mon 02/01/12	Mon 02/01/12
5	Other Project Quarterly Reports	Sat 02/01/13	Tue 02/01/14
6	Project Performance Measures Plus	Mon 01/01/13	Mon 01/01/13
7	Budget Category (B) Line Acquisition	Tue 03/01/12	Mon 01/29/13
8	Material Category (A) Planning Design Engineering Services Contracted Organization	Tue 03/01/12	Tue 01/29/13
9	Design for Bid Package 1 - Superconducting Magnet Cooling	Tue 03/01/12	Tue 01/29/13
10	Design for Bid Package 2 - Beam Pipe Vacuum, Heat and Flow Control System	Tue 03/01/12	Tue 01/29/13
11	Design for Bid Package 3 - Station Tunnel Pump Station	Tue 03/01/12	Tue 01/29/13
12	Environmental Impact Report	Tue 03/01/12	Tue 01/29/13
13	Budget Category (B) Construction Implementation	Tue 03/01/12	Mon 01/29/13
14	Station EOP	Tue 03/01/12	Mon 01/29/13
15	Acid Bath	Wed 02/01/13	Wed 02/01/13
16	Power to Project	Wed 02/01/13	Wed 02/01/13
17	Construction	Tue 02/01/13	Mon 01/29/13
18	Bid Package 1 - Station Tunnel Pump Station	Tue 02/01/13	Mon 01/29/13
19	Bid Package 2 - Beam Pipe Vacuum, Heat, and Flow Control System	Tue 02/01/13	Mon 01/29/13
20	Bid Package 3 - Station Tunnel Pump Station	Tue 02/01/13	Mon 01/29/13
21	Project Construction Contract	Mon 01/29/13	Mon 01/29/13
22	Budget Category (B) Environmental Compliance Mitigation Expenses	Mon 01/29/13	Mon 01/29/13
23	Other Work Supply Project Expenses	Mon 01/29/13	Mon 01/29/13
24	Budget Category (C) Construction Administration	Mon 01/29/13	Mon 01/29/13
25	Construction Management Services and Construction Materials	Mon 01/29/13	Mon 01/29/13
26	Engineering Services Construction	Mon 01/29/13	Mon 01/29/13



**EXHIBIT C
BUDGET**

The method of disbursement will be concurrent drawdown. In this method, grant funding and the funding match will be spent simultaneously. The payment amount for each invoice will be based on the ratio of grant funding and the Grantee's funding match. Match incurred prior to the award date may be used in the first invoice to adjust the drawdown ratio. Invoicing will take place on a budget category level. Due to the large amount of cost share associated with the project, all work is part of the agreement and must be completed prior to the payment of the retention; however costs and related supporting documents associated with the expenditures beyond the required 25% funding match requirement will not be reviewed.

Total Grant Overview

Project	Total Cost	Required Funding Match	Grant Share	"Additional" Cost Share	% Funding Match
Project 1: Grant Administration SLO	\$84,400	\$ -	\$55,556	\$28,844	0%
Project 2: Los Osos Community Wastewater Project	\$173,403,416	\$40,000,000	\$5,945,444	\$127,457,972	23%
Project 3: Flood Control Zone 1/1A – Modified 3c Project	\$2,200,000	\$ -	\$2,200,000	\$0	0%
Project 4: Nipomo Supplemental Water (Waterline Intertie) Project	\$14,852,000	\$9,124,000	\$2,200,000	\$3,528,000	61%
Grant Total	\$190,539,816	\$49,124,000	\$10,401,000	\$131,014,816	26%

Project 1: Grant Administration SLO

Budget Category	Total Cost	Required Funding Match (Non-State Share)*	"Additional" Cost Share	Grant Funding
(a) Direct Project Administration	\$84,400	\$ -	\$28,844	\$55,556
Total	\$84,400	\$ -	\$28,844	\$55,556

*Required funding match met by other projects.

Project 2: Los Osos Community Wastewater Project

Budget Category	Total Cost	Required Funding Match (Non-State Share, USDA)	IRWM Grant Funding	"Additional" Cost Share
(a) Direct Project Administration	\$14,042,210	\$ -	\$ -	\$14,042,210
Project Management	\$14,037,210	\$ -	\$ -	\$14,037,210
Project Performance and Monitoring Plan	\$5,000	\$ -	\$ -	\$5,000
(b) Land Purchase/Easements	\$2,500,000	\$ -	\$ -	\$2,500,000
(c) Planning / Design / Engineering / Environmental Documentation	\$10,784,526	\$ -	\$ -	\$10,784,526
Collection System Design	\$5,128,582	\$ -	\$ -	\$5,128,582
Treatment Facility Design	\$4,325,173	\$ -	\$ -	\$4,325,173
Environmental Documentation	\$1,330,771	\$ -	\$ -	\$1,330,771
(d) Construction/Implementation	\$105,623,277	\$40,000,000	\$5,945,444	\$59,677,833
Collection System Areas A&D Construction	\$28,846,240	\$20,338,696	\$2,507,544	\$ -
Collection System Areas B&C Construction	\$32,367,500	\$13,661,304	\$ -	\$18,706,196
Pump Station Construction	\$9,544,550	\$ -	\$ -	\$9,544,550
Treatment Facility Construction	\$31,034,987	\$ -	\$ -	\$31,034,987
Water Conservation Implementation	\$3,830,000	\$ -	\$3,437,900	\$392,100
(e) Environmental Compliance / Mitigation / Enhancement	\$503,888	\$ -	\$ -	\$503,888
(f) Construction Administration	\$7,686,295	\$ -	\$ -	\$7,686,295
(g) Other Costs	\$7,398,416	\$ -	\$ -	\$7,398,416
(h) Construction/Implementation Contingency	\$24,864,804	\$ -	\$ -	\$24,864,804
Total	\$173,403,416	\$40,000,000	\$5,945,444	\$127,457,972

The table below presents the measures and estimated budget for 3 years. Year 1 refers to FY 2012-13 that begins on July, 1 2012. Year 3 refers to FY 2014-15 that begins on July 1, 2014.

Annual Schedule and Budget for Implementation of Program Measures Year 1 - 3						
Implementation Program Plan Measure Number	Measure	Customer Category	Funding Period	Total Estimated Activities (1)	Activity Unit Costs (Including rebates)	Total Estimated Budget
Category 1 - Residential Programs						
1A	Subsidize Partial Community Retrofit, Residential	Single-Family Residential Toilets	3 Years	8,000	\$222.81	\$1,782,500
		Single-Family Residential Showerheads	3 Years	8,000	\$38.81	\$310,500
		Single-Family Residential Faucet Aerators	3 Years	13,500	\$5.75	\$77,625
1B	Residential Clothes Washer Rebate	Single-Family Residential Washer	3 years	1,200	\$172.50	\$207,000
1C	Alternatives for Fully Retrofitted Residences	Single-Family Residential	3 years	500	\$345.00	\$172,500
Category 2 - Commercial and Institutional						
2A	Subsidize Partial Community Retrofit, Commercial	Commercial	3 years	141	\$1,150.00	\$162,150
2B	Replace Restaurant Spray Nozzles	Commercial	3 years	45	\$55.00	\$2,475
2C	Institutional Building Retrofit	Institutional	3 years	13	\$2,750.00	\$35,750
2D	Commercial High Efficiency Clothes Washer Rebate	Commercial	3 years	40	\$315.00	\$12,600
Category 3 - Education and Outreach Program						
3A	Residential Water Surveys	Single-Family Residential	3 years	5,000	\$155.00	\$775,000
3B	Commercial, Industrial and Institutional Surveys	Commercial	3 years	141	\$230.00	\$32,430
3C	Public Information Program	Single-Family Residential	3 years	n/a	n/a	\$65,000
3D	Media Campaign	Single-Family Residential	3 years	n/a	n/a	\$80,000
Program Start-up Costs						\$65,000
Plan preparation costs accrued before 10/23/2012						\$45,671
Total Estimated Cost						\$3,830,000

Note (1): Estimated activities cover the required pre- and post-rebate inspections, rebate for equipment, and associated administrative costs.

Project 3: Flood Control Zone 1/1A – Modified 3c Project

Budget Category		Total Cost	Required Funding Match (Non-State Share)*	Grant Funding
(a)	Direct Project Administration	\$65,000	\$ -	\$65,000
	Project Management	\$60,000	\$ -	\$60,000
	Project Performance Monitoring Plan (PPMP)	\$5,000	\$ -	\$5,000
(b)	Land Purchase/ Easements	\$60,000	\$ -	\$60,000
(c)	Planning/ Design/ Engineering/ Environmental Documentation	\$160,000	\$ -	\$160,000
	Design	\$35,000	\$ -	\$35,000
	Engineering	\$110,000	\$ -	\$110,000
	Environmental Documentation	\$15,000	\$ -	\$15,000
(d)	Construction/ Implementation	\$1,560,000	\$ -	\$1,560,000
	Construction	\$1,560,000	\$ -	\$1,560,000
(e)	Environmental Compliance/ Mitigation/ Enhancement	\$25,000	\$ -	\$25,000
	Permit for Flood Wall on Private Property	\$5,000	\$ -	\$5,000
	Mitigation and Monitoring Report	\$20,000	\$ -	\$20,000
(f)	Construction Management	\$180,000	\$ -	\$180,000
	Construction Management	\$150,000	\$ -	\$150,000
	Engineering Services During Construction	\$30,000	\$ -	\$30,000
(g)	Construction/ Implementation Contingency	\$150,000	\$ -	\$150,000
	Total	\$2,200,000	\$ -	\$2,200,000

*Required funding match met by other projects.

Project 4: Nipomo Supplemental Water (Waterline Intertie) Project

Budget Category		Total Cost	Required Funding Match (Non-State Share)	"Additional" Cost Share*	Grant Funding
(a)	Direct Project Administration	\$303,000	\$ -	\$303,000	\$ -
	Project Management	\$228,000	\$ -	\$228,000	\$ -
	Project Performance Monitoring Plan	\$75,000	\$ -	\$75,000	\$ -
(b)	Land Purchase/ Easements	\$350,000	\$350,000	\$ -	\$ -
	Land Acquisition	\$350,000	\$350,000	\$ -	\$ -
(c)	Planning/ Design/ Engineering/ Environmental Documentation	\$1,045,000	\$1,045,000	\$ -	\$ -
	Design	\$978,000	\$978,000	\$ -	\$ -
	Environmental Documentation*	\$67,000	\$67,000	\$ -	\$ -
(d)	Construction/ Implementation	\$9,924,000	\$7,724,000	\$ -	\$2,200,000
	Bid Package 1 – Santa Maria River Crossing	\$4,347,000	\$4,347,000	\$ -	\$ -
	Bid Package 3 – Blosser Road Water Main and Flow Meter	\$2,418,000	\$218,000	\$ -	\$2,200,000
	Bid Package 4 – Joshua Road Pump Station and Reservoir	\$3,159,000	\$3,159,000	\$ -	\$ -
(e)	Environmental Compliance/ Mitigation/ Enhancement Permitting	\$5,000	\$5,000	\$ -	\$ -
(f)	Construction Administration	\$1,740,000	\$ -	\$1,740,000	\$ -
	Construction Management Services	\$ -	\$ -	\$1,490,000	\$ -
	Engineering Services During Construction	\$ -	\$ -	\$250,000	\$ -
(g)	Construction/ Implementation Contingency	\$1,485,000	\$ -	\$1,485,000	\$ -
	Total	\$14,852,000	\$9,124,000	\$3,528,000	\$2,200,000

*Source of "Additional" Cost Share: Nipomo Community Service District funds

*Environmental documentation costs are based on actual consultant contracts and invoices that were incurred after September 30, 2008.

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS:** Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b) **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **REMITTANCE OF UNEXPENDED FUNDS:** Grantee, within a period of sixty (60) calendar days from the final disbursement from State to Grantee of grant funds, shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Grant Agreement. During construction of the Project, Grantee shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. Grantee shall notify State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

D.3 AMENDMENT: No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

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

D.5 AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may take any action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the parties shall be subject to the examination and audit of State for a period of three years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion. See Exhibit H for a listing of documents/records that State Auditors would need to review in the event of a grant being audited.

- D.6 BUDGET CONTINGENCY: LIMIT ON STATE FUNDS.** Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 is subject to the availability of funds including any mandates from the Department of Finance, the Pooled Money Investment Board or any other state authority. The State will not make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.
- D.7 CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:
- The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.8 COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.
- D.9 COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.12 DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 days prior to submission of the final project invoice, a final inventory list of equipment purchased with grant funds provided by State. Grantee shall consult with State on the scope of the inventory not less than 60 days prior to the submission of the final project invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item. Within 60 days of receipt of such inventory, State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.13 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the

invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30) calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.

D.14 DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a).
- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors, or subcontractors about all of the following:
 1. The dangers of drug abuse in the workplace,
 2. Grantee's policy of maintaining a drug-free workplace,
 3. Any available counselling, rehabilitation, and employee assistance programs, and
 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide as required by Government Code Sections 8355(c), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 1. Will receive a copy of Grantee's drug-free policy statement, and
 2. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of a construction project and as determined by State, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement and to the State's satisfaction.

D.16 GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.17 GRANTEE COMMITMENTS: Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.

D.18 INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon, accruing to or received by the Grantee under this Grant Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Grant Agreement.

D.19 INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantee, if any, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.20 INSPECTIONS: State shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the Grant Agreement. This right shall

extend to any local project sponsor, subagreements, and Grantee shall include provisions ensuring such access in all its contracts or sub-contractors entered into pursuant to its Grant Agreement with State. Grantee acknowledges that Project documents may be subject to the Public Records Act (California Government Code Section 6250 et. seq.). State shall have the right to inspect these documents at any and all reasonable times after completion of the Project to ensure compliance with the terms and conditions of this Grant Agreement. During regular office hours, State shall have the right to inspect and to make copies of any books, records, or reports of the Grantee relating to this Grant Agreement. Grantee shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.21 NONDISCRIMINATION: During the performance of this Grant Agreement, Grantee and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Grant Agreement.

D.22 NO THIRD PARTY RIGHTS: The parties to this Grant Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

D.23 OPINIONS AND DETERMINATIONS: The parties agree that review or approval of any IRWM Program applications, documents, permits, plans and specifications or other program information by the State is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the IRWM Program.

D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Grant Agreement. Grantee shall comply with the California Environmental Quality Act (CEQA Section 21000 et seq.) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to disbursement of funds under this Grant Agreement.

Without limiting the foregoing, Funding Recipient shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements, including but not limited to Section 1720 et seq. of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done under this Funding Agreement. Pursuant to the provisions of Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Cal. Pub. Res. Code § 75076 et seq., the Funding Recipient must have a labor compliance program that meets the requirements of California Labor Code Section 1771.5.

D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: Grantee and Local Project Sponsors shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in

conjunction with the IRWM Program without prior permission of State. Grantee and Local Project Sponsors shall not take any action concerning the performance of this Grant Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this Grant Agreement be remitted to State.

