

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 9, 2024

Ronald Moore
Regulatory Affairs Department
Golden State Water Company
630 East Foothill Blvd
San Dimas, CA 91773
ronald.moore@gswater.com

RE: Advice Letter 1927 Request for Approval of American River Terms for Ecosystem Support and Infrastructure Assistance Needs Project Agreement

Summary

This disposition letter approves Golden State Water Company's request in Advice Letter 1927 to enter into the American River Terms of Ecosystem Support and Infrastructure Assistance Needs Project Agreement (Agreement). The Agreement requires Golden State Water Company to forebear the use up to 763 acre-feet of its surface water rights from the South Fork of the American River during three dry or critical years over a period beginning in 2025 and potentially extending through 2036 in exchange for receiving grant funding of up to \$1.37 million to upgrade two interconnections in its Arden-Cordova District that will improve its infrastructure, system resiliency, and water supply reliability.

Purpose

Golden State Water Company (GSWC) submitted Advice Letter 1927 complying with General Order 173 on November 20, 2023, requesting approval to enter into the American River Terms for Ecosystem Support and Infrastructure Assistance Needs ("ARTESIAN") Project Agreement (the "Agreement") so GSWC can temporarily forebear its pre-1914 surface water rights intermittently to make 763 acre-feet ("AF") of water from the South Fork of the American River available for groundwater replenishment in up to three dry or critical years, and such action is treated as an encumbrance as applicable to Public Utilities (PU) Code 851. This Agreement to intermittently encumber water will be similarly followed by eight other entities, working together through a Department of Water Resources (DWR) endeavor to reduce diversions from

the Lower American River during dry years and increase instream flows necessary to support ecosystems and fish species, by encumbering a total of 30,000 AF of water each of those years.

Encumbrances may occur during 2025 through 2032, or if fewer than three dry or critical years occur during that period, then during the period of 2025 through 2036. As part of the Agreement, to facilitate its encumbrances, GSWC will complete a project to upgrade its existing connection between GSWC and Sacramento County Water Agency (SCWA) in their Region 1 Cordova System.

The total project cost is estimated to be \$1.37 million or lower. In addition, as a consequence of forbearing the use of surface water rights may result in increased groundwater use, GSWC estimates variable water production costs could increase by \$4,516 per each of the three dry or critical years. The costs are substantially offset by the ARTESIAN Agreement reimbursement. GSWC expects to be reimbursed up to \$1.37 million towards the cost of upgrades by the State of California, through a funding agreement with DWR and the Regional Water Authority (RWA). This reimbursement is provided to GSWC in exchange for the dedication of 763 AF of water, for groundwater replenishment, which will be encumbered during each of three dry or critical years of the agreement. At a project cost of \$1.37 million, the value of the encumbered water is \$598.51/AF. GSWC expects no issues fulfilling its water supply obligations to its customers during these three dry or critical years. Project work must be completed by December 31, 2025, and costs beyond the reimbursable amount will be funded through GSWC's typical capital budgeting process.

The ARTESIAN project will benefit GSWC's customers with upgrades to its existing interconnections, which in this circumstance will be reimbursed up to \$1.37 million that otherwise GSWC planned to request in a future General Rate Case (GRC) application. Interconnection upgrades will increase water supply reliability in GSWC's Cordova water system by improving the resiliency in the water system to meet customer demands during unforeseen events or circumstances. This project will also benefit local California ecosystems by requiring GSWC to forbear from using 763 AF of its water rights during the specified years. GSWC's Advice Letter 1927 requests approval of the Agreement and is not a request to approve future recovery related to project costs.

Notice and Service of Advice Letter

The submittal of Advice Letter No. 1927 is consistent with the provisions of General Order No. 96-B, Rule 4.2, and General Order No.173, Rule 5. In accordance with Rule 5 of General Order 173, a copy of this advice letter was transmitted electronically on November 20, 2023 to interested parties that have requested such notification for the Arden-Cordova District (on the mandated advice letter service list), the Water Division, the Public Advocates Office, the Energy Division, and relevant departments of the city and county in which the real property involved in the transaction is located. Water Division did not receive any protests to Advice Letter No. 1927 during the protest period ending December 10, 2023.

Water Division has served a copy of this disposition letter approving GSWC's Advice Letter 1927 request on all parties to whom the advice letter was served. Water Division has posted the results of this disposition letter in the Commission's Daily Calendar.

Description of Property (location, condition, and use):

The property locations for the interconnect upgrades are situated at GSWC's Femoyer interconnection, at 10593 Peter A McCuen Blvd, in Mather, and their Mercantile interconnection, at 2571 Mercantile Drive, in Rancho Cordova. Both locations are within GSWC's Region I, Arden-Cordova, District.

The Femoyer interconnection currently allows SCWA to deliver water to GSWC. At this location there are basic elements including isolation valves and an above ground valve actuator. The site has no meter, pressure reducing valve, control and communication equipment, power supply or above ground facilities. This interconnection is presently suited for emergency use.

The Mercantile interconnection currently takes water from GSWC's Cordova System and delivers it to SCWA's booster station. At this location there are elements including isolation valves, a backflow device, water meter, booster station, power supply, control and communication system, and a secure enclosure. The elements of this site are above ground and easily accessible. This interconnection is presently suited for regular use.

Water Division's Analysis

General Order No. 173 provides for a regulatory review of an advice letter submitted under Public Utilities Code § 851. Specifically, Rule 7.a (5) outlines the procedure to be followed for a review by either the Executive Director or an Industry Division Director:

If an unprotested advice letter is not rejected for any of the reasons stated above and does not require environmental review by the Commission as a Responsible Agency under CEQA, the Executive Director or the Director of the appropriate Commission Industry Division may issue a disposition letter, which either grants, modifies, or denies the advice letter. The disposition letter shall include a supporting analysis by the Industry Division. A copy of the disposition letter shall be served on all persons on whom the advice letter application was served, and the results of the disposition letter shall be posted on the Commission website.

The Water Division is the appropriate Commission Industry Division for water companies under the jurisdiction of the Commission. General Order No. 173, Rule 3, outlines the criteria for review of advice letters for transactions which require Commission approval under Public Utilities Code § 851. Below are the eleven criteria for a § 851 review by advice letter, along with Water Division's analysis and findings.

- 1- *The activity proposed in the transaction will not require an environmental review by the Commission as a Lead Agency under the California Environmental Quality Act (CEQA).*

The proposed activity in the transaction will not require an environmental review by the Commission as a Lead agency under CEQA. State agencies, related to the Agreement, and interested parties entered a Planning Agreement for Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan (the “Plan”) that specifies that the State Water Resources Control Board will serve as the lead agency for CEQA review that may be required for voluntary agreements or Plan updates.¹

The proposed Agreement encompasses DWR grant funds in exchange for GSWC forbearing the use of 763 AF of surface water rights in up to three dry or critical years, with grant funds to be issued as reimbursement for work performed in upgrading GSWC’s existing Cordova System water connections. There will not be a significant effect on the environment under CEQA Guidelines Section 15061(b)(3), and because the upgrades consist of the replacement or reconstruction of existing facilities with no changes in the location, purpose or capacity of the existing facilities they are also exempt from CEQA review under Guidelines Section 15302(c). Therefore, no environmental review is necessary.

- 2- *The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.*

The transaction will not have an adverse effect on the public interest or the utility’s ability to provide safe and reliable services to customers at reasonable rates. This transaction is an Agreement that encompasses DWR grant funds in exchange for GSWC forbearing the use of 763 AF of surface water rights in up to three dry or critical years during 2025 through 2032, or up to year 2036 if less than three qualifying years occur through 2032.² The transaction involves granting GSWC permission to enter an Agreement, where consideration of up to \$1.37 million is provided as reimbursement for upgrades to the existing connections between GSWC and SCWA within GSWC’s Cordova Water System. GSWC is confident it can operate to meet the Agreement obligation of encumbering 763 AF of surface water in three out of eight years and that it can do so while still meeting its obligations to its customers.

There are variable water production costs that may impact ratepayers and are estimated to increase by \$4,517 per each of the three years for a total of approximately \$13,550.³ However, the cost is substantially offset by DWR’s grant funds that are to be issued as a reimbursement to GSWC when interconnection upgrades are complete. Otherwise, these upgrade costs would have

¹ Planning Agreement, March 1, 2019, available at https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/bay_delta/complete_va_package03012019.pdf

² AL 1927, page 8

³ Per GSWC’s response to Water Division data request, on January 19, 2024.

been requested by GSWC in a future GRC application to improve its infrastructure, system resiliency, and water supply reliability.

Approval of the Agreement directly supports the public interest in reliable water supplies and environmental quality by enhancing streamflow of the Lower American River through the efficient use of water resources in the region and will not have any foreseeable adverse effect on the public interest. This Agreement also helps to address California's water crisis and achieve water quality objectives for the lower San Joaquin and Sacramento Rivers and Delta. Further, the Agreement will be a benefit to the population of the community, as it will allow the region to better withstand impacts of drought and climate change, plus it supports the region's ecosystems and fish species.⁴

- 3- *Any financial proceeds from the transaction will be booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility.*

Under General Order 173, GSWC must meet several requirements, including Rule 3.c, which states:

Any financial proceeds from the transaction will be either:

- (1) Booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility, or
- (2) Immediately divided between shareholders and ratepayers based on a specific distribution formula previously approved by the Commission for GSWC.

GSWC opted to meet the first requirement. The Agreement requires GSWC to forbear the use of 763 AF of surface water rights in up to three dry or critical years; it includes a project that will be treated as a standard grant-funded project and will not have shareholder benefit. To record expenditures, a capital project "funded by others" account will be established and GSWC will be reimbursed under terms of the Agreement.

Up to \$1.37 million of DWR's grant funds are to be issued as a reimbursement to GSWC as the project is completed. Any project cost above that amount will be funded through GSWC's typical capital budgeting process; however, GSWC expects project costs to be less than \$1.37 million.⁵ Water Division finds that GSWC's proposal satisfies the first requirement defined in the General Order. This request is determined to be reasonable based on previous precedence and meeting the General Order requirement above.

⁴ California Department of Water Resources, State Delivers \$55 Million to Sacramento Water Agencies in Support of Local Water Resilience Projects, Sept. 25, 2023, available at [https://water.ca.gov/News/News-Releases/2023/Sep-23/State-Delivers-\\$55-Million-to-Sacramento-Water-Agencies](https://water.ca.gov/News/News-Releases/2023/Sep-23/State-Delivers-$55-Million-to-Sacramento-Water-Agencies)

⁵ Per GSWC's response to Water Division data request, on February 2, 2024.

⁶ AL 1927: ARTESIAN Agreement, pages 5-6.

- 4- *If the transaction results in a fee interest transfer of real property, the property does not have a fair market value in excess of \$5 million.*

The transaction does not involve a fee interest transfer of real property. This transaction involves an Agreement encompassing GSWC forbearing the use of 763 AF of surface water rights in up to three dry or critical years during 2025 through 2032, or up to year 2036 if less than three qualifying years occur through 2032.⁷⁸⁹

- 5- *If the transaction results in a sale of a building or buildings (without an accompanying fee interest transfer of the underlying land), the building(s) does not have a fair market value in excess of \$5 million.*

The transaction does not involve the sale of a building or buildings, rather it is an Agreement encompassing DWR grant funds in exchange for GSWC forbearing the use of 763 AF of surface water rights in up to three dry or critical years.¹⁰

- 6- *If the transaction is for the sale of depreciable assets (other than a building or buildings), the assets do not have a fair market value in excess of \$5 million.*

The transaction does not involve the sale of a depreciable asset. It is an Agreement involving the forbearance of 763 AF of water in up to three dry or critical years.¹¹

- 7- *If the transaction conveys an easement, right-of-way, or other less than fee interest in real property, the fair market value of the easement, right-of-way, or other interest in property does not exceed \$5 million.*

The transaction does not convey an easement, right-of-way, or other less than fee interest in real property. This Agreement involves the forbearance of 763 AF of water in up to three dry or critical years.¹²

⁷ AL 1927: Exhibit 1A

⁸ AL 1927: Attachment A, Project Agreement, page 3

⁹ AL 1927, page 8

¹⁰ Ibid

¹¹ Ibid

¹² Ibid

8- If the transfer is a lease or a lease-equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years.

The transaction does not involve a lease or lease-equivalent. This transaction is an Agreement that encompasses DWR grant funds in exchange for GSWC forbearing the use of 763 AF of surface water rights in up to three dry or critical years during 2025 through 2032, or up to year 2036 if less than three qualifying years occur through 2032.¹³

9- This transaction will not materially impact the rate base of the utility.

The transaction will not impact or materially change the rate base of the utility. This transaction is an Agreement that encompasses DWR grant funds in exchange for GSWC forbearing the use of 763 AF of surface water rights in up to three dry or critical years.

There are increased variable water production costs that may impact ratepayers, and these are estimated to be \$4,517 per each of the three years of the Agreement for a total of approximately \$13,550.¹⁴ However, the cost will be substantially offset by DWR's grant funds that are to be issued as a reimbursement to GSWC when interconnection upgrades are complete. Otherwise, these upgrade costs would have been requested by GSWC in a future GRC application to improve its infrastructure and system reliability.

Per the Agreement, GSWC will be reimbursed up to \$1.37 million by DWR.¹⁵ GSWC expects project costs to be less than \$1.37 million.¹⁶

GSWC's request is to approve the ARTESIAN Agreement and it is not a request to approve any possible future recovery related to the project if costs exceed reimbursements.

10- If the transaction is a transfer or change in ownership of facilities currently used in regulated utility operations, the transaction will not result in a significant physical or operational change in the facility.

The transaction does not involve a transfer or change in ownership of facilities currently used or to be used in future operations, rather it is an Agreement involving the forbearance of 763 AF of water in up to three dry or critical years.¹⁷

¹³ Ibid

¹⁴ Per GSWC's response to Water Division data request, on January 19, 2024.

¹⁵ AL 1927, page 8

¹⁶ Per GSWC's response to Water Division data request, on February 2, 2024.

¹⁷ AL 1927, page 8

11- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

Other than the issues discussed above, this request for approval of the proposed Agreement does not merit a more comprehensive review that would be provided through a formal Section 851 application.

Conclusion

Water Division has reviewed GSWC's Advice Letter 1927 and finds that General Order Nos. 96-B and 173, governing the requirements and process for Section 851 advice letters, have been met. GSWC's Advice Letter No. 1927, submitted on November 20, 2023, requesting approval for the ARTESIAN Project Agreement, is approved.