- D.26 REMEDIES, COSTS, AND ATTORNEY FEES:** The Grantee agrees that any remedy provided in this Grant Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of breach of this Grant Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Grant Agreement by the State shall not preclude the State from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Grant Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
- D.27 RETENTION:** Notwithstanding any other provision of this Grant Agreement, State shall, for each project, withhold five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter, of the funds requested by Grantee for reimbursement of Eligible Costs. Each project in this Grant Agreement will be eligible to release its respective retention when that project is completed and Grantee has met requirements of Paragraph 17, "Submissions of Reports" as follows. At such time as the "Project Completion Report" required under Paragraph 17 is submitted to and approved by State, State shall disburse the retained funds as to that project to Grantee, except in the case of the last project to be completed under this Grant Agreement. In which case retention for such project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State.
- D.28 RIGHTS IN DATA:** To the extent permitted by law, the Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Grant Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- D.29 SEVERABILITY OF UNENFORCEABLE PROVISION:** If any provision of this Grant Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Grant Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
- D.30 STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State is for administrative purposes only and does not relieve the Grantee or Local Project Sponsors of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee and Local Project Sponsors agree to indemnify, defend and hold harmless the State and the State against any loss or liability arising out of any claim or action brought against the State 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:
- 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;
 - Performing any of the terms contained in this Grant Agreement or any related document;
 - 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 California Hazardous Waste Control Law and

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

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

QUARTERLY PROGRESS REPORT

Grantee shall submit Quarterly Progress Reports on a consistent basis to meet the State's requirement for disbursement of funds. The quarterly progress report should describe the work performed during the reporting period. For each project, describe the work performed including:

CONTINUING ELIGIBILITY

- For Urban Water Suppliers who have not submitted a complete Urban Water Management Plan, the status of the plan development and submittal.
- A brief summary of the status of adoption of an IRWM Plan that complies with Part 2.2 of Division 6 of the CWC commencing with Section 10530.
- In areas that receive water supplied from the Sacramento-San Joaquin Delta, the IRWM Plan must reduce dependence on the Sacramento-San Joaquin Delta for water supply (SB 855 (Stats. 2010) Section 31 (c)(1)(B)).
- Discuss the reasonable and feasible efforts to engage DAC into your IRWM efforts in regards to planning and projects that support their critical water supply or water quality needs.
- An update on efforts to adopt a Groundwater Management Plan.
- Upon adoption of IRWM Plan, submit an electronic copy with progress report.

PROJECT INFORMATION (INCLUDE ANY OF THE BELOW THAT WERE APPLICABLE DURING THE REPORTING PERIOD)

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc).
- Discussion of data submittal effort(s) for the previous quarter, including a description of the data submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in the project work plans.
- Description of any efforts to update IRWM Plan to obligations listed in Paragraph 12, "Continuing Eligibility, if applicable."

COST INFORMATION

- Provide a List showing all costs incurred during the quarter by the grantee, the Local Project Sponsor overseeing the work, and each contractor working on the project. The list should include for all non-construction, or implementation costs, (i.e., design, and admin charges) the hours per task worked on during the quarter for above personnel.
- A discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan.
- A revised budget, including an explanation of why the revisions were necessary, by task, if changed from latest budget shown in Appendix C, Budget. Note, a revised budget may require an official amendment to the Agreement before it is accepted as final.

SCHEDULE INFORMATION

- A schedule showing actual progress versus planned progress as shown in Exhibit B.
- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit B.
- A revised schedule, by task, if changed from latest schedule in Exhibit B. Note, a revised schedule may require an official amendment to the Agreement before it is accepted as final.

ANTICIPATED ACTIVITIES NEXT QUARTER

- Provide a description of anticipated activities for the next quarterly reporting period.

PROJECT COMPLETION REPORT

A Project Completion Report is required for each project identified in the Work Plan, Exhibit A. This report will include the following Sections:

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of ten (10) pages summarizing project information (see report status section below for topics). The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application.
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement. List any official amendments to the Agreement, with a short description of the amendment.
- Describe the mechanism or process that allows for continued performance monitoring of the projects in meeting the objectives of the IRWM Plan.

REPORTS AND/OR PRODUCTS

- Provide a copy of any final technical report or study, produced for this project as described in the Work Plan, if applicable.
- Provide a map and shapefile(s) showing the location of the completed project. A description of the geographic projection and datum used for the shapefile must be submitted with the shapefile (a NAD '83 datum and either a UTM 10 or UTM 11 projection, dependent on the project's location in the state, should be utilized).
- If any wells were constructed as part of the project, provide the following information: well logs; borehole geophysical logs; state well number; site information to include horizontal (NAD '83) and vertical (NAVD '88) datum to be determined within 0.5 feet.
- Provide an electronic copy of any as-built plans (media: CD-ROM; PDF format).
- Provide copies of any data collected along with location maps.
- If applicable, describe the findings of any study and whether the study determined the engineering, hydrologic, hydrogeologic, environmental, economic and financial feasibility of the project.
- If applicable, a discussion of the critical water supply or water quality benefits to DAC as part of this Grant Agreement.

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices showing:
 - The date each invoice was submitted to State.
 - The amount of the invoice.
 - The date the check was received.

- The amount of the check (If a check has not been received for the final invoice, then state this in this section).
- A spreadsheet summary of the original budget costs by task versus the final project costs
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants (Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of grant disbursements.
- Summary of project cost including:
 - Accounting of the cost of project expenditure.
 - Include all internal and external costs not previously disclosed.
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION

- Benefits derived from the project, with quantification of such benefits provided, if applicable.
- A final project schedule showing actual progress versus planned progress.
- Certification from a California Registered Civil Engineer that the project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This format may be modified as necessary to effectively communicate information on the various projects in the IRWM Program funded by this Grant Agreement, and includes the following:

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of twenty (20) pages summarizing information for the grant as well as the individual projects.

REPORTS AND/OR PRODUCTS

- Summary of the regional priorities, objectives, and water management strategies of the IRWM Plan.
- Brief comparison of work proposed in the original Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 IRWM Implementation Grant application and actual work done.
- Brief description of the projects completed and how they will further the goals identified in the Agency's final approved IRWM Plan.
- Describe how the implemented projects will meet the regional priorities identified in the final approved IRWM Plan and how the projects contribute to regional integration.
- Identify remaining work and mechanism for their implementation.
- Identify any changes to the IRWM Plan as result of project implementation.
- Short description of the two year IRWM Plan update and the date when the updated Plan was submitted to DWR.
- If applicable, a short discussion on how the IRWM Plan will assist in reducing dependence on Delta water supplies.
- A discussion of the critical water supply or water quality benefits to DAC as part of this Grant Agreement

COST & DISPOSITION OF FUNDS INFORMATION

- A summary of final funds disbursement for each project.

ADDITIONAL INFORMATION

- A final schedule showing individual project's actual progress duration verse planned progress.
- Certification from a California Registered Civil Engineer that the Program was conducted in accordance with the approved work plan and any approved modifications thereto. Discussion of the synergies of the completed projects, including the integration of project benefits and a comparison of actual benefits versus those discussed in the original proposal.
- Submittal schedule for the Post Performance Reports for each of the projects in this Grant Agreement.

POST-PERFORMANCE REPORT

Post Performance Report is required annually for every project for a period of 10 years beginning after the first year of operation, and includes the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report, i.e., Oct 2014 through September 2015.
- Short project description.
- Brief discussion of the project benefits to water quality, water supply, and the environment.
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 22 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

ELECTRONIC REPORT FORMATTING

Grantee agrees that work funded under this Grant Agreement will be provided in an electronic format to State. Electronic submittal of final reports, plans, studies, data, and other work performed under this grant shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR-required naming convention; and Appendix number/letter and named in the TOC.
- For projects involving a modeling component, grantees shall provide the major input data files, parameters, calibration statistics, output files, and other information requested by State's Project Manager.

EXHIBIT F
LOCAL PROJECT SPONSORS

LOCAL PROJECT SPONSORS

Grantee has assigned, for each project, a Local Project Sponsor according to the roles of the participating agencies identified in the IRWM Plan. Local Project Sponsors may act on behalf of Grantee for the purposes of individual project management, oversight, compliance, and operations and maintenance. Local Project Sponsors are identified for each Sponsored Project below:

Local Sponsor Agency Designations		
Sponsored Project	Sponsor Agency	Agency Address
Project 1 – Grant Administration SLO	San Luis Obispo Flood Control and Water Conservation District	County Government Center, Rm 207 San Luis Obispo, CA 93408
Project 2 - Los Osos Community Wastewater Project	San Luis Obispo County	County Government Center, Rm 207 San Luis Obispo, CA 93408
Project 3 – Flood Control Zone 1/1A – Modified 3c Project	San Luis Obispo County	County Government Center, Rm 207 San Luis Obispo, CA 93408
Project 4 – Nipomo Supplemental Water (Waterline Interline) Project	Nipomo Community Service District	148 S. Wilson Street Nipomo, CA 93444

EXHIBIT G
REQUIREMENTS FOR DATA SUBMITTAL

SURFACE AND GROUNDWATER QUALITY DATA:

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

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

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

GROUNDWATER LEVEL DATA

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

DWR's WDL has been replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Grantee will submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

Exhibit H
State Audit Document Requirements and Guidelines for Grantees
Under DWR Financial Assistance Programs

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

List of Documents for Audit

Internal Controls:

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

Agreements and Contracts:

1. Original signed Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants received from the State.
3. A listing of all other funding sources for each project.
4. All subcontractor and consultant contracts and related or partners documents, if applicable.
5. Contracts between the Agency and member agencies as related to this grant agreement.

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs: Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on this grant funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to this Grant Agreement.

Project Files:

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

General Grant Agreement Guidelines

Amendment Requirements:

Amendments to the Work Plan, Budget, and/or Schedule of this Grant Agreement are triggered when the proposed changes are deemed by the State to be substantial. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. For example, a formal budget change to an Agreement is required when the culmination of proposed Grant amount budget change(s) for a Task is greater than 10% of the original Grant amount budget for that particular Task or the Task to be exchanged.

Funding Match Contribution

Funding Match (often referred to as Grantee Cost Share) is the amount defined in Paragraph 4 of this Agreement. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). The cost of which in-kind service is valued can be counted as funding match in-lieu of actual funds (or revenue) provided by the Grantee. Other funding match and in-kind service eligibility conditions apply (see paragraph 9). Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
 - o Describe contributed item(s) or service(s)
 - o Purpose for which contribution was made (tie to scope of work)
 - o Name of contributing organization and date of contribution
 - o Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see Item #4, below)
 - o Person's name and function of the contributing person
 - o Hours of contribution
 - o If multiple sources exist, summarize these on a table with summed charges
 - o Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in-kind services) shall be for costs and services directly attributed to activities included in this Grant Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of this Grant Agreement. Evaluate eligibility with DWR Project Manager in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the Project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.
4. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

EXHIBIT I
GRANTEE RESOLUTION

BEFORE THE BOARD OF SUPERVISORS
of the
SAN LUIS OBISPO COUNTY FLOOD
CONTROL AND WATER CONSERVATION
DISTRICT

Tuesday December 7, 2010

PRESENT: Supervisors Bruce S. Gibson, Adam Hill, James R. Patterson and
Chairperson Frank Mecham

ABSENT: Supervisor K.H. 'Katcho' Achadjian

RESOLUTION NO. 2010-357

**RESOLUTION DESIGNATING THE DIRECTOR OF PUBLIC WORKS
AS THE AUTHORIZED REPRESENTATIVE
TO FILE APPLICATIONS AND EXECUTE AGREEMENTS
FOR INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM GRANTS**

The following resolution is hereby offered and read:

WHEREAS, the State of California has established an Integrated Regional Water Management grant program pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.) (Also known as Proposition 84); and

WHEREAS, a Memorandum of Understanding (Attachment 1), which has been signed by the agencies listed in Attachment 2 and who constitute the Regional Water Management Group for the San Luis Obispo County Region as of the date of this resolution, designates the San Luis Obispo County Flood Control and Water Conservation District, as the lead agency, to submit Integrated Regional Water Management grants; and

WHEREAS, the Director of Public Works is especially suited to ensure that grant application materials related to water projects are prepared in a complete, efficient, and adequate manner; and

WHEREAS, the Director of Public Works has the authority to ensure that projects are carried out in full compliance with the applicable permits and agreements.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Flood Control and Water Conservation District of the County of San Luis Obispo, State of California, that applications be made to the California Department of Water Resources to obtain Integrated Regional Water Management Planning or Implementation Grants pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.), and to enter into agreements to receive grants for the San Luis Obispo County Region's Integrated Regional Water Management Program. The Director of Public Works of the County of San Luis Obispo is hereby authorized and directed to prepare the necessary data, make investigations, file such applications, sign the consent form required for Round 1 Implementation Grant Funding (Attachment J), and execute grant agreements (approved as to form by County Counsel) with the California Department of Water Resources.

Upon motion of Supervisor Patterson, seconded by Supervisor Gibson, and on the following roll call vote, to wit:

AYES: Supervisors Patterson, Gibson, Hill and Chairperson Mecham

NOES: None

ABSENT: Supervisor K.H. 'Katcho' Achadjian

ABSTAINING: None

the foregoing resolution is hereby adopted.

Frank Mecham
Chairperson of the Board of Supervisors

ATTEST:

Julie L. Rodewald
Clerk of the Board of Supervisors

By: /s/Sandy Currens
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN
County Counsel

By: /s/Patrick J. Foran
Deputy County Counsel

Dated: 11/18/2010

STATE OF CALIFORNIA, }
County of San Luis Obispo,

I, Julie L. Rodewald, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 10th
day of December, 2010.

(SEAL)

County Clerk and Ex-Officio Clerk of the Board
of Supervisors

By Sandy Currens
Deputy Clerk.

**San Luis Obispo County
Integrated Regional Water Management Plan
Memorandum of Mutual Understandings**

1. PURPOSE

The purpose of this MEMORANDUM OF UNDERSTANDING (MOU) is to establish the mutual understandings between San Luis Obispo County Region partners with respect to their joint efforts towards developing an Integrated Regional Water Management Plan (IRWMP) for the San Luis Obispo County Region that will establish a unified vision of the relationships between individual goals of water quality improvement, ecosystem preservation, water supply protection, ground water management, and flood management.

2. DEFINITIONS

2.1 Integrated Regional Water Management Plan (IRWMP). A comprehensive plan for a defined geographic area, in this case the San Luis Obispo County Region, the specific development, content, and adoption of which shall satisfy requirements of California's IRWM Program and relevant codes. At a minimum, an IRWMP describes the major water-related objectives and conflicts within a region, considers a broad variety of water management strategies, identifies the appropriate mix of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supply and protect the environment, and identifies disadvantaged communities in the region and takes the water-related needs of those communities into consideration.

2.2 San Luis Obispo County Region (Region). The geographic area, which is coterminous with the San Luis Obispo County and the San Luis Obispo County Flood Control and Water Conservation District boundary, covered by the IRWMP.

2.3 Local Agency. Any city, county, city and county, special district, joint powers authority, or other political subdivision of the state, a public utility as defined in Section 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code.

2.4 Regional Water Management Group (RWMG). A group in which three or more local agencies, at least two of which have statutory authority over water supply or water management, as well as those other persons who may be necessary for the development and implementation of an IRWMP, participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those local agencies. The Region's RWMG Members are signatories to this MOU and may designate a representative to participate in RWMG activities.

2.5 Regional Projects or Programs. Projects or programs to be implemented by signatories of this MOU identified in an IRWMP that accomplish any of the following:

Attachment 1

(a) Reduce water demand through agricultural and urban water use efficiency.

(b) Increase water supplies for any beneficial use through the use of any of the following, or other, means:

- (1) Groundwater storage and conjunctive water management.
- (2) Desalination.
- (3) Precipitation enhancement.
- (4) Water recycling.
- (5) Regional and local surface storage.
- (6) Water-use efficiency.
- (7) Stormwater management.

(c) Improve operational efficiency and water supply reliability, including conveyance facilities, system reoperation, and water transfers.

(d) Improve water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.

(e) Improve resource stewardship, including agricultural lands stewardship, ecosystem restoration, flood plain management, recharge area protection, urban land use management, groundwater management, water-dependent recreation, fishery restoration, including fish passage improvement, and watershed management.

(f) Improve flood management through structural and nonstructural means, or by any other means.

2.6 Local Projects or Programs. Cooperative agreements between specific RWMG members for implementation of specific projects or programs that are approved by the RWMG are included in the definition of Regional Projects or Programs.

2.6 Regional Reports or Studies. Reports or studies relating to any of the matters described in 3.5 (a) to (f), that are identified in the IRWMP.

2.7 Service Function. A water-related individual service function provided by an agency, i.e. water supply, water quality, wastewater, recycled water, water conservation, stormwater/flood control, watershed planning, and aquatic habitat protection and restoration.

2.8 Integration. Assembling into one document the water-related management strategies, projects and plans in the Region. The first phase would be to identify water management strategies for the region and the priority projects that demonstrate how these strategies work together to provide reliable water supply, protect or improve water quality, provide watershed protection and planning, and provide environmental restoration protection. Projects and plans would be categorized and opportunities to identify regional benefits of linkages between multiple water management strategies among projects and plans of separate service functions and to see where projects and plans of separate service functions may further

Interrelated, e.g. wastewater treatment and water recycling or habitat restoration.

2.9 Water Resources Advisory Committee (WRAC). This is the committee comprised of water purveyor, resource conservation district, environmental and agricultural representatives that was originally established in the 1940's to advise the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District) on water resource issues. The WRAC meets monthly, with the exception of July and August, and is subject to the Brown Act. The members of the WRAC with the authority to enter into an MOU are the same agencies that would comprise a RWMG to support the region's IRWM planning efforts. Therefore, RWMG Members and other regional stakeholder groups participate in the IRWMP development process by way of presentations to the Water Resources Advisory Committee (WRAC).

3. GOALS OF THE IRWMP

The goals of the IRWMP are to without unfairly burdening communities, neighborhoods, or individuals:

3.1 Protect and improve water quality for beneficial uses consistent with regional interests and the Basin Plan in cooperation with local and state agencies and regional stakeholders.

3.2 Improve regional water supply reliability and security, reduce dependence on imported water, reduce water rights disputes and protect watershed communities from drought with a focus on interagency conjunctive use of regional water resources.

3.3 Protect, enhance and restore the region's natural resources including open spaces; fish, wildlife and migratory bird habitat; special status and native plants; wetlands; estuarine, marine, and coastal ecosystems; streams, lakes, and reservoirs; forests; and agricultural lands.

3.4 Monitor, protect, and improve the region's groundwater through a collaborative approach designed to reduce conflicts.

3.5 Develop, fund, and implement an integrated, watershed approach to flood management through a collaborative and community supported process.

4. IRWMP PROJECT PARTICIPANTS

Development and implementation of the Region's IRWMP is a collaborative effort undertaken by the RWMG. The RWMG is being led by the District, in partnership with other signatories to this MOU. The IRWMP will be developed in coordination with the WRAC. However, only regional projects and programs to be implemented by signatories to this MOU will be eligible for grant applications. The signatories entering into this MOU are specifying their shared intent to coordinate and collaborate on water management issues as expressed in Section 3. Goals of the IRWMP and in accordance with Section 5. Mutual Understandings. The

signatories anticipate the potential need for future agreements on specific projects or programs that may be considered for grant applications.

5. MUTUAL UNDERSTANDINGS

5.1 Need for the Region's IRWMP

5.1.1 To improve communication and cooperation between public and private agencies and minimize conflict-generated solutions.

5.1.2 To enhance our existing water management efforts by increasing stakeholder awareness of important issues, providing more opportunities for collaborative efforts and improving efficiencies in government and water management.

5.1.3 To qualify for state grants and other funding opportunities only available to those regions which have developed an IRWMP.

5.2 Subject matter scope of the IRWMP. The IRWMP focuses on water supply, water quality protection and improvement, ecosystem preservation and restoration, groundwater monitoring and management, and flood management as these are the most prevalent water resource issues facing the Region.

5.3 Geographical scope of the IRWMP. The Region for this memorandum is coterminous with the boundary of San Luis Obispo County. This is an appropriate geographic region for integrated regional water management planning because it encompasses all aspects of water management generally within the same physical, political, environmental, social, and economic boundaries.

The Salinas Valley Integrated Regional Water Management Plan region borders the Region to the north and the Santa Barbara County IRWMP region border the Region on the South. Coordination with agencies in Kern County developing an IRWMP region at the time of initial execution of this MOU will be important for identifying any water resources issues overlapping with the Region in the future.

Water resources issues that overlap with neighboring regional boundaries are either covered by existing cooperative water management plans (i.e. Nacilone Watershed Management Plan), adjudication (i.e. Santa Maria Groundwater Basin), and operational agreements (i.e. Nacimiento and Salinas Reservoirs), or there is no defining water resource management issue at this time (i.e. Kern County region boundary). All of these items are to be included in the Region's IRWM Plan consistent with the IRWMPs of neighboring regions. The RWMG will continue to coordinate with neighboring regions to address additional water resources issues in our respective IRWMPs.

5.4 Approach to developing and implementing the IRWMP

5.4.1 Signatories. Signatories to this MOU, including the District, that make up the RWMG are responsible for the development of the IRWMP.

5.4.2 Lead Agency. The District will act as the lead agency, ultimately responsible for the final production of the Region's IRWMP, presentations to stakeholders, submittal of IRWM grant applications,

execution of grant agreements with the State, and execution of agreements with RWMG members responsible for the implementation of projects that are awarded grants.

5.4.3 RWMG Member Responsibilities. All members, in a timely fashion, will provide information sufficient to meet State guidelines for their regional projects and programs to be included in the IRWMP and participate in the review of the IRWMP. All Members will participate in the process to select IRWMP regional projects and programs for grant applications. Members responsible for the implementation of regional projects and programs awarded grant funding will be responsible, through contract with the District, for complying with the provisions of the District's grant agreement with the State. Members will provide the District with their designated representative's contact information. Members will adopt the IRWMP in accordance with 5.5 and 5.6 below.

5.4.4 Stakeholder Participation. RWMG Members and other regional stakeholder groups participate in the IRWMP development process by way of presentations to the Water Resources Advisory Committee (WRAC). Stakeholders that are not WRAC members will be notified of when an IRWMP item will be reviewed by the WRAC. Sub-regional meetings may be required to ensure all stakeholders, including disadvantaged communities, who may not necessarily be able to attend WRAC meetings, can participate in IRWMP development.

5.4.5 IRWMP Development and Implementation. The Region's IRWMP that was adopted by the District, developed in coordination with and approved by stakeholders in 2005, and updated in 2007, will be the basis for the next and subsequent adopted IRWMPs for the Region. The RWMG will propose changes to the previous versions of the IRWMP to comply with new State guidelines and incorporate new information and projects, for review and approval in accordance with 5.5 and 5.6 below. Since a key element of the IRWM Program is integration, the RWMG will work with other WRAC Members to identify water management strategies for the region and the priority projects that demonstrate how these strategies work together to protect and improve water quality; improve regional water supply reliability and security; protect, enhance and restore the region's natural resources; monitor, protect, and improve the region's groundwater; and develop, fund, and implement an integrated, watershed approach to flood management. Regional projects and programs would be categorized and opportunities to identify regional benefits of linkages between multiple water management strategies among projects and programs of separate service functions and to see where projects and programs of separate service functions may further interrelate, e.g. wastewater treatment and water recycling or habitat restoration.

5.5 Decision-making. The WRAC will serve as the main advisor to the RWMG on decisions to be made on the IRWMP. Written consensus will be sought between the representatives of RWMG members in the event the need for a decision arises that cannot be brought forth to the WRAC before a decision needs to be made.

Attachment 1

5.6 Adoption of the IRWMP. IRWMP approval and adoption will occur by the governing bodies of RWMG Members. IRWMP updates to meet new State guidelines, add new RWMG Members, add or remove regional projects and programs, or other updates to information do not require IRWMP re-adoption. Significant changes to the IRWMP, including revised goals and objectives, revised regional boundaries, or other changes deemed significant by the RWMG, will require re-adoption of the IRWMP.

5.7 Non-binding nature. This document and participation in this IRWMP effort are nonbinding, and in no way suggest that a RWMG Member may not continue its own planning and undertake efforts to secure project funding from any source. An agency may withdraw from participation at any time.

5.8 Personnel and financial resources. It is expected that RWMG members will contribute the resources necessary to fulfill the responsibilities in 5.4.3 above.

5.9 Other on-going regional efforts. Development of the IRWMP is separate from efforts of other organizations to develop water-related plans on a regional basis. As the IRWMP is developed, work products can be shared with these separate efforts to provide them with current information. Cooperative agreements between specific RWMG members for implementation of specific projects or programs are included as attachments to this MOU.

5.10 Reports and communications. The WRAC, an IRWM contact list and the District's website will serve as the forum for updates and correspondence relating to the development of the IRWMP.

5.11 Termination. Because the IRWMP will require periodic review and updating for use into the future, it is envisioned that the joint efforts of those involved will be ongoing in maintaining a living document. Thus this MOU will remain as a reflection of the understandings of the RWMG Members. As indicated, individual signatories of this MOU may terminate their involvement at any time.

6. SIGNATORIES TO THE MEMORANDUM OF MUTUAL UNDERSTANDINGS

We, the undersigned representatives of our respective agencies, acknowledge the above as our understanding of how the San Luis Integrated Regional Water Management Plan will be developed.

COUNTY OF SAN LUIS OBISPO
FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

By: BRUCE S. GIBSON
Chairman,
Board of San Luis Obispo County
Flood Control and
Water Conservation District

ATTEST:

JULIE L. ROEFWALD
Clerk of the Board of Supervisors By: Sandra C. ...
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN
County Counsel

By: *Warren R. Jensen*
Deputy County Counsel

Dated: 4/10/04

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Attachment 2

San Luis Obispo County Region
Integrated Regional Water Management Program
Regional Water Management Group

Memorandum of Understanding Signatories

Agency or Group	MOU Date
Coastal San Luis Resource Conservation District	7/17/2009
San Luis Obispo County	4/21/2009
San Luis Obispo County Flood Control and Water Conservation District	4/21/2009
Los Osos CSD	4/20/2009
City of Morro Bay	10/1/2009
Morro Bay National Estuary Program	12/2/2009
Nipomo CSD	4/9/2009
Oceano CSD	5/27/2009
City of San Luis Obispo	8/18/2009
San Simeon CSD	6/10/2009
Upper Salinas - Las Tablas Resource Conservation District	5/28/2009

December 7, 2010

Attachment 2

Attachment 3

Consent Form IRWM Plan Update	
Applicant: <Enter Name>	
IRWM Region: <Enter Name>	
RWMG: <Enter Name>	
Date of Adoption: <Enter Date>	
<p>As the authorized representative of the above-referenced RWMG, I acknowledge and affirm that the RWMG is utilizing an IRWM Plan that was adopted on or before September 30, 2008, to meet part of the grant Eligibility Criteria for the Round 1, Proposition 04 IRWM Grant Program, Implementation Grant solicitation.</p> <p>I also acknowledge that the RWMG understands that it must enter into a binding agreement with DWR to update, within two years of the execution date of the agreement, the IRWM Plan to meet the IRWM Plan standards contained in the Guidelines; and to undertake all reasonable and feasible efforts to take into account water-related needs of disadvantaged communities in the area within the IRWM region.</p> <p>I further acknowledge that the RWMG understands that failure to meet the condition listed above may result in termination of the grant agreement by DWR and that DWR may demand the immediate repayment to State of an amount equal to the amount of grant funds disbursed to Grantee prior to such termination.</p>	
_____ Name of Authorized Representative	_____ Signature
_____ Title of Authorized Representative	_____ Date

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

ML

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
AND OPERATIONS

PVS

DATE: JUNE 18, 2013



AWARD CONTRACTS FOR CONSTRUCTION OF SUPPLEMENTAL WATER PROJECT PHASE 1

ITEM

Award three contracts for construction of Supplemental Water Project Phase 1 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION AWARDED EACH CONTRACT TO LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, AUTHORIZING STAFF TO EXECUTE CONTRACTS, AUTHORIZING STAFF TO EXECUTE CHANGE ORDERS, AND AUTHORIZING CHANGE ORDER CONTINGENCIES, AS FOLLOWS:

- A. BID PACKAGE 1: TO ARB, INC. IN AMOUNT OF \$5,847,090 INCLUDING CHANGE ORDER NO. 1 CREDIT IN AMOUNT OF (\$1,350,050), AND AUTHORIZING CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF \$580,000.
- B. BID PACKAGE 3: TO SPECIALTY CONSTRUCTION INC. IN AMOUNT OF \$3,007,897 INCLUDING ALTERNATE BID ITEM GROUP A IN THE AMOUNT OF \$332,189 AND CHANGE ORDER NO. 1 IN AMOUNT OF \$99,998, AND AUTHORIZING CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF \$300,000.
- C. BID PACKAGE 4: TO SPIESS CONSTRUCTION CO., INC. IN AMOUNT OF \$4,364,030 INCLUDING CHANGE ORDER NO. 1 IN AMOUNT OF \$19,320, AND AUTHORIZING CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF \$430,000].

BACKGROUND

The Nipomo Supplemental Water Project Phase 1 (Project) will interconnect the District water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), 2600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, 2726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing District production wells (Attachment A).

The Project will deliver 650 acre-feet per year (AFY) of supplemental water purchased by the District from the City of Santa Maria and will allow the District to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the District water supply by providing an additional source other than groundwater. The Project is consistent with the

settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin.

The design drawings and specifications, prepared by AECOM, were developed as three separate bid packages as follows:

1. Bid Package 1 – Santa Maria River Crossing
2. Bid Package 3 – Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4 – Joshua Street Pump Station and Wellhead Chloramination Systems

Design of the Project was completed to current civil, geotechnical, seismic, mechanical, electrical, and architectural standard practices. Each submittal went through a third party review for value engineering as well as constructability.

In February 2013, the Board authorized staff to solicit bids for the Project. The bids for Bid Package 1 were opened on March 26, 2013 and the bids for Bid Package 3 and Bid Package 4 were opened on March 28, 2013. A summary of the bid costs, based on the low bidders for each contract, is as follows:

Description	Low Bidder	Projected Cost (based on low bids)
Bid Package 1 - Santa Maria River Crossing	ARB, Inc.	\$7,197,140
Bid Package 3 - Blosser Road Waterline and Flow Meter	Specialty Construction Inc.	\$2,575,710
Bid Package 4 - Joshua Street Pump Station and Wellhead Chloramination Systems	Spieß Construction Co. Inc.	\$4,344,710
Construction Subtotal		\$14,117,560
Construction Contingency (5%)		\$706,000
Estimated Construction Total		\$14,823,560

Either all three of these contracts are to be awarded at this meeting or none at all due to the interrelated nature of the work. Any contract award will be contingent upon satisfactory conclusion of the District's project financing by execution and delivery of its certificates of participation ("COPs"). The District anticipates closing its COP transaction on June 21, 2013. Any deadlines for contractors to execute contracts and furnish bonds and insurance will begin to run on the date the District gives written notice that the contract awards are final.

Bid Analysis – Bid Package 1 – Santa Maria River Crossing

The District received two bids from prequalified contractors: ARB, Inc. and Michels Corporation. The apparent low bidder was ARB Inc., with a base bid of \$7,197,140. AECOM and District staff reviewed the submitted bid forms from ARB Inc. for compliance with the contract documents and confirmation of totals contained in the bid schedule and found no errors or omissions in the submitted materials. AECOM and District staff determined that the bid is responsive and the bidder is responsible and recommend that the contract be awarded to ARB, Inc.