Sincerely,

Terence Shia

Terence Shia, Director
Water Division

Cc: Advice Letter No. 1927-W Service List

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION**

Advice Letter Cover Sheet

Utility Name: GOLDEN STATE WATER COMPANY

Date Mailed to Service List: 11/20/2023

District: ARDEN-CORDOVA

CPUC Utility #: 133 W

Protest Deadline (20th Day): 12/10/2023

Advice Letter #: 1927-W

Review Deadline (30th Day): 12/20/2023

Tier 1 2 3 Compliance

Requested Effective Date: 12/20/2023

Authorization: PUBLIC UTILITIES CODE § 851 AND
GENERAL ORDER 173

Rate Impact: N/A

Description: AMERICAN RIVER TERMS FOR ECOSYSTEM
SUPPORT AND INFRASTRUCTURE ASSISTANCE
NEEDS PROJECT AGREEMENT

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Ronald Moore

Utility Contact: Jenny Darney-Lane

Phone: (909) 394-3600 x 682

Phone: (909) 394-3600 x 423

Email: ronald.moore@gswater.com

Email: jadarneylane@gswater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

WD USE ONLY		
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<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



November 20, 2023

Advice Letter No. 1927-W

(U 133 W)

California Public Utilities Commission

Golden State Water Company (“GSWC”) hereby submits this advice letter in accordance with the requirements of Public Utilities Code § 851 and General Order 173 (“GO-173”).

Subject: *American River Terms for Ecosystem Support and Infrastructure Assistance Needs (“ARTESIAN”) Project Agreement*

PURPOSE

GSWC is seeking authority from the California Public Utilities Commission (the “Commission”) to enter into the American River Terms for Ecosystem Support and Infrastructure Assistance Needs (“ARTESIAN”) Project Agreement (the “Agreement”). Under the Agreement, attached hereto as **Attachment A**, GSWC would agree to temporarily encumber its pre-1914 surface water rights intermittently to make 763 acre feet (“AF”) of water from the South Fork of the American River available for groundwater replenishment in up to three dry or critical years during the period from 2025 through 2032, or if fewer than three dry or critical years occurs during that period, then during the period from 2025 through 2036.¹ In exchange, GSWC will be reimbursed up to \$1.37 million towards the cost of upgrading two existing connections between GSWC and the Sacramento County Water Agency (“SCWA”) in GSWC’s Cordova Water System.

BACKGROUND

In 2017, then-Governor Edmund G. Brown, Jr. proposed a program of voluntary agreements to be developed as means of addressing some of California’s most difficult water-related problems, with the goals of implementing water quality objectives for the lower San Joaquin and Sacramento Rivers and Delta while avoiding adjudicatory proceedings and resolving disputes regarding water management.² Governor Gavin Newsom endorsed this program and reinitiated negotiations among interested parties in 2019.³

¹ “Dry” or “Critical” years are identified based on the Sacramento Valley Index as defined under the Revised State Water Resources Control Board Decision 1641. *See* American River Terms for Ecosystem Support and Infrastructure Assistance Needs (“ARTESIAN”) Project (hereafter cited as the “Agreement”), at § 1.7 n.1.

² Memorandum of Understanding Advancing a Term Sheet for the Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan, and Other Related Actions, March 29, 2022, available at <https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Voluntary-Agreement-Package-March-29-2022.pdf>

³ *Id.*

A three-tier contractual framework was proposed, whereby all tributaries to the Delta would share a share of restoration responsibilities. Negotiations among parties, for each of the Delta tributaries including the American River water providers are underway. However, while no final global agreement or American River implementing agreement has been executed, the American River water providers developed a voluntary agreement proposal in 2019 for the American River region (“2019 American VA”).⁴ The 2019 American VA proposes that the American River region collectively make 30,000 AF of water available in dry or critical water years by groundwater substitution including either releases from upstream storage through Folsom Reservoir or as a result of reduced surface water diversions downstream of Folsom Reservoir in the Lower American River.⁵

The proposed 2019 American VA included a request for \$55 million in State funds to support investments in water-related infrastructure.⁶ This funding would be provided through the Regional Water Authority (“RWA”), a Joint Powers Authority formed to “serve and represent regional water supply interests” and to assist in “protecting and enhancing the reliability, availability, affordability, and quality of water resources.”⁷

While the 2019 American VA has yet to be ratified or executed, contingent upon future actions, in June 2023 the California Natural Resources Agency and the Department of Water Resources (“DWR”) approved a funding agreement with RWA that provided up to \$55 million for groundwater infrastructure projects, in exchange for commitments from RWA members and contracting entities to make 30,000 AF available for the augmentation of streamflows in the Lower American River.⁸ The DWR provided the following overview of approved projects and expected benefits:

Funded projects include new and improved groundwater wells, upgrades to existing wells, pumps, interties and storage facilities. . . . These improvements will allow the region to better withstand intense drought and impacts from climate change, reduce reliance on surface water and distribute supplies where they are needed most to support communities and the environment.

⁴ Planning Agreement Proposing Project Description and Procedures for the Finalization of the Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan, March 1, 2019, Appendix A4, available at: https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/bay_delta/complete_va_package03012019.pdf.

⁵ *Id.* at § 1.4.1; Agreement, at § 1.7.

⁶ *See id.*

⁷ Agreement, at § 1.2.

⁸ Funding Agreement Between the State of California (Department of Water Resources) and the Regional Water Authority, Voluntary Agreement Early Implementation for the American River. Provided as Agreement, Exh. 2 App. A.

By expanding groundwater supplies and use in the region, parties to the Agreement will reduce diversions from the Lower American River during dry years and increase instream flows necessary to support delicate ecosystems and fish species such as salmon and steelhead.⁹

The purpose of the Agreement is to make those approved State funds available for the early implementation of key elements of the 2019 American VA. As a participant in the ARTESIAN Project and party to the Agreement, GSWC would be entitled to up to \$1.37 million in funding to support upgrades to two existing connections between GSWC and SCWA in GSWC's Cordova Water System, in exchange for a commitment to make 763 AF of water available per year in up to three years through groundwater replenishment.¹⁰

GSWC's participation in the Agreement provides a public benefit because it will act in coordination with other water providers to collectively contribute to achieving the following goals: (i) conserve water in the Bay Delta and American River (a tributary of the Bay Delta) through more efficient use of water rights; (ii) establish a cooperative relationship and good will with state and regional entities managing water rights (including GSWC), which will reduce conflict and the chance of future litigation; and (iii) provide funding for infrastructure improvements that will enhance resiliency in GSWC's Cordova Water System in low water years. Importantly, if the Voluntary Agreement framework is adopted by the State Water Resources Control Board, the Agreement would satisfy its contribution towards the Bay-Delta Water Quality Control Plan.

GSWC's participation in the Agreement would not be adverse to the public interest because it will not compromise GSWC's ability to serve customer demands, will not materially impact its rates, and does not involve the transfer or loss of any GSWC water rights. GSWC does not anticipate that the contribution of 763 AF of water during up to three years will compromise its ability to serve consumer demand, but if circumstances arise under which that water is needed, then GSWC may withdraw from the Agreement with 60 days' notice, subject to the return of funds received.¹¹ Nor is there any potential long-term adverse effect on GSWC interests or the interests of ratepayers: GSWC will retain all of its water rights, as voluntarily contributing water for groundwater replenishment in up to three years will not trigger non-use or forfeiture under California

⁹ See California Department of Water Resources, State Delivers \$55 Million to Sacramento Water Agencies in Support of Local Water Resilience Projects, Sept. 25, 2023, available at [https://water.ca.gov/News/News-Releases/2023/Sep-23/State-Delivers-\\$55-Million-to-Sacramento-Water-Agencies](https://water.ca.gov/News/News-Releases/2023/Sep-23/State-Delivers-$55-Million-to-Sacramento-Water-Agencies).

¹⁰ Agreement, Exh. 1A.

¹¹ Agreement, at § 8.4, 8.5.1

law, which requires at least five consecutive years of non-use before there may be a forfeiture.¹²

INFORMATION AS REQUIRED BY GENERAL ORDER 173

Rule 3 Eligibility Criteria. GO-173 Rule 3 requires that the proposed Agreement meet the following eligibility criteria:

3a: The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency under California Environmental Quality Act (CEQA).

On March 1, 2019, State agencies and interested parties entered a Planning Agreement for Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan (the “Plan”) that specifies that the State Water Resources Control Board will serve as the lead agency for CEQA review that may be required for voluntary agreements or Plan updates.¹³

Under the Agreement, GSWC proposes to forbear from exercising its pre-1914 water rights, which will support streamflow in the American River in dry or critical years, and thereby contribute to preserving water quality. This proposed activity falls within the exemption for activities that can be seen with certainty that there is no possibility will have a significant effect on the environment under CEQA Guidelines Section 15061(b)(3).

With respect to the upgrades to the existing Cordova Water System water connections that will be eligible for funding following GSWC’s execution of the Agreement, these upgrades are not an activity required by the transaction, and GSWC does not make any commitment to completing them. Accordingly, GSWC does not believe that CEQA review for these upgrades is triggered by the Agreement. Even if CEQA review applies to the upgrades, the upgrades also fall within the CEQA exemption for activities that can be seen with certainty that there is no possibility will have a significant effect on the environment under CEQA Guidelines Section 15061(b)(3). Moreover, because the upgrades consist of the replacement or reconstruction of existing facilities with no changes in the location, purpose or capacity of the existing facilities (as detailed in the response to Rule 4K, below) they are also exempt from CEQA review under Guidelines Section 15302(c).

¹² *North Kern Water Storage District v. Kern Delta Water District* (2007) 147 Cal.App.4th 555, 567.

¹³ Planning Agreement for Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan, March 1, 2019, available at https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/bay_delta/complete_va_package03012019.pdf

3b: The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

As discussed above, the Agreement is part of a larger initiative to address California's water crisis and achieve water quality objectives for the lower San Joaquin and Sacramento Rivers and Delta through a series of voluntary agreements.¹⁴ The Agreement, as a component of this initiative, directly supports the public interest in reliable water supplies and environmental quality by enhancing streamflow of the Lower American River through the efficient use of water resources in the region, and will not have any foreseeable adverse effect on the public interest.

GSWC meets customer demand in its Cordova Water System through pre-1914 appropriative water rights from the South Fork of the American River, groundwater supplies from the South American Subbasin, contract supplies from the Aerojet-Rocketdyne Corporation, and Aerojet contingent replacement water.¹⁵ In order to preserve the long-term health of the groundwater basin as well as of the river, it is best to maximize surface water diversions and minimize the amount of groundwater pumped during wet years. During dry years, surface water diversions should be reduced and groundwater pumping increased. GSWC's supplies are sufficient to meet customer demand during the term of the Agreement even in dry years, and even with the expected implementation of the Agreement. If unexpected circumstances arise and this water is needed, GSWC will have the ability to withdraw from the Agreement to avoid overtaxing its groundwater capabilities. The Agreement is therefore consistent with best practices, and will not have any adverse effect on the ability of GSWC to provide safe and reliable service to customers at reasonable rates.

3c: Any financial proceeds from the transaction will either be booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or be immediately divided between shareholders and ratepayers based on a specific distribution formula previously approved by the Commission for that utility.

There is no need to create a memorandum account or to divide proceeds between shareholders and ratepayers because the project will be treated as a standard grant-

¹⁴ See Draft Strategic Plan for the Proposed Agreements to Support Healthy Rivers and Landscapes, Sept. 9, 2023, available at <https://resources.ca.gov/Initiatives/Voluntary-Agreements-Page/Draft-Strategic-Plan-and-Other-Program-Materials>

¹⁵ See Golden State Water Company, Cordova Service Area 2020 Urban Water Management Plan, June 16, 2021.

funded project, and will not have any shareholder benefit. A capital project account “funded by others” will be established to record expenditures, which will be reimbursed under the terms of the Agreement. Any project cost beyond \$1.37 million will be funded through GSWC’s typical capital budgeting process.

3d: If the transaction results in a fee transfer of real property, the property does not have a fair market value in excess of \$5 million.

Not applicable.

3e. If the transaction results in a sale of a building or buildings (without an accompanying fee interest transfer of the underlying land), the building(s) does not have a fair market value in excess of \$5 million.

Not applicable.

3f. If the transaction is for the sale of depreciable assets (other than a building or buildings), the assets do not have a fair market value in excess of \$5 million.

Not applicable.

3g. If the transfer is a lease or a lease-equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years.

Not applicable.

3h. If the transaction conveys an easement, right-of-way, or other less than fee interest in real property, the fair market value of the easement, right-of-way, or other interest in the property does not exceed \$5 million.

Not applicable.

3i: The transaction will not materially impact the ratebase of the utility.

Entering the Agreement will not materially impact GSWC’s ratebase, as the upgrade work to be undertaken is to be funded through a grant and will be treated as any other grant-funded project would be treated. The Agreement will benefit consumers by providing funding for a necessary project (*i.e.*, upgrades to GSWC Cordova Water System interconnections), which could otherwise potentially be included in future ratebase.

3k: The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

GSWC's entry into the Agreement does not involve any issues that would trigger a need for a more comprehensive review through a formal Section 851 application.

Rule 4 Requirements. GO 173 Rule 4 requires that the following information be included in advice letters:

4a: Identity and addresses of all parties to the proposed transaction:

Regional Water Authority
2295 Gateway Oaks, Suite 100
Sacramento, CA 95833

Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

City of Sacramento
1395 35th Avenue
Sacramento, CA 95822

Fair Oaks Water District
10326 Fair Oaks Boulevard
Fair Oaks, CA 95628

Golden State Water Company
3005 Golden Canal Drive
Rancho Cordova, CA 95670

Orange Vale Water Company
9031 Central Avenue
Orangevale, CA 95662

Sacramento Suburban Water District
3701 Marconi #100
Sacramento CA 95821

Sacramento County Water Agency
827 7th Street, Room 301
Sacramento CA 95814

4b: A complete description of the property including present location, condition and use:

Under the terms of the Agreement, GSWC would make 763 AF of water available for groundwater replenishment in up to three dry or critical years (determined based on the Sacramento Valley Index as defined under the Revised State Water Resources Control Board Decision 1641), during the period between 2025 and 2032, or if fewer than three dry or critical years occurs during that period, then during the period between 2025 and 2036.¹⁶

4c: Transferee's intended use of the property:

The water that GSWC will make available under the Agreement will be used for replenishment of the American River in critical or dry years, either by releases from upstream storage through Folsom Reservoir or as a result of reduced surface water diversions downstream of Folsom Reservoir in the Lower American River.¹⁷

4d: Complete description of financial terms of the proposed transaction:

Under the Agreement, consideration of up to \$1.37 million is provided as reimbursement for upgrades to the existing connections between GSWC and SCWA in GSWC's Cordova Water System in exchange for the dedication of 763 AF water for groundwater replenishment.¹⁸

¹⁶ Agreement, Exh. 1A.