Bid Analysis – Bid Package 3 – Blosser Road Waterline and Flow Meter

The District received nine bids from general contractors: Specialty Construction, D-Kal, Brough, Whitaker, John Madonna, Nicholas, Tierra, HPS Mechanical, and R. Baker. The apparent low bidder was Specialty Construction, with a base bid of \$2,575,710. AECOM and District staff reviewed the submitted bid forms from Specialty Construction for compliance with the contract documents and confirmation of totals contained in the bid schedule and found no errors or omissions in the submitted materials. AECOM and District staff determined that the bid is responsive and the bidder is responsible and recommend that the contract be awarded to Specialty Construction.

Bid Analysis – Bid Package 4 – Joshua Street Pump Station and Wellhead Chloramination Systems

The District received five bids from general contractors: Spiess Construction, Specialty Construction, Brough, Cushman Contracting and ARB. The apparent low bidder was Spiess Construction, with a base bid of \$4,344,710. AECOM and District staff reviewed the submitted bid forms from Spiess Construction for compliance with the contract documents and confirmation of totals contained in the bid schedule. AECOM and District staff determined that the bid is responsive and the bidder is responsible and recommend that the contract be awarded to Spiess Construction.

Overall Bid Analysis & Cost Savings Review - Change Order No. 1 for BP 1, BP 3 & BP 4

AECOM and District staff reviewed the bids submitted by the three apparent low bidders to determine the potential to re-allocate common bid items to contracts with lower unit costs to reduce the overall project costs without impacting the overall project. One bid item, 24 inch diameter deep trench ductile iron pipe, was common to all three contracts. All parties agreed to deduct this pay item from Bid Package 1 and add it to Bid Packages 3 and 4 for an overall savings of (\$942,032).

ARB, the apparent low bidder on Bid Package 1, has given the District a credit in the amount of (\$288,700) on account of clarifications to the requirements for the surface casings during drilling operations. That credit has also been incorporated into the Bid Package 1 Change Order No. 1.

Overall project savings realized by Change Order No. 1 for each of the three bid packages is (\$942,032) plus (\$288,700) which equals (\$1,230,732).

Alternate Bid Item Analysis – Bid Package 3 – Blosser Road Waterline and Flow Meter

The Bid Package 3 bid documents also included Additive Alternate Bid Item Group A for 24 inch diameter DIP instead of 18 inch diameter DIP for the portion of the waterline to be installed in Blosser Road between Taylor Street and Atlantic Place. A parallel 18 inch diameter pipeline would be required for future phases covered in the Environmental Impact Report. The additional cost to install 24 inch pipe instead of 18 inch pipe is \$332,189 per Specialty Construction's bid. Given the relatively low additional cost to install 24 inch pipe now to avoid the future cost of installing a parallel 18 inch pipe and the construction cost savings identified by staff, there is sufficient funding to construct the 24 inch diameter waterline in Blosser Road

between Taylor Street and Atlantic Place. This work has been incorporated into the construction documents for this Bid Package.

SUPPLEMENTAL WATER PROJECT PHASE 1 ENVIRONMENTAL REVIEW

The Project Final EIR was certified by the District in April 2009. In May 2009, the Board adopted a resolution making CEQA project findings, adopting a statement of overriding considerations, adopting a project mitigation monitoring plan, approving the Supplemental Water Project and directing staff to file a Notice of Determination with the County in compliance with CEQA. A Supplemental EIR was certified by the District in April 2012.

FISCAL IMPACT

The total Supplemental Water Project Phase 1 construction costs, based on award to the lowest responsive and responsible bidders including Change Order No. 1 for each contract and Additive Alternate Group A for Bid Package 3, are as follows:

Description	Low Bidder	Original Bid Cost	Bid Alternate	Change Order No. 1	Recommended Contract Award Amount
Bid Package 1 - Santa Maria River Crossing	ARB, Inc.	\$7,197,140	\$0	(\$1,350,050)	\$5,847,090
Bid Package 3 - Blosser Road Waterline and Flow Meter	Specialty Construction Inc.	\$2,575,710	\$332,189 for Bid Alternate Group A	\$99,998	\$3,007,897
Bid Package 4 - Joshua Street Pump Station and Wellhead Chloramination Systems	Spiess Construction Co. Inc.	\$4,344,710	\$0	\$19,320	\$4,364,030
Construction Subtotal		\$14,117,560	\$332,189	(\$1,230,732)	\$13,219,017
Recommended Contract Award Construction Total					\$13,219,017

A summary of the recommended construction contingency costs is as follows:

	Original Bid Cost	Awarded Bid Cost
Construction Subtotal	\$14,117,560	\$13,219,017
Construction Contingency	\$706,000	\$1,310,000
Estimated Construction Total	\$14,823,560	\$14,529,017

The overall construction costs are consistent with the latest Board approved funding plan for the project and are approximately \$300,000 less than the approved funding plan construction amount.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2013-XXXX Supplemental Water Project Phase 1 Bid Award thereby awarding all Contracts contingent upon satisfactory conclusion of the District's project financing by execution and delivery of its certificates of participation ("COPs"):

- A. Bid Package 1 to ARB, Inc. in the amount of \$5,847,090 including Change Order No. 1 credit in the amount of (\$1,350,050), authorize General Manager to execute construction agreement, authorize General Manager to execute Change Order No 1. and authorize the General Manager to issue Change Orders for construction of Bid Package 1 with an aggregate total amount not to exceed \$580,000.

- B. Bid Package 3 to Specialty Construction Inc. in the amount of \$3,007,897 including Alternate Bid Item Group A in the amount of \$332,189 and Change Order No. 1 in the amount of \$99,998, authorize General Manager to execute construction agreement, authorize General Manager to execute Change Order No 1. and authorize the General Manager to issue Change Orders for construction of Bid Package 3 with an aggregate total amount not to exceed \$300,000.

- C. Bid Package 4 to Spiess Construction Co. Inc. in the amount of \$4,364,030 including Change Order No. 1 in the amount of \$19,320, authorize General Manager to execute construction agreement, authorize General Manager to execute Change Order No 1. and authorize the General Manager to issue Change Orders for construction of Bid Package 3 with an aggregate total amount not to exceed \$430,000.

ATTACHMENTS

- Attachment A – Project Overview
- Attachment B – AECOM Recommendation Letter for Bid Package 1
- Attachment C – AECOM Recommendation Letter for Bid Package 3
- Attachment D – AECOM Recommendation Letter for Bid Package 4
- Attachment E – Bid Package 1 Change Order No. 1
- Attachment F – Bid Package 3 Change Order No. 1
- Attachment G – Bid Package 4 Change Order No. 1
- Attachment H – Resolution 2012-XXXX Supplemental Water Project Phase 1 Bid Award

JUNE 20, 2013

ITEM 3

ATTACHMENT A

JUNE 20, 2013

ITEM 3

ATTACHMENT B



AECOM
1194 Pacific Street, Suite 204
San Luis Obispo CA 93401

805.542.9840 tel
805.542.9990 fax

May 6, 2013

Peter Sevcik, PE
Nipomo Community Services District
PO Box 326
Nipomo, CA 93444

Supplemental Water Project Phase 1, Bid Package 1 – Recommendation for Construction Contract

Dear Peter,

AECOM has reviewed the bid results for the Nipomo Community Services District (District) Supplemental Water Project Phase 1, Bid Package 1. Bid opening was on March 26, 2013. The District received two bids from prequalified contractors: ARB, Inc and Michels Corporation. At bid opening, the apparent low bidder was ARB Inc, with a base bid of \$7,197,140.

AECOM reviewed the submitted bid forms from ARB Inc. for compliance with the contract documents and confirmation of totals contained in the bid schedule. We found no errors or omissions in the submitted materials.

AECOM finds ARB, Inc to be the lowest responsive and responsible bidder for the NCSD Supplemental Water Project Phase 1, Bid Package 1.

Sincerely,

Jon Hanlon, PE
Project Manager

JUNE 20, 2013

ITEM 3

ATTACHMENT C



AECOM
1194 Pacific Street, Suite 204
San Luis Obispo CA 93401

805.542.9840 tel
805.542.9990 fax

May 6, 2013

Peter Sevcik, PE
Nipomo Community Services District
PO Box 326
Nipomo, CA 93444

Supplemental Water Project Phase 1, Bid Package 3 – Recommendation for Construction Contract

Dear Peter,

AECOM has reviewed the bid results for the Nipomo Community Services District (District) Supplemental Water Project Phase 1, Bid Package 3. Bid opening was on March 28, 2013. The District received nine bids from general contractors: Specialty Construction, D-Kal, Brough, Whitaker, John Madonna, Nicholas, Tierra, HPS Mechanical, and R. Baker. At bid opening, the apparent low bidder was Specialty Construction, with a base bid of \$2,575,710.

AECOM reviewed the submitted bid forms from Specialty Construction for compliance with the contract documents and confirmation of totals contained in the bid schedule. We found no errors or omissions in the submitted materials.

AECOM finds Specialty Construction to be the lowest responsive and responsible bidder for the NCSD Supplemental Water Project Phase 1, Bid Package 3.

Sincerely,

Jon Hanlon, PE
Project Manager

JUNE 20, 2013

ITEM 3

ATTACHMENT D



AECOM
1194 Pacific Street, Suite 204
San Luis Obispo CA 93401

805.542.9840 tel
805.542.9990 fax

May 6, 2013

Peter Sevcik, PE
Nipomo Community Services District
PO Box 326
Nipomo, CA 93444

Supplemental Water Project Phase 1, Bid Package 4 – Recommendation for Construction Contract

Dear Peter,

AECOM has reviewed the bid results for the Nipomo Community Services District (District) Supplemental Water Project Phase 1, Bid Package 4. Bid opening was on March 28, 2013. The District received five bids from general contractors: Spiess Construction, Specialty Construction, Brough, Cushman Contracting, and ARB. At bid opening, the apparent low bidder was Spiess Construction, with a base bid of \$4,344,710.

AECOM reviewed the submitted bid forms from Spiess Construction for compliance with the contract documents and confirmation of totals contained in the bid schedule. Spiess' bid schedule had one minor discrepancy associated with Bid Item 19. AECOM requested and received clarification on this item from Spiess. The clarification does not impact the bid amount, and provides a basis for progress payments during construction. The District was provided with this information.

AECOM finds Spiess Construction to be the lowest responsive and responsible bidder for the NCSD Supplemental Water Project Phase 1, Bid Package 4.

Sincerely,

Jon Hanlon, PE
Project Manager

JUNE 20, 2013

ITEM 3

ATTACHMENT E



NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326
NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address www.ncsd.ca.gov

CONTRACT CHANGE ORDER NO. 1

Job Description: **Supplemental Water Project Phase 1 Bid Package 1
Santa Maria River Crossing**

Changes Requested By: **Nipomo Community Services District**

To: **ARB, Inc.**

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES AND PRICES TO BE PAID:

1. Delete Bid Item No. 4 (333 lineal feet of 24 inch Pressure Class 250 Ductile Iron Pipe), in its entirety.
2. Reduce Bid Item No. 3 (Sheeting, Shoring and Bracing), to remove costs associated with Bid Item No. 4 (24-inch Pressure Class 250 Ductile Iron Pipe).
3. Reduce Bid Item No. 6 (270 feet of 54" casing).
4. Reduce Bid Item No. 7 (200 feet of 54" casing).
5. Added cost to install and remove 12" casing in place of 54" casing.

Cost Summary:

Delete Bid Item No. 4 in its entirety	(\$849,150)
Reduce Bid Item No. 3 due to reduced scope of required shoring	(\$212,200)
Reduce Bid Item No. 6 (270 feet of 54" casing). Credit 210 ft. @ \$1,250/LF	(\$262,500)
Reduce Bid Item No. 7 (200 feet of 54" casing). Credit 140 ft. @ \$1,200/LF	(\$168,000)
Added cost to install and remove 12" casing	\$141,800

Total Change Order: **(\$1,350,050)**

REVISED CONTRACT AMOUNT: **\$5,847,090**

By reason of this Change Order, the Time of Completion will be adjusted as follows:
Reduce by 28 days to 141 total calendar days.

Recommended:


Josh Nord, Design Engineer

Date 6/14/13

Approval recommended: _____ Date _____
Peter V. Sevcik, District Engineer

Approved: _____ Date _____
Michael S. LeBrun, General Manager

Contractor agrees to furnish all labor, materials, equipment and services to perform the work, modified as described above, in accordance with the Contract Documents, except as specified in this Change Order.

The adjustments to the Contract Price and Contract Time in this Change Order include all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the Change described above. By signing this Change Order, Contractor agrees to accept the adjustment to the Contract Price and the adjustment of the Contract Time, as payment in full for all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the Change described above.

Accepted: **ARB, Inc.**

Date 6/14/13

By: 

Title Vice President

JUNE 20, 2013

ITEM 3

ATTACHMENT F



NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326
NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address www.ncsd.ca.gov

CONTRACT CHANGE ORDER NO. 1

Job Description: **Supplemental Water Project Phase 1 Bid Package 3
Blosser Road Water Main and Flow Meter**

Changes Requested By: **Nipomo Community Services District**

To: **Specialty Construction, Inc.**

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES AND PRICES TO BE PAID:

1. Increase estimated lump sum quantity for Bid Item 2, Sheeting, Shoring, and Bracing, by \$9,000.
2. Increase estimated quantity for Bid Item 12, 24 inch Pressure Class 250 Ductile Iron Pipe, by 263 lineal feet from 670 lineal feet to 933 lineal feet at unit price of \$346 per lineal foot.
3. Should dust control measures as set forth in specification section 011160 MITIGATION MONITORING COMPLIANCE AND REPORTING be required outside of normal Contractor working hours (M-F 7:00am – 4:00pm) dust control activities will be considered extra work and will be performed on a time and materials basis with compensation as set forth in section 11 of the Contract general conditions. This condition shall only apply while Contractor in construction the additional 263 lineal of 24 inch ductile iron pipe.

Cost Summary:

- | | |
|--|----------|
| 1. Increase estimated lump sum quantity for Bid Item 2 | \$9,000 |
| 2. Increase estimated quantity for Bid Item 12 | \$90,998 |

Total Change Order: **\$99,998**

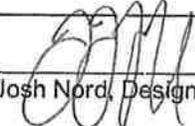
REVISED CONTRACT AMOUNT: **\$2,675,708**

By reason of this Change Order, the Time of Completion will be adjusted as follows:

1. **Increase by 28 days to 223 total calendar days.**

By reason of this Change Order, the Contract Start Date will be adjusted as follows:

2. **Until November 28, 2013, significant portions of the work area will be occupied by others performing construction work for the District (Bid Package 1). To eliminate potential conflict between projects, Bid Package 3 Contractor shall not mobilize until the completion of Bid Package 1, or November 29, 2013, whichever is first. Contractor may request approval from the District in writing, to mobilize and begin work in areas not impacting Bid Package 1 work, provided such work does not result in additional cost or impact to the District or others. If granted, approval will be provided by the District in writing.**

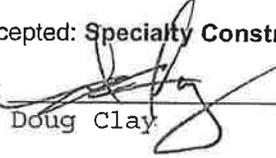
Recommended:  Date 6/12/13
Josh Nord, Design Engineer

Approval recommended: _____ Date _____
Peter V. Sevck, District Engineer

Approved: _____ Date _____
Michael S. LeBrun, General Manager

Contractor agrees to furnish all labor, materials, equipment and services to perform the work, modified as described above, in accordance with the Contract Documents, except as specified in this Change Order.

The adjustments to the Contract Price and Contract Time in this Change Order include all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the Change described above. By signing this Change Order, Contractor agrees to accept the adjustment to the Contract Price and the adjustment of the Contract Time, as payment in full for all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the Change described above.

Accepted: Specialty Construction, Inc. Date June 12, 2013
By:  Title Vice-President; Civil Division
Doug Clay

JUNE 20, 2013

ITEM 3

ATTACHMENT G



NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326
NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address www.ncsd.ca.gov

CONTRACT CHANGE ORDER NO. 1

Job Description: **Supplemental Water Project Phase 1 Bid Package 4
Joshua Road Pump Station and Wellhead Chloramination Improvements**

Changes Requested By: Nipomo Community Services District

To: Spiess Construction Co., Inc.

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES AND PRICES TO BE PAID:

Increase estimated quantity for Bid Item 5, 24 inch Pressure Class 250 Ductile Iron Pipe, by 70 lineal feet from 150 lineal feet to 220 lineal feet at unit price of \$276 per lineal foot.

Total Change Order: \$19,320

REVISED CONTRACT AMOUNT: \$4,364,030

The Time of Completion will not be adjusted.

By reason of this Change Order, the Contract Start Date will be adjusted as follows:

1. The contractor for BP#4 cannot mobilize to the pump station site to begin construction until the completion of Bid Package 1, or November 29, 2013, whichever is first. Mobilization and construction can begin at the well sites after the Notice to Proceed is issued, and in conformance with 011100.

Recommended:


Josh Nord, Design Engineer

Date 6/12/13

Approval recommended:

Peter V. Sevcik, District Engineer

Date _____

Approved:

Michael S. LeBrun, General Manager

Date _____

Contractor agrees to furnish all labor, materials, equipment and services to perform the work, modified as described above, in accordance with the Contract Documents, except as specified in this Change Order.

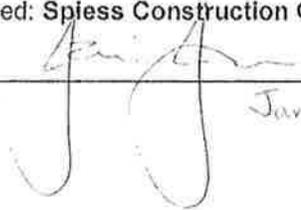
The adjustments to the Contract Price and Contract Time in this Change Order include all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the Change described above. By signing this Change Order, Contractor agrees to accept the adjustment to the Contract Price and the adjustment of the Contract Time, as payment in full for all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the Change described above.

Accepted: Spiess Construction Co., Inc.

Date 5/24/13

By: _____

Title PM


Jamie Jones

JUNE 20, 2013

ITEM 3

ATTACHMENT H

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AWARDING THREE CONTRACTS FOR THE
CONSTRUCTION OF SUPPLEMENTAL WATER PROJECT PHASE 1,
AUTHORIZING CHANGE ORDER NO. 1 FOR EACH CONTRACT,
AND AUTHORIZING CONSTRUCTION CONTINGENCY FOR EACH CONTRACT**

WHEREAS, the District's Strategic Plan and 2010 Urban Water Management Plan outline the need for securing supplemental water sources; and

WHEREAS, the construction of Supplemental Water Project Phase 1 will increase the reliability of the District's water supply by providing an additional source other than groundwater; and

WHEREAS, the construction of Supplemental Water Project Phase 1 is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin; and

WHEREAS, the construction of Supplemental Water Project Phase 1 will have beneficial effects on groundwater supplies within the Nipomo Mesa Management Area; and

WHEREAS, the design drawings and technical specifications for Supplemental Water Project Phase 1, dated February 2013, were developed by AECOM as three separate bid packages:

1. Bid Package 1 – Santa Maria River Crossing
2. Bid Package 3 – Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4 – Joshua Street Pump Station and Wellhead Chloramination Systems; and

WHEREAS, the District pre-qualified horizontal directional drilling contractors who desired to bid on the Supplemental Water Project Phase 1 Bid Package 1 – Santa Maria River Crossing in accordance with Resolution 2012-1282; and

WHEREAS, Resolution 2013-1289 authorized staff to solicit bids for the project; and

WHEREAS, based on the staff report, staff presentation and public comment, the Board makes the following findings:

1. The project was advertised for bids in accordance with State of California Public Contracts Code requirements.
2. The District received two bids for Bid Package 1.
3. The District received nine bids for Bid Package 3.
4. The District received five bids for Bid Package 4.
5. Staff has reviewed the Bid Package 1 bids and has determined that ARB, Inc., the apparent low bidder, submitted a responsive bid and is a responsible bidder.
6. ARB, Inc. has provided District with Bid Package 1 Change Order No. 1 credit in the amount of (\$1,350,050).
7. Staff has reviewed the Bid Package 3 bids and has determined that Specialty Construction, Inc., the apparent low bidder, submitted a responsive bid and is a responsible bidder.
8. Specialty Construction, Inc. has provided the District with Bid Package 3 Change Order No. 1 in the amount of \$99,998.
9. Staff has reviewed the Bid Package 4 bids and has determined that Spiess Construction Co., Inc., the apparent low bidder, submitted a responsive bid and is a responsible bidder.
10. Spiess Construction Co., Inc. has provided the District with Bid Package 4 Change Order No. 1 in the amount of \$19,320.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AWARDING THREE CONTRACTS FOR THE
CONSTRUCTION OF SUPPLEMENTAL WATER PROJECT PHASE 1,
AUTHORIZING CHANGE ORDER NO. 1 FOR EACH CONTRACT,
AND AUTHORIZING CONSTRUCTION CONTINGENCY FOR EACH CONTRACT**

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE NIPOMO
COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:**

1. The Contract awards are contingent upon satisfactory conclusion of the District's project financing by execution and delivery of its certificates of participation ("COPs").
2. The bid for the Supplemental Water Project Phase 1 Bid Package 1 is hereby awarded to the lowest responsive and responsible bidder, ARB, Inc., in the amount of \$5,847,000 including Change Order No. 1 credit in the amount of (\$1,350,050) and the General Manager is authorized to execute the construction agreement.
3. The General Manager is authorized to execute Bid Package 1 Change Order No. 1 in the credit amount of (\$1,350,050).
4. The General Manager is authorized to issue Change Orders for construction of Bid Package 1 with an aggregate total amount not to exceed \$580,000.
5. The bid for the Supplemental Water Project Phase 1 Bid Package 3 is hereby awarded to the lowest responsive and responsible bidder, Specialty Construction, Inc., in the amount of \$3,007,897 including Alternate Bid Item Group A in the amount of \$332,189 and Change Order No. 1 in the amount of \$99,998 and the General Manager is authorized to execute the construction agreement.
6. The General Manager is authorized to execute Bid Package 3 Change Order No. 1 in the amount of \$99,998.
7. The General Manager is authorized to issue Change Orders for construction of Bid Package 3 with an aggregate total amount not to exceed \$300,000.
8. The bid for the Supplemental Water Project Phase 1 Bid Package 4 is hereby awarded to the lowest responsive and responsible bidder, Spiess Construction Co., Inc., in the amount of \$4,364,030 including Change Order No. 1 in the amount of \$19,320 and the General Manager is authorized to execute the construction agreement.
9. The General Manager is authorized to execute Bid Package 4 Change Order No. 1 in the amount of \$19,320.
10. The General Manager is authorized to issue Change Orders for construction of Bid Package 4 with an aggregate total amount not to exceed \$430,000.
11. The above recitals and findings are incorporated herein by this reference.

On the motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

The foregoing resolution is hereby adopted this 20th day of June 2013.

JAMES HARRISON
President, Board of Directors

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AWARDING THREE CONTRACTS FOR THE
CONSTRUCTION OF SUPPLEMENTAL WATER PROJECT PHASE 1,
AUTHORIZING CHANGE ORDER NO. 1 FOR EACH CONTRACT,
AND AUTHORIZING CONSTRUCTION CONTINGENCY FOR EACH CONTRACT

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
Secretary to the Board

MICHAEL W. SEITZ
Deputy District Legal Counsel

T:\BOARD MATTERS\RESOLUTIONS\RESOLUTIONS 2013\2013-XXXX SWP PHASE 1 BID AWARD.DOCX

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

MSL

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
AND OPERATIONS

PVS

AGENDA ITEM

4

JUNE 20, 2013

DATE: JUNE 17, 2013

**AUTHORIZE TASK ORDER WITH MNS ENGINEERS INC. FOR
CONSTRUCTION MANAGEMENT SERVICES FOR
SUPPLEMENTAL WATER PROJECT PHASE 1**

ITEM

Authorize Task Order for Supplemental Water Project Phase 1 Construction Management Services with MNS Engineers, Inc. in the amount of \$1,694,720 and authorize contingency in the amount of \$160,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION TO AUTHORIZE TASK ORDER WITH MNS ENGINEERS, INC. IN THE AMOUNT OF \$1,694,720, AUTHORIZE STAFF TO EXECUTE TASK ORDER, AND AUTHORIZE CHANGE ORDER CONTINGENCY IN THE AMOUNT OF \$160,000].

BACKGROUND

The Nipomo Supplemental Water Project Phase 1 (Project) will interconnect the District water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), 2600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, 2726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing District production wells.

MNS Engineers, Inc. was selected by the Board to provide constructability, bid phase services and construction management services for the Supplemental Water Project Phase 1 in 2008. The Board previously authorized constructability and bid phase services. The project design was completed in February 2013, bids for the construction of the project were opened in March 2013, financing for the project was authorized by the Board in June 2013, and construction of the project is pending award of the construction contracts.

Staff requested that MNS Engineers, Inc. provide a proposal for construction management services for the Supplemental Water Project Phase 1 based on the simultaneous construction of all three contracts as currently planned. MNS Engineers, Inc. submitted the attached proposal to perform the work for a not to exceed amount of \$1,694,720. The proposal includes full-time inspection, materials testing, survey control, biological monitoring and grant compliance services required for the project. The estimated labor hours required for construction management services is approximately 9700 hours.

FISCAL IMPACT

The construction management costs are consistent with the latest Board approved funding plan for the project and are approximately \$40,000 less than the approved funding plan construction management services amount.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2013-XXXX Supplemental Water Project Phase 1 Construction Management Services to:

1. Authorize Task Order for Supplemental Water Project Phase 1 Construction Management Services with MNS Engineers, Inc., in the amount of \$1,694,720 and authorize General Manager to execute Task Order.
2. Authorize the General Manager to issue Change Orders to the Task Order with an aggregate total amount not to exceed \$160,000.

ATTACHMENTS

- A. MNS Engineers, Inc. proposal dated June 16, 2013
- B. Resolution 2013-XXXX Supplemental Water Project Phase 1 Construction Management Services

JUNE 20, 2013

ITEM 4

ATTACHMENT A



SANTA BARBARA
201 N. Calle Cesar Chavez, Suite 300
Santa Barbara, CA 93103
805.692.6921 Phone

SCOPE OF WORK

Nipomo CSD Supplemental Water Project Phase 1

CONSTRUCTION PHASE

TASK 3 – PROJECT MANAGEMENT SERVICES

3.1 Project Oversight

MNS will provide the services of a principal-in-charge to provide overall project supervision and assure that contractual obligations and client concerns are consistently met.

3.2 Ongoing Project Management

MNS will provide pre-construction phase and construction phase project management as necessary for the project by providing a Construction Manager to perform the following project functions:

- 3.2.1 Administration of Consultant Obligations** - MNS will provide task schedules; coordination with District staff, utilities, and other contractors; maintenance of quality control and report preparation as part of the regular project management duties.
- 3.2.2 Construction Engineering** - MNS will provide construction engineering to facilitate coordination for review of shop and working drawings, submittals, safety and accident prevention plans. We will perform contract drawing and specification interpretation as part of the regular project management duties.
- 3.2.3 Construction Coordination Meetings** - MNS will conduct weekly meetings as part of the regular construction engineering duties. Additionally, meeting minutes will be written and distributed to all attendees and others as designated by the District.
- 3.2.4 Schedule** - MNS will assure the Contractor maintains up to date computerized schedules in critical path format. MNS will review the Contractors' baseline and monthly CPM Schedule, coordinate changes, and forward written conclusions to the District. We will review to ensure milestone dates are realized in the schedule.
- 3.2.5 Anticipation and Avoidance of Problems and Claims** - MNS will regularly review upcoming contract work to anticipate phasing or scheduling concerns, changed conditions, or plant operational conflicts.

TASK 4 – CONSTRUCTION MANAGEMENT SERVICES

4.0 Pre-Construction

- 4.0.1 Pre-Construction Meeting** - MNS will arrange for and manage a pre-construction conference with each contractor prior to the start of work. The pre-construction conference will include representatives from AECOM Engineering, the District, Fugro, if necessary, and any other stake holders who may be involved based upon the design and permit conditions.

At this meeting we will discuss the hierarchy of both the District and the contractor as well as establish the protocol to be used throughout the project. The meeting will highlight the Contractor's responsibility toward such items as:

- | | |
|--------------------|--|
| • Safety | Site access (security) and haul routes |
| • Labor compliance | Materials certification |
| • Submittals | Extra work or change of conditions |
| • Schedule updates | Permit and utility agreements |
| • Order of work | Weekly meetings |
| • Quality control | Pay requests |

Any questions or apparent issues that may be present at this time will be discussed and resolved prior to the contractor's mobilization. An agenda, action items and meeting minutes will be prepared and distributed.

4.0.2 Pre-Construction Training - MNS will work with the contractor and Rincon Consultants to provide required training.

4.0.3 Pre-Construction Photo and Video Documentation - MNS will photograph all areas of construction just prior to actual construction. Video will also be taken of the project sites, access into the sites, and adjacent areas.

Photos and video will be organized in a manner which will make it easy to recover the documentation at a later date if needed. Each photograph or video will record the date and time and will be made available to the District upon request during construction and turned over to the District with project files after construction.

4.1 Contract Administration

MNS will provide Construction Contract Administration Services as required to maintain accurate documentation of the construction and will utilize EADOC electronic construction management and documentation control software.

4.1.1 Construction Management Plan - MNS will prepare a Construction Management Plan that outlines the roles and responsibilities of the CM team during construction; this will also include the District and AECOM. The CM Plan will establish the protocol and procedures to be followed during construction such as submittal and RFI review; CCO review and approval; correspondence; contract administration and documentation requirements. Standard construction forms and logs will be included in the Appendix. The Plan will be submitted to the District for review prior to construction.

4.1.2 Correspondence and Reports – As part of the Construction Administration, MNS will manage all correspondence including tracking submittals, RFIs, CCOs, progress pay estimates, meeting minutes, testing reports, and furnishing reports on a regular basis as required by the District. Other correspondence will be produced as appropriate to the project status.

4.1.3 Submittal Review and Coordination - Prior to beginning the submittal process, MNS will work with AECOM to develop a list of the required submittals. This will be used to ensure all items are submitted, and done so in a reasonable amount of time prior to the work they pertain to. The majority of the submittals will be seen at the start of the project. This list can be reviewed at progress meetings and used proactively to help the contractor make submittals with a reasonable amount of time

for sufficient review and acceptance without delay to construction. MNS will coordinate with AECOM for the efficient review and processing of all submittals including shop drawings, product data, and project specific plans. An updated submittal log will be maintained to accurately track review and approval of all submittals.