¹⁷ Agreement, at § 1.7.

¹⁸ Agreement, Exh. 1A.

4e. A description of how the financial proceeds of the transaction will be distributed:

See information provided in response to Rule 3c, above.

4f. A statement of the impact of the transaction on ratebase . . . , and any effect on the ability of the utility to serve customers and the public:

The Agreement will have no material effect on GSWC's ratebase, as explained in response to Rule 3c, above. The transaction will not affect the ability of GSWC to serve customers and the public, as explained in response to Rule 3b, above.

4g. For sales of real property and depreciable assets, the original cost, present book value, and present fair market value, and a detailed description of how the fair market value was determined (e.g., appraisal):

Not applicable.

4h. For leases of real property, the fair market rental value, a detailed description of how the fair market rental value was determined, and any additional information necessary to show compliance with Rule 3(g) above:

Not applicable.

4i. For easements or rights-of-way, the fair market value of the easement or right-of-way and a detailed description of how the fair market value was determined:

Not applicable.

4j. A complete description of any recent past (within the prior two years) or anticipated future transactions that may appear to be related to the present transaction, such as sales or leases of interests in the same real property or real property that is located near the property at issue or that are being transferred to the same transferee; or for depreciable assets, sales of the same or similar assets or sales to the same transferee:

Not applicable.

4k. Sufficient information and documentation (including environmental documentation) to show that all of the eligibility criteria stated in Rule 3 above have been met:

A memorandum describing the planned upgrades to the existing connections between GSWC and SCWA in the Cordova Water System, which support the

exemptions identified in the response to Rule 3a above, is provided as Attachment B.

4l. *The filing utility may submit additional information to assist in the review of the advice letter, including recent photographs, scaled maps, drawings, etc.:*

See Attachment B.

4m. *Environmental Information:*

(1) If the Applicant Believes that the Transaction is Exempt from Review under CEQA. If the applicant believes that the transaction is exempt from environmental review under a statutory or categorical exemption from CEQA, the applicant shall provide the following information:

(a) Has the proposed transaction been found exempt from CEQA by another government agency?

No.

(ii) If no, applicant shall state the specific CEQA exemption or exemptions that the applicant claims apply to the transaction, including citations to the applicable State CEQA Guideline(s) and/or statutes, and an explanation of why the applicant believes that each exemption applies. The applicant shall confirm that no exceptions to the claimed CEQA exemption(s) apply.

See information provided in response to Rule 3a, above.

(2) If the Applicant Believes that the Transaction is not a Project under CEQA. If the applicant believes that the transaction is not a project under CEQA, the applicant shall include an explanation of its position.

Not applicable.

(3) If another Public Agency, Acting as the Lead Agency, has Completed Environmental Review of the Project and the Applicant Believes that the Commission is a Responsible Agency under CEQA.

Not applicable.

TIER DESIGNATION

Pursuant to GO 96-B, Water Industry Rule 7.3.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

Pursuant to GO-173, GSWC requests that this advice letter become effective on December 20, 2023, which is 30 calendar days after filing.

RESPONSE OR PROTEST

Anyone may submit a response or protest for this Advice Letter ("AL"). When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

A **response** supports the filing and may contain information that proves useful to the Commission in evaluating the AL. A **protest** objects to the AL in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding;
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

Water Division ("WD") must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.** The addresses for submitting a response or protest is:

California Public Utilities Commission, Water Division
505 Van Ness Avenue
San Francisco, CA 94102
E-Mail: water.division@cpuc.ca.gov

On the same day the response or protest is submitted to WD, the respondent or protestant shall send a copy of the protest to Golden State Water Company, addressed to:

Golden State Water Company
Attn: Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773
E-mail: regulatoryaffairs@gswater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform WD, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

REPLIES

The utility shall reply to each protest and may reply to any response. Any reply must be received by WD within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this advice letter is being made to the attached service list in accordance with General Order No. 96-B.

Sincerely,

/s/ Ronald Moore

Ronald Moore
Regulatory Affairs Department
Golden State Water Company

c: Jim Boothe, CPUC- Water Division
Richard Rauschmeier, CPUC- Water Branch, Cal PAO
Victor Chan, CPUC- Water Branch, Cal PAO

GOLDEN STATE WATER COMPANY

SERVICE LIST

ARDEN-CORDOVA DISTRICT

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
HHernandez@sswd.org
DYork@sswd.org

Carmichael Water District
7837 Fair Oaks Blvd.
Carmichael, CA 95608
laura@carmichael.org

California-American Water Co.
4701 Beloit Drive
Sacramento, CA 95838
ca.rates@amwater.com

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Fair Oaks Water District
10317 Fair Oaks Blvd.
Fair Oaks, CA 95628

Orange Vale Water Co.
P. O. Box 620800
9031 Central Avenue
Orange Vale, CA 95662

City of Folsom
50 Natoma Street
Folsom, CA 95630

City of Rancho Cordova
2729 Prospect Drive
Rancho Cordova, CA 95670

County Clerk
County of Sacramento
P. O. Box 839
Sacramento, CA 95812-0839

Steve Pedretti, Division Chief
Sacramento County
Department of Water Resources
827 7th Street, Room 301
Sacramento, CA 95814
DWRexecsecretary@saccounty.net

Director
Sacramento County Water Agency
827 7th Street, Room 301
Sacramento, CA 95814
DWRexecsecretary@saccounty.net

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Megan Somogyi
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455 Market Street, Suite 1500
San Francisco, CA 94105

Michael B. Day, Attorney
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455 Market Street, Suite 1500
San Francisco, CA 94105

Matt Franck
CH2M Hill
2485 Natomas Park Drive, Suite 600
Sacramento, CA 95830

Jeanne Armstrong, Attorney at Law
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
For: County of Sutter

Environmental Scientist
California Department of Fish & Game
1701 Nimbus Road
Rancho Cordova, CA 95670

Asst Attorney General
State of California
300 South Spring Street
Los Angeles, CA 90013

Stuart Somach
Somach, Simmons & Dunn
500 Capital Mall, Suite 1000
Sacramento, CA 95814

George Carpenter
141 Morella Court
Roseville, CA 95747

Frank Alonso
Robbins Ad Hoc Committee
P O Box 254
Robbins, CA 95676
For: Robbins Ad Hoc Committee

Wes Strickland
Jackson Walker, LLP
100 Congress Avenue, Suite 1100
Austin, TX 78701

Marlo A. Go
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
For: Sutter Pointe Landowners / Developers

Sacramento County
Department of Water Resources
827 7th Street, Room 301
Sacramento, CA 95814

Director
Sacramento County Water Agency
827 7th Street, Room 301
Sacramento, CA 95814

Office of The County Counsel
1160 Civic Center Blvd., Suite C
Yuba City, CA 95993

Attachment A

ARTESIAN Project

Agreement

REGIONAL WATER AUTHORITY
AMERICAN RIVER TERMS for ECOSYSTEM SUPPORT and INFRASTRUCTURE
ASSISTANCE NEEDS (ARTESIAN)
PROJECT AGREEMENT

This Agreement dated July 25, 2023 is entered into by Regional Water Agency, a California joint powers authority (“RWA”) and the RWA Members and Contracting Entities listed in Exhibit A (collectively “Participants”) who execute this Agreement and agree as follows:

1. Recitals

This Agreement is made with reference to the following background recitals:

1.1. The purpose of this Agreement is to create the American River Terms for Ecosystem Support and Infrastructure Assistance Needs (“ARTESIAN”) Project to govern administration of state funds provided to RWA on behalf of the Participants for early implementation of the American River region’s 2019 Voluntary Agreement proposal.

1.2. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability, and quality of water resources.

1.3. The joint powers agreement pursuant to which RWA was formed and operates (“RWA JPA”), authorizes RWA to enter into a “Project or Program Agreement,” which is defined as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

1.4. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition, or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

1.5. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those

Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

1.6. As further described in this Agreement, RWA and the Participants desire to carry out a project and share in the costs and benefits of a project as provided for in Articles 21 and 22 of the RWA JPA.

1.7. As part of the (unratified and unexecuted) 2019 Voluntary Agreement proposal (“2019 VA Proposal”) for the American River region, American River groundwater providers, including the Participants, proposed to make available 30 thousand acre-feet (“TAF”) of water available through groundwater replenishment in up to 3 of 8 Dry (D) or Critical (C) years¹ through a combination of existing or new facilities and the Sacramento Regional Water Bank. This water will be released from upstream storage through Folsom Reservoir by Reclamation or will occur downstream of Folsom Reservoir in the Lower American River as a result of reduced surface water diversions. Groundwater replenishment for flows made to the Lower American River will be completed no later than March 1 of the following calendar year. The 2019 VA Proposal included a request from American River groundwater providers for a combined amount of \$55 million for infrastructure to make this water available.

1.8. On June 14, 2023, the RWA Board of Directors approved a form of funding agreement (“Funding Agreement”) between RWA and the California Natural Resources Agency (“CNRA”) and the Department of Water Resources (“DWR”) effective June 1, 2023 under which CNRA and DWR will fund up to \$55 million in groundwater infrastructure projects through RWA as funding recipient in exchange for RWA obtaining commitments from the Participants to make available the 30 TAF according to the 2019 VA Proposal.

1.9. On June 30, 2023, the RWA Executive Committee approved the substantively final form of the Funding Agreement and authorized the RWA Executive Director to sign.

1.10. Upon the effective date of the Funding Agreement, the parties desire for this Agreement to govern their respective rights and obligations with respect to administration of state funding under the Funding Agreement.

¹ Based on the Sacramento Valley Index as defined under the Revised State Water Resources Control Board’s Decision 1641.

2. Definitions

The following defined words and terms shall apply in this Agreement:

2.1. Call Year: A year type identified in this Agreement and the State Agreement in which outflow through groundwater replenishment will be provided and “called for” after assessing conditions through the Operations Review Group. This would occur in three out of eight D or C year types during the Agreement term, beginning in 2025. If the total of C and D years from and including 2025 and 2032 is fewer than three, then the State may implement another call year in a D year from and including 2033 and 2036. Specific details of this flow contribution are defined in Exhibit 1A and Exhibit 2, Appendix A.

2.2. Annual Flow Accounting Report (“AFAR”): A document to be produced annually to record the volume of outflow released by Reclamation at Folsom Dam, the flow volumes paid back from the Participants to Reclamation, and report a detailed accounting of which Participants made water available, the total volumes provided, mechanisms used to replenish water, deficits in contributions, over-production of contributions, any mitigation to make up for any Participant’s inability to meet its replenishment obligations, and a discussion of any challenges or lessons learned.

2.3. Master Flow Ledger (“MFL”): A document that will be updated regularly throughout the term of the Agreement to keep an accounting of outflow releases and replenishment. It will serve as a ledger that will summarize the total amount of water provided by each Participant and keep a running tally of total groundwater replenished by the region, provided as an estimate of the amount of water paid back during the current reporting period and the total amount paid back to-date. The MFL will carry forward from year-to-year through the Agreement term. When developing the MFL, Reclamation and the Participants will look at existing resources and sources of information to pull into its development.

2.4. Operations Review Group (“ORG”): The ORG will consist of operations and/or technical staff from Reclamation and each Participant who makes groundwater available for outflow. The ORG will serve as a collective entity to meet, review, confer, and report on water accounting for American River outflow.

2.5. Replenishment: The amount of water made available by Participants to backfill the amount released by Reclamation out of Folsom Reservoir.

2.6. Replenishment Schedule: An informed estimate that provides an explanation and forecast of how and when Participants are anticipating to pay back water releases that Reclamation has made available from Folsom Reservoir.

2.7. Readiness Review: A convening of Participants and other American River water providers with obligations to make outflow available meeting and discussing

each agency's overall readiness to perform and meet their agreed-upon obligations for the upcoming year. The Readiness Review will include the preparation of the Replenishment Schedule.

2.8. Any other term not expressly defined in this Agreement shall have the meaning provided in the Funding Agreement.

3. Term. This Agreement will remain in effect for as long as any obligations under this Agreement remain outstanding.

4. Project Description

4.1. The project that RWA and the Participants create through this Agreement involves using state funds granted to RWA for Participants to design and construct a suite of proposed groundwater infrastructure projects which will make additional water supply capacity available for agencies that provide groundwater. These projects are identified in Exhibit 1 of this Project Agreement. This also includes making outflow available through 30 thousand acre-feet ("TAF") of groundwater substitution in up to three D or C years, and related reporting and coordination requirements, a schedule for which is provided as Exhibit 4, all as further described in this Agreement.

4.2. Eligible Participants in this Project are those RWA Members or Contracting Entities who have a project listed on Exhibit 1.

4.3. This Agreement will become effective upon the execution of this Agreement by RWA and at least one of the named Participants on Exhibit 1.

5. RWA Responsibilities

5.1. RWA shall administer the Funding Agreement and this Agreement for the benefit of the Participants, including:

- Coordinating and administering all aspects of this Agreement;
- Coordinating invoicing, reimbursement, and communication to DWR for projects funded under the Funding Agreement; and,
- Preparing and submitting reports required by the Funding Agreement.

5.2. RWA agrees to subgrant a portion of those funds granted to RWA under the Funding Agreement to each Participant for reimbursement of Eligible Project Costs, as that term is defined in the Funding Agreement, up to the project amounts identified in Exhibit 1A and Exhibit 1B. RWA shall not be responsible for payment of any amounts in excess of the project amounts identified in Exhibit 1A and 1B without written modification of this Agreement. Participants shall invoice RWA for eligible project-related costs, in arrears.

5.3. Each Participant shall reimburse RWA for any erroneous or disallowed disbursement of state funds. Reimbursement shall occur within 30 days of written demand by RWA.

5.4. RWA shall not be obligated to disburse any remaining unpaid portion of state funds unless and until sufficient funds identified for allocation to a Participant are released by the state to RWA for expenditure under the Funding Agreement. RWA shall expeditiously seek the release of state funds held by the state for projects funded by this Agreement.

6. Participant Responsibilities

6.1. Participants, acting as Local Project Sponsors under the Funding Agreement, shall have sole responsibility for design, construction, management, oversight, compliance, operations, maintenance and legal compliance for the projects funded by this Agreement. As a condition of receiving state funds under this Agreement, Participants agree to complete their funded projects and assume all project costs not reimbursed with state funds through this Agreement.

6.2. Except for the RWA responsibilities in section 5, the Participants shall also assume and perform all of RWA's obligations under the Funding Agreement with respect to their projects funded under this Agreement. The responsibilities assumed by each Participant are those provided in the Funding Agreement attached Exhibit 2 and Exhibit 2, Appendix A of this Agreement.