- 4.1.4 RFI Review** - MNS will review and coordinate with AECOM (if needed) the resolution of contractor requests for information (RFIs) and other requests in a timely manner. MNS will maintain a running log.
- 4.1.5 Contract Time/Delays** - The MNS team members have experience in monitoring contract progress. MNS will track all working days and non-working days including weather days, CCO days, and other delays and will provide a weekly update of contract time at the weekly meeting. MNS will review any contractor requests for time extension and will make a recommendation to the District. Such requests will be cross referenced with the Contractor's baseline schedule.
- 4.1.6 Material Substitutions** - Submittals which are non-standard or substitute alternatives for items specified, will be forwarded to AECOM for review. MNS will also be proactive in soliciting information from the contractor after award of bid to determine which items, if any, they may be substituting.
- 4.1.7 Weekly Meetings** - MNS will hold a weekly construction meeting. The meetings are a valuable tool utilized to discuss project issues and concerns, discuss upcoming work items, coordination with plant operations, potential contract change orders, cost and schedule impacts, permit requirements, submittals, RFIs, and quality of work. The Contractor will prepare a three week look ahead schedule to be reviewed and discussed at the meeting. Discussion on the Contractor's upcoming schedule is important to anticipate any potential conflicts. MNS will prepare and distribute meeting minutes.
- 4.1.8 Reports** - MNS will prepare a monthly report which summarizes the construction cost and progress. The report will include contract progress, costs including change orders, submittal log, RFI log, change order log, updated progress payments, photos depicting work performed that month, summary of work performed, and discussion of project issues and any unique construction techniques being performed. The Construction Manager will be available to present a progress update to the District Board on a monthly basis.
- 4.1.9 Certified Payroll Review** - MNS will review the Contractor's certified payroll for completeness, accuracy, and prevailing wage compliance. MNS will perform periodic employee interviews to verify Contractor's labor compliance and employees are being paid correctly in accordance to their duties. Any discrepancies will be brought to the Contractor's attention and the District will be notified. MNS will prepare labor compliance reports required by the District's Proposition 84 Integrated Regional Water Management Implementation Grant Funding Agreement.
- 4.1.10 Permits** - MNS will verify that Contractor is adhering to and has maintained all permits applicable to the project including Storm Water and Regional Water Quality Control Board, City of Santa Maria Encroachment permit, County of Santa Barbara License Agreement and Encroachment permit, and Streambed Alteration Agreement.

4.2 Photo Record Maintenance

MNS will regularly photograph construction activity in digital format and deliver in electronic format on CD-ROM. A numbered set of prints and copy of the photo log will be maintained on an ongoing basis as the project proceeds.

4.3 Inspection

MNS will provide a full time onsite inspector for each construction contract. The inspectors' primary duties will be to inspect and verify that all work in place meets the requirements of the contract plans and specifications, shop drawings, change orders, and O & M manuals as well as maintenance of project documentation. Inspection procedures will be outlined in the Project Management Plan.

- 4.3.1 Daily Inspection Diaries** - The project inspector will maintain daily written records of work, including notation of such things as weather, personnel and equipment on-site, sub-contractors on site, discussions held with contractor and others, project issues that arise, material and equipment received for on-site storage, etc. The inspector will maintain photo documentation as discussed previously.
- 4.3.2 Special Inspections** - MNS will coordinate with AECOM to determine and provide special inspections that may be required for construction.
- 4.3.3 Record Drawing Maintenance** - MNS will regularly review the Contractor's record set for completeness and accuracy as well as keeping a separate As-Built set throughout the project.
- 4.3.4 Verification of Material and Equipment** - As material arrives on site, the MNS inspectors will verify that the delivered items conform to the project specifications and approved submittals, prior to approving them for use on the project.
- 4.3.5 Acceptance/Performance Testing** - The project inspector will coordinate acceptance and performance testing of each system or piece of equipment in conformance with the requirements of the written specifications, industry standards and controlling codes.
- 4.3.6 Off-Site Inspections** – We will schedule and coordinate all off-site inspections.

4.4 Quality Assurance

MNS will review and inspect all work in progress to assure that it meets the requirements and quality of work outlined in the contract documents. Any deficient work will be rejected.

4.5 Site Visits

The MNS Construction Manager will visit the work site on a daily basis to stay abreast of the ongoing work and monitor the progress of the work. The CM will coordinate with the on-site inspector to assure construction quality.

4.6 Safety

MNS will review and ensure compliance of contractor's safety plan as well as Cal OSHA requirements. We will notify the contractor of safety problems immediately and direct the contractor to suspend work if imminent hazard is not immediately remedied or a dangerous condition persists.

4.6.1 Project Accidents – We will document any and all accidents that occur at or near the project (including photographs) and provide the District with a copy of said information.

4.7 Construction Materials Testing

MNS will coordinate with Fugro, our CM team materials testing firm, to assure all material meets the project documents. All tests will be logged and copies of all test reports will be maintained in the project files. Items include:

- Site grading consisting of observation and testing of structure backfill.
- Field sampling and testing of ready-mix concrete for reinforced concrete construction and casting and testing of concrete compression test cylinders.
- Special inspection for high strength bolts and pipe coatings.

4.8 Construction Survey

Accurate construction surveying is important to the success of the project. MNS will provide reference points as outlined in the construction contract documents. In addition, although the contractor will be responsible for the construction staking on the project, MNS will have its own in-house surveyor available as needed to periodically check the contractor's staking to assure proper alignment and grades are being maintained. Also during construction of the project, MNS inspectors will verify grades in the field with the contractor and will review cut sheets against the stakes and the plans to assure the contractor has the correct information on the stakes to construct the particular facility per the plans.

4.9 Progress Payments

Cost control is an ongoing task throughout the life of the project. Our cost control system will be used to track and monitor the actual construction costs on each contract. The tracking of contract item payments and quantities is incorporated into the progress payment spreadsheet. Tracking of contract change order payments, extra work, and supplemental work will also utilize electronic spreadsheet tracking. These forms can be tailored to meet any existing procedures. The MNS team knows the importance of accurate and complete quantity calculations and verification. Not only must the quantity calculations be complete and accurate; but they must be submitted in a timely manner for processing the contractor's payment request. The project monthly and overall cost as well as the contingency balance will be verified as part to the monthly progress pay request review and submission. Upon our review and approval of the contractor's payment request, we will forward a copy of the Monthly Payment Report form to the District for final approval and payment.

4.10 Schedule

MNS will assure that the contractors maintain an up to date computerized schedules in critical path format. MNS will review the contractors' baseline and monthly CPM Schedule updates, coordinate changes, and forward written conclusions to the District. We will review to ensure milestone dates and any shutdown dates for tie-in's are realized in the schedule. The schedule will be used as the basis of determination for granting extra days relative to change orders.

Should a contractor start to fall behind schedule, we will request a Recovery schedule and discuss methods to expedite the work. This is one of the more useful tools in controlling both costs and budget for the project.

4.11 Change Order Processing and Review

Prior to the start of construction, MNS will meet with the District to establish change order procedures. During construction MNS will review and evaluate contractor change order requests, recommend solutions, verify costs, negotiate change orders, prepare change order form, and maintain a log of all change orders and costs. MNS will coordinate design related changes with the design engineer or other affected agencies and check to make sure all pertinent information is provided for timely review. All changes are reviewed against the project schedule to determine any time impact. Upon evaluation of any changes, MNS will make a recommendation to the District.

4.12 Claims Management

The main objective relating to claims on any project is to avoid them when possible. Good tools toward accomplishing this are to anticipate and address any potential problems before they occur, provide timely response to RFIs, promptly process change orders, thoroughly review the contractor's schedule and provide experienced review of the project work. If unforeseen conditions occur, MNS will work to identify and resolve cost & schedule related issues to keep the project on schedule and within budget. During construction MNS will work to assure that conflicts in the field are identified ahead of the scheduled work the conflict could affect, work to reduce or minimize third party impacts to the work, and notify the contractor in a timely manner such that his schedule is not disrupted.

Notices of Potential Claims submitted by the contractor will be acted on and processed in a timely manner in accordance with the Contract Documents. Detailed record keeping throughout the project is paramount in evaluating the validity and costs associated with any notice of potential claim (NOPC). It is the objective of MNS to resolve any potential claims at the job level prior to becoming actual claims.

4.13 SWPPP Support

MNS will review the Contractor's SWPPP and will provide storm water oversight throughout the project. We will monitor to verify the Contractor is complying with the SWPPP requirements such as BMP maintenance and routine reporting.

4.14 Environmental Services

MNS has teamed with Rincon Consultants to provide environmental support services throughout the project. The scope of services includes conducting pre-construction biological and cultural clearance surveys, worker environmental awareness trainings, and construction monitoring.

4.15 Grant Support Services

MNS will provide assistance to the District in the preparation of reports to comply with Proposition 84 Integrated Regional Water Management Implementation Grant Funding Agreement.

TASK 5 – PROJECT CLOSEOUT

MNS will be proactive during the close out of the Contract.

5.1 “Punchlist” Inspection

The project inspector and Construction Manager will administer the specifications’ final acceptance requirements and develop a deficiency list (punch-list) for the work performed, notify the contractor, and re-inspect the completed work. MNS will also conduct a final inspection in presence of District representatives and the contractor.

5.2 O&M Manual and Warranty Coordination

MNS will review vendor operation and maintenance manuals for conformance with the specifications and assist the contractor in organizing the manuals. We will also assure that the contractor submit all warranty information and assist the District during this period if corrective work is need by the contractor.

5.3 Startup and Operator Training

MNS will review the project specifications to ascertain startup and training requirements for each system and piece of equipment, and ensure that these requirements are satisfied.

5.4 Record Drawing

MNS will review the contractors’ record set for completeness and accuracy and will compare with our field copy. Submittal of Final Record Drawings will be required prior to recommending final completion.

5.5 Closeout

Upon satisfactory completion of all contract work, we will perform a final inspection, compile final invoices, assemble and submit contract closeout packages, prepare project closeout files and reports and recommend final acceptance of the project. A certificate of completion will be submitted to the District.

5.6 Final Report

MNS will prepare a final construction report for the project. At a minimum the report shall contain the following:

- Final costs of the project (items, change orders and settled claims)
- Summary of key dates (advertisement, bid opening, award, pre-construction meeting, first working day, completion date)
- Summary of working days, non-working days, change order days, weather days, and other days
- Summary of major milestone or activity durations

- Summary of change orders (approved costs and final costs)
- Final progress pay estimate spreadsheet with final contingency balance
- Baseline and "as-built" schedule
- Discussion of significant issues or problems encountered or addressed during construction
- Copy of the approved final acceptance form
- Review and discussion on the general contractor, subcontractors, and major suppliers

JUNE 20, 2013

ITEM 4

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING TASK ORDER FOR SUPPLEMENTAL
WATER PROJECT PHASE 1 CONSTRUCTION MANAGEMENT SERVICES WITH MNS ENGINEERS, INC.
IN THE AMOUNT OF \$1,694,720 AND AUTHORIZING CONTINGENCY OF \$160,000**

WHEREAS, MNS Engineers, Inc. was previously selected by the District to provide constructability, bid phase and construction management services for Supplemental Water Project Phase 1; and

WHEREAS, the Board previously authorized MNS Engineers, Inc. to provide constructability and bid phase services for Supplemental Water Project Phase 1; and

WHEREAS, plans and technical specifications for Supplemental Water Project Phase 1, dated February 2013, were prepared by AECOM Inc.; and

WHEREAS, three bid packages for the project were advertised for bids in accordance with State of California Public Contracts Code requirements; and

WHEREAS, the District received bids for all three bid packages for the project and has awarded the construction contracts for all three bid packages for the project; and

WHEREAS, the District desires to have MNS Engineers, Inc. provide construction management services for Supplemental Water Project Phase 1.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:

1. The task order for Supplemental Water Project Phase 1 construction management services with MNS Engineers, Inc. in the amount of \$1,694,720 is hereby authorized and the General Manager is authorized to execute the task order.
2. The General Manager is authorized to issue Change Orders for the task order with an aggregate total amount not to exceed \$160,000.
3. The above recitals are incorporated herein by this reference.

On the motion of Director _____, and, seconded by Director _____ and on the following roll call vote, to wit:

**AYES:
NOES:
ABSENT:
CONFLICTS:**

The foregoing resolution is hereby adopted this 20th day of June 2013.

JAMES HARRISON
President of the Board

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

MSL

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
AND OPERATIONS

PVS

AGENDA ITEM

5

JUNE 20, 2013

DATE: JUNE 17, 2013

**AUTHORIZE TASK ORDER WITH AECOM FOR
ENGINEERING SERVICES DURING CONSTRUCTION FOR
SUPPLEMENTAL WATER PROJECT PHASE 1**

ITEM

Authorize Task Order for Supplemental Water Project Phase 1 Engineering Services During Construction with AECOM in the amount of \$386,077 which includes \$173,406 previously approved and authorize contingency in the amount of \$40,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE ADOPT RESOLUTION TO AUTHORIZE TASK ORDER WITH AECOM IN THE AMOUNT OF \$386,077 WHICH INCLUDES \$173,406 PREVIOUSLY APPROVED, AUTHORIZE STAFF TO EXECUTE TASK ORDER, AND AUTHORIZE CHANGE ORDER CONTINGENCY IN THE AMOUNT OF \$40,000].

BACKGROUND

The Nipomo Supplemental Water Project Phase 1 (Project) will interconnect the District water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 4800 lineal feet of 18 inch diameter ductile iron pipe (DIP) waterline (24 inch diameter DIP waterline bid alternate), 2600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, 2726 lineal feet of 24 inch diameter DIP waterline, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing District production wells.

AECOM (formerly Boyle Engineering) was selected by the Board to provide design services for the Supplemental Water Project Phase 1 in 2008. The project design was completed in February 2013, bids for the construction of the project were opened in March 2013, financing for the project was authorized by the Board in June 2013, and construction of the project is pending award of the construction contracts.

AECOM's 2008 design contract included Task Group 6, Engineering Services During Construction (ESDC), to support the construction of the project. The project has changed significantly since the initial design proposal was approved by the Board. Staff requested that AECOM provide an updated proposal for ESDC services for the Supplemental Water Project Phase 1 based on the final design, the allowed construction contract duration, and the simultaneous construction of all three contracts as currently planned. AECOM submitted the attached proposal to perform the work for a not to exceed amount of \$386,077 including \$173,406 previously authorized by the Board. The proposal includes submittal review and specialized HDD support during construction for Bid Package 1, the Santa Maria River Crossing.

FISCAL IMPACT

The ESDC costs are consistent with the latest Board approved funding plan for the project and are approximately \$60,000 less than the approved funding plan ESDC services amount.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2013-XXXX Supplemental Water Project Phase 1 Engineering Services During Construction to:

1. Authorize Task Order for Supplemental Water Project Phase 1 Construction Management Services with AECOM, in the amount of \$386,077 which includes \$173,406 previously approved and authorize General Manager to execute Task Order.
2. Authorize the General Manager to issue Change Orders to the Task Order with an aggregate total amount not to exceed \$40,000.

ATTACHMENTS

- A. AECOM proposal dated June 17, 2013
- B. RESOLUTION 2013-XXXX Supplemental Water Project Phase 1 ESDC

JUNE 20, 2013

ITEM 5

ATTACHMENT A



AECOM
1194 Pacific Street
Suite 204
San Luis Obispo CA 93401
www.aecom.com

805 542 9840 tel
805 542 9990 fax

June 17, 2013

Mr. Michael LeBrun, PE
General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

Dear Mr. LeBrun,

Re: Proposal for Office Engineering during Construction for the Nipomo Community Services District Phase 1 Supplemental Water Project

The final plans and specifications for the Phase 1 Supplemental Water Project were completed in February 2013. The Phase 1 project includes the connection to the City of Santa Maria, transmission to the Nipomo Mesa, a pump station, and disinfection systems. The Phase 1 project provides a supplemental water delivery of 400 gpm, the maximum delivery that the District's existing system can receive from the project without significantly increasing already high pressures in the existing water distribution system.

Per the District's request, AECOM has developed this scope amendment for office engineering during construction of the Phase 1 project as detailed in the final plans and specifications. AECOM reviewed the scope and budget for office engineering during construction, which had not been updated since the original contract was awarded in July 2008, and revised the estimated level of effort to reflect these services for the project as it currently exists. We recommend the following amendment to the existing scope to effectively execute this phase of the project.

A schedule for the proposed work has been compiled assuming the notice to proceed is issued on June 24th. We propose that the work described herein be performed on a time and materials basis. The base tasks described herein correspond to a budget consisting of \$173,406 remaining under the existing contract plus \$212,671 of additional work for a total budget of \$386,077. Details for the estimated engineering fees are included in the attached spreadsheet.

Scope of Work

Task Group 6. Office Engineering Services During Construction

It is our understanding that the District will select a construction management firm to act as Construction Administrator to provide onsite observation and administrative support during construction, including special inspections, construction survey, staking, materials testing, and permitting and CEQA mitigation coordination. AECOM will continue to provide office engineering support (as described herein) at the direction of District staff. AECOM will work closely with the District during this phase to manage our budget and regularly communicate status.

Task 601. List of Required Submittals

AECOM will prepare a list of required submittals for each of the three (3) bid packages based on the Contract Documents to assist the District's Construction Administrator and the District with tracking and acquiring the required submittals from the Contractor after the contract is awarded. The list of required submittals will be prepared and provided to the District's Construction Administrator at or prior to the pre-construction conference.

Task 602. Pre-Construction Job Walk

AECOM will attend a pre-construction conference with the District's Construction Administrator and the Contractor's team, once per bid package for three bid packages. As part of this effort AECOM will (1) Review and discuss the plans and specifications to facilitate the Contractor's understanding of the Project; (2) Discuss required submittals and shop drawings; and (3) Respond to a reasonable number of technical inquires pertaining to the project. We assume the District's Construction Administrator will schedule and lead the conferences.

Task 603. Submittal Review

AECOM will review technical submittals and coordinate with the District's Construction Administrator to provide timely and organized responses to technical submittals. It is assumed that the District's Construction Administrator will manage submittals and responses and will provide one electronic copy and two hard copies of each submittal or resubmittal for AECOM review. AECOM has assumed the District will utilize a construction document management software (EADOC) for the project. AECOM will utilize EADOC for the electronic submittal responses. In addition, one paper copy of submittals and responses will be maintained by AECOM and one paper copy will be returned to the Construction Manager for replication and distribution as needed. For budgeting purposes, AECOM anticipates a total of 150 submittals and 100 resubmittals, with resubmittal reviews budgeted at half the time of the original submittal or less. The following is a preliminary list of material and equipment submittals anticipated for the project:

- Backfill materials
- HDD calculations, plan, and materials
- Carrier Pipe submittals
- Piping & valves
- Flow Meters
- Concrete mix designs
- Concrete-related products
- O&M Manuals
- Flow control valves
- Jack & bore procedures
- Precast vaults & hatches
- Asphalt
- CMU blocks and related materials
- Structural steel, trusses, and decking
- Doors and hardware
- Vertical Turbine Pumps
- Surge tank
- Fencing
- Landscaping & irrigation
- Electrical Panels
- Instruments
- Chloramination Systems
- Chloramination buildings
- Pump station building
- Antennas
- Ladders
- Pressure Reducing Valves



- Lighting
- Conduit/Wiring
- Electrical Services
- Aggregate tests
- Casing material
- Coatings

We assume that the District's Construction Administrator's scope will include processing the following submittals:

- Insurance/Bonds
- Schedule
- Permits
- Shoring/Trenching/Excavation
- Dewatering
- SWPPP
- Potholing
- Pipe Testing Procedures
- Disinfection Procedures
- Traffic Control Plan
- Traffic Striping Plan
- Temporary Facilities

AECOM will perform the following services for submittal review:

- Receive and log submittals provided by the Construction Administrator.
- Review short term look ahead schedules such that they contain critical submittal dates, and the logs reflect the same dates.
- Review submittals in a timely fashion and return to the Construction Administrator.
- Update submittal logs on a regular basis, and share with the Construction Administrator.

Task 604. Respond to RFIs

AECOM will log, manage, and respond to Requests for Information from the Contractor, provided by the Construction Administrator team. For budgeting purposes, we have assumed a total of 30 RFIs.

Task 605. Respond to Requests for Change

As directed by the District, AECOM will review proposed change orders related to design issues submitted by the Contractor or requested by the District through the Construction Administration team. Change order submittals will include supporting records. AECOM's review will include the potential impacts on the Project schedule and budget and will include recommendations to address the proposed changes.

Task 606. Attend Project Meetings

AECOM will attend monthly project progress meetings at the District office (once per month per bid package, two hours per meeting). An 18-month construction period is assumed for this scope. AECOM assumes that the Construction Administrator will conduct the meetings, prepare agenda and issue meeting minutes.

Task 607. Design Engineer Observation of Work in Progress

AECOM's design engineer will perform technical field observation (limited to 12 visits at approximately 4 hours per visit) to review work progress and assess design issues or conflicts as they arise.



Task 608. Prepare Record Drawings

AECOM will prepare record drawings based on the Contractor's markups of the construction plans for each bid set. AECOM assumes that the Construction Administrator will review the Contractor's markups throughout construction completeness and accuracy.

Task 609. Geotechnical Support during Construction

Within the proposed level of effort, Fugro will attend the preconstruction meeting, review requests for information or clarification from the field, review submittals, answer questions, and provide general consultation during the construction of the project related to the Project Geotechnical Report. This task specifically excludes providing construction inspection, management, materials testing, or field testing. The proposal from Fugro is attached for your reference.

Task 610. Specialized HDD Support during Construction

This task provides for technical support from AECOM's subconsultant and horizontal directional drilling (HDD) specialist, Jacobs Associates, for the HDD across the Santa Maria River. The HDD specialist will attend the preconstruction meeting and progress meetings, provide technical review of HDD-specific submittals as described in the technical specifications, respond to Requests for Information and/or Substitutions related to the HDD, make site visits to observe HDD installation during construction, provide support and review the contractor's daily HDD records. The budget assumes the HDD specialist will attend the majority of the progress meetings remotely. We also assume the District's Construction Administrator will provide full time observation for the Project and a geotechnical engineer and/or geologist to observe the pilot bore and develop an accurate log of the ground conditions encountered during the pilot bore. Additional assumptions and details for the scope of work are contained in the attached proposal from Jacobs Associates.

Services not Included

This scope of work assumes support for permitting and property negotiations, including right-of-way, easements, and property agreements, have been completed; and excludes construction survey and staking, materials testing, special inspections, field testing, environmental monitoring, and permit compliance. We assume construction administration and onsite observation will be performed by others. AECOM is available for additional fee on a time-and-materials basis to assist the District if additional support services are required.

Startup services have not been included in the scope of work. For additional fee, AECOM is available to assist the District with startup services during construction. The value of these services has been realized on related AECOM projects. Startup services would consist of observation, troubleshooting and documentation of the startup for the chloramination systems, pump system, instrumentation and controls, and electric systems at the booster station and PRV stations.

Schedule

The preliminary schedule attached was utilized for this scope of work and assumes a notice-to-proceed (NTP) date of July 10, 2013 and a construction duration of 18 months.

Budget

AECOM will perform this work on a Time and Materials basis, with a total budget not to exceed \$386,077 (including \$173,406 previously authorized) for the base scope of work unless prior authorization is granted in writing by the District. Please refer to the attached spreadsheets for a breakdown of fees.



If you have questions or comments, please contact me to discuss. We look forward to continuing work with you on this important project.

Sincerely,



Joshua T. Nord, PE
Project Manager



Ben Horn, PE
Operations Manager

Project Budget

**Supplemental Water Project
Phase 1 Project
Office Engineering Services during Construction**

Nipomo Community Services District

Task Description	Personnel Hours										Budget			
	Principal	Senior Engineer II	Senior Engineer I	Associate Engineer	Assistant Engineer	Design CAD Operator	Admin Assistant	Total Hours	Labor	Non-Labor Fee	Subconsultant	Total Non-Labor	Total	
Task Group 600. Office Engineering Services During Construction														
601 - List of required submittals			4	15				19	\$ 2,570	\$ 206		\$ 206	\$ 2,776	
602 - Construction job walk (once per bid package)	4		12					16	\$ 2,700	\$ 216		\$ 216	\$ 2,916	
603 - Submittal review (Assume 150 submittals & 100 resubmittals total)	125	200	200	190	130	75	50	970	\$ 141,250	\$ 11,300		\$ 11,300	\$ 152,550	
604 - Respond to RFIs (Assume up to 30 RFIs total)	12	20	38	50	30	30		150	\$ 21,572	\$ 1,726		\$ 1,726	\$ 23,298	
605 - Respond to Requests for Change	10	8	24	30		50		122	\$ 16,540	\$ 1,323		\$ 1,323	\$ 17,863	
606 - Attend Project Meetings (once per month per bid package)	14		108					122	\$ 19,575	\$ 1,566		\$ 1,566	\$ 21,141	
607 - Observe Work in Progress (occasional visits by design engineer)			48					48	\$ 7,440	\$ 595		\$ 595	\$ 8,035	
608 - Prepare Record Drawings	8	8	24	30		120		190	\$ 23,820	\$ 1,906		\$ 1,906	\$ 25,726	
609 - Geotechnical support during construction (Fugro)										\$ 11,000		\$ 11,000	\$ 11,000	
610 - Specialized HDD support during construction (Jacobs Associates)										\$ 120,772		\$ 120,772	\$ 120,772	
Credit for Existing Contract Construction Phase Work								-	\$ (140,395)	\$ (11,232)		\$ (33,011)	\$ (173,406)	
Subtotal	173	236	458	315	130	275	50	1,637	\$ 95,072	\$ 7,606	\$ 109,993	\$ 117,599	\$ 212,671	
Total	173	236	458	315	130	275	50	1,637	\$ 95,072	\$ 7,606	\$ 109,993	\$ 117,599	\$ 212,671	



May 7, 2013
Proposal No. 04.6213.9065

660 Clarion Court, Suite A
San Luis Obispo, California 93401
Tel: (805) 542-0797
Fax: (805) 542-9311

AECOM
1194 Pacific Street, Suite 204
San Luis Obispo, California 93401

Attention: Ms. Eileen Shields

Subject: Additional Geotechnical Services for the Nipomo-Santa Maria Water Intertie,
Nipomo Community Services District, California

Dear Ms. Shields:

Fugro provided geotechnical services for the design of the Nipomo water intertie project. This proposal was prepared in response to your request of April 3, 2013 to provide construction support services to AECOM for the construction of the improvements. Fugro submitted a Geotechnical Report for the design of the project under a subcontract with AECOM in 2010. The current construction will consist of 3 bid packages:

- Bid Package 1 – Santa Maria HDD River Crossing (no change from original)
- Bid Package 3 – Santa Maria Pipeline and Flow Meter (no change from original and includes the levee jack-and-bore)
- Bid Package 4 - Joshua Road Pump Station and Wellhead Chloramination Improvements

We anticipate that our services would include the following tasks: reviewing the materials submittals from the contractor that related to the geotechnical work; answering questions or performing field visits at the request of AECOM to review the subsurface conditions encountered, attending meetings; and responding to requests for information or clarification by the contractor relative to our report.

We suggest a budget of \$10,000 for these services. This scope of work specifically excludes the day-to-day inspection of the contractor's work and compaction and materials testing services. Our services will be provided on an as-requested, time and materials basis in accordance with fee schedule rates (2013cc attached). Services will be requested and coordinated through AECOM. We will not exceed the authorized budget without prior approval of AECOM.



We appreciate the opportunity to be of service. Please contact the undersigned if you have questions or require additional information.

Sincerely,

FUGRO CONSULTANTS, INC.

A handwritten signature in black ink that reads "Jonathan D. Blanchard".

Jonathan D. Blanchard, P.E., G.E.
Principal Geotechnical Engineer

The undersigned, under the terms and conditions of the July 9, 2008 AECOM Agreement with Subconsultant (Fugro) for Professional Services, hereby authorizes Fugro to proceed with the scope or services described in this proposal. This work is provided as a change of scope and is expected to be performed with the currently authorized budget for geotechnical services. Fugro will not to exceed the contract amount without prior written approval of Client.

AECOM
1194 Pacific Street, Suite 204, San Luis Obispo, CA 93401

Signature

Name (print)

Title

Date

Copies Submitted: addressee (via email)

JACOBS ASSOCIATES

Engineers/Consultants

April 11, 2013
Revised: May 13, 2013

Mr. Jon Hanlon
AECOM
1194 Pacific Street, Suite 204
San Luis Obispo, CA 93401

Subject: Revised Proposal for Specialized Trenchless Services During Construction
Nipomo Supplemental Water Project – HDD Crossing of Santa Maria River
Nipomo and Santa Maria, California

Dear Jon,

Jacobs Associates is pleased to submit this second revision of our proposal to AECOM for specialized trenchless services during horizontal directional drilling (HDD) crossing of the Santa Maria River as part of the Nipomo Community Services District's (NCSD) Supplemental Water Project in Nipomo and Santa Maria, California.

PROJECT UNDERSTANDING

The NCSD's Nipomo Supplemental Water Project provides a new water intertie force main between the City of Santa Maria and Nipomo, California. One of the key components is construction of the force main across the 110-foot elevation difference between the Santa Maria River basin and the Nipomo Mesa. The crossing will be made using HDD construction methods to install approximately 2,630 feet of 30-inch OD high density polyethylene (HDPE) pipe.

The HDD construction for this project will utilize two HDD drill rigs performing a mid-path intercept - two drill rigs drilling along a common drill path from opposite ends to establish the pilot hole or first pass. The intercept is anticipated to be at or near the deepest part of the alignment which is about 200 feet south of the alignment's midpoint. Once the intercept is made and the pilot bore is completed, the remaining passes are started to enlarge a hole big enough to receive the 30-inch OD pipe. The construction duration used in this proposal was derived from the construction cost estimate Jacobs Associates prepared for this project.

SCOPE OF WORK

We have developed the following scope of work for the specialized trenchless services during the HDD construction. We assumed part-time field observations during an assumed 10-week HDD construction schedule. In general, our scope of work will cover the following general tasks:

- Task 1 – Project management
- Task 2 – Attend preconstruction meeting
- Task 3 – Review contractor submittals
- Task 4 – Respond to contractor information and/or substitution requests
- Task 5 – Review daily HDD records

- Task 6 – Perform part-time field observations

Task 1 – Project Management

- 1.1 Project Coordination, Reviews, and Oversight – Jacobs Associates has established a project management budget to capture project time allocated to contract administration, project coordination and discussions, e-mail correspondence, budget controls, billing reviews and/or reports, and any other management tasks commensurate with this type of project.

Deliverable: Jacobs Associates will provide periodic updates on the progress of the specialized trenchless services during construction and provide responses on an as-needed basis to project discussions, e-mails, billing reports, or any other work product commensurate with the project management task. Any other information needed or requested will be provided in electronic format to AECOM.

- 1.2 Project Meetings – The project management task includes an allowance for participation in on-site construction progress meetings and for remote participation in construction progress meetings. For estimating purposes, Jacobs Associates will prepare for and attend three 2-hour construction progress meeting assumed to take place at the NCSD's offices (about one meeting every 3 weeks for the 10-week HDD duration). Jacobs' personnel would stay overnight for one of the weekly part-time HDD construction observations. It is assumed that a Lead Associate will be in attendance at the three meetings and that a Senior Associate would attend one of the meetings.

Deliverable: Jacobs Associates will confirm by e-mail any actionable item that will be our responsibility and provide a copy of any handwritten notes taken during the meetings.

- 1.3 Participate in Weekly Meetings – Jacobs Associates will participate in the weekly construction progress meetings remotely via conference call. For purposes of this proposal, we assume participating remotely in seven one-hour weekly meetings over the duration of the HDD work.