6.3. Participants shall meet all reporting requirements in a timely manner, as well as providing an obligated portion of groundwater contributions to outflow as specified in Exhibit 1A. This includes participating in a regional total of 30 TAF available from groundwater replenishment in up to three D or C years out of eight years of the Agreement, and for an additional four years if three D or C years do not occur in the initial eight-year period, all in compliance with the specific terms of the Flow Contribution set forth in the Funding Agreement.

6.4. Participants agree not to take any action that will cause RWA or any other Participant to breach the Funding Agreement. RWA will have no obligation to prepare and submit invoices or take any other actions on behalf of, or liability for failing to take any action in regard to obtaining reimbursement for, any Participant that breaches one or more of its responsibilities provided in this Agreement hereof and that fails to cure such breach promptly after receipt of notice from RWA of the breach and requirements for curing the breach.

6.5. To ensure an external evaluation of water made available in support of the VA nets the 30 TAF of groundwater, participants agree that commensurate reductions of groundwater extractions at a level equal to or greater than water

commitments, or other beneficial actions such as direct groundwater recharge, during non-Dry or Critical years is vital.

6.6. Flow Contribution.

6.6.1. Each Participant agrees that, as part of a regional arrangement with Reclamation, it will make available the agreed-upon quantity of outflow in up to three out of eight D or C years, provided in Exhibit 1A.

6.6.2. Assuming Reclamation provides outflow from Folsom Dam as early as March 1 of a call year, Participants will begin to replenish releases made by Reclamation as early as March 1 by reducing surface water diversions and providing groundwater substitution. The timing to achieve this complete replenishment from groundwater will rely on the rate of demand for water within the region, but shall not go beyond March 1 of the following calendar year.

6.6.3. Each Participant represents and warrants that it has and will maintain for the term of this Agreement sufficient water rights or rights to contract water to meet its outflow obligation under this Agreement. This representation and warranty shall be made effective as of the date the Participant first incurs costs for a funded project that may be reimbursable under this Agreement. Each Participant further represents and warrants that it will take actions to the satisfaction of RWA and the other Participants to ensure that the agreed quantity of water is made available for outflow from Folsom Reservoir.

7. Project Coordination and Prioritization

7.1. Project Committee. The Participants may form a Project Committee consisting of one representative (and one or more alternates) designated by each Participant. The Project Committee may meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. The Project Committee may also use other forms of communication if appropriate, such as e-mail, in order to make decisions or reach intended outcomes.

7.1.1. The Project Committee may meet when needed to assess project status and review any related information. No later than December 31, 2023, if a project is determined by the Project Committee to be unforeseeably infeasible or impracticable, then the Project Committee may meet and confer with the project-specific Participant(s) with the affected project and provide recommendations to RWA on an alternative project that will still achieve the intended objectives of the Funding Agreement. The Project Committee may consider Priority 2 Projects (Exhibit 1B and Exhibit 2, Appendix A – Exhibit A) and any other relevant information provided by the Participant(s.)

7.2. Collaboration Schedule. In order for there to be coordination among the Participants and ensure efficient, effective, and collaborative engagement of the implementation of outflow replenishment associated with this Agreement, a schedule has been developed as guidance for making recommendations and ultimate decisions. This schedule is provided as Exhibit 4.

7.3. Commitment to Participate in a Readiness Review

7.3.1. In early February of each year during the term of the Agreement, a group comprised of one member from each of the Participants and other American River water providers, as necessary, with obligations to make outflow available will convene and discuss each agency's overall readiness to perform and meet their agreed-upon obligations (Readiness Review). From this conversation, parties will understand their commitments and will prepare to meet their current year's obligations.

7.3.2. As part of the Readiness Review, Participants will provide a Replenishment Schedule by March 15 of each call year. The Replenishment Schedule will provide an explanation and forecast of how and when Participants are anticipating to pay back water releases that Reclamation has made from Folsom Reservoir. The Replenishment Schedule will also include whether replenishment would pass through Folsom Reservoir. If a Participant is making replenishment available at or above Folsom Reservoir, then Reclamation would physically see this water showing up in the lake and it would reflect in the overall accounting of Folsom storage. Passing through Folsom Reservoir is important as Reclamation will need to account for replenishment of flows downstream. Since downstream pay back of released outflow to the Lower American River is anticipated to come from groundwater providers via a reduction in surface diversions and increased groundwater production (i.e., groundwater replenishment), Reclamation will need to use the Participant's predicted and real-time estimates of replenishment to keep an accounting. A designated RWA representative will compile feedback from each Participant to create the Replenishment Schedule and to submit it to Reclamation.

7.4. Commitment to Participate in the Operations Review Group (ORG)

7.4.1. A determination on whether releases will be made on an annual basis will be recommended by the ORG. By mid-February of each year of the Agreement term, the ORG will walk through various potential scenarios for the forthcoming water year, which includes the review of current information and forecasts, and discussion of potential risks that could cause changes to planned flow releases or replenishment.

7.4.2. If it appears to be a C or D year type, the ORG will discuss whether there should be environmental outflow, provided through groundwater substitution, in that year. Depending on current conditions, whether calls of a certain year type were made in prior years, whether future potential call years may have more favorable

conditions for flow releases, uncertainty related to initial Central Valley Project allocations, or other varying factors, the ORG may make a recommendation to Participants to make outflow releases that year or to hold off on providing outflow until a potential future year.

7.4.3. If the ORG determines that it will be a year that outflow will be provided (a “call year”), then it will also recommend a flow release schedule and assess biological conditions in the Lower American River to determine optimum timing and volumes of releases.

7.5. Flow Accounting

7.5.1. Starting as early as the week of March 1 or when Reclamation begins releasing outflow from Folsom Reservoir, the Master Flow Ledger (MFL) will begin keeping track of releases at Folsom Reservoir and of the following replenishment by Participants. The MFL will provide a running tally of outflow and replenishment, provided as an estimate of the amount of water paid back to Folsom storage during the current reporting period and the total amount paid back to-date within the year. The ledger will be placed in a readily and publicly accessible and version-controlled location. The ledger will be updated weekly throughout the year until committed replenishment volumes are fulfilled. Each Participant will provide weekly updates to the MFL during the course of their replenishment period.

7.5.2. In January following a call year, the ORG shall convene to review the accounting from Reclamation and the Participants and “true up” real-time flow numbers with actual volumes accounted for after outflows are fully replenished in Folsom Reservoir and through MFL accounting. These verified numbers will then be placed into an annual report summarizing findings, the Annual Flow Accounting Report (AFAR).

7.5.3. By February 1 of the year following a call year, the ORG will prepare and complete the AFAR. The AFAR will be made available after water is substantially replenished from all intended sources. This document will verify the flow volumes paid back and report a detailed accounting of which Participants made water available, the total volumes provided, mechanisms used to replenish water, deficits in contributions, over-production of contributions, any mitigation to make up for any Participant’s inability to meet its replenishment obligations, and a discussion of any challenges or lessons learned.

7.5.4. The MFL will be ongoing across all years of the term of the Agreement and is intended to carry forward into future years. This will allow Participants to have the ability to compare relative contributions across years, enable potential payback between Participants, and create multi-annual reports and assessments, as needed.

7.6. Role of RWA. The Executive Director of RWA will: (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to

the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, and (d) administer implementation of the grant on behalf of RWA and the Participants consistent with the determinations of the Project Committee and the provisions of this Agreement.

7.7. RWA Project Management Expenses. RWA has developed an estimate of administrative expenses in coordinating aspects of the Funding Agreement, which is provided in Exhibit 3. RWA will submit invoices for reimbursement to DWR along with other project expenses from Participants. RWA will submit a quarterly statement to the Participants for the Project Management Expenses, which shall include a brief description of the work performed, the dates of work, number of hours worked, and staff positions in accordance with Exhibit 3. If RWA does not expend the estimated amount, the remaining funds will be utilized for Participant's projects.

8. Breach; Termination; Withdrawal

8.1. Termination by Default. Any Participant's failure to perform any obligation under this Agreement is a material breach of the Agreement. In the event of a material breach, the non-defaulting Participants or RWA may provide the defaulting Party with written notice of the breach and specify a reasonable opportunity to cure. If the defaulting Participant fails to cure a material breach after such notice and a reasonable opportunity to cure, the non-defaulting Participants and RWA may terminate a Participant's participation in this Agreement upon 30 days written notice to the defaulting Participant identifying the reason for termination.

8.2. Termination by Mutual Agreement. This Agreement also may be terminated by mutual written agreement of the parties.

8.3. Termination for Lack of Funding. The primary source of funding for this Project is the State of California under the Funding Agreement. If state funding is reduced, deleted, or delayed by the budget process or other budget control actions, RWA shall provide written notice to the Participants either suspending or canceling the Agreement.

8.4. Withdrawal of a Participant. A Participant may withdraw from this Agreement at any time, effective upon sixty days' notice to RWA and the other Participants.

8.5. Effect of Termination or Withdrawal.

8.5.1. A Participant whose participation in this Agreement has been terminated by default, withdrawal, or any other reason, and who have already submitted invoices and accepted state funds from RWA under the Funding Agreement, shall provide immediate reimbursement of all funds received.

8.5.2. A Participant whose participation in this Agreement has been terminated by withdrawal and who has not received any state funds from RWA under the Funding Agreement may withdraw without cost and shall be relieved of all future liability under this Agreement upon the effective date of the Participant's withdrawal.

9. Project Liability and Indemnity

9.1. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those RWA Members and/or Contracting Entities who have not executed this Agreement.

9.2. Participants acknowledge that RWA entered into the Funding Agreement at their request and for their benefit. Each Participant agrees to indemnify, defend, protect, and hold harmless RWA and its officers, employees, agents, Members, and Contracting Entities from and against any claims, liability, losses, damages and expenses (including attorney, expert witness, and litigation costs), including, but not limited to, any matter tendered to RWA for indemnification or defense under the Funding Agreement that arise out of, pertain to, or are related to this Agreement or the Funding Agreement. This indemnity provision will not apply to any claim or matter arising from the sole negligence or willful misconduct of RWA. Obligations under this indemnification provision are joint and several and shall survive the termination of this Agreement.

9.3. Each Participant agrees to indemnify, defend, protect, and hold harmless RWA and its officers, employees, agents, Members, and Contracting Entities, and each other Participant and their officers, employees, and agents, from and against any claims, liability, losses, damages and expenses (including attorney, expert witness, and litigation costs) that arise out of, pertain to, or are related to the facilities funded through this Agreement or the flow contribution obligations provided for in this Agreement. This indemnity provision will not apply to any claim or matter arising from the sole negligence or willful misconduct of RWA.

10. General Provisions

10.1. Recitals. The Recitals in Section 1 are incorporated into and shall constitute a part of this Settlement Agreement.

10.2. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

10.3. Authority. Each person signing this Agreement on behalf of a party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Agreement.

10.4. Compliance with Laws. Each party shall comply with all applicable federal, state, and local laws, statutes, and regulations.

10.5. Cooperation. Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the preparation and execution of documents which may be required hereunder, in order to implement and effectuate this Agreement.

10.6. Notice. Any notice to be given under this Agreement may be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by electronic mail; or (c) personal delivery.

10.7. Counterparts. This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

10.8. Governing Law. Except as otherwise required by law, the Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

[Signatures on Following Pages]

[Participant Signature Blocks on Separate Pages – each Participant to provide their standard signature blocks]

EXHIBIT 1A

PROJECT PARTICIPANT FUNDING AWARD AND FLOW CONTRIBUTION

Funding Recipient	Flow Commitment² (AF)	State Funding Provided (Million \$)
Carmichael Water District	3,800	6.83
Citrus Heights Water District	1,963	3.53
City of Roseville	4,460	8.01
City of Sacramento	3,932	7.06
Fair Oaks Water District	1,374	2.47
Golden State Water Company	763	1.37
Orangevale Water Company	460	0.83
Sacramento Suburban Water District	10,488	18.84
Sacramento County Water Agency	2,760	4.96
RWA Administration		1.10
Total	30,000	55.00

² The total commitment provided here assumes streamflow depletion factor is included.

EXHIBIT 1B

PROJECTS TO BE FUNDED

Projects here are divided into two categories: Priority 1 Projects and Priority 2 Projects. Priority 1 Projects are projects that as the date of execution of the Funding Agreement that Participants intend to complete and for which they plan to seek reimbursement through the Funding Agreement. Priority 2 Projects are projects that are provided for in the Funding Agreement in the event that one or more Priority 1 Projects become unforeseeably infeasible or impracticable. RWA and Participants will work together as identified in ARTESIAN article 7.1.1 to identify another acceptable project. In the event a Priority 1 Project is determined to be infeasible or impracticable, RWA and the Participant will recommend an alternative Priority 2 project to DWR, and all entities shall mutually agree on a Priority 2 Project to replace the Priority 1 Project.

Priority 1 Projects

Agency	Project Name
City of Roseville	ASR Well - Mistywood ASR Well - Campus Oaks
Sacramento County Water Agency	Elk Grove Automall Well Poppy Ridge Storage Tank
Sacramento Suburban Water District	Well 84 Antelope/Don Julio (ASR-equipped) Wells 81, 82, and 83 Antelope North/Poker
Carmichael Water District	Construct two ASR wells (Ladera and Winding Way)
City of Sacramento	Groundwater Wells - Capacity Enhancements Well 168
Golden State Water Company	Upgrade existing connection between GSWC with SCWA in the Cordova System (Mercantile and Foyer)
Citrus Heights Water District	ASR Well Equipping
Fair Oaks Water District	Northridge Replacement Well
Orange Vale Water Company	Well 4 or Well 5

Priority 2 Projects

Agency	Project Name
City of Roseville	ASR Well - Pleasant Grove ASR Well - Marlin Drive
Sacramento Suburban Water District	Well N35 Antelope North (Granular activated carbon treatment for PCE)
Carmichael Water District	Replace Garfield-San Juan-Lincoln transmission lines between two wells (includes intertie with CHWD) Backup power at existing well sites Intertie and pump station with SSWD
City of Sacramento	Florin Booster Pump Station Well 170 Well 171 Well 172 Groundwater Treatment at Wells (133,134,164, 166) Water Quality Sampling GW Power Reliability Project
Fair Oaks Water District	Fair Oaks Water District Regional Distribution Facility Carmichael Water District Interconnection Pipeline & Booster Facility Phoenix Park Well Project
Orange Vale Water Company	Well No. 4 or 5 Well No.3 Storage Tank Booster Pump Station

EXHIBIT 2

PARTICIPANT/LOCAL PROJECT SPONSOR OBLIGATIONS UNDER CNRA AND DWR VOLUNTARY AGREEMENT EARLY INFRASTRUCTURE FUNDING

Each Participant listed in Exhibit 1A and 1B, acting as a Local Project Sponsor, agrees that it will fully and timely perform all Local Project Sponsor obligations. Under Article 4 of the Funding Agreement, each Local Project Sponsor is to assume RWA's obligations for the purposes of individual project management, oversight, compliance, and operations and maintenance, and to act on behalf of RWA in the fulfillment of RWA's responsibilities under the Funding Agreement. For each Participant and its project or projects, these Funding Agreement obligations include, but are not limited to:

- Flow Contribution (Paragraph 1 and Exhibit A);
- Project CEQA compliance (Paragraph 5.C);
- Continuing Eligibility (Paragraph 12);
- DWR's Facilitating Improvements to Systemwide Habitat Program Guidelines Funding Requirements (Paragraph 12.F);
- Operation and Maintenance (Paragraph 14);
- Standard Conditions (Exhibit D); and,
- State Audit Document Requirements and Funding Match Guidelines for Funding Recipients (Exhibit H).

To the extent any Funding Agreement obligation assumed by a Participant requires coordination, communication, or submission of information to DWR, Participant shall coordinate its activities with RWA.

The Funding Agreement is attached as Appendix A to this Exhibit 2 and made a part hereof. The attached current draft agreement will be replaced as necessary with any amended drafts and, when executed, with the final document. RWA will provide each Participant with a copy of the operative Funding Agreement and any amendments to it. Any new or amended terms and conditions in subsequent versions of the Funding Agreement will govern over the similar terms and conditions stated in this Exhibit 2 Appendix A. Each Participant will include all applicable provisions in this Exhibit 2, Appendix A as contract terms, conditions or specifications in any consulting, construction or other contract let to a contractor or subcontractor to carry out any portion of a project funded under the Grant Agreement.

EXHIBIT 2, APPENDIX A

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA
(DEPARTMENT OF WATER RESOURCES) AND REGIONAL WATER AUTHORITY**

**VOLUNTARY AGREEMENT EARLY IMPLEMENTATION FOR THE
AMERICAN RIVER**

Agreement [#]

FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND THE REGIONAL WATER AUTHORITY

VOLUNTARY AGREEMENT EARLY IMPLEMENTATION FOR THE AMERICAN RIVER

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the “State” or “DWR” and the Regional Water Authority, a joint powers authority in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the “Funding Recipient,” which parties do hereby agree as follows:

1. **PURPOSE.** The State shall provide funding from FY 2021-22 Budget Trailer Bill Assembly Bill 211 (Stats. 2022, Ch. 574, § 35 (a) (4)) and the FY 2021-22 Budget Act, Senate Bill 170 (Stats. 2021, Ch. 240, § 10 (h)) to the Funding Recipient to assist in financing the Project.

The Project is further described on Exhibit A, “Work Plan.” The purpose of the Project is to provide new and enhanced infrastructure that will improve the American River region’s ability to enhance groundwater production capabilities and flexibility in Dry and Critical Water Years as determined by the Sacramento River Index.

In consideration of the funding provided by DWR under this Funding Agreement, the American River water suppliers who receive that funding will provide 30,000 acre-feet of groundwater-substitution water to augment, through the Bureau of Reclamation’s operation of Folsom Dam and Reservoir as part of coordinated Central Valley Project and State Water Project operations, streamflows in the Lower American River in each of three out of eight years beginning in 2025. Each of those three years will be either a critical or dry year on the Sacramento Valley Index under the State Water Resources Control Board’s Revised Decision 1641. This commitment is herein referred to as the “Flow Contribution” and each annual contribution is referred to as an “Annual Flow Contribution.” The Flow Contribution and Annual Flow Contribution are further described on Exhibit A, “Flow Contribution.”

2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins upon execution of this agreement, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Funding Agreement. However, all work shall be completed by December 31, 2025, with the Schedule as set forth in Exhibit C and no funds may be requested after March 31, 2026. The RWA Flow Contribution obligations stated in Paragraph 1, “Purpose,” shall survive the termination date of this Funding Agreement until satisfied unless State terminates this Funding Agreement as provided herein.
3. **FUNDING AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$55,000,000. Any additional costs are the responsibility of the Funding Recipient.
4. **FUNDING RECIPIENT COST SHARE.** Funding Recipient and the Local Project Sponsors (LPS), through appropriate subagreements with Funding Recipient, agree to complete any LPS Projects listed in Exhibit A that receives State funds under this Funding Agreement. The amount needed to complete the LPS project, not covered by the Funding Amount, is the Funding Recipient Cost Share. This Funding Agreement does not require Funding Recipient to complete those LPS Projects listed in Exhibit A which are not selected for construction and do not receive State funds under this Funding Agreement.

Agreement [#]

5. BASIC CONDITIONS.

The State shall have no obligation to disburse money for the Project(s) under this Funding Agreement until the Funding Recipient has satisfied the following conditions:

- A. For the term of this Funding Agreement, the Funding Recipient shall submit Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports." Reports must accompany an invoice and all invoice backup documentation.
- B. Funding Recipient submits all deliverables as specified in Paragraph 13 of this Funding Agreement and in Exhibit A.
- C. Prior to the commencement of construction or implementation of activities, if applicable, the Funding Recipient shall submit to the State:
 - i. Final plans and specifications certified, signed, and stamped by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A of this Funding Agreement.
 - ii. Eligible Costs incurred for work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting will not be reimbursed by DWR under this Funding Agreement until the following actions are performed:
 - a) The Funding Recipient submits to the State all applicable environmental permits as indicated on the Environmental Information Form to the State,
 - b) Documents that satisfy the CEQA process are received by the State, and
 - c) State has completed its CEQA compliance review as a Responsible Agency, and
 - d) Funding Recipient receives written notification 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 funding any work (i.e., construction or implementation activities) for which it is required. 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. Funding Recipient must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

Agreement [#]

6. DISBURSEMENT OF FUNDS. The State will disburse to the Funding Recipient the amount approved, subject to the availability of funds through the normal State processes. 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, federal or state laws, rules, or regulations. Any and all money disbursed to Funding Recipient under this Funding Agreement shall be deposited in a separate account and shall be used solely to pay Eligible Project Costs.
7. ELIGIBLE PROJECT COST. Funding Recipient shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. 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. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after execution of this agreement shall be eligible for reimbursement.

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

- A. Costs, other than those noted above, incurred prior to date of execution of this funding agreement.
- 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 (e.g., bridge loans).
- H. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- I. Land and right-of-way acquisition.
- J. Overhead and indirect costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include but are not limited to: central service costs; general administration of the Funding Recipient; non-project-specific accounting and personnel services performed within the Funding Recipient's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition; conference fees; and, generic overhead or markup. This prohibition applies to the Funding Recipient and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
- K. Payment of Federal and State taxes.
- L. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.

Agreement [#]

M. Costs incurred for any work for which State's concurrence in Lead Agency's CEQA documents is required but not received prior to the deadline to request reimbursement of costs in accordance with Paragraph 2, "Term of Funding Agreement."

8. METHOD OF PAYMENT.

After the disbursement requirements in Paragraph 5 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Funding Recipient, following receipt from Funding Recipient via US mail or Express mail delivery of a "wet signature" invoice, or an electronic invoice certified and transmitted via DocuSign for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Funding Agreement number. State will notify Funding Recipient, in a timely manner, whenever, upon review of an Invoice, State determines that any portion or portions of the costs claimed are not Eligible Project Costs or is not supported by documentation or receipts acceptable to State. Funding Recipient may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Funding Recipient fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Funding Recipient shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in a particular invoice.
- B. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - i. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit A. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 4, "Funding Amount" and those costs that represent Funding Recipient's costs, as applicable, in Paragraph 5, "Funding Recipient Cost Share."
 - v. Original signature and date (in ink) of Funding Recipient's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: Michelle Jesperson, Environmental Program Manager, Division of Multibenefit Initiatives – 6th floor, P.O. Box 94283, Sacramento, CA 94236-0001, or an electronic signature certified and transmitted via DocuSign from authorized representative to Michelle Jesperson, Michelle.Jesperson@water.ca.gov.

Agreement [#]

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Funding Recipient shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., cost share). Any eligible costs for which the Funding Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the State may request an audit pursuant to Standard Condition Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 115, 470, 487-489.)

9. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that the Project is not being implemented in accordance with the provisions of this Funding Agreement, or that Funding Recipient has failed in any other respect to comply with the provisions of this Funding Agreement, and if Funding Recipient does not remedy any such failure to State's satisfaction, State may withhold from Funding Recipient all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Funding Recipient and State notifies Funding Recipient of its decision not to release funds that have been withheld pursuant to Paragraph 11, the portion that has been disbursed shall thereafter be repaid immediately, as directed by State. State may consider Funding Recipient's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 11, "Default Provisions." If State notifies Funding Recipient of its decision to withhold the entire funding amount from Funding Recipient pursuant to this Paragraph, this Funding Agreement shall terminate upon receipt of such notice by Funding Recipient and the State shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.
10. DEFAULT PROVISIONS. Funding Recipient will be in default under this Funding Agreement if any of the following occur:
- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Funding Recipient and State evidencing or securing Funding Recipient's obligations.
 - B. Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain this Funding Agreement.
 - C. Failure to operate or maintain project in accordance with this Funding Agreement.
 - D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Standard Condition Paragraph D.5.
 - E. Failure to submit timely progress reports.
 - F. Failure to routinely invoice State.
 - G. Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

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

Agreement [#]

- i. Declare the funding be immediately repaid.
- ii. Terminate any obligation to make future payments to Funding Recipient.
- iii. Terminate the Funding Agreement.
- iv. Take any other action that it deems necessary to protect its interests.

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

11. **CONTINUING ELIGIBILITY.** Funding Recipient must meet the following ongoing requirement(s) to remain eligible to receive State funds:
- A. Funding Recipient must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
 - B. If the Funding Recipient is diverting surface water, the Funding Recipient must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
 - C. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
 - D. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code section 10608, et seq.
 - E. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Funding Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Funding Recipient advance written notice of such termination, allowing the Funding Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
 - F. Facilitating Improvements to Systemwide Habitat Program Guidelines Funding Requirements.
12. **SUBMISSION OF REPORTS.** The submittal and approval of all reports is a required 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 State. All reports shall be submitted to the State's Project Manager. If requested, Funding Recipient 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 F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.

Agreement [#]

- A. Quarterly Progress Reports: Funding Recipient shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, Funding Recipients 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 the State no later than three months after date of agreement execution with future reports then due on successive three-month increments based on the invoicing schedule and this date.
- B. Project Completion Report: Funding Recipient shall prepare and submit to State a Project Completion Report within ninety (90) calendar days of Project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of final Project by a registered civil engineer, consistent with Standard Condition D.16, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.
- C. Post-Performance Reports: Funding Recipient shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 3 years after the completed Project begins operation. The Post-Performance Report shall include well production information from the wells supporting the flow contribution defined in this agreement. This will include the names and locations of wells providing water as well as extraction and recharge data at those locations. See also Exhibit G, Requirements for Data Submittal, for web links and information regarding State monitoring and data reporting requirements. The report should also specify baseline conditions, data collection and method and/or systems used, frequency of data collection and location of data collection relative to the project site.

13. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Funding Recipient 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, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Funding Recipient or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Funding 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 Funding Recipient to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State, be considered a breach of this Funding Agreement and may be treated as default under Paragraph 11, "Default Provisions."

Agreement [#]

14. NOTIFICATION OF STATE. Funding Recipient 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 Funding Agreement. Funding Recipient 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 scope of work, schedule or term, and budget.
 - B. Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by State's representatives. Funding Recipient shall make such notification at least 14 calendar days prior to the event.
 - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Funding Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Funding Recipient agrees to implement appropriate actions as directed by the State.
 - D. The initiation of any litigation or the threat of litigation against the Funding Recipient or a Local Project Sponsor (LPS) regarding the Project or that may affect the Project in any way.
 - E. Final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.16, "Final Inspections and Certification of Registered Civil Engineer." Funding Recipient shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
15. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
 - D. By electronic means.
 - E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

Agreement [#]

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

Department of Water Resources
 Steve Rothert
 Manager, Division of Multibenefit Initiatives
 P.O. Box 94283
 Division of Multibenefit Initiatives- 6th Floor
 Sacramento, CA 94236-001
Steve.Rothert@water.ca.gov

Regional Water Authority
 James Peifer
 Executive Director
 2295 Gateway Oaks, Suite 100
 Sacramento, CA 95833
 Phone: (916) 967-7692
 Email: jpeifer@rwah2o.org

Direct all inquiries to the Project Manager:

Department of Water Resources
 Michelle Jespersion
 Environmental Program Manager
 Division of Multibenefit Initiatives – 6th floor
 P.O. Box 94283
 Sacramento, CA 94236-0001
Michelle.Jespersion@water.ca.gov
 (916) 873-4035

Regional Water Authority
 Michelle Banonis
 Manager of Strategic Affairs
 2295 Gateway Oaks, Suite 100
 Sacramento, CA 95833
 Phone: (916) 967-7692
 Email: mabanonis@rwah2o.org

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

17. STANDARD PROVISIONS. This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference.

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Funding Recipient Authorization

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – State Audit Document Requirements and Funding Match Guidelines for Funding Recipients


Exhibit I – Local Project Sponsors, Agency Designations, and Project Locations

Agreement [#]

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

DEPARTMENT OF WATER RESOURCES

REGIONAL WATER AUTHORITY



for James Peifer

Steve Rotherth
Manager, Division of Multibenefit Initiatives

James Peifer
Executive Director

Date 7/21/2023

7/21/2023
Date _____

Approved as to Legal Form and Sufficiency



Robin Brewer
Assistant General Counsel,
Office of General Counsel

Date 7/21/2023

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EXHIBIT A

WORK PLAN

Groundwater Infrastructure Projects

The purpose of the Project is to provide new and enhanced infrastructure that will improve the American River region's ability to enhance groundwater production capabilities and flexibility in Dry and Critical Water Years as determined by the Sacramento River Index. The Funding Recipient will administer the funds provided by this Funding Agreement and enter into subagreements with some or all of the Local Project Sponsors (LPSs) identified below who will undertake infrastructure projects (LPS Projects) consistent with the Funding Agreement's purpose. The LPS Projects will improve water supply capabilities and promote added flexibility and interconnectivity between suppliers. The LPS Projects will build out additional groundwater production capacity, provide regional redundancy, enhance existing infrastructure, and will also create additional connections between water providers that will allow for more effective conjunctive use capabilities. The LPS Projects provide multiple options for the American River region to enhance groundwater capabilities, which will collectively expand the region's ability to provide outflow.

Subject to the terms in the paragraph "LPS Project Implementation" below, Funding Recipient will act in a coordination role with the LPSs by (1) working with the LPSs to identify a subset selected LPS Project 1 and Priority 2 projects listed below to receive funds provided by this Funding Agreement, (2) ensure Funding Agreement compliance by LPSs, (3) obtaining and retaining evidence of Funding Agreement compliance (e.g., CEQA/NEPA documents, reports, etc.), (4) obtaining data for progress reports from LPSs, (5) assembling and submitting progress reports to the State, (6) and coordinating all invoicing to DWR.

State and Funding Recipient agree that the LPSs will design and construct a subset of the LPS Projects listed in this Exhibit A. Funding Recipient and the LPSs (through appropriate subagreements with Funding Recipient) agree to complete those LPS Projects which will receive State funds under this Funding Agreement. This Funding Agreement does not require Funding Recipient to complete those LPS Projects which are not selected for construction and do not receive State funds under this Funding Agreement.

State and Funding Recipient agree that, as to the LPS Projects and the Flow Contribution described in Paragraph 1, "Purpose", this Funding Agreement shall be considered a preliminary agreement pursuant to section 15004, subdivision (b)(4) of Title 14 of the California Code of Regulations. Receipt of state funds by a LPS for any LPS Project, and approval of the Flow Contribution by each LPS that will be subject to it, are expressly conditioned upon compliance with CEQA, and this Funding Agreement shall not be construed to (a) bind or commit State or Funding Recipient to any specific LPS Project or the Flow Contribution prior to CEQA, (b) restrict any LPS (or other agency if serving as CEQA lead agency for a LPS Project) from considering any feasible mitigation measures and alternatives, including the "no project" alternative, or (c) restrict any LPS (or other agency if serving as CEQA lead agency for a LPS Project) from denying any LPS Project or the Flow Contribution.

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Project Administration by Funding Recipient

Task 1: Agreement Administration

The Funding Recipient will (1) enter into subagreements with LPSs for a subset of LPS Projects to be funded under this Funding Agreement, (2) respond to the State's reporting and compliance requirements associated with the grant administration, and (3) coordinate with the project managers responsible for implementing the LPS Projects contained in this agreement.

Task 2: Invoicing

The Funding Recipient will be responsible for compiling invoices for submittal to the State. This includes collecting invoice documentation from each of the Local Project Sponsors (LPS) and compiling the information.

Deliverables:

- Quarterly Invoices and associated backup documentation.

Task 3: Reporting

The Funding Recipient will be responsible for compiling progress reports for submittal to the State. The Grantee will coordinate with LPS staff to retain consultants as needed to prepare and submit progress reports and final project completion reports for each project, as well as the grant completion report.

Deliverables:

- Quarterly Progress Reports
- Final Project Completion Report
- Grant Completion Report
- Post-Performance Reports

LPS Project Implementation (by LPSs through subagreements with Funding Recipient)

The following are LPS Projects that may be eligible for funding under this Funding Agreement through subagreements with Funding Recipient. The projects are divided into two categories: Priority 1 Projects and Priority 2 Projects. Priority 1 Projects are projects that as the date of execution of this agreement LPSs intend to complete and for which they plan to seek reimbursement through this Funding Agreement. Priority 2 Projects are projects that are provided for in this agreement in the event that one or more Priority 1 Projects become unforeseeably infeasible or impracticable. If a Priority 1 Project becomes infeasible or impracticable, the Funding Recipient will work with the LPS to select a Priority 2 Project that can also fulfill the expectations of this Funding Agreement. In the event a Priority 1 Project is determined to be infeasible or impracticable, Funding Recipient and DWR shall mutually agree on a Priority 2 Project to replace the Priority 1 Project.

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Priority 1 Projects

Agency	Project Name
City of Roseville	ASR Well - Mistywood ASR Well - Campus Oaks
Sacramento County Water Agency	Elk Grove Automall Well Poppy Ridge Storage Tank
Sacramento Suburban Water District	Well 84 Antelope/Don Julio (ASR-equipped) Wells 81, 82, and 83 Antelope North/Poker
Carmichael Water District	Construct two ASR wells (Ladera and Winding Way)
City of Sacramento	Groundwater Wells - Capacity Enhancements Well 168
Golden State Water Company	Upgrade existing connection between GSWC with SCWA in the Cordova System (Mercantile and Foyer)
Citrus Heights Water District	ASR Well Equipping
Fair Oaks Water District	Northridge Replacement Well
Orange Vale Water Company	Well 4 or Well 5

Priority 2 Projects

Agency	Project Name
City of Roseville	ASR Well - Pleasant Grove ASR Well - Marlin Drive
Sacramento Suburban Water District	Well N35 Antelope North (Granular activated carbon treatment for PCE)
Carmichael Water District	Replace Garfield-San Juan-Lincoln transmission lines between two wells (includes intertie with CHWD) Backup power at existing well sites Intertie and pump station with SSWD
City of Sacramento	Florin Booster Pump Station Well 170 Well 171 Well 172 Groundwater Treatment at Wells (133,134,164, 166) Water Quality Sampling GW Power Reliability Project
Fair Oaks Water District	Fair Oaks Water District Regional Distribution Facility Carmichael Water District Interconnection Pipeline & Booster Facility Phoenix Park Well Project
Orange Vale Water Company	Well No. 4 or 5 Well No.3 Storage Tank Booster Pump Station

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Flow Contribution

The Flow Contribution in Paragraph 1, "Purpose," is subject to the following terms:

- If the State Water Resources Control Board does not approve or accept voluntary agreements based on the March 29, 2022 Memorandum Of Understanding Advancing A Term Sheet For The Voluntary Agreements To Update And Implement The Bay-Delta Water Quality Control Plan, And Other Related Actions (2022 MOU) until after May 1, 2025, then any American River water supplier's obligation to contribution to the Flow Contribution shall start on the January 1 following the State Board's approval or acceptance of voluntary agreements under that Memorandum of Understanding. This memorandum is herein referred to as the "2022 MOU."
- The parties support the proposed contribution and will request that the State Water Resource Control Board recognize the Flow Contribution as the American River water suppliers' contribution from groundwater-substitution operations toward any Bay-Delta water quality control plan amendments based on, or related to, the 2022 MOU, and as a beneficial use of the water right(s) being exercised by a party to provide its portion of the Flow Contribution. The parties recognize that implementation of the Flow Contribution will depend on the Bureau of Reclamation's operation of Folsom Dam and Reservoir and collectively will seek to coordinate with the Bureau of Reclamation as soon as possible.
- DWR may call an Annual Flow Contribution in no more than three critical or dry years during the eight years from and including 2025 and 2032. If the total of critical and dry years from and including 2025 and 2032 is fewer than three, then DWR may call one Annual Flow Contribution in a dry year from and including 2033 and 2036. DWR may not call an Annual Flow Contribution in a critical year after 2032. After 2036, the American River water suppliers shall have no obligation to make any Annual Flow Contribution under this Funding Agreement, unless the parties collectively agree to extend this Funding Agreement, as it may be modified. The time periods stated in this paragraph shall be shifted to later years, without change in their duration, based on the State Water Resources Control Board approving or accepting voluntary agreements based on the 2022 MOU after May 1, 2025 as stated elsewhere in this Funding Agreement.

The Flow Contribution is also subject to the following limitations concerning regulatory and other limits on groundwater substitution operations:

- If a regulatory or other action by the State of California, or one of its agencies, imposes or effects a constraint on the ability of one or more Local Project Sponsors so that they collectively cannot make the full volume of the Flow Contribution, the required amount of the Flow Contribution, and each Annual Flow Contribution, will be reduced consistent with the scope of that constraint, as documented by the Funding Recipient.
- If the Funding Recipient, or one or more Local Project Sponsors, are unable to make an Annual Flow Contribution due to reasons beyond their control, including the Bureau of Reclamation's operation of Folsom Dam and Reservoir, the Funding Recipient, Local Project Sponsors, and DWR will meet and confer regarding potential adjustments in the Flow Contribution commitment. The parties acknowledge that the Local Project Sponsors pump groundwater from basins that are subject to the Sustainable Groundwater Management Act (Water Code § 10720 et seq.) and regulatory actions taken under that act could limit those

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Local Project Sponsors' ability to make the Flow Contribution and any Annual Flow Contribution. The parties would address any such limits through meet-and-confer discussions as described above.

- This section applies to an American River water supplier's obligation to participate in making any part of the Flow Contribution, and any part of any Annual Flow Contribution, whether required during those Contributions' initial 2025-2032 term, during a dry year in the 2032-2036 period or during any shift of any of those terms to a later period as provided elsewhere in this Funding Agreement.

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EXHIBIT B

BUDGET

Project Administration by Funding Recipient

Project administration by the Funding Recipient shall not exceed \$1,100,000 of the Funding Agreement award, which is approximately 2% of the total funded amount. The table below outlines the estimate of administrative costs:

Project Management Tasks	Staff	FY 2023/2024				FY 2024/2025				FY 2025/2026			
		Hrs	Rate	Total	Assumptions	Hrs	Rate	Total	Assumptions	Hrs	Rate	Total	Assumptions
Finalize Grant Agreement with DWR (includes update of scope, schedule, budget)	Mgr of Strategic Services	48	160.48	\$ 7,703			168.50	\$ -			176.93	\$ -	
	Finance Manager	24	118.96	\$ 2,855			124.91	\$ -			131.15	\$ -	
	Senior Project Manager	0	120.68	\$ -			126.71	\$ -			133.05	\$ -	
	Project Research Asst.	8	72.88	\$ 583			76.52	\$ -			80.35	\$ -	
Grant Agreement Support to Grant Recipients (includes modification requests)	Mgr of Strategic Services	120	160.48	\$ 19,258	10 hr/month	120	168.50	\$ 20,220	10 hr/month	96	176.93	\$ 16,985	8 hr/month
	Finance Manager	240	118.96	\$ 28,550	20 hr/month	240	124.91	\$ 29,978	20 hr/month	120	131.15	\$ 15,738	10 hr/month
	Senior Project Manager	60	120.68	\$ 7,241	5 hr/month	60	126.71	\$ 7,603	5 hr/month	60	133.05	\$ 7,983	5 hr/month
	Project Research Asst.	24	72.88	\$ 1,749	2 hr/month	24	76.52	\$ 1,837	2 hr/month	24	80.35	\$ 1,928	2 hr/month
Conduct and Document Grant Recipient Meetings (up to 4 meetings)	Mgr of Strategic Services	8	160.48	\$ 1,284	2 hr/mtg	8	168.50	\$ 1,348	2 hr/mtg	8	176.93	\$ 1,415	2 hr/mtg
	Finance Manager	96	118.96	\$ 11,420	8 hr/mtg	96	124.91	\$ 11,991	8 hr/mtg	96	131.15	\$ 12,591	8 hr/mtg
	Senior Project Manager	16	120.68	\$ 1,931	4 hr/mtg	16	126.71	\$ 2,027	4 hr/mtg	16	133.05	\$ 2,129	4 hr/mtg
	Project Research Asst.	16	72.88	\$ 1,166	4 hr/mtg	16	76.52	\$ 1,224	4 hr/mtg	16	80.35	\$ 1,286	4 hr/mtg
Compile and Submit Requirements for Disbursement for Projects (includes Performance Monitoring Plan)	Mgr of Strategic Services	4	160.48	\$ 642		4	168.50	\$ 674		4	176.93	\$ 708	
	Finance Manager	198	118.96	\$ 23,554	6 hr/project	198	124.91	\$ 24,732	6 hr/project	198	131.15	\$ 25,968	6 hr/project
	Senior Project Manager	99	120.68	\$ 11,947	3 hr/project	99	126.71	\$ 12,645	3 hr/project	99	133.05	\$ 13,172	3 hr/project
	Project Research Asst.	33	72.88	\$ 2,405	1 hr/project	33	76.52	\$ 2,525	1 hr/project	33	80.35	\$ 2,652	1 hr/project
Prepare Invoices for Grant Reimbursement to DWR (up to 20 total) (4 per year)	Mgr of Strategic Services	4	160.48	\$ 642	1 hr/invoice	4	168.50	\$ 674	1 hr/invoice	4	176.93	\$ 708	1 hr/invoice
	Finance Manager	48	118.96	\$ 5,710	12 hr/invoice	96	124.91	\$ 11,991	12 hr/invoice	96	131.15	\$ 12,591	12 hr/invoice
	Senior Project Manager		120.68	\$ -			126.71	\$ -			133.05	\$ -	
	Project Research Asst.		72.88	\$ -			65.20	\$ -			65.20	\$ -	
Prepare Quarter Reports to DWR (up to 14)	Mgr of Strategic Services	16	160.48	\$ 2,568	4 hr/report	16	168.50	\$ 2,696	4 hr/report	16	176.93	\$ 2,831	4 hr/report
	Finance Manager	96	118.96	\$ 11,420	24 hr/report	96	124.91	\$ 11,991	24 hr/report	96	131.15	\$ 12,591	24 hr/report
	Senior Project Manager	8	120.68	\$ 965	2 hr/report	8	126.68	\$ 965	2 hr/report	8	126.68	\$ 965	2 hr/report
	Project Research Asst.		72.88	\$ -		100	65.20	\$ 6,520		100	65.20	\$ 6,520	
Prepare Project Completion Reports (33 projects)	Mgr of Strategic Services		160.48	\$ -	1 hr/project		168.50	\$ -	1 hr/project	33	176.93	\$ 5,839	1 hr/project
	Finance Manager		118.96	\$ -	4 hr/project		124.91	\$ -	4 hr/project	132	131.15	\$ 17,312	4 hr/project
	Senior Project Manager		120.68	\$ -	1 hr/project		126.71	\$ -	1 hr/project	33	133.05	\$ 4,391	1 hr/project
	Project Research Asst.		72.88	\$ -			76.52	\$ -		40	80.35	\$ 3,214	
Prepare Grant Completion Report	Mgr of Strategic Services		160.48	\$ -			168.50	\$ -		40	176.93	\$ 7,077	
	Finance Manager		118.96	\$ -			124.91	\$ -		240	131.15	\$ 31,477	
	Senior Project Manager		120.68	\$ -			126.71	\$ -		16	133.05	\$ 2,129	
	Project Research Asst.		72.88	\$ -			76.52	\$ -		8	80.35	\$ 643	
Coordination Meetings with DWR (up to 6 meetings)	Mgr of Strategic Services	12	166.58	\$ 1,999	2 hr./mtg	12	174.91	\$ 2,099	2 hr./mtg	12	183.65	\$ 2,204	2 hr./mtg
	Finance Manager	24			4 hr./mtg	24			4 hr./mtg	24			4 hr./mtg
	Senior Project Manager	12	120.68	\$ 1,448	2 hr./mtg	12	126.71	\$ 1,521	2 hr./mtg	12	133.05	\$ 1,597	2 hr./mtg
	Project Research Asst.		72.88	\$ -			76.52	\$ -			80.35	\$ -	
Legal Support - Agreement Review and Amendments				\$ 10,000				\$ 5,000				\$ 5,000	
Consultant Support for Grant Administration	Consultant			\$ 100,000	(annual estimate)			\$ 130,000	(annual estimate)			\$ 150,000	(annual estimate)
Total RWA Project Management		1214		\$ 257,041		1282		\$ 290,162		1680		\$ 369,642	
													Contingency 20%
													\$ 183,369
													Total
													\$ 1,100,214

LPS Project Implementation

(Priority 1 Projects Budget Table Below)

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Priority 1 Projects:

Agency	Project Name	Total Project Cost	Eligible Project Cost (Estimated)
City of Roseville	ASR Well - Mistywood	\$ 9,600,000	
	ASR Well - Campus Oaks	\$ 9,600,000	\$ 8,010,000
Sacramento County Water Agency	Elk Grove Automall Well	\$ 6,000,000	
	Poppy Ridge Storage Tank	\$ 8,265,000	\$ 4,960,000
Sacramento Suburban Water District	Well 84 Antelope/Don Julio (ASR-equipped)	\$ 14,400,000	
	Wells 81, 82, and 83 Antelope North/Poker	\$ 8,200,000	\$ 18,840,000
Carmichael Water District	Construct two ASR wells (Ladera and Winding Way)	\$ 12,000,000	\$ 6,830,000
City of Sacramento	Groundwater Wells - Capacity Enhancement	\$ 3,000,000	
	Well 168	\$ 8,000,000	\$ 7,060,000
Golden State Water Company	Upgrade existing connection between GSWC with SCWA in the Cordova System (Mercantile and Foyer)	\$ 1,600,000	\$ 1,370,000
Citrus Heights Water District	ASR Well Equipping	\$ 4,500,000	\$ 3,530,000
Fair Oaks Water District	Northridge Replacement Well	\$ 3,200,000	\$ 2,470,000
Orange Vale Water Company	Well 4 or Well 5	\$ 2,800,000	\$ 830,000
Grant Administration (2%)			\$ 1,100,000
Total Priority 1 Projects:		\$ 87,329,000	\$ 55,000,000

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EXHIBIT C
SCHEDULE

Funding Agreement Administration

CATEGORY	START DATE	END DATE
Project Administration	Date of Agreement Execution	3/31/2026

LPS Project Implementation

CATEGORY	START DATE	END DATE
LPS Project Implementation	Date of Agreement Execution	12/31/2025

The Project shall be complete with all Eligible Project Costs incurred no later than December 31, 2025.

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Exhibit D**STANDARD CONDITIONS****D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Funding Recipient 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. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a separate account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** Funding Recipient shall remit to State any unexpended funds that were disbursed to Funding Recipient under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Funding Recipient of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2. **ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** Funding Recipient shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Budget Act of 2021 and the FY 2021-22 Budget Trailer Bill Assembly Bill 211 and through an agreement with the State Department of Water Resources." The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. **AMENDMENT:** This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Funding Recipient for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.

D.4. **AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, Funding Recipient 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 Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final

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audit to State's specifications, at Funding Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests. The Funding Recipient agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Funding Recipient shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Funding Recipient or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Funding Recipient or to furnish any other considerations under this Funding Agreement and Funding Recipient shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Funding Recipient with a right of priority for payment over any other Funding Recipient. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State, or offer a Funding Agreement amendment to Funding Recipient to reflect the reduced amount.
- D.7. CEQA: Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement will not be reimbursed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document will not be reimbursed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to reimbursing any work for which it is required. If CEQA compliance by the Funding Recipient is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to any Project that receives funds under this agreement.
- D.8. CHILD SUPPORT COMPLIANCE ACT: The Funding Recipient acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Funding Recipient recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Funding Recipient, 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.

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- D.9. **CLAIMS DISPUTE:** Any claim that the Funding Recipient may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Funding Recipient's knowledge of the claim. State and Funding Recipient shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10. **COMPETITIVE BIDDING AND PROCUREMENTS:** Funding Recipient's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Funding Recipient does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.11. **COMPUTER SOFTWARE:** Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.12. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- C. **Employees of the Funding Recipient:** Employees of the Funding Recipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
- D. **Employees and Consultants to the Funding Recipient:** Individuals working on behalf of a Funding Recipient may be required by the Department to file a Statement of Economic

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Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

- D.13. DELIVERY OF INFORMATION, REPORTS, AND DATA: Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. DISPOSITION OF EQUIPMENT: Funding Recipient shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Funding Recipient, 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 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Funding Recipient's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i. Will receive a copy of Funding Recipient's drug-free policy statement, and
 - ii. Will agree to abide by terms of Funding Recipient's condition of employment, contract, or subcontract.
- D.16. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, Funding Recipient 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.
- D.17. FUNDING RECIPIENT'S RESPONSIBILITIES: Funding Recipient and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).

Agreement [#]

- B. Accept and agree 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 Funding Recipient in the application, documents, amendments, and communications filed in support of its request for funding.
 - C. Comply with all applicable California, federal, and local laws, and regulations.
 - D. Implement the Project in accordance with applicable provisions of the law.
 - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
 - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Funding Recipient shall provide copies of permits and approvals to State.
 - G. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Agreement.
 - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Funding Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Funding Recipient and any other entity concerning responsibility for performance of work.
- D.18. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.19. INDEMNIFICATION: Funding Recipient shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Funding Recipient shall require its contractors or subcontractors to name the State, its officers, agents, and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.20. INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.21. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.

Agreement [#]

- D.22. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.23. LABOR CODE COMPLIANCE: The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Funding Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Funding Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.24. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.25. NONDISCRIMINATION: During the performance of this Funding Agreement, Funding Recipient and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, gender identity, and denial of medical and family care leave or pregnancy disability leave. Funding Recipient and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Funding Recipient and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference. Funding Recipient and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.
- D.26. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

Agreement [#]

- D.27. PERFORMANCE BOND: Where contractors are used, the Funding Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Funding Recipient in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Civ. Code, § 9550, et seq.; Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.28. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.29. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Funding Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Funding Recipient's service of water, without prior permission of State. Funding Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Funding Recipient meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.30. PROJECT ACCESS: The Funding Recipient shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.31. REMAINING BALANCE: In the event the Funding Recipient does not submit invoices requesting all the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The State will notify the Funding Recipient stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.
- D.32. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.33. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Funding Recipient for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Funding Recipient will be promptly disbursed to the Funding Recipient, without interest, upon completion of the Project.
- D.34. RIGHTS IN DATA: Funding Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 7920.000 et seq.) Funding Recipient 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 State for financial support. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

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- D.35. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.36. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Funding Recipient, its contractors, or subcontractors have made a false certification, or
 - B. Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.37. 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 Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.38. TERMINATION BY FUNDING RECIPIENT: Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date.
- D.39. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 11, the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 11.
- D.40. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.41. TRAVEL: Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources for excluded employees. These rates may be found at: <https://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.
- D.42. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.43. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.44. UNION ORGANIZING: Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.

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- B. Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. Funding Recipient shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.
- D.45. VENUE: The State and the Funding Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.46. 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 here to 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.

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EXHIBIT E

AUTHORIZATION FOR EXECUTIVE DIRECTOR TO SIGN

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Agreement [#]



**RWA Special Executive Committee Meeting
 Record of Minute Order
 June 30, 2023**

CALL TO ORDER

Vice Chair Ewart called the special meeting of the Executive Committee to order on June 30, 2023, at 1:30 p.m. at 5620 Birdcage Street, Suite 110, Citrus Heights, CA 95610. A quorum was established of 6 participating members present in person. Individuals who were present are listed below:

RWA Executive Committee Members

S. Audie Foster, CA American Water
 Caryl Sheehan, Citrus Heights Water District
 Sean Bigley, City of Roseville
 Brett Ewart, City of Sacramento
 William Roberts, City of West Sacramento
 Michael Saunders, Georgetown Divide Public Utilities District

Agenda Item 5: Early Implementation Voluntary Agreement Funding for Groundwater Infrastructure.

Motion: Sean Bigley, City of Roseville, Approve the Funding Agreement with DWR and authorize the RWA Executive Director or his delegate to execute the final Funding Agreement.

Second: William Roberts, City of West Sacramento.

Votes: Yes – 6 S. Audie Foster, California American Water; Caryl Sheehan, Citrus Heights Water District; Sean Bigley, City of Roseville; Brett Ewart, City of Sacramento; William Roberts, City of West Sacramento; and Michael Saunders, Georgetown Divide Public Utilities District

Noes – 0

Abstain – 0

Absent – 3 Anthony Firenzi, Placer County Water Agency; Ron Greenwood, Carmichael Water District; and Bruce Kamilos, Elk Grove Water District

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ADJOURNMENT

With no further business to come before the Committee, Vice Chair Ewart adjourned the meeting at 2:10 p.m.

By: 
Brett Ewart, Vice Chair

Attest: 
Ashley Flores, CMC, Secretary

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EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

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

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each Project, discuss the following at the task level:

- Percent complete (by work)
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Meetings held or attended.
- Scheduling concerns and issues encountered that may delay completion of the task.

For each Project, discuss the following at the Project level:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Budget projections for grant share for the next year.
- Any schedule or budget modifications approved by DWR during the reporting period.

PROJECT COMPLETION REPORT

The Project Completion Report shall generally use the following format provided below for each project after completion.

Executive Summary

The Executive Summary should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- List any official amendments to this Grant Agreement, with a short description of the amendment.

Reports and/or Products

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

- A copy of any final technical report or study, produced for or utilized in this Project.
- Electronic copies of any data collected, not previously submitted.

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- Discussion of problems that occurred during the work and how those problems were resolved.
- Final project schedule showing actual progress versus planned progress.

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

- Record drawings
- Final geodetic survey information
- Project photos

Cost & Disposition of Funds

A list showing:

- Summary of Project costs including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original Project cost estimate.

Additional Information

- Benefits derived from the Project, with a discussion of such benefits provided, including anticipated capacity made available and added flexibility to the American River regional water supply.

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 funded by this Grant Agreement, and includes the following:

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

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POST-PERFORMANCE REPORT

The Post-Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance; whether the project is being operated and maintained and providing intended benefits as proposed. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

Reports and/or Products

- Header including the following:
 - Grantee Name
 - Implementing Agency (if different from Grantee)
 - Grant Agreement Number
 - Project Name
 - Funding grant source
 - Report number
- Post-Performance Report schedule
- Time period of the annual report
- Project Description Summary
- Discussion of the project benefits, including performance of operational groundwater infrastructure.
- Discussion of challenges in providing the replenishment of flows to the American River for releases made at Folsom Reservoir from the American River region's enhanced facilities (e.g., Bureau of Reclamation not releasing flows out of Folsom Reservoir, changed hydrologic conditions, etc.).
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced, etc.).
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
Any additional information relevant to or generated by the continued operation of the project.

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Exhibit G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

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

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: https://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Funding Recipient can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml.

Groundwater Level Data

For each project that collects groundwater level data, Funding Recipient 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://www.water.ca.gov/waterdatalibrary/>.

In the near future, DWR's WDL will be replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Once this Program comes online Funding Recipient will then submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

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Exhibit H**STATE AUDIT DOCUMENT REQUIREMENTS AND
FUNDING MATCH GUIDELINES FOR FUNDING RECIPIENTS**

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

State Audit Document RequirementsInternal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State 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 the State funded Program/Project.

State Funding:

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

Contracts:

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

Invoices:

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1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Funding Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests, and related Funding Agreement budget line items.
3. Reimbursement requests submitted to the State for the 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 the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

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

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Exhibit I**LOCAL PROJECT SPONSORS, AGENCY DESIGNATIONS, AND PROJECT LOCATIONS**

The Funding Recipient has assigned, for each project, a Local Project Sponsor (LPS). LPSs may act on behalf of the Funding Recipient for the purposes of individual project management, oversight, compliance, and operations and maintenance. LPSs are identified for each sponsored Project below. All projects listed here are Priority 1 Projects.

Local Project Sponsor Agency Designation**Sponsored Project:** Mistywood Aquifer Storage and Recovery (ASR) Well**Sponsor Agency:** City of Roseville**Agency Address:** 2005 Hilltop Circle
Roseville, CA 95747**Project Location:** Lat: 38.771294; Long: -121.31834**Sponsored Project:** Campus Oaks ASR Well**Sponsor Agency:** City of Roseville**Agency Address:** 2005 Hilltop Circle
Roseville, CA 95747**Project Location:** Lat: 38.791801; Long: -121.321859**Sponsored Project:** Elk Grove Automall Well**Sponsor Agency:** Sacramento County Water Agency**Agency Address:** 827 7th Street, Room 301
Sacramento, CA 95814**Project Location:** 38°24'07.8"N 121° 23'24.9"W

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Sponsored Project: Poppy Ridge Storage Tank

Sponsor Agency: Sacramento County Water Agency

Agency Address: 827 7th Street, Room 301
Sacramento, CA 95814

Project Location: 38°23'24.2"N 121°24'53.9"W

Sponsored Project: Well 84 – Antelope/Don Juilo (ASR-equipped)

Sponsor Agency: Sacramento Suburban Water District

Agency Address: 3701 Marconi #100
Sacramento, CA 95821

Project Location: Lat. 38d 42m 29s N, Long. 121d 19m 53s W

Sponsored Project: Wells 81, 82, and 83 – Antelope/North Poker

Sponsor Agency: Sacramento Suburban Water District

Agency Address: 3701 Marconi #100
Sacramento, CA 95821

Project Location: Lat 38d 42m 14s N, Lon 121d 20m 43s W

Sponsored Project: Ladera and Winding Way ASR Wells

Sponsor Agency: Carmichael Water District

Agency Address: 7837 Fair Oaks Boulevard
Carmichael, CA 95608

Project Location: Ladera: 4501 Ladera Way (38.645436, -121.298551).
Winding Way: 4513 Charleston Dr (38.645519, -121.306841)

Sponsored Project: Groundwater Well Capacity Enhancements

Sponsor Agency: City of Sacramento

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Agency Address: 1395 35th Avenue
Sacramento, CA 95822

Project Location: Sites under consideration include:

38°39'4.32"N, 121°28'10.26"W
38°38'50.88"N, 121°27'33.40"W
38°36'43.54"N, 121°28'47.11"W
38°35'48.98"N, 121°27'32.57"W
38°35'46.81"N, 121°25'38.60"W
38°33'19.01"N, 121°25'0.89"W
38°27'11.26"N, 121°24'52.51"W

Sponsored Project: Well 168

Sponsor Agency: City of Sacramento

Agency Address: 1395 35th Avenue
Sacramento, CA 95822

Project Location: 38°38'56.54"N, 121°26'54.10"W

Sponsored Project: Upgrade of Existing Connection Between Golden State Water Company with Sacramento County Water Agency in the Cordova System (Mercantile and Foyer)

Sponsor Agency: Golden State Water Company

Agency Address: 3005 Gold Canal Drive
Rancho Cordova, CA 95670

Project Location: Mercantile: Lat. 38.601016, Long. -121.261133; Femoyer: Lat. 38.574722, Long. -121.291418

Sponsored Project: ASR Well Equipping

Sponsor Agency: Citrus Heights Water District

Agency Address: 6230 Sylvan Road
Citrus Heights, CA 95610

Project Location: 7725 Highland Avenue, Citrus Heights, CA 95610

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Sponsored Project: Northridge Well Replacement

Sponsor Agency: Fair Oaks Water District

Agency Address: 10326 Fair Oaks Boulevard
Fair Oaks, CA 95628

Project Location: 38.659635609867514, -121.25559110698903

Sponsored Project: Well 4 or Well 5

Sponsor Agency: Orange Vale Water Company

Agency Address: 9031 Central Avenue
Orangevale, CA 95662


Certificate Of Completion

Envelope Id: 74D1782CCFAC42C484DE39F50778E6CF	Status: Completed
Subject: Complete with DocuSign: American River RWA-DWR Final Docusign .pdf	
FormID:	
Optional 1:	
Source Envelope:	
Document Pages: 40	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Michelle Jesperson
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	715 P Street
	Sacramento, CA 95814
	Michelle.Jesperson@water.ca.gov
	IP Address: 73.241.139.59


Record Tracking

Status: Original	Holder: Michelle Jesperson	Location: DocuSign
7/21/2023 1:30:00 PM	Michelle.Jesperson@water.ca.gov	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: Department of Water Resources	Location: DocuSign


Signer Events

Signer Events	Signature	Timestamp
Trevor Joseph tjoseph@rwah2o.org Security Level: Email, Account Authentication (None)	 Signature Adoption: Pre-selected Style Using IP Address: 98.255.110.163	Sent: 7/21/2023 1:44:16 PM Viewed: 7/21/2023 1:50:03 PM Signed: 7/21/2023 1:57:36 PM

Electronic Record and Signature Disclosure:
Accepted: 7/21/2023 1:50:03 PM
ID: 45c762a1-3dd7-4632-9750-e0dfe8e8258a

Robin Brewer Robin.Brewer@water.ca.gov Assistant General Counsel Security Level: Email, Account Authentication (None)	 Signature Adoption: Drawn on Device Using IP Address: 172.56.232.204 Signed using mobile	Sent: 7/21/2023 1:57:38 PM Viewed: 7/21/2023 1:59:57 PM Signed: 7/21/2023 2:00:07 PM
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Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Steve Rothert Steve.Rothert@water.ca.gov Manager, DMI Department of Water Resources Security Level: Email, Account Authentication (None)	 Signature Adoption: Pre-selected Style Using IP Address: 98.97.56.66 Signed using mobile	Sent: 7/21/2023 2:00:10 PM Viewed: 7/21/2023 3:48:42 PM Signed: 7/21/2023 3:48:59 PM
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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<p>Michelle Jesperson michelle.jesperson@water.ca.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; width: fit-content; margin: 0 auto;"> COPIED </div>	<p>Sent: 7/21/2023 3:49:01 PM Resent: 7/21/2023 3:49:07 PM</p>
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<p>Michelle Banonis mbanonis@rwah2o.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; width: fit-content; margin: 0 auto;"> COPIED </div>	<p>Sent: 7/21/2023 3:49:02 PM Viewed: 7/21/2023 4:38:00 PM</p>
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<p>Brian Fuller Brian.Fuller@water.ca.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<div style="border: 2px solid blue; padding: 5px; width: fit-content; margin: 0 auto;"> COPIED </div>	<p>Sent: 7/21/2023 3:49:03 PM</p>
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<p>Jim Peifer jpeifer@rwah2o.ORG Executive Director Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 4/25/2023 1:08:51 PM ID: 4703b52e-5a52-414b-bb7f-6a5e7d87f089</p>	<div style="border: 2px solid blue; padding: 5px; width: fit-content; margin: 0 auto;"> COPIED </div>	<p>Sent: 7/21/2023 3:49:04 PM</p>
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	7/21/2023 3:48:59 PM
Completed	Security Checked	7/21/2023 3:49:04 PM

Payment Events	Status	Timestamps
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Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account

Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> • Allow per session cookies • Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

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EXHIBIT 3

RWA COST ESTIMATE – PROJECT ADMINISTRATION

Project administration by RWA shall not exceed \$1,100,000 of the Funding Agreement award, which is approximately 2% of the total funded amount. The table below outlines the estimate of administrative costs.

Project Management Tasks	Staff	FY 2023/2024			FY 2024/2025			FY 2025/2026		
		Hrs	Rate	Total	Hrs	Rate	Total	Hrs	Rate	Total
Finalize Grant Agreement with DWR (includes update of scope, schedule, budget)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	48 24 0 8	160.48 118.96 120.68 72.88	\$ 7,703 \$ 2,855 -\$ \$ 583	- - - -	168.50 124.91 126.71 76.52	\$ - \$ - \$ - \$ -	- - - -	176.93 131.15 133.05 80.35	\$ - \$ - \$ - \$ -
Grant Agreement Support to Grant Recipients (includes modification requests)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	120 240 60 24	160.48 118.96 120.68 72.88	\$ 19,258 \$ 28,500 \$ 7,241 \$ 1,749	10 hr/month 20 hr/month 5 hr/month 2 hr/month	20,220 29,978 7,603 1,837	\$ 20,220 \$ 29,978 \$ 7,603 \$ 1,837	96 120 60 24	176.93 131.15 133.05 80.35	\$ 16,985 \$ 15,738 \$ 7,983 \$ 1,928
Conduct and Document Grant Recipient Meetings (up to 4 meetings)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	8 96 16 16	160.48 118.96 120.68 72.88	\$ 1,284 \$ 11,420 \$ 1,931 \$ 1,166	2 hr/mtg 8 hr/mtg 4 hr/mtg 4 hr/mtg	1,348 11,991 2,027 1,224	\$ 1,348 \$ 11,991 \$ 2,027 \$ 1,224	8 96 16 16	176.93 131.15 133.05 80.35	\$ 1,415 \$ 12,591 \$ 2,129 \$ 1,286
Compile and Submit Requirements for Disbursement for Projects (includes Performance Monitoring Plan)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	4 168 96 33	160.48 118.96 120.68 72.88	\$ 642 \$ 23,554 \$ 11,947 \$ 2,465	6 hr/project 6 hr/project 3 hr/project 1 hr/project	674 24,732 12,545 2,525	\$ 674 \$ 24,732 \$ 12,545 \$ 2,525	4 196 96 33	176.93 131.15 133.05 80.35	\$ 708 \$ 25,968 \$ 13,172 \$ 2,652
Prepare Invoices for Grant Reimbursement to DWR (up to 20 total) (4 per Year)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	4 48 120 8	160.48 118.96 120.68 72.88	\$ 642 \$ 5,710 \$ - \$ -	1 hr/invoice 12 hr/invoice -	674 11,991 -	\$ 674 \$ 11,991 \$ -	4 96 -	176.93 131.15 -	\$ 708 \$ 12,591 \$ -
Prepare Quarter Reports to DWR (up to 14)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	16 96 8 100	160.48 118.96 120.68 72.88	\$ 2,568 \$ 11,400 \$ 965 \$ -	4 hr/report 24 hr/report 2 hr/report -	2,696 11,991 965 6,520	\$ 2,696 \$ 11,991 \$ 965 \$ 6,520	16 96 8 100	176.93 131.15 120.68 65.20	\$ 2,831 \$ 12,591 \$ 965 \$ 6,520
Prepare Project Completion Reports (83 projects)	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	160 118 120 72	160.48 118.96 120.68 72.88	\$ - \$ - \$ - \$ -	1 hr/project 4 hr/project 1 hr/project -	- - - -	\$ - \$ - \$ - \$ -	33 132 33 40	176.93 131.15 133.05 80.35	\$ 5,859 \$ 17,312 \$ 4,391 \$ 3,214
Prepare Grant Completion Report	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	160 118 120 72	160.48 118.96 120.68 72.88	\$ - \$ - \$ - \$ -	- -	- -	\$ - \$ -	40 240 16 8	176.93 131.15 133.05 80.35	\$ 7,077 \$ 31,477 \$ 2,129 \$ 643
Coordination Meetings with DWR (up to 6 meetings)	Mgr of Strategic Services Finance Manager	12 24	166.56 118.96	\$ 1,999 \$ -	2 hr/mtg 4 hr/mtg	2,099 4	\$ 2,099 \$ -	12 24	183.65 131.15	\$ 2,204 \$ 3,147
Legal Support - Agreement Review and Amendments	Mgr of Strategic Services Finance Manager Senior Project Manager Project Research Asst.	12 12 12	166.56 118.96 120.68	\$ 1,999 \$ - \$ -	2 hr/mtg 2 hr/mtg	1,521 -	\$ 1,521 \$ -	12	183.65	\$ 1,997
Consultant Support for Grant Administration	Consultant	1214	100.00	\$ 10,000	(annual estimate)	130,000	\$ 130,000	1680	150.00	\$ 257,041
Total RWA Project Management				\$ 257,041		\$ 290,162				\$ 369,642
										\$ 916,845
										\$ 183,369
										\$ 1,100,214

EXHIBIT 4

Schedule for Making Outflow From Groundwater Substitution Available for the Lower American River

Actions to occur in up to three D or C years out of eight years, or one additional D year in the following three years if there are not three D or C years in the initial eight-year period

	Reclamation/State Actions Related to Tributary Actions	American River-Specific Actions			
February	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Mid-February: Initial CVP Allocations </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>Early February (every year):</u> Participants convene to determine readiness. </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>Mid-February (every year):</u> Reclamation and Participants convene the ORG for scenario and risk planning. </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>End of February (every year):</u> ORG makes recommendation on whether outflows will be provided in the current water year. </div>	
March	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> March: Initial Release of B-120 </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>By March 15:</u> Participants to provide a Replenishment Schedule to define quantities and timing of payback, including whether replenishment is expected to pass through Folsom Reservoir or occur in the Lower American River. </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>March – April:</u> Release of 30 TAF of outflow through Folsom or to the Lower American River through replenishment in 3 D or C years. </div>		
April	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> April: B-120 Update </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Late March/Early April: CVP Allocation Updates </div>			
May		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Reclamation to share with Participants actual volumes of outflows released from Folsom. </div>			
June					
July					
August					
September		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> March – March (or ending sooner if replenishment is completed sooner): Master Flow Ledger (MFL) accounting based on reporting of groundwater replenishment. </div>			
October					
November					
December					
January		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>First week of January:</u> ORG to convene to "true up" replenished outflow to date. </div>			
February		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <u>By February 1:</u> Preparation and completion of an Annual Flow Accounting Report (AFAR) </div>			

Attachment B

Project Summary

Project Summary

Project Title	GSWC-Sacramento County Water Agency Connection Upgrades GSWC-SCWA interconnections at Femoyer St. and Mercantile Dr.	
Region/District	Region I	Northern
Customer Service Area		Arden-Cordova
Water Distribution System		Cordova

Project Need

Golden State Water Company (GSWC) has two interconnections with the Sacramento County Water Agency (SCWA) in the Cordova System: (1) at Femoyer Street, SCWA can deliver water to GSWC, and (2) at Mercantile Drive GSWC delivers water to SCWA. Since the baseline water pressure in GSWC's system is lower than that of SCWA, the former needs to reduce the pressure of the water it receives from SCWA, and the latter needs to boost the pressure of the water it receives from GSWC. This project is for the upgrading of the two interconnections so that they can each deliver water in both directions.

Femoyer Interconnection: Officially located at 10593 Peter A. McCuen Blvd. in Mather, but accessed via Femoyer Street, this interconnection is currently suited for emergency use. The basic elements include isolation valves for either Water Agency and an above ground valve actuator that indicates whether the valve is open or closed. This site is relatively primitive in that there is no meter, pressure reducing valve, control and communication equipment, power supply or above ground facilities. Without a pressure reducing valve, the pressure from SCWA is reduced by partially closing one of the isolation valves. This is effective as long as there is a constant demand for water in the GSWC system. Theoretically, if the demand in GSWC's system were to drop to zero, the pressure in GSWC's system would slowly increase until it matched the pressure in SCWA's system with potential negative repercussions.

Mercantile Interconnection: Located at 2571 Mercantile Drive in Rancho Cordova, the Mercantile Interconnection takes water from GSWC's Cordova System and delivers it to SCWA's booster station. The basic elements include isolation valves for either Water Agency, a backflow device, water meter, booster station, power supply, control and communication system and a secure enclosure. In general, this interconnection is highly developed with sensors, instrumentation and automation. The elements of this site are above ground and easily accessible. This interconnection is prepared for regular use.

Project Description

The two current sites will be modified and/or developed to allow for the delivery of water to either system. The Mercantile site will be relatively easy to convert. However, the Femoyer site will entail a more extensive upgrade.

Femoyer Interconnection Upgrade: This site will need extensive work to enable the flow of water between the two systems. The resulting project will be like one of GSWC's smaller booster stations, with isolation valves for each system, a two-pump booster plant with a pressure reducing manifold, two meters (one each flow direction, one on the booster discharge and one on the pressure reducing manifold), instrumentation, programmable logic controller and radio to both agencies (one agency will take the lead in controlling the station and the other will have full monitoring capabilities), power supply from SMUD, and a secured enclosure.

Mercantile Interconnection Upgrade: Due to its highly developed nature, fewer upgrades will be needed at this site. The proposed work includes removal of the backflow device and installation of a manifold to bypass the booster station, a pressure reducing valve and a meter on the bypass, and a communication system for GSWC to monitor the station.

Project Benefits

By upgrading the two interconnection facilities, GSWC and SCWA will enhance their respective system's reliability and allow water transfers to meet DWR obligations. In addition, the region will gain better resource flexibility by allowing water to wheel through either water system.