Deliverable: Jacobs Associates will confirm by e-mail any actionable item that will be our responsibility.

Task 2 – Attend Preconstruction Meeting

- 2.1 Travel To and Attend Pre-construction Meeting – Jacobs Associates will have one person travel to and attend the pre-construction meeting. For estimating purposes, the pre-construction meeting is budgeted at 12 hours, including preparation time and travel.

Deliverables: Jacobs Associates will provide a copy of any handwritten notes taken during the meeting.

Task 3 – Review Contractor Submittals

- 3.1 Review Contractor's Submittals – Jacobs Associates will review the Contractor's HDD submittals commensurate with the project specifications. For estimating purposes, Jacobs Associates will review the HDD and the pipe ramming/surface casing submittals. For

purposes of this proposal, we assumed reviewing one original and one resubmittal for each of the two submittals.

Deliverables: Jacobs Associates will review the Contractor's HDD and surface casing submittals and provide draft comments as needed. The draft responses will be incorporated into a formal reply prepared by others.

Task 4 – Respond to Contractor Requests for Information and Substitution

- 4.1 Respond to Requests for Information – Jacobs Associates will prepare responses to two contractor Requests for Information (RFI) regarding the HDD crossing.

Deliverables: Jacobs Associates will prepare two draft responses for incorporation into a formal reply prepared by others.

- 4.2 Respond to Requests for Substitution – Jacobs Associates will prepare responses to two contractor Requests for Substitution regarding the HDD crossing.

Deliverables: Jacobs Associates will prepare two draft responses for incorporation into a formal reply prepared by others.

Task 5 – Review Daily HDD Records

- 5.1 Review daily HDD records – For those days that Jacobs Associates is not performing field observations, we will review the contractor's daily HDD records. For purposes of the proposal, we assume reviewing five daily reports for each 6-day work week over the 10-week HDD duration. For purposes of this proposal, we assume one hour to review each report and prepare a brief e-mail summary of the findings.

Deliverables: Jacobs Associates will provide a brief summary of our interpretation of the HDD daily report.

Task 6 – Perform Part-Time Field Observations

- 6.1 Perform Part-time Observations During HDD Construction – This project used a Geotechnical Baseline Report (GBR) to establish the basis upon which the contractors should have based their bid. The GBR provides the baselines of what the contractor is expected to encounter during construction. As such, it is important that an accurate log of the ground conditions be developed during the pilot bore to provide a continuous profile and definition of the ground conditions along the bore path. In the absence of an accurate log, the contractor could claim differing site conditions and it would be difficult for NCSD to mount a defense against such a claim.

We understand the NCSD's Construction Management team will be responsible for full-time logging during the pilot bore, observations during the reaming process, and observations during the pullback.

During the HDD construction phase, Jacobs Associates will complete site visits and provide engineering support on an as-needed basis. For purposes of this proposal, Jacobs Associates is providing a budget for one HDD inspector to travel to the site and observe the HDD installation one day a week. For estimating purposes, Jacobs Associates has assumed

a 10-week schedule to complete the HDD portion. Inspection reports documenting the HDD installation for the days of inspection will be prepared. There is no budget allowance to prepare a final summary report. The fee estimate hours are inclusive of preparation, travel, and report preparation.

Deliverables: Jacobs Associates will provide daily inspection reports with project photos for each weekly site visit.

All deliverables will be prepared using Microsoft Word, Excel, PowerPoint, Project, Outlook, and/or Adobe Acrobat. We have assumed that all contract deliverables and invoicing will be provided in electronic format.

FEE

We propose to bill on a time-and-materials basis with a not-to-exceed budget of \$109,793 for the specialized trenchless services during construction as requested and described in this proposal. Our fees are summarized below and are based on our 2013-14 Schedule of Rates, which is attached. A breakdown of the hours and proposed staff allocated to the tasks identified in our scope of services is presented in the attached fee estimate. The estimate is based upon all travel being scheduled with adequate notice to minimize expenses and travel time. Jacobs Associates performs an internal quality control review on all deliverables. Quality control/quality assurance reviews are included in the fee estimate for each task deliverable.

FEE ESTIMATE SUMMARY

Task	Task Description	Fee
1	Project Management	\$17,608
2	Attend preconstruction meeting	\$3,094
3	Review contractor submittals	\$14,545
4	Respond to contractor information and/or substitution requests	\$6,340
5	Review daily HDD records	\$15,973
6	Perform part-time field observations	\$52,233
	Total for Scope of Work Described Above	\$109,793

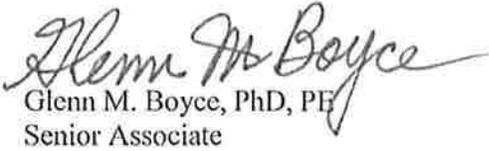
This is our revised proposal to you for this project. I will be Jacobs Associates' Principal in charge. Norman Joyal will be our Lead Associate who will be responsible for the day-to-day project reviews, preparing the deliverables, attending the project meetings, and making the site observations.

P1875.3 – Revised Proposal for Specialized Trenchless Services During Construction
April 11, 2013, Revised: May 13, 2013
Page 5 of 5

We appreciate the opportunity to provide AECOM with this proposal for specialized trenchless services during construction of NCSD's crossing of the Santa Maria River as part of the Nipomo Supplemental Water Project. If you have any questions regarding the scope of work or fee estimate, please call.

Sincerely yours,

JACOBS ASSOCIATES


Glenn M. Boyce, PhD, PE
Senior Associate

Attachments: Jacobs Associates' 2013-14 Schedule of Rates
Fee Estimate
File: P1875.3

JACOBS ASSOCIATES – SCHEDULE OF RATES

These are “all-up” rates, meaning that they include direct salary cost, overhead, general and administrative costs not separately accounted for, and profit. They shall remain in effect through June 30, 2014. These rates shall be unilaterally revised by Jacobs Associates about July 1st of each calendar year for normal annual escalation and salary increases.

Classification	Hourly Rate	Classification	Hourly Rate
Principal	\$260.00	Sr. Designer	\$155.00
Senior Associate	\$235.00	Designer	\$125.00
Lead Associate	\$225.00	Engineer Intern	\$95.00
Associate	\$205.00	Sr. Inspector	\$170.00
Sr. Project Consultant	\$195.00	Inspector	\$140.00
Sr. Project Engineer/Geologist	\$195.00	Accountant III	\$145.00
Project Consultant	\$170.00	Accountant II	\$115.00
Project Engineer/Geologist	\$170.00	Accountant I	\$105.00
Sr. Staff Consultant	\$155.00	Technical Editor	\$140.00
Sr. Staff Engineer/Geologist	\$155.00	Administration III	\$120.00
Staff Consultant	\$135.00	Administration II	\$110.00
Staff Engineer/Geologist	\$135.00	Administration I	\$100.00
CADD Manager	\$180.00		

Expenses. All direct costs are to be billed at actual cost, including:

1. Transportation expenses, including airfare, hotel, meals, ground transportation, and miscellaneous expenses.
2. Communications expenses, including long distance telephone, cell phone, facsimile, and messenger services.
3. Reproductions, plots, postage, handling and delivery of Instruments of Service, photography, blueprints, graphics, photo prints or printing.
4. Applicable taxes for work performed outside of California.

Basis for Services. Client agrees to pay Jacobs Associates for all services performed for the Project computed on a Time and Expense Basis in accordance with the schedule for Jacobs Associates’ personnel as set forth herein. Client also agrees to pay Jacobs Associates all reimbursable project-related expenses.

Invoicing. Jacobs Associates will endeavor to submit progress invoices to the Client monthly and a final invoice upon completion of services. Payments are due and payable upon receipt of our invoice. Amounts unpaid 45 days after receipt of invoice shall bear interest at the rate of 1-1/2 % (one and one-half percent) per month, or the maximum rate allowed by law.

JACOBS ASSOCIATES

Engineers/Consultants

Ref: P1875.3 - Revised 05/13/2013 Date: 4/11/2013
 Project: Nipomo Supplemental Water Project - HDD Crossing of Santa Maria River
 Client: AECOM

Task Description	Sr. Assoc.	Lead Assoc.	Project Engr	JA Labor Hours	JA Labor Cost	Other Direct Costs	Total Amount
1 Project Management							
1.1 Project Coordination, Reviews, and Oversight	4	24		28	\$6,340		\$6,340
1.2 Project Meetings							
Attend 3 progress meetings (travel + 2 hrs mtg + 6 hrs field)		36		36	\$8,100	\$1,123	\$9,223
1.3 Participate in weekly meetings remotely (7 no @ 1 hr ea)	2	7		9	\$2,045		\$2,045
Task 1: Project Management	6	67	0	73	\$16,485	\$1,123	\$17,608
2 Attend Preconstruction Meeting							
2.1 Travel to and attend pre-construction meeting (2 hrs mtg + 2 hrs field + travel + expenses)		12		12	\$2,700	\$394	\$3,094
Task 2: Attend Preconstruction Meeting	0	12	0	12	\$2,700	\$394	\$3,094
3 Review Contractor Submittals							
3.1 Review contractor's submittals							
HDD Original Submittal	4	12	20	36	\$7,040		\$7,040
HDD resubmittal	2	4	12	18	\$3,410		\$3,410
Pipe Ramming and Surface Casing Original Submittal	2	4	8	14	\$2,730		\$2,730
Pipe Ramming and Surface Casing Resubmittal	1	2	4	7	\$1,365		\$1,365
Task 3: Review Contractor Submittals	9	22	44	75	\$14,545	\$0	\$14,545
4 Respond to Contractor Requests for Information/Substitution							
4.1 Respond to requests for information (2 no. w/response @ 6 hrs ea)	2	12		14	\$3,170		\$3,170
4.2 Respond to requests for substitution (2 no. w/response @ 6 hrs ea)	2	12		14	\$3,170		\$3,170
Task 4: Respond to Contractor Requests for Information/Substitution	4	24	0	28	\$6,340	\$0	\$6,340
5 Review Daily HDD Reports							
5.1 Review daily HDD reports and provide brief summary reviews (5 days/week x 1 hrs/report x 10 weeks)	5	50		55	\$12,425	\$3,548	\$15,973
Task 5: Review Daily HDD Reports	5	50	0	55	\$12,425	\$3,548	\$15,973
6 Perform Part-Time Field Observations							
6.1 Perform part-time observations during HDD construction (10 site visits (travel + jobsite + report = 20 hrs/ea trip + expenses) 1 principal-senior level visit - 8 hrs travel + 4 hrs site + 2 hr rpt + exp.)	14	200		214	\$48,290	\$3,943	\$52,233
Task 6: Perform Part-Time Field Observations	14	200	0	214	\$48,290	\$3,943	\$52,233
TOTAL ALL TASKS	Hours Cost	38	375	457	\$100,785	\$9,008	\$109,793
		\$8,930	\$84,375	\$7,480			

ID	Task Mode	Task Name	Start	Duration	2	Qtr 4, 2012	Qtr 1, 2013	Qtr 2, 2013	Qtr 3, 2013	Qtr 4, 2013	Qtr 1, 2014	Qtr 2, 2014	Qtr 3, 2014	Qtr 4, 2014
1	Task	DESIGN DOCUMENTS	Thu 9/13/12	109 days										
2	Task	Phase 1 Project Design Confirmation	Thu 9/13/12	42.5 days										
8	Task	Complete Bid Package 1 Design	Tue 9/18/12	45 days										
11	Task	Revise and Complete Bid Package 4 Design	Wed 11/7/12	70 days										
15	Task	Complete Bid Package 3 Design	Wed 11/21/12	15 days										
17	Task	Preliminary Phasing Schedule and Opinion of Probable Construction Cost	Wed 6/5/13	35 days										
21	Task	Prequalification and Bidding for Bid Package 1	Wed 11/14/12	161 days										
22	Task	Request Authorization to Advertise Prequalification	Wed 11/14/12	1 day										
23	Task	Advertise Prequalification	Mon 11/19/12	8 wks										
24	Task	Review Prequalification Packages	Mon 1/14/13	4 wks										
25	Task	Announce short list	Fri 2/8/13	0 days										
26	Task	Request Authorization for bidding	Wed 2/13/13	0 days										
27	Task	Solicit Bids	Wed 2/13/13	6 wks										
28	Task	Evaluate Bids	Wed 3/27/13	29 days										
29	Task	Award Bid	Wed 6/26/13	0 days										
30	Task	Bidding for Bid Packages 3 and 4	Wed 2/13/13	96 days										
31	Task	Request Authorization for bidding	Wed 2/13/13	1 day										
32	Task	Solicit Bids	Thu 2/14/13	6 wks										
33	Task	Evaluate Bids	Thu 3/28/13	5.6 wks										
34	Task	Award Bids	Wed 6/26/13	0 days										
35	Task	CONSTRUCTION	Wed 7/10/13	371 days										
36	Task	Bid Package #1 Construction	Wed 7/10/13	92 days										
37	Task	Notice to Proceed	Wed 7/10/13	0 days										
38	Task	Construction (Per Permit HDD: Apr 15 - Oct 31) (126 calendar days)	Thu 7/11/13	91 days										
39	Task	Bid Package #3 Construction	Wed 7/10/13	251 days										
40	Task	Notice to Proceed	Wed 7/10/13	0 days										
41	Task	Start of Work (223 calendar days)	Fri 11/15/13	159 days										
42	Task	Bid Package #4 Construction	Wed 7/10/13	371 days										
43	Task	Notice to Proceed	Wed 7/10/13	0 days										
44	Task	Start of Work at Wells (519 calendar days)	Wed 7/10/13	371 days										
45	Task	Start of Work @ BPS	Fri 11/15/13	13.5 mons										

Supplemental Water Project, PH1
Date: Wed 6/5/13

Task: Project Summary
Split: External Tasks
Milestone: External Milestone
Summary: Inactive Task

Manual Summary Rollup: Manual Summary, Start-only, Finish-only

Deadline: Progress

Page 1

JUNE 20, 2013

ITEM 5

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2013-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING TASK ORDER FOR SUPPLEMENTAL
WATER PROJECT PHASE 1 ENGINEERING SERVICES DURING CONSTRUCTION WITH AECOM IN THE
AMOUNT OF \$386,077 INCLUDING \$173,406 PREVIOUSLY APPROVED AND AUTHORIZING
CONTINGENCY OF \$40,000**

WHEREAS, AECOM was previously selected by the District to provide final engineering design services for Supplemental Water Project Phase 1; and

WHEREAS, the Board previously authorized AECOM to provide final engineering design services for Supplemental Water Project Phase 1 and approved \$173,406 budget for Engineering Services During Construction; and

WHEREAS, plans and technical specifications for Supplemental Water Project Phase 1, dated February 2013, were prepared by AECOM Inc.; and

WHEREAS, three bid packages for the project were advertised for bids in accordance with State of California Public Contracts Code requirements; and

WHEREAS, the District received bids for all three bid packages for the project and has awarded the construction contracts for all three bid packages for the project; and

WHEREAS, the District desires to have AECOM provide construction management services for Supplemental Water Project Phase 1.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:

1. The task order for Supplemental Water Project Phase 1 Engineering Services During Construction with AECOM in the amount of \$386,077 including \$173,406 previously approved by the Board is hereby authorized and the General Manager is authorized to execute the task order.
2. The General Manager is authorized to issue Change Orders for the task order with an aggregate total amount not to exceed \$40,000.
3. The above recitals are incorporated herein by this reference.

On the motion of Director _____, and, seconded by Director _____ and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

The foregoing resolution is hereby adopted this 20th day of June 2013.

JAMES HARRISON
President of the Board

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel