



**AGENDA**

February 11, 2020  
10:00 a.m.

**Call to Order**

**Pledge of Allegiance**

**Roll Call of Board Members**

Janice Kwiatkowski, President  
Nancy Mora, Vice President  
John Armstrong, Director  
Spencer Edwards, Director  
Robert Swan, Director

**1. Approve Order of Agenda**

**2. Public Comment**

Members of the public are appreciated for taking the time to attend this meeting and provide comments on matters of District business. Public comments are subject to a 3-minute time limit; 10 minutes on an individual topic. Although no action can be taken on items not listed on the agenda, please know we are listening carefully to your comments.

**3. Information Items**

Brief reports may be provided by District staff and/or Board members as information on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future agenda. Public comments will be taken after each report is provided.

**A. Staff Reports**

- i. Fire Department Report
- ii. General Manager's Report
- iii. Operations Manager's Report
- iv. Administrative Services Manager's Report

**B. Community Relations Consultant's Report**

**4. Consent Calendar**

Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items be set aside for separate discussion.

- A. Approve Minutes from the January 7, 2020 Special Meeting
- B. Approve Minutes from the January 28, 2020 Special Meeting
- C. Accept January 2020 Payables
- D. Adoption of a Resolution Approving a Memorandum of Understanding Between the District, County of Tuolumne and Jamestown Fire Protection District, Authorizing Application to the 2019 Assistance to Firefighters Grant Program (AFG) to Upgrade Mobile and Handheld Radios
- E. Adoption of a Resolution Approving the Nomination of Peter J. Kampa as a candidate for CSDA Board of Directors 2021 – 2023.
- F. Waive Reading of Ordinances and Resolutions Except by Title

## 5. Old Business

(Items tabled or carried forward from a previous meeting to be considered on this agenda)

- A. Review of Financial Report tabled from the January 28, 2020 Workshop

## 6. Discussion and Action Items

The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

- A. Review of Leon Rose Ballfield Repair/Renovation Plan and Schedule, Planned Volunteer Workdays and Authorize the Opening of the Field for use by Tioga High School for the 2020 Softball Season
- B. **10:30AM APPOINTMENT:** The Board will arrange the meeting schedule to start this agenda item as close to the scheduled time as possible.
  - i. Presentation by the Community Emergency Response Team (CERT) Program Coordinator and the Forming Groveland CSD Fire CERT
- C. Approval of the Purchase of a Surplus CAL FIRE Type III Wildland Engine and Associated Tools and Equipment
- D. Adoption of a Resolution Allowing District Staff to Apply for a Grant to Sonora Area Foundation for "Movies in the Park"
- E. Consideration of Allocation of certain discretionary funds to park operations, improvements and specified initiatives such as Movies in the Park and GRACE
- F. Approval of a Mid-year 2019/20 Budget Adjustment to Include the Addition and Modification of the Capital Outlay/Projects Schedule and Minor Operating Expense Adjustments
- G. Consideration of Approval of Board Members Attending the CSDA Annual Conference in Palm Desert
- H. Approve Authorizing Waiver of Park Rental Fees and Partnership with the ROOFBB Organization to Host a Concert Fundraiser with Proceeds to be Split Equally between GCSD Movies in the Park and ROOFBB's
- I. Adoption of a Resolution Authorizing Execution of a Funding Agreement with the State Water Resources Control Board for the Downtown Groveland/Big Oak Flat Sewer Collection System Renovation Project
- J. Adoption of a Resolution Approving a Revised Annexation Policy

## Adjournment

ALL AGENDA MATERIAL ARE AVAILABLE ON THE DISTRICT WEBSITE AT [WWW.GCSD.ORG](http://WWW.GCSD.ORG) OR MAY BE INSPECTED IN THE GROVELAND COMMUNITY SERVICES DISTRICT OFFICE AT 18966 FERRETTI ROAD, GROVELAND, CALIFORNIA

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*Any person who has any questions concerning this agenda may contact the District Secretary.* In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at 209-962-7161. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting. (28FR35.102-35.104 ADA Title 11)

**Groveland Community Services District  
Fire Department / CALFIRE**

18966 Ferretti Road Groveland, CA 95321

Staff Report  
February 11, 2020

To: Board of Directors

From: Andy Murphy, Assistant Chief  
By: Jude R. Acosta, Battalion Chief

Subject: Monthly Activity Report – January 1, 2020 to January 31, 2020

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**Operations:**

**Emergency Incident Response:**

There were no Significant Events during the reporting period.

**Apparatus and Equipment:**

Apparatus	Description	Status
Engine 781	2009 Pierce Contender	In Service
Engine 787	2000 Freightliner FL112	In Service
Engine 788	1984 GMC Wildcat	In Service
Utility 786	2008 Chevrolet 2500	In Service

**Training:**

In addition to our monthly Emergency Medical Technician (EMT) curriculum and engine company performance standards, Battalion personnel received the following specialized training:

- Building Construction
- Fire Attack
- Low Angle Rope Rescue Operations
- Defensive Driving
- Transportation Incidents
- Forcible Entry
- Hydraulic Calculations
- Corona Virus Awareness

**Fuel Reduction:**

Both of our Groveland engines continue to work on the Jones Hill Shaded Fuel Break on the District's property. They burned over 75 piles constructed by Baseline Crews from felled bug killed timber, brush, and slash debris. Fire crews monitored and maintained the piles ensuring complete consumption. Environmental and Historical reviews of the CCI Grant have been completed and Staff is currently working on the next phase in preparation of masticating 111-acres.



**MONTH - January 2020**

**STATION 78**

Alarm Sounding	2
Odor Investigation	0
Debris Fire	0
Medical Aid	32
Fire Menace Standby	2
Fire Other	0
Haz Mat	0
Landing Zone	1
Plane/Heli Crash	0
Public Assist	3
Smoke Check	0
Structure Fire	0
Commercial Structure Fire	0
Vegetation Fire	0
Vehicle Accident	2
Vehicle Accident/Pin in	0
Vehicle Fire	0
<b>TOTAL</b>	<b>42</b>

(36 calls in GCSD district, 6 calls in Tuolumne County)



Auto Aid	Given
Tuolumne County	6

**Last Call Logged Run # TCU 001242**



# Operations Report

Month of Review: January 2020

### Information Provided by:

- Luis Melchor, Operations Manager
- Greg Dunn, Chief Plant Operator
- Rachel Pearlman, Administrative Services Technician
- C&D Staff
- Maintenance Staff

### Wastewater Treatment Plant Flows

#### Influent Totals From Plant: January 2020

Total	3.08 MG
High	.15MG
Low	.09MG
Average	.99MG

#### Effluent Totals From Plant: January 2020

Total	3.35MG
High	.16MG
Low	.07MG
Average	.11MG

Rainfall Totals at the Sewer Treatment Plant Month of January	
Year	Total Rainfall-inches
2020	3.00 - (1.95 High)
2019	8.12 – (2.71 High)
2018	4.77 – (1.88 High)
2017	22.16 – (2.90 High)
2016	9.74 – (1.79 High)
Current Season Total	15.41

#### Wasting Totals

Total Inches	391
Total Pounds	5762

#### Reclamation Totals

PML	0
Spray Fields	0
PML Season Total	0
Spray Fields Total	0

**Active Sewer Accounts: 1554**

## Activities at the Wastewater Treatment Plant

- Took weekly Bac-Ts and BOD of the Chlorine Contact Chamber (CCC) and sent into Aqua Lab for testing
- Completed monthly Wastewater Report and sent to the State Water Resources Control Board

## Wastewater Collections Department

- Completed all Preventative Maintenance Check Sheets (PMCS) at all Lift Stations (weekly)
- Chemical flushed gravity sewer lines throughout the District
- Hydro flushed multiple gravity lines throughout the District
- Installed new Pressure Transducer (PT) at Lift Station 14 and #3
- Worked with Steve for Aqua Sierra on Auto dialer problem at Lift Station 8 and ISR problem at Lift Station 2
- Private Lateral spill on HWY 120, removed root, cleaned up, CCTV line and reported
- Completed Manhole inspections for Groveland and Big Oak Flat (196 Total Manholes opened)
- During inspections staff found a surcharged manhole, line was cleaned from the skate park to the District office. Staff found that a rock was blocking most of the flow
- Cleaned Lift Stations 2,3,4 and 16
- Cleaned (vacuumed, wipe down, ETC) all Lift Station cabinets
- Ran CCTV camera for possible sewer clog on Lower Skyridge
- Sewer spill at Bass Pond (restored flow, cleaned up, disinfected and reported)



**Upstream Manhole**



**Spill Site**



**Root ball and grease broken lose  
from Hydro Flushing  
left**

**Root ball and grease removed  
right**





**Repair**  
**Root intrusion at broken lateral fitting**



**Left repair area – Right spill site**

**Straw laid down for erosion control  
after final clean up**

## Treated Water Department

- Submitted monthly Water Treatment Report to State Water Resources Control Board
- Submitted monthly Conservation Report to State Water Boards
- Performed weekly checks and calibrations on all analyzers at 2G, BC, and AWS
- Performed monthly UV calibrations at 2G and BC
- Took weekly Treatment Plant samples and sent into Aqua Lab
- Took weekly distribution samples and sent into Aqua Lab
- Cleaned Lime tank at Second Garotte Treatment Plant
- Installed finish chlorine pump at Second Garotte WTP

## Distribution Department

- Monitored Distribution Tank
- Read all District Water Meters
- Normal day to day: Trouble calls (low press/high press, no water, shut off for repairs etc.)
- Completed weekly checks on Tank 4(Building, Pneumatic Tank, Pumps and MCC Cabinet) and Highlands Pump stations (Building, pumps and MCC Cabinet)
- Put out Conservation signs for upcoming Water Service Interruption 1-2-2020 took down on 1-29-2020
- Water break on Merrell Rd 4" main line
- Water break on HWY 120 and Wards Ferry Rd (Cleaned up and put in cutback)



**Broken 6" AC main line**

- Started flushing dead ends throughout the District
- Repaired broken service line (at Meter) on Hwy 120 in BOF

Meter Related Services	Total
Check/repair meter	2
Install water meter	0
Monthly lock offs	23
Meter change outs	2
Read tenant out	4
Re-Read	9
Turn off meter	3
Turn on meter	22
Test meter	24
<b>Total Distribution Issues</b>	<b>89</b>

Active Water Accounts:3251

Billed Consumption Jan 2020	Gallons
Residential	5223617
Commercial	351240
Billed Consumption Jan 2019	
Residential	5659627
Commercial	427995

Construction and Maintenance

Description	Water	Sewer
Main line leaks	0	1
Main line break	2	0
Service leaks	0	1
Service breaks	0	0
Fire Hydrant replaced/repared	0	0
<b>Totals Per Service</b>	<b>2</b>	<b>2</b>

## Maintenance

- General yard maintenance around the District maint. Yard (mow, weed eat, debris removal, limb trees ETC)
- Made dump run to Groveland Transfer Station
- Cleaned around dumpster area and hauled cardboard to Moore Brothers
- Complete general ground maintenance at the Park as needed (mow, weed eat, debris removal, limb trees ETC)
- Repaired right rear tire on the old backhoe
- Cleaned out gutters and drainages at Second Garotte, highlands, Admin and Ops buildings
- Serviced truck 19 and 15 (oil, filters, fluids, rotate tire, ETC)-replaced bad pinion seal on Truck 15
- Took Truck 13 (Bucket Truck) to Stockton for hydraulic line repairs (1-6-2020) and picked up on 1-15-2020
- Fueled Dunn Ct standby generator and removed the Battery shut off and installed it on Tank 2 standby generator
- Installed new headlights on Truck #7
- Brushed/cleaned around Tank #3
- Changed out ABS air valve, crank case filter, installed new latch for the passenger seat and completed service (oil, filters, fluid and checks) on Engine 781
- Cleaned up down Oak Tree in Spray Field 3
- Cleaned out porta pottie at AWS
- Picked up new cutting edges for new backhoe in Jamestown
- Replaced driver side windrow crank and replaced brakes on Truck #8
- Burned piles around District
- Serviced Lift Station 2 standby generator (oil, filters, fluid and checks)
- Fueled Lift Station 7 standby generator
- Replaced batteries on Truck # 17
- Ran STP standby generator

## Projects

## After Hour Calls

- Staff had 8 after hour calls: 4 water and 4 sewer, all resolved

### **Weekly Safety Meetings and Training**

- Complete monthly Fire extinguisher, eyewash and ladder checks
- 1-9-20 GIS Training with Cal-Cad
- Worked with Clhor-Tech reps on OSG units
- Electrical safety
- Bloodborne pathogens
- Workplace Violence
- Asbestos

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
JANUARY 7, 2020  
10:00 a.m.**

The Board of Directors of Groveland Community Services District met in special session on the above mentioned date with Directors Janice Kwiatkowski, President, Nancy Mora, Vice President, Robert Swan, and Spencer Edwards, and John Armstrong being present. Also present was Administrative Services Manager Jennifer Flores, Administrative Services Technician II Rachel Pearlman, Operations Manager Luis Melchor and General Manager Pete Kampa.

**Call to Order**

Director Kwiatkowski called the meeting to order at 10:00am.

**Approve Order of Agenda**

Motion

*Director Edwards moved, seconded by Director Armstrong and the motion passed unanimously to approve the order of the agenda.*

**Public Comment**

A member of the public inquired about the time and location of the Tuolumne County Board of Supervisors meeting that was taking place on January 7, 2020 at 9:00am located at the Board of Supervisors Chambers 4th Floor 2 S. Green St. Sonora, CA 95370.

**Information Items** Brief reports may be provided by District staff and/or Board members as information on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future agenda. Public comments will be taken after each report is provided.

- A. Staff Reports
  - i. Fire Department Report
  - ii. General Manager's Report
  - iii. Operations Manager's Report
  - iv. Administrative Services Manager's Report
  - v. Community Relations Consultant's Report
- B. The Board President shall appoint and publicly announce the members of the standing committees at the time of their initial formation and thereafter for the ensuing year no later than the Board's regular meeting in January.

**Consent Calendar**

Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items be set aside for separate discussion.

- A. Approve Minutes from the December 10, 2019 Regular Meeting
- B. Accept December 2019 Payables
- C. Waive Reading of Ordinances and Resolutions Except by Title

Motion

*Director Swan moved, seconded by Director Armstrong and the motion passed unanimously to approve the consent calendar.*

## Old Business

(Items tabled or carried forward from a previous meeting to be considered on this agenda. The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action)

A. None.

## Discussion and Action Items

The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

A. Adoption of a Resolution Approving a Fire Department Capital Equipment Replacement Program and Directing the General Manager to Include Associated Costs in Department Financial Planning

### Motion

*Director Swan moved, seconded by Director Armstrong and the motion passed unanimously to adopt a Resolution Approving a Fire Department Capital Equipment Replacement Program and Directing the General Manager to Include Associated Costs in Department Financial Planning.*

B. Consideration of Proposed Amendments to Sewer Ordinance 1-2010 Article VII - Service Charges, Section 7.01 (e) Special Flat Rate for Significant Landscape Irrigation, to Modify the Method for Calculating Average Estimated Sewer Usage Charges

### Motion

*Director Edwards moved, seconded by Director Mora and the motion passed unanimously to approve the proposed Amendments to Sewer Ordinance 1-2010 Article VII Service Charges, Section 7.01 (e) Special Flat Rate for Significant Landscape Irrigation, to modify the Method for Calculating Average Estimated Sewer Usage Charges.*

C. Consideration of Proposed Amendments to Water Ordinance 2-2017 Article XII – Discontinuance of Service, to Modify the Policies Related to Discontinuance of Water Service for Delinquent Bills in Compliance with New Laws Created by State Senate Bill 998

*Board President Director Kwiatkowski appointed an ad hoc committee for the Proposed Amendments to Water Ordinance 2-2017 Article XII –Discontinuance of Service, to modify the Policies Related to Discontinuance of Water Service for Delinquent Bills in Compliance with New Laws Created by State Senate Bill 998. Directors Kwiatkowski and Mora were assigned to serve on the committee.*

D. Approval of the Issuance of a Request for Qualifications to Identify and Contract with Qualified Contractors to Perform On-Call Emergency Repair Work and Small Maintenance Projects Costing Less Than \$60,000

### Motion

*Director Swan moved, seconded by Director Armstrong and the motion passed unanimously to approve the Issuance of a Request for Qualifications to Identify and Contract with Qualified Contractors to Perform On-Call Emergency Repair Work and Small Maintenance Projects within the limits specified by the Uniform Public Construction Cost Accounting Act.*



**Adjournment**

Motion

*Director Armstrong moved, seconded by Director Edwards and the motion passed unanimously to adjourn the meeting at 1:11p.m.*

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APPROVED:

ATTEST:

\_\_\_\_\_  
Janice Kwiatkowski, President

\_\_\_\_\_  
Jennifer L. Flores, Board Secretary

DRAFT

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
January 28, 2020  
10:00 a.m.**

The Board of Directors of Groveland Community Services District met in special session on the above mentioned date with Directors Janice Kwiatkowski, President, Nancy Mora, Vice President, Robert Swan, Spencer Edwards, and John Armstrong being present. Also present was, Administrative Services Technician II Rachel Pearlman, Operations Manager Luis Melchor, and General Manager Pete Kampa.

**Call to Order**

Director Kwiatkowski called the meeting to order at 10:05am.

**Approve Order of Agenda**

Motion

*Director Armstrong moved, seconded by Director Swan, and the motion passed to approve the order of the agenda as amended.*

**Public Comment**

None.

**Information Items** Brief reports may be provided by District staff and/or Board members as information on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future agenda. Public comments will be taken after each report is provided.

- A. Presentation and Discussion of Accomplishments for the 2019 Calendar Year
- B. Presentation of a Mid-Year Financial Report and Discussion of Proposed Budget Amendments
- C. Presentation on the Status of District Infrastructure Projects, Planning Initiatives and Interagency Coordination including, but not limited to:
  - Groveland/Big Oak Flat Water and Sewer Project/Funding
  - Big Creek/Second Garrote Clearwell Recoating Project/Funding
  - LAFCO Representation by Special Districts
  - Tuolumne County Land Use Planning Projects
  - Water and Sewer Master Plan Update
  - Fire Master Plan Update

Director Kwiatkowski called for a brief recess at 1:02pm.

The Board reconvened at 1:29pm.

**Discussion and Action Items**

The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

- A. Approval of the 2020-2022 Management Objectives Which Identify Management Actions Intended to Accomplish the Goals of the Board of Directors

Motion

*Director Swan moved, seconded by Director Edwards and the motion passed to approve the 2020-2022 Management Objectives which identify Management Actions intended to accomplish the Goals of the Board of Directors.*

*Ayes: Directors, Mora, Edwards, and Kwiatkowski*

*Absent: Director Armstrong*

*The Board accepted the 2020-2022 Management Objectives by consensus.*

Director Armstrong left the meeting at 2:03pm.

Director Swan left the meeting at 2:32pm.

- B. Planning and Board Direction on the Next Steps and Responsibilities Related to the Groveland Regional Area Community Enhancement (GRACE) Project
- C. Planning and Board Direction on the Outreach Plan and Strategy for the Proposed Fire Funding Measure

**Adjournment**

*The meeting was adjourned at 2:45pm.*

APPROVED:

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Janice Kwiatkowski, President

ATTEST:

\_\_\_\_\_

Jennifer L. Flores, Board Secretary



# ACCOUNTS PAYABLE CHECK LISTING

January, 2020  
Fiscal Year 19/20  
Board Approval Date \_\_\_\_\_

# Accounts Payable Checks



User: dpercoco  
Printed: 2/5/2020 11:52:34 AM

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
18647	neu01	Neumiller & Beardslee	1/31/2020	True	Legal Services	\$4,396.00
18648	Pri04	PLIC-SBD Grand Island	1/31/2020	True	Monthly Dental, Vision, Life & LTD Insurance	\$3,484.45
18649	ups9	UPS	1/31/2020	True	Shipping charges to Astra Industrial Services	\$27.90
18650	Wells	Wells Fargo Bank, N.A.	1/31/2020	True	Monthly Lease on Admin Copier	\$359.29
115742	OE3	Operating Engineers Local #3	1/22/2020	True	PR Batch 00002.01.2020 Oper Engin Union Dues	\$284.35
902086	CAL09	CalPers 457 Plan Administrator	1/22/2020	True	PR Batch 00002.01.2020 CalPers Def Comp	\$1,038.57
902087	DCSS	Dept of Child Support Services	1/22/2020	True	PR Batch 00002.01.2020 Wage Garnish Child Support	\$205.03
902088	EDD01	EDD - Electronic	1/22/2020	True	PR Batch 00002.01.2020 State Unemp Ins	\$3,104.31
902089	FedEFTPS	Federal EFTPS	1/22/2020	True	PR Batch 00002.01.2020 Medicare Emple Portion	\$10,218.76
902090	PER01	Pers - Electronic	1/22/2020	True	PR Batch 00002.01.2020 2nd Tier PERS	\$6,529.11
902091	TD 457	TD Ameritrade Trust Co.	1/22/2020	True	PR Batch 00002.01.2020 457 Deferred Compensation	\$1,070.00
18604	UMP01	UMPQUA Bank	1/21/2020	True	CC purchases	\$2,512.70
18607	am01	AM Consulting Engineers, Inc.	1/21/2020	True	Headworks Replacement Engineering fees	\$10,160.00
18608	BLU01	Anthem Blue Cross	1/21/2020	True	Monthly Group Health Ins.	\$23,211.92
18609	AQU01	Aqua Labs	1/21/2020	True	050 Water Tests	\$3,330.00
18610	aqu5	Aqua Sierra Controls Inc.	1/21/2020	True	IT Services	\$4,066.78
18611	UB*02552	Association, Pine Mountain	1/21/2020	True	Refund Check	\$12.26
18612	ATT02	AT&T	1/21/2020	True	Monthly Cal Net phone service	\$519.86
18613	ATTL02	AT&T	1/21/2020	True	Monthly Internet Uverse	\$114.10
18614	UB*02551	Bernal Madrid, Stephanie & Drake	1/21/2020	True	Refund Check	\$61.72
18615	BRE01	Breshears, W. H.	1/21/2020	True	Fuel & Oil	\$1,888.16
18616	BOA01	CA Dept of Tax/Fee Administration	1/21/2020	True	Diesel Fuel Taxes	\$321.00
18617	UB*02548	Child, Walter & Linda	1/21/2020	True	Refund Check	\$426.93
18618	Com04	Compel Heating & Air Conditioning, Inc.	1/21/2020	True	Service call for apparatus bay heater repair	\$178.00
18619	den01	De Nora , Water Technologies INC	1/21/2020	True	24 ea. OSG Filter s for WWTP OSG	\$146.14
18620	DIS01	Dish Network	1/21/2020	True	Satellite TV for FD	\$57.54
18621	UB*02550	Dubuk, Jorge & Vera	1/21/2020	True	Refund Check	\$52.37
18622	UB*02556	Fournier, Jane	1/21/2020	True	Refund Check	\$417.86
18623	GEN01	General Plumbing Supply	1/21/2020	True	Fittings for water trailer	\$65.24
18624	gilb01	Gilbert Associates, Inc.	1/21/2020	True	CPA Services	\$3,100.00
18625	H&S	H & S Parts and Service	1/21/2020	True	New backhoe cutting blades	\$812.65
18626	HAC01	Hach	1/21/2020	True	Returned 2 ea. Digital PH sensors	\$4,565.77
18627	HF01	HF Scientific, Inc.	1/21/2020	True	3 ea. 100% Standard solution for Lab UVV analyzer	\$89.15

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
18628	UB*02555	Hines, E.	1/21/2020	True	Refund Check	\$4.75
18629	ind04	Industrial Electrical Co.	1/21/2020	True	VFD fault, Blower would not turn on for STP	\$1,020.00
18630	JSW02	J.S. West Propane Gas	1/21/2020	True	Propane	\$2,563.23
18631	land01	Land & Structure	1/21/2020	True	District Fields & Reservoir Road Maintenance Topographic Survey	\$5,200.00
18632	UB*02549	Lewis, John & Jeanette	1/21/2020	True	Refund Check	\$170.54
18633	UB*02554	Lucuna Investments LLC, Rana	1/21/2020	True	Refund Check	\$152.46
18634	UB*02553	McCormick, Thomas & Katherine	1/21/2020	True	Refund Check	\$152.52
18635	Moy02	Moyle Excavation Inc.	1/21/2020	True	Water Break Damage Repair, 2 Driveways/1 Drainage Ditch-PM Drive	\$16,540.00
18636	PAI02	Pall Corporation	1/21/2020	True	AWS repair & spare parts	\$2,285.32
18637	R&B	R & B Company	1/21/2020	True	CLA-VAL Limit Switch, Stop collar for 2G Pump control valve	\$428.33
18638	Ron01	Roni Lynn	1/21/2020	True	Social Media Management	\$2,500.00
18639	Sta15	Staples Credit Plan	1/21/2020	True	Office Supplies	\$488.44
18640	SWR02	SWRCB	1/21/2020	True	Luis Melchor Water Treatment 2 renewal	\$60.00
18641	Ter01	Terex Utilities Inc	1/21/2020	True	Truck#13 (Versalift) repair/replace hoses, inspect hydraulic lea	\$1,247.50
18642	Pho01	The Phone Connection Inc.	1/21/2020	True	Phone consultation for phone line issues	\$100.00
18643	TUO12	Tuolumne Utilities Dist	1/21/2020	True	Fats, oil, grease Advertising reimbursement	\$119.14
18644	ULI01	ULINE, Attn AR	1/21/2020	True	Office Desk	\$1,062.94
18645	Ver02	Verizon Wireless 5298	1/21/2020	True	Monthly Cell Phone	\$150.54
18646	Wood01	Wood Rodgers, Inc.	1/21/2020	True	Professional services thru 12/31/19 for Water/Sewer Master Plans	\$8,352.73
18603	CSD03	CSDS Inc.	1/16/2020	True	1 ea. Geo GPS unit for Water/Sewer marking	\$13,784.14
18601	Pac05	Pacific Pipeline, Inc.	1/9/2020	True	2,494.2 ft of Hydro cleaning Lift Station Force Main Inspection	\$7,931.57
18559	aqu5	Aqua Sierra Controls Inc.	1/8/2020	True	IT Services	\$1,130.67
18560	UB*02545	Bacci, Ruben	1/8/2020	True	Refund Check	\$55.31
18561	UB*02540	Baker, Jeannine	1/8/2020	True	Refund Check	\$28.77
18562	Barton	Barton Overhead Door	1/8/2020	True	Fire House Bay Door repair	\$2,004.06
18563	UB*02539	BOGAARDS, LILY	1/8/2020	True	Refund Check	\$26.15
18564	BUR01	Burton's Fire Inc	1/8/2020	True	Relay brake for Engine #781	\$767.54
18565	CAN03	CA-NV Sec AWWA Cert Prog	1/8/2020	True	Luis Melchor Cross Connection Specialist	\$120.00
18566	CIT01	Citygate Associates, LLC	1/8/2020	True	Update District Fire Master Plan	\$11,633.07
18567	CSD02	CSDA	1/8/2020	True	Webinar for Janice Kwiatkowski	\$153.00
18568	Datapros	Dataprose Inc.	1/8/2020	True	Monthly UB Statement Processing	\$1,813.90
18569	DRU01	Drugtech Toxicology Services, LLC	1/8/2020	True	Consortium DOT Tests	\$38.00
18570	Fas02	Fastenal	1/8/2020	True	20 boxes Safety gloves	\$362.81
18571	UB*02544	Fitzpatrick, Paul	1/8/2020	True	Refund Check	\$183.33
18572	GCS02	GCSO	1/8/2020	True	GCSO Water Bill	\$2,675.03
18573	Gre05	GreatAmerica Financial Services	1/8/2020	True	Monthly Avaya Phone System Lease	\$186.36
18574	UB*02546	Handley, Bruce & Patricia	1/8/2020	True	Refund Check	\$27.37
18575	UB*02541	JAPP Investments, LLC	1/8/2020	True	Refund Check	\$7.36
18576	KC Auto	KC Auto Parts	1/8/2020	True	December Auto Parts	\$74.03
18577	KC01	KC Courier, LLC	1/8/2020	True	Monthly Courier Service	\$372.38
18578	UB*02528	Lucuna Investments LLC, Rana	1/8/2020	True	Refund Check	\$83.69
18579	MOO01	Moore Bros. Scavenger Co., Inc.	1/8/2020	True	Garbage Service	\$494.40

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
18580	MOT03	Mother Lode Answering Service	1/8/2020	True	Monthly Call Forward/Paging	\$208.00
18581	MOU03	Mountain Oasis Water Systems	1/8/2020	True	Bottled Water	\$116.00
18582	UB*02542	Nichols, Rachelle	1/8/2020	True	Refund Check	\$249.39
18583	UB*02547	Nichols, Rachelle	1/8/2020	True	Refund Check	\$116.54
18584	PAI02	Pall Corporation	1/8/2020	True	Field Service Engineer review of AWS Pall trailer operation	\$6,160.00
18585	per04	Percoco, Ronald	1/8/2020	True	Janitorial/Park Services	\$1,898.00
18586	UB*02537	Perry Jr, Dennis	1/8/2020	True	Refund Check	\$17.83
18587	PGE01	PG&E	1/8/2020	True	Monthly Electric Charges	\$747.72
18588	PIN03	Pine Mt. Lake Association	1/8/2020	True	Jan 1 Ad for PML Advertising	\$225.00
18589	pml01	PML Hardware & Supply Inc.	1/8/2020	True	December Hardware supplies	\$620.77
18590	PRD01	PR Diamond Products, Inc.	1/8/2020	True	3 ea. Submersible pumps	\$1,335.08
18591	R&B	R & B Company	1/8/2020	True	6" Brass saddles, ball corp, ball valves	\$1,166.37
18592	SUE01	Ray Suess Insurance & Invst	1/8/2020	True	Retired Members Medical	\$4,642.80
18593	SFPUC	San Francisco Public Utilties Commission	1/8/2020	True	Monthly Water Purchase	\$11,290.80
18594	UB*02536	SNOW, KENNETH & JOANNE	1/8/2020	True	Refund Check	\$149.47
18595	Sprbrk	Springbrook Software LLC	1/8/2020	True	Monthly C/C Web Pmt Fees	\$1,173.55
18596	Stream	Streamline	1/8/2020	True	Quarterly Web Maintenance	\$600.00
18597	SWR02	SWRCB	1/8/2020	True	Steve Buie Gr 1 Water Distribution	\$55.00
18598	TUO01	Tuo. Co. Public Power Agency	1/8/2020	True	Public Power Purchase	\$11,693.19
18599	UB*02538	Walker, Elizabeth	1/8/2020	True	Refund Check	\$392.47
18600	UB*02543	Wallace, Dennis	1/8/2020	True	Refund Check	\$261.32
115739	Rabo02	Mechanics Bank	1/6/2020	True	Debra Lucas Jan-Mar 2020 HSA	\$712.50
115740	MOT05	Oak Valley Community Bank	1/6/2020	True	Steve Williamson Jan-Mar 2020 HSA	\$712.50
115741	OE3	Operating Engineers Local #3	1/6/2020	True	PR Batch 00001.01.2020 Oper Engin Union Dues	\$284.35
902080	CAL09	CalPers 457 Plan Administrator	1/6/2020	True	PR Batch 00001.01.2020 CalPers Def Comp	\$961.43
902081	DCSS	Dept of Child Support Services	1/6/2020	True	PR Batch 00001.01.2020 Wage Garnish Child Support	\$205.03
902082	EDD01	EDD - Electronic	1/6/2020	True	PR Batch 00001.01.2020 State Income Tax	\$3,587.55
902083	FedEFTPS	Federal EFTPS	1/6/2020	True	PR Batch 00001.01.2020 FICA Employee Portion	\$10,859.44
902084	PER01	Pers - Electronic	1/6/2020	True	PR Batch 00001.01.2020 2nd Tier PERS	\$6,779.33
902085	TD 457	TD Ameritrade Trust Co.	1/6/2020	True	PR Batch 00001.01.2020 457 Deferred Compensation January DD Payroll	\$1,070.00 \$58,222.20
Total Accounts Payable						\$299,892.93

**MEETING DATE:** February 11, 2020

**ITEM SUBMITTED BY:** Andrew Murphy, Assistant Fire Chief

**SUBMITTAL PREPARED BY:** Andrew Murphy, Assistant Fire Chief

**AGENDA ITEM:** Item 4D. Adoption of a Resolution Approving a Memorandum of Understanding Between the District, County of Tuolumne and Jamestown Fire Protection District, Authorizing Application to the 2019 Assistance to Firefighters Grant Program (AFG) to Upgrade Mobile and Handheld Radios.

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**RECOMMENDED ACTION**

Staff recommends the following action:

*I move to Adopt a Resolution Approving a Memorandum of Understanding Between the District, County of Tuolumne and Jamestown Fire Protection District, Authorizing Application to the 2019 Assistance to Firefighters Grant Program (AFG) to Upgrade Mobile and Handheld Radios.*

**BACKGROUND**

Staff just received notice of the release of the Assistance to Firefighter's grant application. This grant is through the Federal Emergency Management Agency. This annual grant program awards funds to local fire departments for the purchase of emergency equipment and vehicles. Assistance to Firefighter's grant applications are due March 13, 2020 with the anticipated award announcements being in mid-2020.

In the spirit of cooperation, Tuolumne County Fire Department (TCFD), Jamestown Fire Protection District (JFPD), and Groveland Community Services District (GCSD) would like to submit a joint/regional Assistance to Firefighter's Grant for the purchase of mobile and handheld radios.

Staff have been advised by industry experts that the industry will no longer support the aging equipment by 2023. This means that programming will become more difficult and replacement radios and parts will be dramatically reduced and eventually not available. These items would be used to replace our aging equipment, bring us up to modern requirements and technology, and allow us to program over 2,000 channels for incidents throughout the State. The mobile radios would replace the soon to be outdated radios in all fire engines, water tenders, and utility vehicles and the handheld radios would replace the also soon to be outdated radios for all personnel. The County will serve as the lead agency to submit the application and serve as the grant administrator.



The cost to replace the mobile and handheld radios \$492,000 and may require up to a 10% match. GCSD's requirement for the match would likely not exceed \$2500.

**ATTACHMENTS**

- Draft MOU between the County of Tuolumne, Jamestown FPD, and Groveland CSD.

**FINANCIAL IMPACTS**

The cost to replace the mobile and handheld radios \$492,000 and may require up to a 10% match. GCSD's requirement for the match would likely not exceed \$2500.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE COUNTY OF TUOLUMNE,  
THE JAMESTOWN FIRE PROTECTION DISTRICT  
AND  
THE GROVELAND COMMUNITY SERVICES DISTRICT  
FOR  
ASSISTANCE TO FIREFIGHTERS GRANT**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into this day \_\_\_\_\_, by and between the County of Tuolumne, (“County”), the Jamestown Fire Protection District (“JFPD”) and the Groveland Community Services District, (“GCSD”).

**WITNESSETH:**

WHEREAS, the County, JFPD and GCSD (“Partner Agencies”) have formed a working committee and developed a course of action to achieve the goals and objectives of the Assistance to Firefighters Grant Program (“AFG Program”); and

WHEREAS, the Partner Agencies have been identified as eligible jurisdictions able to collectively implement the objectives and goals of the AFG Program; and

WHEREAS, the Partner Agencies have agreed to submit a Regional FY 2019 Assistance to Firefighter Grant Program application for Mobile and Handheld Radios; and

WHEREAS, the County has been selected through this MOU to be the lead agency to file a Regional AFG application on behalf of the Partner Agencies; and

WHEREAS, the County has been selected through this MOU to administer any FY 2019 Regional AFG Program award and agrees to be the lead agency responsible for the administration of the grant, including asset accountability and reporting requirements for those assets acquired under the grant in the event of award; and

WHEREAS, the County agrees to serve as the lead agency for the procurement and disbursement of all equipment received through the AFG Program.

NOW, THEREFORE, in consideration of their mutual covenants and conditions, the parties hereto agree as follows:

**1. PURPOSE**

The purpose of this MOU is to allow the Partner Agencies to participate in a Regional 2019 Assistance to Firefighters Grant Program (AFG) grant award in the event of approval of the application.

## **2. TERM**

This MOU shall become effective as of the date first written above and shall continue in full force and effect until December 31, 2021 in the event the grant is not awarded or for a period of five years after official closeout of the grant agreement in the event the grant is awarded.

## **3. COUNTY'S RESPONSIBILITIES**

- a. The County will serve as the lead agency to submit a Regional FY 2019 AFG Program application and serve as grant administrator for the Partner Agencies in the event of award.
- b. Pursuant of the AFG Program guidelines, all items approved under the application will be procured and administered through the County in the event of award.
- c. County agrees, as lead agency, to provide accountability for the assets acquired under the Regional AFG Program award and provide reporting requirement deliverables. As such, JFPD and GCSD agree to provide the County with the required information and documentation on a timely basis to remain in compliance with the requirements of the grant.

## **4. JFPD AND GCSD'S RESPONSIBILITIES**

- a. JFPD and GCSD agree to accept the FY 2019 Regional AFG Program award and accept their respective items as listed in the AFG Program application in the event of award.
- b. JFPD and GCSD agree to provide the required cash match in the amount of 10% of the total cost of their requested items as detailed in the grant application as required under the Regional AFG Program guidelines. The required match shall be paid by JFPD and GCSD upon receipt of an invoice from the County.
- c. In the event of a reduced award, JFPD and GCSD agree to accept this reduced amount and provide a 10% cash match on the total reduced award amount of their approved items.
- d. Any expenditure beyond the grand award for JFPD and GCSD's approved item(s) remains the sole responsibility of JFPD and GCSD, respectively.
- e. JFPD and GCSD agree to allow the County to procure and distribute their respective assets if awarded under the Regional AFG Program.
- f. JFPD and GCSD agree to participate in cooperative training on all equipment procured under this grant award as appropriate. As lead agency, training will be coordinated through the County.

- g. JFPD and GCSD agree to maintain/repair all items awarded to them under the application in accordance with the manufacturer's warranty, and to replace the equipment if it becomes inoperable for a period of three years after official closeout of the grant.
- h. JFPD and GCSD agree to promptly provide any additional documentation to the County as requested, that may be necessary in connection with this grant.

**5. TERMINATION**

JFPD or GCSD may terminate its participation in this MOU upon the giving of thirty (30) days' advance written notice to the other parties of its intention to terminate. The County may terminate this MOU upon the giving of thirty (30) days' advance written notice to the other parties of its intention to terminate.

**6. NON-ASSIGNMENT**

No party shall assign, transfer or sub-contract this MOU nor their rights or duties under this MOU without the prior written consent of the other parties.

**7. RECORDS**

All parties subject to this MOU shall maintain a record of services provided in sufficient detail to permit an evaluation of the MOU. All such records shall be made available during normal business hours to authorized representatives of the Partner Agencies, State, and Federal governments during the term of this MOU and during the period of record retention for the purpose of program review and/or fiscal audit.

**8. COMPLIANCE WITH LAWS/POLICIES**

The parties shall comply with all applicable rules and regulations set forth by the AFG Program and any subsequent reporting requirements as directed by the State.

**9. NON-DISCRIMINATION**

During the performance of this MOU, the parties shall not unlawfully discriminate against any employee or applicant for employment, or recipient of services, because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age or gender, pursuant to all applicable State and Federal statutes and regulations.

**10. RELATIONSHIP OF PARTIES**

It is understood that this is a MOU by and between separate public agencies and is not intended to and shall not be construed to create a relationship of agent, servant, employee, partnership, joint venture or association.

**11. NO THIRD PARTY BENEFICIARIES**

The parties agree it is their specific intent that no other person or entity shall be a party to or a third party beneficiary of this MOU or any attachment or addenda to this MOU.

**12. INDEMNIFICATION**

Each party hereto agrees to be responsible and assume liability for its own wrongful or negligent acts or omissions, or those of its officers, agents, or employees to the full extent required by law.

**13. NOTICE**

Any and all notices, reports or other communications to be given to the parties shall be given to the persons representing the respective parties at the following addresses:

**GCS D:**

Groveland Community Services District  
18966 Ferretti Road  
Groveland, CA 95321  
Phone: (209) 962-7161 Fax: (209) 962-4943  
EIN 94-1701547

**COUNTY:**

Tuolumne County Fire Department  
County of Tuolumne  
2 South Green Street  
Sonora, CA 95370  
Phone: (209) 533-5100  
Fax: (209) 533-5503  
EIN 94-6000547

**JFPD:**

Jamestown Fire Protection District  
18249 4<sup>th</sup> Avenue  
Jamestown, CA 95327  
Phone: (209) 984-5623 Fax: (209) 533-5503  
EIN 94-6000547

**14. PUBLIC RECORDS ACT**

JFPD and GCS D are aware that this MOU and any documents provided to the County may be subject to the California Public Records Act and may be disclosed to members of the public upon request. It is the responsibility of JFPD and GCS D to clearly identify information in those documents that it considers to be confidential under the California Public Records Act. To the extent that the County agrees with that designation, such information will be held in confidence whenever possible. All other information will be considered public.

**15. ENTIRE AGREEMENT AND MODIFICATION**

This MOU contains the entire agreement of the parties relating to the subject matter of this MOU and supersedes all prior agreements and representations with respect to the subject matter hereof. This MOU may only be modified by a written amendment hereto, executed by all parties. If there are exhibits attached hereto, and a conflict exists between the terms of this MOU and any exhibit, the terms of this MOU shall control.

## **16. ENFORCEABILITY AND SEVERABILITY**

The invalidity or enforceability of any term or provisions of this MOU shall not, unless otherwise specified, affect the validity or enforceability of any other term or provision, which shall remain in full force and effect.

## **17. DISPUTES**

The parties agree to use good faith efforts to resolve any disputes prior to bringing any action to enforce the terms of this MOU.

Should it become necessary for a party to this MOU to enforce any of the provisions hereof, the prevailing party in any claim or action shall be entitled to reimbursement for all expenses so incurred, including reasonable attorney's fees.

It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a court of competent jurisdiction in the County of Tuolumne, State of California.

## **18. CAPTIONS**

The captions of this MOU are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this MOU.

## **19. COUNTERPARTS**

This MOU may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

## **20. OTHER DOCUMENTS**

The parties agree that they shall cooperate in good faith to accomplish the object of this MOU and, to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

## **21. CONTROLLING LAW**

The validity, interpretation and performance of this MOU shall be controlled by and construed under the laws of the State of California.

## **22. AUTHORITY**

Each party and each party's signatory warrant and represent that each has full authority and capacity to enter into this MOU in accordance with all requirements of law. The parties also warrant that any signed amendment or modification to the MOU shall comply with all requirements of law, including capacity and authority to amend or modify the MOU.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding on the day and year first herein above written.

<b>COUNTY:</b>  <hr/> Tracie Riggs, County Administrator	<b>GROVELAND COMMUNITY SERVICES DISTRICT:</b>  <hr/> Peter Kampa, General Manager
	<b>JAMESTOWN FIRE PROTECTION DISTRICT:</b>  <hr/> Robert Hickey, Chairman
<b>APPROVED AS TO LEGAL FORM:</b>  <hr/> Cody Nesper, Deputy County Counsel	

**RESOLUTION 2020-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE DISTRICT, COUNTY OF TUOLUMNE AND JAMESTOWN FIRE PROTECTION DISTRICT, AUTHORIZING APPLICATION TO THE 2019 ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM (AFG) TO UPGRADE MOBILE AND HANDHELD RADIOS**

**WHEREAS**, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, the District Fire Department wishes to enter into a cooperative agreement with other regional fire departments to increase efficiency, safety and effectiveness; and

**WHEREAS**, an Memorandum of Understanding has been prepared to memorialize the agreements among the parties for the preparation of a grant application to the FEMA Assistance to Firefighters 2019 program and the administration of related finances and purchase/distribution of equipment if funds are awarded.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES** approve the Memorandum of Understanding between the District, County of Tuolumne, Jamestown Fire Protection District and authorize the General Manager to sign. Be it further resolved that the General Manager is authorized to submit an Assistance to Firefighters grant application on behalf of the District.

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on February 11, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Jennifer L. Flores, Secretary

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Janice Kwiatkowski, President - Board of Directors

**CERTIFICATE OF SECRETARY**

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on February 11, 2020.

DATED: \_\_\_\_\_





**California Special  
Districts Association**  
*Districts Stronger Together*

## 2021-2023 BOARD OF DIRECTORS NOMINATION FORM

**Name of Candidate:** Peter J. Kampa

**District:** Groveland Community Services District

**Mailing Address:** P.O. Box 350 Groveland, CA 95321

**Network:** Sierra (see map)

**Telephone:** 209-591-7100 Cell 209-962-7161 ext.24 Office  
(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE DIRECTLY)

**Fax:** 209-962-4943

**E-mail:** pkampa@gcsd.org

**Nominated by (optional):** Groveland CSD Board of Directors

**Return this form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet by mail, or email to:**

CSDA  
Attn: Amber Phelen  
1112 I Street, Suite 200  
Sacramento, CA 95814  
(877) 924-2732 (916) 442-7889 fax  
amberp@csda.net

***DEADLINE FOR RECEIVING NOMINATIONS – March 26, 2020***



**2021-2023 CSDA BOARD CANDIDATE INFORMATION SHEET**

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Peter J. Kampa

District/Company: Groveland Community Services District

Title: General Manager

Elected/Appointed/Staff: Appointed/Staff General Manager

Length of Service with District: 2 years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Mr. Kampa is an SDA, and attends annual conference, Leadership Academy, Legislative Action Days, and as many CSDA training events as possible. Mr. Kampa has served on the CSDA Board of Directors since 1998, with only a two year lapse

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Mr. Kampa served on the California Rural Water Assn Board from 1995-1998, and on various ACWA committees and Task Forces from 2006 - 2013.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Mr. Kampa led the effort to secure special district representation on the Tuolumne County LAFCO in 2019. He collaborates on many projects and initiatives in cooperation with the County of Tuolumne and the County Fire Chief's Association, including fire and emergency preparedness planning

4. List civic organization involvement:

Leadership Tuolumne County, Tuolumne County Chamber of Commerce

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after March 26, 2020 will not be included with the ballot.**

*January 28, 2020*  
*2<sup>nd</sup> Quarter (Mid-Year) Financial Statement*  
*Memo*

**Authored by: Jennifer Flores, Administrative Services Manager**

**WATER FUND**

**REVENUE**

Fixed rates are on track and variable rates are exceeding the budgeted figure by 16%. The District has also had eleven (11) new water connections in the last two (2) quarters resulting \$28,000 in other revenue, \$13,000 in Administrative fees for annual backflow inspections, and \$20,000 in customer late fees. Other Non-Operating Revenue includes \$15,000 in interest and \$32,000 in grant funds for the Downtown Groveland/Big Oak Flat Water Planning Project.

**EXPENSES**

Nothing notable; expenses are on track with budget.

**CAPITAL OUTLAY**

**2<sup>nd</sup> Quarter**

\$20,000 in upgrades to Big Creek building, \$16,000 for new roof for Operations Building, and \$25,000 for Water Master Plan update.

**1<sup>st</sup> Quarter**

\$4,000 for engineering fees for the Downtown Groveland/Big Oak Flat Water System Rehab Project, \$5,800 for purchase of new VFD for Tank #2 which is a motor control to operate the pump, \$5,800 for purchase of iPads for implementation of new District SEMS program (total cost spread over all four (4) funds), and \$4,500 for the purchase of a Water Wagon used for dust control and to remain in compliance with requirements placed on the District for dust abatement.

**SEWER FUND**

**REVENUE**

Fixed rates are on track and variable rates are exceeding the budgeted figure by 14%. The District has also had two (2) new sewer connections resulting in \$14,000 to date in other revenue, and \$10,000 in customer late fees. The District also received \$390,000 reimbursement from the state for the Flume Rehabilitation Project.

**EXPENSES**

Nothing notable; expenses are on track with budget.

**CAPITAL OUTLAY**

**2<sup>nd</sup> Quarter**

\$12,000 for the purchase of the new Headworks equipment for the treatment plant, \$11,000 for the Operations roof repair, and \$25,000 for the Sewer Master Plan update.

**1<sup>st</sup> Quarter**

Issued final payment to Moyle Excavation for Flume Rehabilitation Project in the amount of \$461,584, bringing project total to \$480,130; this amount will be reimbursed by FEMA and Cal OES. \$4,000 for the purchase of iPads for implementation of new District SEMS program, and \$7,400 for Lift Station #10 repairs in control cabinet.

***FIRE FUND***

**REVENUE**

Received disbursement check from county in December with \$623,653 allocated to the Fire Fund. Other non-operating revenue includes \$20,000 grant from Sonora Area Foundation for new SCBA fill station in addition to \$15,000 from the California Fire Foundation for Defensible Space Program.

**EXPENSES**

Have not yet received CAL FIRE invoice for October-December period.

**CAPITAL OUTLAY**

**2<sup>nd</sup> Quarter**

No capital projects.

**1<sup>st</sup> Quarter**

\$30,000 for new SCBA fill station and \$5,000 for lightening upgrade.

***PARKS FUND***

**REVENUE**

Received disbursement check from county in December with \$30,000 allocated to the Park Fund. Other operating revenue includes \$26,000 for cell tower rent.

**EXPENSES**

Nothing notable.

**CAPITAL OUTLAY**

**2<sup>nd</sup> Quarter**

No capital projects.

**1<sup>st</sup> Quarter**

\$10,670 payment issued to Hessler Construction for lower park amphitheater repairs.

**Budget to Actual**  
*Groveland Community Services District*

For 2nd Quarter ended December 31, 2019

Total - District-Wide	2019/20 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Fixed rates	\$ 2,965,449	\$ 1,523,958	\$ (1,441,491)	49%
Variable rates	1,369,149	900,185	\$ (468,964)	34%
Property taxes	1,181,268	677,884	\$ (503,384)	43%
Other operating revenues	152,591	134,141	\$ (18,450)	12%
Other nonoperating revenues	1,394,987	494,511	\$ (900,476)	65%
<b>Total Revenues</b>	<b>7,063,444</b>	<b>3,730,679</b>	<b>(3,332,765)</b>	
Salaries and benefits	(2,060,741)	(920,695)	1,140,046	55%
Cost of water	(215,000)	(106,690)	108,310	50%
Utilities	(297,000)	(125,661)	171,339	
Cal Fire contract	(1,350,230)	(237,917)	1,112,313	82%
Other operating expenses	(1,822,958)	(741,823)	1,081,135	59%
Leases: prin+interest	(13,742)	(8,941)	4,801	35%
Transfer to OPEB Trust	(161,000)	-	161,000	100%
Transfer to Pension	(207,850)	(200,700)	7,150	3%
Annual Reserve Set Aside	(147,771)	-	147,771	100%
<b>Total Expenses</b>	<b>(6,276,292)</b>	<b>(2,342,427)</b>	<b>3,786,094</b>	
<b>Capital outlay (fixed assets)</b>	<b>(1,881,954)</b>	<b>(696,683)</b>	1,185,271	63%
<b>Net profit (loss)</b>	<b>\$ (1,094,802)</b>	<b>\$ 691,569</b>	<b>\$ 1,638,600</b>	
Debt Service Collections	944,664	474,249	(470,415)	
Debt Service: Prin/Interest	(1,011,544)	(386,675)	624,869	
	(66,880)	87,575	154,455	

**Budget to Actual**  
*Groveland Community Services District*

For 2nd Quarter ended December 31, 2019

Water	2019/20 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Fixed rates	\$ 1,540,587	\$ 796,654	\$ (743,933)	48%
Variable rates	913,404	606,724	(306,680)	34%
Other operating revenues	88,591	79,978	(8,613)	10%
Other nonoperating revenues	46,228	47,932	1,704	-4%
<b>Total Revenue</b>	<b>2,588,810</b>	<b>1,531,289</b>	<b>(1,057,521)</b>	
Salaries	(730,246)	(307,374)	422,872	58%
Benefits	(347,881)	(182,272)	165,609	48%
Cost of water	(215,000)	(106,690)	108,310	50%
Utilities	(115,000)	(46,477)	68,523	60%
Other operating expenses	(856,661)	(402,645)	454,016	53%
Leases	(10,208)	(7,348)	2,860	28%
Transfer to OPEB Trust	(90,160)	-	90,160	100%
Pension Unfunded Liability	\$ (92,680)	\$ (89,490)	3,190	3%
Annual Reserve Set-Aside	\$ (47,771)	\$ -	47,771	100%
<b>Total Expenses</b>	<b>(2,505,607)</b>	<b>(1,142,296)</b>	<b>-</b>	<b>1,363,311</b>
<b>Capital outlay (Fixed assets)</b>	<b>(458,708)</b>	<b>(97,169)</b>	<b>361,539</b>	<b>79%</b>
<b>Net profit (loss)</b>	<b>\$ (375,505)</b>	<b>\$ 291,824</b>	<b>\$ 667,329</b>	
Debt service collections-3236	618,476	310,443	(308,033)	50%
Debt service Prin/Interest	(687,634)	(223,915)	463,719	67%
	<b>(69,158)</b>	<b>86,528</b>	<b>155,686</b>	<b>155,686</b>

**Water Fund Quarter Summary Notes**

**REVENUE**

Other Operating Rev.- Backflow/Admin \$13K, Connections \$28K, Late Fee \$20K  
Other Non-Operating Rev-Interest Earned \$15,000, Downtown/BOF Grant payment \$32K

**EXPENSES**

PG&E Utility Rebate Reduced Utilities Expense  
Water Break Damage Claim \$16,540, Will be reimbursed by SDRMA

**CAPITAL OUTLAY**

Big Creek Building Upgrades \$20K, Operations Building Upgrades \$16K, Water Master Plan \$25K

**Budget to Actual**  
*Groveland Community Services District*

For 2nd Quarter ended December 31, 2019

Sewer	2019/20 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Fixed rates	\$ 1,424,862	\$ 727,304	\$ (697,558)	49%
Variable rates	455,745	293,461	(162,284)	36%
Other operating revenues	42,000	24,642	(17,358)	41%
Other nonoperating revenues	914,059	399,132	(514,927)	56%
<b>Total Revenue</b>	<b>2,836,666</b>	<b>1,444,539</b>	<b>(1,392,127)</b>	
Salaries	(580,860)	(242,685)	338,175	58%
Benefits	(260,043)	(133,847)	126,196	49%
Utilities	(126,000)	(49,648)	76,352	61%
Other operating expenses	(637,803)	(253,092)	384,711	60%
Leases	(3,534)	(1,593)	1,941	55%
Transfer to OPEB Trust	(61,180)	-	61,180	100%
Pension Unfunded Liability	(62,890)	(60,726)	2,164	3%
Annual Reserve Set-Aside	(100,000)	-	100,000	100%
<b>Total Expenses</b>	<b>(1,832,310)</b>	<b>(741,590)</b>	<b>1,090,720</b>	
<b>Capital Outlay (fixed assets)</b>	<b>(1,123,581)</b>	<b>(550,856)</b>	<b>572,725</b>	<b>51%</b>
<b>Net profit (loss)</b>	<b>\$ (119,225)</b>	<b>\$ 152,092</b>	<b>\$ 271,317</b>	
Debt service collections-1329/No BOI	326,188	163,806	(162,382)	50%
Debt service:Prin/Interest	(323,910)	(162,759)	161,151	50%
	2,278	1,047	(1,231)	

**Sewer Fund Quarter Summary Notes**

**REVENUE**

Other Operating Rev.- Connection \$14K, Late fees \$10K  
Non-Operating Revenue-Downtown/BOF Grant \$7K, Flume Project Grant Pmt \$390,000

**EXPENSES**

PG&E Utility Rebate Reduced Utilities Expense

**CAPITAL OUTLAY**

Flume Project \$482K, Headworks \$12K, Operations Building \$11K, Sewer Master Plan \$25K



**Budget to Actual**  
*Groveland Community Services District*

**Budget to Actual**  
*Groveland Community Services District*

For 2nd Quarter ended December 31, 2019

<b>Total - Governmental Funds</b>	<b>2019/20 Annual Budget</b>	<b>Year-to-date Actuals</b>	<b>CY Actual Vs. CY Budget- Remaining \$</b>	<b>CY Actual Vs. CY Budget- Remaining%</b>
Property taxes	1,181,268	677,884	(503,384)	43%
Other operating revenues	22,000	29,521	7,521	-34%
Other nonoperating revenues	434,700	47,447	(387,253)	89%
<b>Total Revenues</b>	<b>1,637,968</b>	<b>754,851</b>	<b>(883,117)</b>	
Salaries and benefits	(141,711)	(54,517)	87,194	62%
Utilities	(56,000)	(29,537)	26,463	47%
Cal Fire/Amador contract	(1,350,230)	(237,917)	1,112,313	82%
Other operating expenses	(328,494)	(86,086)	242,408	74%
Transfer to OPEB Trust	(9,660)	-	9,660	100%
Transfer to Pension/Unfunded	(52,280)	(50,484)	1,796	3%
<b>Total Expenses</b>	<b>(1,938,375)</b>	<b>(458,541)</b>	<b>1,479,834</b>	
<b>Capital outlay (fixed assets)</b>	<b>(299,665)</b>	<b>(48,658)</b>	<b>251,007</b>	<b>84%</b>
<b>Net profit (loss)</b>	<b>\$ (600,072)</b>	<b>\$ 247,652</b>	<b>\$ 847,724</b>	

**Budget to Actual**  
*Groveland Community Services District*

For 2nd Quarter ended December 31, 2019

Fire	2019/20 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Property taxes	\$ 1,086,768	\$ 623,653	\$ (463,115)	43%
Other operating revenues	20,500	656	(19,844)	97%
Other nonoperating revenues	192,300	44,588	\$ (147,712)	77%
<b>Total Revenues</b>	<b>1,299,568</b>	<b>668,896</b>	<b>(630,672)</b>	
Salaries and benefits	(45,458)	(16,311)	29,147	64%
Cal Fire Contract	(1,077,718)	(237,917)	839,801	78%
Amador Contract	(272,512)		272,512	100%
Utilities	(14,000)	(9,231)	4,769	34%
Other operating expenses	(284,799)	(62,777)	222,022	78%
Transfer to OPEB Trust	(1,610)	-	\$ 1,610	100%
Tfr. to PERS Unfunded/Smoothing	(44,005)	(42,494)	\$ 1,511	3%
<b>Total Expenses</b>	<b>(1,740,102)</b>	<b>(368,730)</b>	<b>1,371,372</b>	
<b>Capital Outlay (fixed assets)</b>	<b>(47,340)</b>	<b>(36,079)</b>	<b>\$ 11,261</b>	
<b>Net Profit (Loss)</b>	<b>\$ (487,874)</b>	<b>\$ 264,087</b>	<b>\$ 751,961</b>	

**Fire Fund Quarter Summary Notes**

**REVENUE**

Property Tax paid in April/Dec.

Non Oper. Rev.- Sonora Area Grant \$20K (SCBA), CA Fire Defensible

**EXPENSES**

Higher Water Bills

**CAPITAL**

SCBA Fill Station \$30K, Lighting Upgrade \$5K

**Budget to Actual**  
*Groveland Community Services District*

For 2nd Quarter ended December 31, 2019

Parks	2019/20 Annual Budget	Year-to-date Actuals	CY Actual Vs. CY Budget- Remaining \$	CY Actual Vs. CY Budget- Remaining%
Property taxes	\$ 94,500	\$ 54,231	\$ (40,269)	43%
Other operating revenues	1,500	28,865	27,365	-1824%
Other nonoperating revenues	242,400	2,859	(239,541)	
<b>Total Revenue</b>	<b>338,400</b>	<b>85,954</b>	<b>(252,446)</b>	
Salaries and benefits	(96,253)	(38,206)	58,047	60%
Utilities	(42,000)	(20,306)	21,694	52%
Other operating expenses	(43,695)	(23,309)	20,386	47%
Transfer to OPEB Trust	(8,050)	0	8,050	100%
Transfer to Pension	(8,275)	(7,990)	285	3%
<b>Total Expenses</b>	<b>(198,273)</b>	<b>(89,811)</b>	<b>108,462</b>	
<b>Capital outlay (fixed assets)</b>	<b>(252,325)</b>	<b>(12,578)</b>	<b>239,747</b>	<b>95%</b>
<b>Net Profit (Loss)</b>	<b>\$ (112,198)</b>	<b>\$ (16,435)</b>	<b>\$ 95,763</b>	

**Parks Fund Quarter Summary Notes**

**REVENUE**

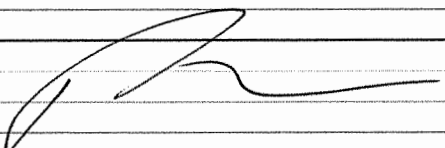
Property Tax paid in April/Dec.  
Misc. Rev - Cell Tower Rents \$26K  
Non Oper. Rev. -

**EXPENSES**

Nothing Notable

**CAPITAL OUTLAY**

Park Amphitheater Upgrade \$10K

GROVELAND COMMUNITY SERVICES DISTRICT				Enterprise & D/G Funds			Government Funds		
Quarterly Investment/Treasurer's Report									
1st Quarter Balances @12/31/19									
Cash Accounts	Acct	Interest Rate	YTD Interest Jan-Dec-2019	Water	Sewer	Grunsky	Fire	Parks	G/L Totals
Mechanics Bank Operating Account	4498	0	0	1,366,127.27	603,771.86	5,133.39	707,530.48	54,060.60	2,736,623.60
Mechanics Bank Investment (Operating Reserves)	2814	0.20%	119.20	-	-	-	-	-	-
Mechanics Bank Payroll Account	2426	0	0	20,345.88	19,889.90		2,910.07	3,331.01	46,476.86
Mechanics Bank Sewer Impr. Checking	2675				1,500,100.00				1,500,100.00
Water Bond Pymt Reserve	4662	0.20%	1967.78	1,166,329.32	-		-	-	1,166,329.32
Sewer Bond Pymt Reserve	4745	0.20%	1638.55	-	895,734.61		-	-	895,734.61
Cash Drawer				168.00	132.00				300.00
Petty Cash				100.00	100.00				200.00
Cash in Co Treas SAD 77-1				(588.00)					(588.00)
LAIF to Investment Reserves Acct	5001	2.29%	66,319.68	1,574,400.95	289,193.55	11,997.04	757,033.05	242,278.91	2,874,903.50
Closed Pension/Drought Acct.	58/89	0.20%	0.00						
<b>Total Unrestricted Cash</b>				<b>4,126,883.42</b>	<b>3,308,921.92</b>	<b>17,130.43</b>	<b>1,467,473.60</b>	<b>299,670.52</b>	<b>9,220,079.89</b>
2013 Water Bond Sale - Restricted Reserve	2498	0.20%	631.87	316,273.06					316,273.06
2014 BNY Water Bond Sale - Restricted Reserve	5112	2.31%	8247.08	382,233.80					382,233.80
2014 BNY Sewer Bond Sale-Restricted Reserve	9240	2.31%	7,080.14		432.00				432.00
<b>Total Restricted Cash</b>				<b>698,506.86</b>	<b>432.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>698,938.86</b>
<b>Total Cash and Investments</b>				<b>4,825,390.28</b>	<b>3,309,353.92</b>	<b>18,464.26</b>	<b>1,467,473.60</b>	<b>299,670.52</b>	<b>9,919,018.75</b>
<b>2019 YTD Interest Earned</b>		<u>Jan-Dec</u>	<u>\$ 86,004.30</u>						
"I certify that the District investments have been made in accordance with the Investment Policy. I further certify that the District has adequate revenue to cover its operating expense for the next six months, in accordance with California Government Code Sections 53646 (b) (2) and (3) respectively."									
Name				Title	General Manager			Date	12-31-19



## **BOARD MEETING AGENDA SUBMITTAL**

---

**TO:** GCSB Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6A: Review of Leon Rose Ballfield  
Repair/Renovation Plan and Schedule, Planned Volunteer Workdays  
and Authorize the Opening of the Field for use by Tioga High School  
for the 2020 Softball Season

---

### **RECOMMENDED ACTION**

Staff recommends the following action:

*I Move to Authorize the Restoration and Use of Leon Rose Baseball Field for use by Tioga High School for the 2020 Softball Season.*

### **BACKGROUND**

Due to increasing maintenance expenses, a lack of park funding and the need for the baseball field as a recycled water sprayfield in 2016; the use and maintenance of Leon Rose Baseball Field was terminated. In 2018, Tioga High School representatives approached the District with a request to once again use the field for softball play and offered to provide field maintenance and cover operating costs during their use of the field.

No action was taken by the District in 2018, and the school once again approached the District in late 2019; this time with an offer to also mobilize a volunteer effort to perform enough maintenance on the field to make it safe to play for the 2020 softball season. District management agreed to support the renovation process and the school staff began mobilizing resources to complete the work.

In January 2020, it was realized by GCSB staff that the baseball field may have been formally closed by Board action, so this item has been placed on the Board's agenda for communication purposes and to seek Board approval of the field restoration process and use for the 2020 season. GCSB staff has researched the Board record and has found no specific Board action closing the field.

The high school will be providing liability insurance coverage for any damage claims arising out of use of the field. Volunteers sign a District waiver form releasing the District from any claims of damage or injury from volunteering on the field renovation. The school has secured some funds to complete repairs, and District staff are planning to assist in getting the field back in order. The necessary short and long term improvements to the facility are being evaluated, and will be presented to the Board in the near future.

**ATTACHMENTS:**

- Tioga Liability Insurance Certificate

**FINANCIAL IMPACT:**

The cost of the minimal field renovations necessary to provide a safe facility will likely cost less than \$15,000, with the majority of this expense covered by the High School. The school will cover the cost of utilities and will provide ongoing field maintenance during the season. After the season, if additional ongoing funding is not secured, the field may once again need to be decommissioned.

DATE  
(MM/DD/YYYY)  
5/10/2019

## CERTIFICATE OF LIABILITY COVERAGE

<b>COVERAGE PROVIDER:</b>  Self-Insured Schools of CA 2000 K Street Bakersfield CA 93301	<b>NAMED COVERED MEMBER DISTRICT:</b>  Big Oak Flat-Groveland Unified School District PO Box 1397 Groveland CA 95321
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THE REFERENCED MEMORANDUM OF COVERAGE(S) ("MOC") AND/OR INSURANCE POLICY(IES) EXTEND INDEMNITY PROTECTION TO THE NAMED COVERED MEMBER IN KEEPING WITH THE TERMS AND CONDITIONS OF THE COVERAGE AGREEMENTS/ POLICIES FOR THE EFFECTIVE COVERAGE DATES AND WITH THE STATED COVERAGE LIMITS. COVERAGE PROVIDED BY MOCS IS EXTENDED PURSUANT TO THE RIGHTS AND LIMITATIONS OF CALIFORNIA GOV'T CODE § 990 & 6500 ET SEQ.

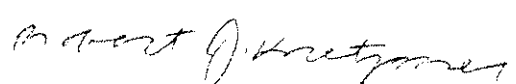
**CERTIFICATE NUMBER: 5**

TYPE OF COVERAGE	COVERAGE AFFORDED	MOC/POLICY NUMBER	EFFECTIVE DATE(S)	EXPIRATION DATE(S)	LIMITS (Each Occurrence)
<b>GENERAL LIABILITY</b>	General Liability Employment Practices Educators' Legal Liability	SLP 7119 20 \$1,000 Deductible	07/01/2019	07/01/2020	\$ 1,750,000
<b>AUTOMOBILE LIABILITY</b>	Automobile Liability (All Owned, Hired, Leased, and Borrowed)	SAP 7119 20 \$1,000 Deductible ACV COMP/COLL	07/01/2019	07/01/2020	\$ 1,750,000
<b>WORKERS COMPENSATION AND EMPLOYERS LIABILITY</b>	E.L. Each Accident E.L. Disease – Ea. Employee E.L. Disease – Policy Limit				
<b>BLANKET BUILDINGS &amp; PROPERTY</b>	Blanket Buildings & Contents, Replacement Cost Rental Interruption, Actual Loss Sustained	SPP 7119 20  DEDUCTIBLE \$ 2,500	07/01/2019	07/01/2020	\$ 250,000

THIS CERTIFICATE CONFERS NO RIGHT, BENEFIT, OR INTEREST IN THE REFERENCED MEMORANDUM(S) OF COVERAGE OR INSURANCE POLICY(IES). NOR DOES IT AMEND, MODIFY, ENLARGE OR ALTER THE COVERAGE AFFORDED BY SUCH DOCUMENTS. IF THE CERTIFICATE HOLDER IS CONTRACTUALLY ENTITLED TO BE NAMED AS AN ADDITIONAL COVERED MEMBER ("ACM") UNDER ANY COVERAGE AGREEMENT OR POLICY, THE CONTRACT IMPOSING THE OBLIGATION MUST BE PROVIDED TO THE NAMED COVERED MEMBER LISTED ABOVE FOR REVIEW AND APPROVAL BEFORE SUCH AN ENDORSEMENT WILL BE ISSUED; ACM COVERAGE IS NOT AUTOMATICALLY GRANTED.

**Description and Date(s) of Event/Operations/Locations/Vehicle** (Additional remarks/schedule may be attached if more space is needed)

\*Use of facilities and land for baseball/softball practice and games for Tioga High School teams during the policy year.

<b>CERTIFICATE HOLDER:</b>  Groveland Community Services District Parks & Recreation PO Box 350 Groveland CA 95321	<b>Cancellation of Coverage:</b> If any of the policies described herein be cancelled before their expiration dates, notice will be delivered in accordance with policy provisions.  <b>Issuer of this Certificate:</b> SELF-INSURED SCHOOLS OF CA (SISC II) 2000 K STREET BAKERSFIELD CA 93301 PHONE (661) 636-4495      FAX (661) 636-4868 E-mail Address: sisc_pl@kern.org
	



## **BOARD MEETING AGENDA SUBMITTAL**

---

**TO:** GCSB Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6B: Presentation by the Community Emergency Response Team (CERT) Program Coordinator and the Forming Groveland CSD Fire CERT

---

### **RECOMMENDED ACTION**

No action required, information only.

### **BACKGROUND**

In 2019, the Board adopted a Resolution supporting the formation of a Community Emergency Response Team (CERT); a program that provides a huge support benefit to the Fire Department and community during emergency situations such as fire or evacuation. The Twain Harte CSD fostered the formation of what has become a very successful CERT program.

The purpose of today's agenda item is to further introduce the GCSB Board and public to the CERT program in general, and to introduce the leaders and founding members of the newly forming Groveland CERT program. A presentation will be provided by Carol Hallett, CERT lead for Tuolumne County in Twain Harte. Bob Asquith, the Groveland CERT coordinator, will introduce members and discuss progress.

One goal of the presentation is to learn how GCSB may be able to further support the formation and operation of the Groveland CERT.

### **ATTACHMENTS:**

- CERT flyer

### **FINANCIAL IMPACT:**

None at this time



# WHY CERT?

- Learn skills to help others.
- Know how to protect yourself.
- Give back to your community.
- Be part of a team that cares.
- Be prepared!



## FIREFIGHTER REHAB

### Learn how to:

- Rehydrate our firefighters.
- Check their vitals.
- Cool them down/warm them up.
- Give them nutrition.



For more information visit:

[www.fema.gov/community-emergency-response-teams](http://www.fema.gov/community-emergency-response-teams)

Like us on Facebook   
Twain Harte Area CERT

Todd McNeal – Fire Chief/Program Manager  
Twain Harte Fire and Rescue  
(209)586-4800

Carol Hallett – Team Leader  
(209) 586-2837



[twainhartecert@gmail.com](mailto:twainhartecert@gmail.com)

Printed by:



# ARE YOU READY?



# JOIN

## TWAIN HARTE AREA



Serving Tuolumne County

# CERT IN ACTION

- Residential/Neighborhood checks
- Emergency Medical Triage & First Aid
- Evacuation of neighbors with disabilities & others with access & functional needs
- Staffing Emergency Operation Centers & Shelters
- General evacuations
- Debris removal
- Helicopter Landing Zone security
- Community Relations & distribution of emergency information to public
- Managing & processing supplies & donations
- Initial damage assessment
- Basic search & rescue
- Utilities control/shut-off
- Welfare checks
- Firefighter Rehabilitation

*When there is an emergency, regardless of your background or abilities, CERT has a job for anyone who wants to participate!*

The CERT concept was developed and implemented by the Los Angeles City Fire Department in 1985. The Whittier Narrows earthquake in 1987 underscored the area-wide threat of a major disaster in California. Further, it confirmed the need for training civilians to meet their own immediate needs and those of their communities.



# PREPAREDNESS

CERT training prepares you for any incident, no matter where you are.

CERT stands for 'Community Emergency Response Team'. THA-CERT is about readiness, people helping people, rescuer safety and doing the greatest good for the greatest number.

## Free 20-Hour CERT Basic Training Class Includes:

- Disaster Preparedness
- Fire Suppression
- Medical Aid
- Light Search & Rescue
- Disaster Psychology
- CERT Team Organization
- Terrorism Response
- Disaster Simulation

This Nationally Certified Course teaches CERT teams to perform essential life-saving functions while awaiting the arrival of professional emergency responders following a disaster.



*Attending CERT Basic Training does not obligate you to join the team.*



**TO: GCS D Board of Directors**

**FROM: Andrew Murphy, Assistant Fire Chief**

**DATE: February 11, 2020**

**SUBJECT: Agenda Item 6C: Approval of the Purchase of a Surplus CAL FIRE Type III Wildland Engine and Associated Tools and Equipment**

---

**RECOMMENDED ACTION**

**"I move to approve the purchase of a used CAL FIRE Type 3 fire engine to replace GCS D Engine 788"**

**BACKGROUND**

GCS D Engine 788 (E788) is a 1984 Grumman pumper that is housed at the Airport station. Engine 788 is scheduled for replacement due to age and wear, however funds are no available to fund the cost of a new replacement engine. E788 is utilized mostly when leased out to CAL FIRE each summer, but also functions as a back-up to the reserve engine.

Every few years CAL FIRE has a surplus equipment sale. This spring it is anticipated that CAL FIRE will have one of their sales that makes surplussed fire equipment available to local governments and other agencies. Recently, our local CAL FIRE fleet manager was in Davis and found a late nineties fire engine in good condition he thought would suit the needs of the District in a type III wildland engine to replace the current E788. The engine has approximately 50,000 miles on it and it was last assigned to the academy.

E788 has brought in approximately \$31,000 in reimbursements while leased out to the state so far in FY 19/20.

As the date of the sale hasn't been announced by CAL FIRE, staff want to be in a position to act rapidly to secure the engine should it become available. Staff is requesting the Board approve the purchase of the engine in the upcoming surplus sales. The type III wildland engine will add to the capabilities of the District to protect the community from wildfire and will provide the opportunity for reimbursement to the District if leased to CAL FIRE. The estimated cost is \$10,000 for the engine and an additional \$15,000 for tools and equipment.

## **ATTACHMENTS**

- Photos to be handed out

## **FINANCIAL IMPACTS**

The cost would be approximately \$10,000 to purchase the engine and another \$15,000 for tools and equipment. It is anticipated that the cost of this engine and tools will be recovered within a three year period.



## **BOARD MEETING AGENDA SUBMITTAL**

---

**TO:** GCSO Board of Directors

**FROM:** Rachel Pearlman, Administrative Services Technician II

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6D: Adoption of a Resolution Allowing District Staff to Apply for a Grant to Sonora Area Foundation for “Movies in the Park”

---

### **RECOMMENDED ACTION**

Staff recommends the following action:

*I move to approve adopting Resolution, A Resolution Approving District Staff to Apply for a Grant to Sonora Area Foundation for “Movies in the Park”*

### **BACKGROUND**

GCSO staff would like to submit a grant application to the Sonora Area Foundation to help with costs associated with the District hosting Movies in the Park. The Sonora Area Foundation requires that applicants receive Board approval in order to submit an application for funding.

### **Update on Other Outside Funding Support**

District staff sent out sponsorship mailers to local businesses in October in an effort to raise money for this event. To date, Administrative Technician Renee Van Dyk and Rachel Pearlman have attended several Board Meetings and have received one sponsorship of \$500 from PML, one donation from the ROOFBB’s for \$1,000, as well as a pledge for \$500 from Helping Hands. District staff is pleased with the support that has been received thus far and will continue to follow up with businesses and organizations in hopes of increasing the amount of support and funding for Movies in the Park.

### **FINANCIAL IMPACT:**

None

**RESOLUTION 04-20**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT APPROVING STAFF TO APPLY FOR A GRANT TO SONORA AREA FOUNDATION FOR MONIES TO SUPPORT “MOVIES IN THE PARK”**

**WHEREAS**, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, the Groveland Community Services District staff has been making attempts to raise money to fund Movies in the Park event; and

**WHEREAS**, the staff at Groveland Community Services District would like to apply for a grant to Sonora Area Foundation; and

**WHEREAS**, Sonora Area Foundation requires a Board Governing Resolution to submit an application for the grant.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** Approve Resolution 02-20, approving staff to apply for a grant to Sonora area foundation for “Movies in the Park”

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on February 11, 2020 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

ATTEST:

---

Jennifer L. Flores, Secretary

---

Janice Kwiatkowski, President - Board of Directors

**CERTIFICATE OF SECRETARY**

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on February 11, 2020.

DATED: \_\_\_\_\_

**TO:** GCSB Board of Directors

**FROM:** Pete Kampa, General Manager

**DATE:** February 11, 2020

**SUBJECT: Agenda Item 6E: Consideration of Allocation of certain discretionary funds to park operations, improvements and specified initiatives such as Movies in the Park and GRACE**

---

**RECOMMENDED ACTION**

Staff recommends the following action:

*I Move authorize the General Manager to allocate and budget discretionary funds to park operations, improvements and specified initiatives such as Movies in the Park and GRACE.*

**BACKGROUND**

The District receives various forms of revenue to fund operations. Some revenue streams are **restricted (by law)** for a particular use or service such as water and sewer fees and charges, which must be accounted for and allocated to the service for which they are charged. Some revenue sources are **by practice dedicated** back to the services due to being generated as a result of billing for water and sewer services, such as late fees and interest. In some cases, the District charges “fees for service” to cover the direct cost of engineering for example.

The District also receives interest earned on investments (of cash), property lease revenue and ad valorem property taxes. The property taxes may be allocated to any legal purpose, at the discretion of the District, within the jurisdiction of the District powers and governing laws. By practice, the District has allocated property taxes to Fire and Park services. Also by practice, any investment interest generated from the Park funds have been deposited into the Park fund, interest income generated from Fire funds back into the Fire Fund, and so on for all services. The District has the legal discretion to allocate all interest earned from property taxes to any legitimate public purpose. Property lease revenue has been dedicated to Park services by practice.

In past years, we have kept our cash and reserves in a commercial bank account which earned no, to very little interest. In 2018, we began investing available fund balances and reserves in all services to the Local Agency Investment Fund (LAIF), which in 2019 earned over \$80,000 in interest. Due to significant staff effort, we have also begun to receive donations for events such as Movies in the Park. The Park operating expense far exceeds the amount of revenue available in property taxes, and on the horizon it will be critical to have increased cash to dedicate to park projects and services to provide leverage for grant funds. Staff seeks Board support to identify



budgeting and revenue allocation methods that will increase Park revenue for all purposes; within the confines of law and accepted accounting principles.

**ATTACHMENTS:**

None

**FINANCIAL IMPACT:**

There is no financial impact on any fund directly, and any anticipated future impact will be identified in the budget to allow for very transparent Board decision making.



## **BOARD MEETING AGENDA SUBMITTAL**

---

**TO:** GCSB Board of Directors

**FROM:** Pete Kampa, General Manager

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6F: Approval of a Mid-year 2019/20 Budget Adjustment to Include the Addition and Modification of the Capital Outlay/Projects Schedule and Minor Operating Expense Adjustments

---

### **RECOMMENDED ACTION**

Staff recommends the following action:

*I Move to approve Mid-year 2019/20 Budget Adjustment to Include the Addition and Modification of the Capital Outlay/Projects Schedule and Minor Operating Expense Adjustments.*

### **BACKGROUND**

A draft 2019/20 budget adjustment was briefly reviewed at the January 28, 2020 Board workshop. The purpose of the Board's action today is primarily to publicly discuss changes to the District spending plan through the end of the fiscal year. It is anticipated that overall, total expenses including capital projects for each service will remain within the total amounts budgeted. Due to the tardy release of state grant funding, many of the park renovations planned for this fiscal year will be extended into next year.

No transfers between funds are being requested. Several unforeseen capital projects/equipment replacement have occurred, and the cost of two projects/purchases have exceeded the initial amount budgeted. The proposed budget adjustments are attached for review and approval.

### **ATTACHMENTS:**

- Draft Proposed 2019/20 Budget Adjustments sheet

### **FINANCIAL IMPACT:**

The individual budget changes are shown in the attached, and no fund is proposed for increase in total expenses for the year.

DRAFT PROPOSED 2019/20 BUDGET ADJUSTMENTS

2019/20 Mid Year Budget Adjustments	Spent at Mid				Variance	Comments
	2019/20 Budget	Year (6 mo.)	Projected FYE			
Bank Fees	\$ 3,500	\$ 2,650	\$ 5,300	\$ 1,800		
Workers Comp	\$ 33,919	\$ 24,896	\$ 24,896	\$ (9,023)		
Fuel	\$ 61,700	\$ 39,400	\$ 78,800	\$ 17,100	PG&E PSPS	
Memberships/Dues	\$ 24,000	\$ 17,906	\$ 20,000	\$ (4,000)		
Actuarial Review	\$ 2,000	\$ 1,500	\$ 3,500	\$ 1,500		
<b>SUBTOTAL</b>				\$ 7,377		
R & M- Treatment	\$ 66,500	\$ 48,143	\$ 96,286	\$ 29,786		
R & M- Equipment	\$ 42,000	\$ 9,314	\$ 18,628	\$ (23,372)		
<b>SUBTOTAL</b>				\$ 6,414		
(Administrative) Consulting	\$ 12,000	\$ -	\$ 1,000	\$ (11,000)	Can offset cost overruns in other areas	
Fire Department Utilities (water)	\$ 14,000	\$ 9,314	\$ 18,628	\$ 4,628		
Water Master Plan Development	\$ 120,000	\$ 60,000	\$ 100,000	\$ (20,000)	Over budgeted	
Sewer Master Plan Development	\$ 120,000	\$ 60,000	\$ 100,000	\$ (20,000)	Over budgeted	
<b>SUBTOTAL</b>				\$ (40,000)		
<b>Capital Additions</b>						
Big Creek UV Analyzer	\$ -	\$ 7,361	\$ 7,361	\$ 7,361	Covered in pump replacements and distribution improvements	
6" Booster Pump Valve	\$ -	\$ 9,346	\$ 9,346	\$ 9,346	Covered in pump replacements and distribution improvements	
LS#16 Sewer Line Imp	\$ -	\$ 2,350	\$ 44,350	\$ 44,350	\$18,000 covered by remaining IRWMP grant	
Headworks, LS2,Irrig	\$ -	\$ 12,240	\$ 500,000	\$ 500,000	Secured \$1.5 million loan to cover	
Operations Building Major Maintenance/Upgrade	\$ -	\$ 10,613	\$ 19,760	\$ 19,760	Amount omitted from sewer budget	
SCBA Fill Station	\$ -	\$ 30,647	\$ 30,647	\$ 30,647	Budgeted at \$45,000 in 2018/29, never spent. Covered by \$20,000 SAF grant	
Park Amphitheater	\$ -	\$ 10,670	\$ 10,670	\$ 10,670	Major repairs needed for safety	
Onsite Chlorine Generator for WWTP	\$ -	\$ -	\$ 30,000	\$ 30,000	Equipment failed, may be included in headworks project costs	
<b>SUBTOTAL</b>				\$ 652,134		
<b>Capital Outlay Cost Overrun</b>						
Fuel Tank Painting/Electronic Logging	\$ 15,000	\$ -	\$ 20,000	\$ 5,000	Upgraded software and capabilities	
New Crane Truck	\$ 135,000	\$ -	\$ 145,000	\$ 10,000	Truck price increase	
<b>SUBTOTAL</b>				\$ 15,000		



## **BOARD MEETING AGENDA SUBMITTAL**

---

**TO:** GCSB Board of Directors

**FROM:** Pete Kampa, General Manager

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6G: Consideration of Approval of Board Members  
Attending the CSDA Annual Conference in Palm Desert

---

### **RECOMMENDED ACTION**

Staff recommends the following action:

*I Move to approve of Board Members Attending the CSDA Annual Conference in Palm Desert.*

### **BACKGROUND**

The CSDA Annual Conference and Exhibitor Showcase is an educational and networking three-day event for special district professionals and industry experts. The conference is designed to develop new partnerships and to participate in inspiring and motivating keynote sessions. The intent of the conference is for special district professionals to walk away with strategies, new connections, and innovative ideas to move their districts forward.

### **ATTACHMENTS:**

Refer to CSDA Magazine, not attached

### **FINANCIAL IMPACT:**

The conference registration fee is \$625 per participant, lodging is \$129 plus tax per night and, airfare. The cost for participants is estimated to be approximately \$2,000.00 per Board Member. There is an incentive received from District Insurance for a discounted rate for the cost of the registration of the event.



**BOARD MEETING AGENDA SUBMITTAL**

---

**TO:** GCS D Board of Directors

**FROM:** Rachel Pearlman, Administrative Services Technician II

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6H: Approve Authorizing Waiver of Park Rental Fees and Partnership with the ROOFBB Organization to Host a Concert Fundraiser with Proceeds to be Split Equally between GCS D Movies in the Park and ROOFBB's

---

**RECOMMENDED ACTION**

Staff recommends the following action:

*I Move to approve authorizing waiver of Park Rental Fees and partnership with the ROOFBB organization to hold a concert fundraiser with proceeds to be split equally between GCS D Movies in the Park and ROOFBB's*

**BACKGROUND**

District staff Renee Van Dyk and Rachel Pearlman attended the ROOFBB's Board meeting on January 20, 2020 as requested for a presentation regarding GCS D "Movies in the Park". Their board members inquired about entering into a partnership with GCS D to host a fundraiser "concert" at the lower park with the proceeds equally split between the two organizations with the District's share going to support Movies in the Park.

**ATTACHMENTS:**

None

**FINANCIAL IMPACT:**

There is no cost associated for the District with entering into this partnership for the proposed fundraiser. District staff will volunteer their time to assist the needs of hosting the concert on District property. ROOFBB's will be supplying the band and responsible for ticket sales. The District will benefit financially by receiving half of the proceeds raised, which will be allocated to support Movies in the Park.

**TO:** GCSB Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** February 11, 2020

**SUBJECT:** Agenda Item 6I: Adoption of a Resolution Authorizing Execution of a Funding Agreement with the State Water Resources Control Board for the Downtown Groveland/Big Oak Flat Sewer Collection System Renovation Project

---

**RECOMMENDED ACTION**

Staff recommends the following action:

*I Move to Adopt a Resolution Authorizing Execution of a Funding Agreement with the State Water Resources Control Board for the Downtown Groveland/Big Oak Flat Sewer Collection System Renovation Project*

**BACKGROUND**

The District has secured a planning grant from the State Water Resources Control Board for the evaluation of the sewer collection system serving Groveland, Big Oak Flat and portions of PML. The system evaluation has resulted in the identification of \$5,845,568 in necessary system improvements. For the past year following completion of the planning study, GCSB staff and District Engineer have been working with the state to secure a funding agreement.

The attached draft financing agreement has been prepared by the state, and delivered to the District for review by legal counsel; which will be complete by the end of 2/14/20. The State will also provide the proposed terms of the agreement, including grant and loan amounts, interest rates and repayment terms. It is important that we act quickly pending review of legal counsel to execute the agreement so that we can be included in the state's spending plans for remaining grant funds. The agreement is also being reviewed by special bond counsel hired by the District.

**ATTACHMENTS:**

- Draft Clean Water SRF Financing Agreement
- Resolution approving agreement prepared by bond counsel

**FINANCIAL IMPACT:**

The District has budgeted the estimated amount of debt service (loan payments) for 25% of the total project costs; \$61,394 annually. The final amount of the loan payments may not be known by this meeting date, however if annual payments significantly exceed the budgeted amount, the 2020/21 budget will reflect the correct final payment amount. The first loan payment will not be due until after completion of construction, estimated in 2021.

DFA: Each highlighted and bracketed area will require action on your part. When in doubt, contact OCC. Delete logos that are n/a.]

DRAFT DATED: 1/23/2020



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CLEAN WATER

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GROVELAND COMMUNITY SERVICES DISTRICT

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



CONSTRUCTION INSTALLMENT SALE AGREEMENT

DOWNTOWN GROVELAND AND BIG OAK FLAT SEWER COLLECTION SYSTEM IMPROVEMENTS

CLEAN WATER STATE REVOLVING FUND PROJECT NO. [ ]

FISCAL AGREEMENT NO. [ ]

PROJECT FUNDING AMOUNT: \$  
PRINCIPAL FORGIVENESS COMPONENT: \$  
ESTIMATED REASONABLE PROJECT COST: \$

ELIGIBLE WORK START DATE: \_\_\_\_\_  
ELIGIBLE CONSTRUCTION START DATE: \_\_\_\_\_  
CONSTRUCTION COMPLETION DATE: \_\_\_\_\_  
FINAL REIMBURSEMENT REQUEST DATE: \_\_\_\_\_  
FINAL PAYMENT DATE: \_\_\_\_\_  
RECORDS RETENTION END DATE: \_\_\_\_\_

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DRAFT

## AGREEMENT

### 1. AUTHORITY.

- (a) The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to Section 13475 et seq. of the Water Code, and Resolution Nos. 2019-0031 and \_\_\_\_\_.
- (b) The Recipient is authorized to enter into this Installment Sale Agreement (Agreement) pursuant to [Authorized Rep Resolution No. \_\_\_\_\_].

### 2. INTENTION.

- (a) The Recipient desires to receive financial assistance for and undertake work required for the wastewater construction Project according to the terms and conditions set forth in this Agreement.
- (b) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement, with the expectation that the Recipient shall repay a portion of the financial assistance to the State Water Board.
- (c) The Recipient intends to evidence its obligation to submit Payments to the State Water Board and secure its obligation with Net Revenues of its water/wastewater enterprise, as set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.
- (d) The Recipient intends to certify and evidence its compliance with the Tax Covenants set forth in Exhibit F.

### 3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

- (a) The Recipient hereby sells to the State Water Board and the State Water Board hereby purchases from the Recipient the Project. Simultaneously therewith, the Recipient hereby purchases from the State Water Board, and the State Water Board hereby sells to the Recipient, the Project in accordance with the provisions of this Agreement. All right, title, and interest in the Project shall immediately vest in the Recipient on the date of execution and delivery of this Agreement by both parties without further action on the part of the Recipient or the State Water Board.
- (b) Subject to the satisfaction of any condition precedent to this Agreement, this Agreement shall become effective upon the signature of both the Recipient and the State Water Board. Conditions precedent are not limited to the following:
- i. The Recipient must deliver to the Division a resolution authorizing this Agreement.
  - ii. The Recipient must deliver an opinion of bond counsel and general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.

(c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Final Payment Date.

(d) This Agreement includes the following exhibits and attachments thereto:

- i. EXHIBIT A – SCOPE OF WORK
- ii. EXHIBIT B – FUNDING TERMS
- iii. EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS
- iv. EXHIBIT D – SPECIAL CONDITIONS
- v. EXHIBIT E – PAYMENT SCHEDULE
- vi. EXHIBIT F – TAX CERTIFICATE

(e) This Agreement includes the following documents incorporated by reference:

- i. the Final Plans & Specifications, dated \_\_\_\_\_, which are the basis for the construction contract to be awarded by the Recipient (Agreement will be amended to incorporate such document);
- ii. the Waste Discharge Requirement Order No. \_\_\_\_\_ (and/or National Pollutant Discharge Elimination System Permit No. \_\_\_\_\_);
- iii. the Recipient's Reimbursement Resolution No. \_\_\_\_\_ dated \_\_\_\_\_;
- iv. the Recipient's Tax Questionnaire dated \_\_\_\_\_.
- v. the Davis-Bacon requirements found at:  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/docs/davisbacon/davis-bacon\\_2019\\_cwsrf-governmenta\\_entities\\_\(public\).pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/davisbacon/davis-bacon_2019_cwsrf-governmenta_entities_(public).pdf);
- vi. [other incorporated documents, if any]

4. PARTY CONTACTS

State Water Board		Groveland Community Services District	
Section:	Division of Financial Assistance		
Name:	Project Manager	Name:	Title
Address:	1001 I Street, _____ Floor	Address:	
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	
Phone:	(916) _____	Phone:	
Fax:	(916) _____	Fax:	
Email:	[program email]@waterboards.ca.gov [PM email]@waterboards.ca.gov	Email:	

The Recipient may change its contact upon written notice to the Division, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Recipient of any changes to its contact.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

5. DEFINITIONS.

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff,

contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Agreement" means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.

"Bank" means the California Infrastructure and Economic Development Bank.

"Bond Funded Portion of the Project Funds" means any portion of the Project Funds which was or will be funded with Bond Proceeds.

"Bond Proceeds" means original proceeds, investment proceeds, and replacement proceeds of Bonds.

"Bonds" means any series of bonds issued by the Bank, the interest on which is excluded from gross income for federal tax purposes, all or a portion of the proceeds of which have been, are, or will be applied by the State Water Board to fund all or any portion of the Project Costs or that are secured in whole or in part by Payments paid hereunder.

"Charge In Lieu of Interest" means any fee or charge in lieu of some or all of, but not to exceed, the interest that would otherwise be owed under this Agreement, as set forth in Exhibit E.

"Code" as used in Exhibit F of this Agreement means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is identified in Exhibit A of this Agreement.

"Cover Page" means the front page of this Agreement.

"Days" means calendar days unless otherwise expressly indicated.

"Debt Service" means, as of any date, with respect to outstanding System Obligations and, in the case of the additional debt tests in Exhibit B of this Agreement, any System Obligations that are proposed to be outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption), together with any Charge In Lieu of Interest on this Obligation or other System Obligations to the State Water Board, calculated with the following assumptions:

- a. Principal payments (unless a different subdivision of this definition applies for purposes of determining principal maturities or amortization) are made in accordance with any amortization schedule published for such principal, including any minimum sinking fund payments;
- b. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a tax-exempt obligation under federal law, is the average of the SIFMA Municipal Swap Index, or its successor index, during the 24 months preceding the date of such calculation;



- c. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a taxable obligation under federal law, is the average of LIBOR, or its successor index, during the 24 months preceding the date of such calculation;
- d. Interest on a variable rate System Obligation that is subject to a swap agreement is the fixed swap rate or cap strike rate, as appropriate, if the variable rate has been swapped to a fixed rate or capped pursuant to an interest rate cap agreement or similar agreement;
- e. Interest on a fixed rate System Obligation that is subject to a swap agreement such that all or a portion of the interest has been swapped to a variable rate shall be treated as variable rate debt under subdivisions (b) or (c) of this definition of Debt Service;
- f. Payments of principal and interest on a System Obligation are excluded from the calculation of Debt Service to the extent such payments are to be paid from amounts then currently on deposit with a trustee or other fiduciary and restricted for the defeasance of such System Obligations;
- g. If 25% or more of the principal of a System Obligation is not due until its final stated maturity, then principal and interest on that System Obligation may be projected to amortize over the lesser of 30 years or the Useful Life of the financed asset, and interest may be calculated according to subdivisions (b)-(e) of this definition of Debt Service, as appropriate.

"Deputy Director" means the Deputy Director of the Division.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

"Eligible Construction Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

"Eligible Work Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.

"Enterprise Fund" means the enterprise fund of the Recipient in which Revenues are deposited.

"Event of Default" means the occurrence of any of the following events:

- a) Failure by the Recipient to make any payment required to be paid pursuant to this Agreement, including Payments;
- b) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
- c) A material adverse change in the condition of the Recipient, the Revenues, or the System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
- d) Failure by the Recipient to comply with the additional debt test or reserve fund requirement, if any, in Exhibit B or Exhibit D of this Agreement;
- e) Failure to operate the System or the Project without the Division's approval;
- f) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;

- g) The occurrence of a material breach or event of default under any System Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;
- h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;
- i) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code;
- j) Loss of the Recipient's rights, licenses, permits, or privileges necessary for the operation of the System or the Project, or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Final Disbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds disbursements may be requested.

"Final Payment Date" is the date by which all principal and accrued interest due under this Agreement is to be paid in full to the State Water Board and is specified on the Cover Page of this Agreement.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period selected and designated by the Recipient as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Recipient's own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Listed Event" means, so long as the Recipient has outstanding any System Obligation subject to Rule 15c2-12, any of the events required to be reported with respect to such System Obligation pursuant to Rule 15c2-12(b)(5).

"Material Obligation" means an obligation of the Recipient that is material to this transaction other than a System Obligation.

"Maximum Annual Debt Service" means the maximum amount of Debt Service due on System Obligations in a Fiscal Year during the period commencing with the Fiscal Year for which such calculation is made and within the next five years in which Debt Service for any System Obligations will become due.

"Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation of the Recipient to make Payments (including Additional Payments) as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description in Exhibit A and Exhibit B and in the documents thereby incorporated by reference.

"Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the System and insurance premiums; but excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.

"Parity Obligation" means a debt obligation of the Recipient on parity to this Obligation. The Recipient has the following Parity Obligation:

- The Installment Sale Agreement by and between the Groveland Community Services District and Municipal Finance Corporation dated as of December 1, 2019.

"Payment" means any payment due to the State Water Board from the Recipient pursuant to this Agreement.

"Policy" means the State Water Board's "Policy for Implementing the Clean Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

"Project" means the Project financed by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient, that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Recipient to the Project under GAAP, and may include capitalized interest.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

"Recipient" means Groveland Community Services District.

"Records Retention End Date" means the last date that the Recipient is obligated to maintain records and is set forth on the Cover Page of this Agreement.

“Regional Water Quality Control Board” or “Regional Water Board” means the appropriate Regional Water Quality Control Board.

“Reimbursement Resolution” means the Recipient’s reimbursement resolution identified and incorporated by reference in this Agreement.

“Reserve Fund” means the reserve fund required pursuant to Exhibit B of this Agreement.

“Revenues” means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient’s behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.

“Rule 15c2-12(b)(5)” means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Senior Obligation” means a debt obligation of the Recipient that is senior to this Obligation. There are no Senior Obligations.

“SRF” means the Clean Water State Revolving Fund.

“State” means State of California.

“State Water Board” means the State Water Resources Control Board.

“Subordinate Obligation” means a debt obligation that is subordinate to this Obligation. There are no Subordinate Obligations.

“System” means all wastewater collection, pumping, transport, treatment, storage, and disposal facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

“System Obligation” means any obligation of the Recipient payable from the Revenues, including but not limited to this Obligation, any Parity Obligation, any Subordinate Obligation, [include any Senior, if any], and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations and this Agreement.

“Useful Life” means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

“Year” means calendar year unless otherwise expressly indicated.

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

GROVELAND COMMUNITY SERVICES DISTRICT:

By: \_\_\_\_\_  
Name: [Officer]  
Title: [Title1]

Date: \_\_\_\_\_

STATE WATER RESOURCES CONTROL BOARD:

By: \_\_\_\_\_  
Name: [Officer]  
Title: Deputy Director  
Division of Financial Assistance

Date: \_\_\_\_\_

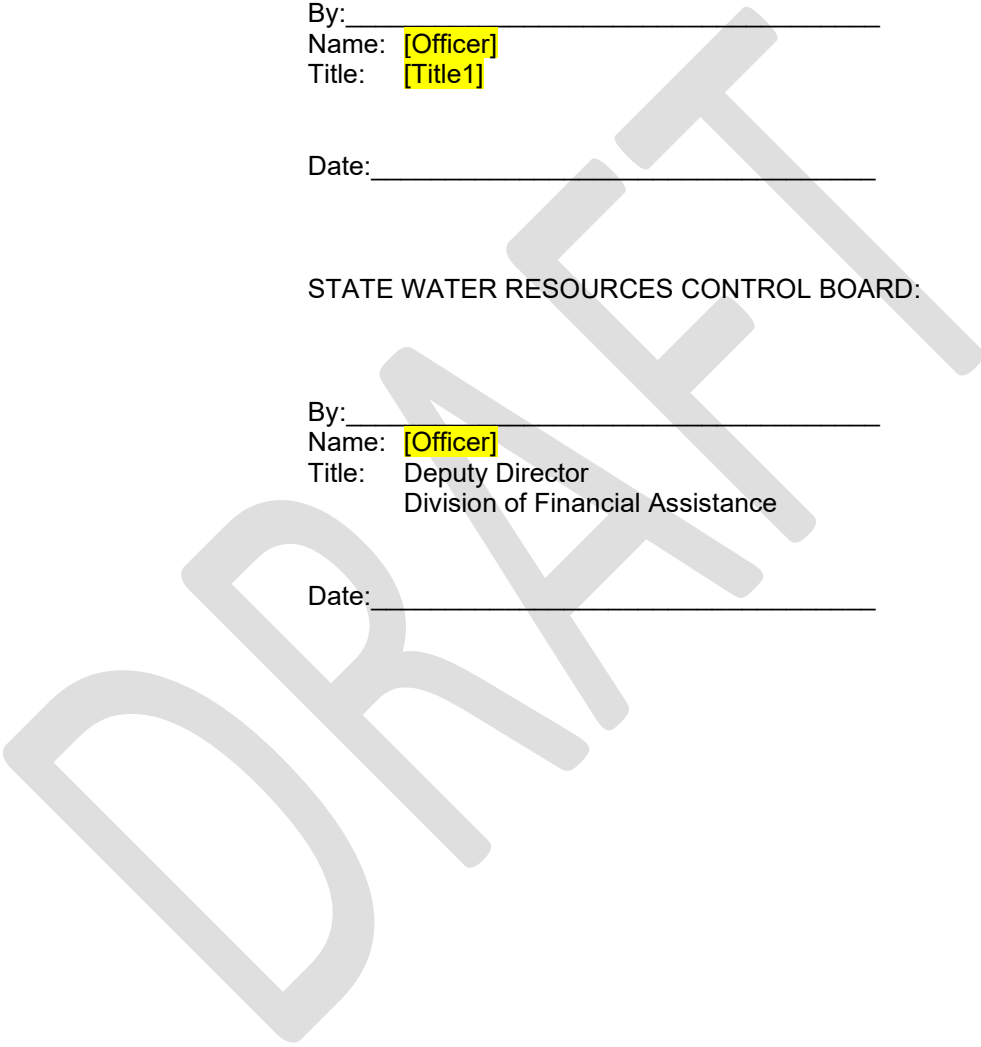


EXHIBIT A – SCOPE OF WORK

A.1. PROJECT DESCRIPTION, **USEFUL LIFE**, AND SCOPE OF WORK.

(a) The Project is the project set forth on the Cover Page of this Agreement.

(b) **The Useful Life of this Project is at least \_\_\_\_\_ years.**

(c) Scope of Work.

**[to be inserted by DFA]**

A.2. STANDARD PROJECT REQUIREMENTS.

A.2.1 Acknowledgements.

The Recipient shall include the following acknowledgement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board.

California’s Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds.

The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.”

A.2.2 Reports

A.2.2.1 Progress Reports.

(a) The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement.

(b) The Recipient must provide a progress report with each disbursement request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibit B.

(c) A progress report must contain the following information:

- i. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- ii. A description of compliance with environmental requirements;
- iii. A listing of change orders including amount, description of work, and change in contract amount and schedule; and

- iv. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

#### A.2.2.2 Project Completion Report.

(a) The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate Regional Water Board on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

- i. Description of the Project,
- ii. Description of the water quality problem the Project sought to address,
- iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and
- iv. Summary of compliance with applicable environmental conditions.

(b) If the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

#### A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

#### A.2.2.4 DBE Reports for SRF Projects.

The Recipient must report DBE utilization to the Division on the DBE Utilization Report, State Water Board Form DBE UR334. The Recipient must submit such reports to the Division annually within ten (10) calendar days following October 1 until such time as the "Notice of Completion" is issued. The Recipient must comply with 40 CFR § 33.301 and require its contractors and subcontractors on the Project to comply.

#### A.2.3 Signage.

The Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign must include the following disclosure statement and color logos (available from the Division):

- a.   

- b. "Funding for this \$x.x million [name of project] project has been provided in full or in part by the Clean Water State Revolving Fund through an agreement with the State Water Resources Control

Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

c. The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

#### A.2.4 Commencement of Operations.

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

#### A.3 DATES & DELIVERABLES.

- (a) Time is of the essence.
- (b) The Recipient must expeditiously proceed with and complete construction of the Project.
- (c) The following dates are established as on the Cover Page of this Agreement:
  - i. Eligible Work Start Date
  - ii. Eligible Construction Start Date
  - iii. Completion of Construction Date
  - iv. Final Disbursement Request Date
  - v. Records Retention End Date
  - vi. Final Payment Date
- (d) The Recipient must award the prime construction contract and begin work timely.
- (e) The Recipient agrees to start construction no later than \_\_\_\_\_. [DFA will insert date that is within 6 months after execution of this Agreement]
- (f) The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.
- (g) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its final Disbursement Request to the Division on or before the Final Disbursement Request Date, unless prior approval has been granted by the Division.\
- (h) Upon request by the Division, the Recipient shall submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.



## EXHIBIT B – FUNDING TERMS

### B.1. FUNDING AMOUNTS AND DISBURSEMENTS

#### B.1.1 Funding Contingency and Other Sources.

(a) If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.

(b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board to be applied to Payments due hereunder, if any.

#### B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project, including associated planning and design costs is **Written Dollar Amount** dollars and no cents (**\$Dollar Amount**).

#### B.1.3 Project Funding Amount

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

#### B.1.4 Principal Forgiveness Component.

(a) Contingent on the Recipient's performance of its obligations under this Agreement, the State Water Board will forgive principal of not to exceed the amount of the Principal Forgiveness Component set forth on the Cover Page of this Agreement.

(b) Upon Completion of Construction, the State Water Board will prepare an alternate payment schedule reflecting this this forgiveness.

#### B.1.5 Budget Costs.

Budget costs are contained in the Project Cost Table below:

**[DFA will insert table]**

#### B.1.6 Contingent Disbursement.

(a) The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

(b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement.

Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

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

(d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

(e) Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

(f) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.

(g) The Recipient agrees to ensure that its final Disbursement Request is received by the Division no later than the Final Disbursement Request Date, unless prior approval has been granted by the Division. If the final Disbursement Request is not received timely, the undisbursed balance of this Agreement will be deobligated.

(h) The Recipient is not entitled to interest earned on undisbursed funds.

#### B.1.7 Disbursement Procedure.

Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:

1. Upon execution and delivery of this Agreement by both parties, the Recipient may request immediate disbursement of any eligible incurred planning and design allowance costs as specified below from the Project Funds through submission to the State Water Board of the Disbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed.
2. The Recipient must submit a disbursement request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late disbursement requests may not be honored.
3. The Recipient may request disbursement of eligible construction and equipment costs consistent with budget amounts referenced below and in B.1.5. after the Division has approved the final budget form submitted by the Recipient. The Deputy Director of the Division may authorize the disbursement of up to ten percent (10%) of Project Funds for the reimbursement of eligible construction costs and pre-purchased materials prior to Division approval of the final budget form submitted by the Recipient.
4. Additional Project Funds will be promptly disbursed to the Recipient upon receipt of Disbursement Request Form 260 and Form 261, or any amendment thereto, duly

completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under Exhibit A.

5. The Recipient must not request disbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of disbursement request. Supporting documentation (e.g., receipts) must be submitted with each Disbursement Request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed Disbursement Request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Disbursement Requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
6. The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future disbursements.
7. The Recipient shall not request a disbursement unless that Project Cost is allowable, reasonable, and allocable.
8. Notwithstanding any other provision of this 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, policies, or regulations.
9. No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. Failure to comply with this restriction may result in termination this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.

#### B.1.8 Withholding of Disbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- (a) The Recipient's failure to maintain reasonable progress on the Project as determined by the Division;
- (b) Placement on the ballot or passage of an initiative or referendum to repeal or reduce the Recipient's taxes, assessments, fees, or charges levied for operation of the System or payment of debt service on System Obligations;
- (c) Commencement of litigation or a judicial or administrative proceeding related to the Project, System, or Revenues that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
- (d) Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or

- federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
- (e) A material adverse change in the condition of the Recipient, the Revenues, or the System, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
  - (f) The Recipient's material violation of, or threat to materially violate, any term of this Agreement;
  - (g) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents regarding the Project or the System;
  - (h) An event requiring Notice as set forth in Exhibit C;
  - (i) An Event of Default or an event that the Division determines may become an Event of Default.

#### B.1.9 Fraud and Misuse of Public Funds.

All requests for disbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability.

### B.2 RECIPIENT'S PAYMENT OBLIGATION, PLEDGE, AND RESERVE

#### B.2.1 Project Costs.

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

#### B.2.2 Estimated Principal Payment Due.

The estimated amount of principal that will be due to the State Water Board from the Recipient under this Agreement is **Written Dollar Amount dollars and no cents (\$Dollar Amount).**

#### B.2.3 Interest Rate and In-Lieu of Interest Charges.

(a) The Recipient agrees to make all Payments according to the schedule in Exhibit E, and as otherwise set forth herein, at an interest rate of **Written Interest Rate % (X%)** per annum.

(b) Interest will accrue beginning with each disbursement.

(c) In lieu of, and not to exceed, interest otherwise due under this Agreement, the Recipient agrees to pay the following charge(s), as further set forth in Exhibit E:

- an Administrative Service Charge
- a Small Community Grant Fund Charge

#### B.2.4 Obligation Absolute.

The obligation of the Recipient to make the Payments and other payments required to be made by it under this Agreement, from the Net Revenues and/or other amounts legally available to the Recipient therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Recipient must not discontinue or suspend any Payments or other payments required to be made by it hereunder when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

#### B.2.5 Payment Timing.

(a) Beginning one year after Completion of Construction, the Recipient must submit an annual Payment of the principal of the Project Funds, together with all interest accruing thereon. The Recipient must make Payments fully amortizing the total principal of the Project by the Final Payment Date. Payments are based on a standard fully amortized assistance amount with equal annual payments.

(b) The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, plus any Charge In Lieu of Interest, less the Payment. Payment calculations will be made beginning one (1) year after Completion of Construction. Exhibit E is a payment schedule based on the provisions of this Exhibit and an estimated disbursement schedule. Actual payments will be based on actual disbursements.

(c) Upon Completion of Construction and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement. The Division will prepare any necessary amendments to the payment schedule and send them to the Recipient. The Recipient must make each Payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred by the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other related costs. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

(d) The Recipient is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by its constituents or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls or other charges ("Charges") levied or imposed by the Recipient. The Recipient must provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from constituents or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating

to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

(e) Each Payment must be paid in lawful money of the United States of America by check or other acceptable form of payment set forth at [www.waterboards.ca.gov/make\\_a\\_payment](http://www.waterboards.ca.gov/make_a_payment). The Recipient must pay Payments and Additional Payments from Net Revenues and/or other amounts legally available to the Recipient therefor.

#### B.2.6 Pledged Revenues.

##### B.2.6.1 Establishment of Enterprise Fund and Reserve Fund.

In order to carry out its System Obligations, the Recipient covenants that it shall establish and maintain or shall have established and maintained the Enterprise Fund. All Revenues received shall be deposited when and as received in trust in the Enterprise Fund. As required in this Exhibit, the Recipient must establish and maintain a Reserve Fund.

##### B.2.6.2 Pledge of Net Revenues, Enterprise Fund, and Reserve Fund.

The Obligation hereunder shall be secured by a lien on and pledge of the Enterprise Fund, Net Revenues, and any Reserve Fund on parity with the Parity Obligations and subordinate to the Senior Obligations. The Recipient hereby pledges and grants such lien on and pledge of the Enterprise Fund, Net Revenues, and any Reserve Fund to secure the Obligation, including payment of Payments and Additional Payments hereunder. The Net Revenues in the Enterprise Fund, shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Recipient.

##### B.2.6.3 Application and Purpose of the Enterprise Fund.

Subject to the provisions of any outstanding System Obligation, money on deposit in the Enterprise Fund shall be applied and used first, to pay Operations and Maintenance Costs, and thereafter, all amounts due and payable with respect to the System Obligations in order of priority. After making all payments hereinabove required to be made in each Fiscal Year, the Recipient may expend in such Fiscal Year any remaining money in the Enterprise Fund for any lawful purpose of the Recipient.

#### B.2.7 No Prepayment.

The Recipient may not prepay any portion of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

#### B.2.8 Reserve Fund.

Prior to Completion of Construction, the Recipient must establish a restricted Reserve Fund, held in its Enterprise Fund, equal to one year's Debt Service on this Obligation. The Recipient must maintain the Reserve Fund throughout the term of this Agreement. The Reserve Fund is subject to lien and pledged as security for this Obligation, and its use is restricted to payment of this Obligation during the term of this Agreement.

### B.3 RATES, FEES AND CHARGES.

(a) The Recipient must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for the System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will

be sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and must ensure that Net Revenues are equal to at least 125% of the Maximum Annual Debt Service with respect to all outstanding System Obligations, so long as System Obligations other than this Obligation are outstanding. Upon defeasance of all System Obligations other than this Obligation, this ratio must be at least 120%, except where System Obligations are defeased pursuant to refunding obligations.

(b) The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

(c) Upon consideration of a voter initiative to reduce Revenues, the Recipient must make a finding regarding the effect of such a reduction on the Recipient's ability to satisfy the rate covenant set forth in this Section. The Recipient must make its findings available to the public and must request, if necessary, the authorization of the Recipient's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant set forth in this Agreement and its obligation to operate and maintain the Project for its Useful Life. The Recipient must diligently pursue and bear any and all costs related to such challenge. The Recipient must notify and regularly update the State Water Board regarding the status of any such challenge.

#### B.4 ADDITIONAL DEBT.

(a) The Recipient's future debt that is secured by Revenues pledged herein may not be senior to this Obligation, except where the new senior obligation refunds or refinances a senior obligation with the same lien position as the existing senior obligation, the new senior obligation has the same or earlier repayment term as the refunded senior debt, the new senior debt service is the same or lower than the existing debt service, and the new senior debt will not diminish the Recipient's ability to satisfy its SRF obligation(s).

(b) The Recipient may issue additional parity or subordinate debt only if all of the following conditions are met:

- i. Net Revenues in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, except upon consent of the Division, meet the ratio for rate covenants set forth in this Exhibit and with respect to any outstanding and proposed additional obligations;
- ii. The Recipient is in compliance with any reserve fund requirement of this Obligation.

#### B.5 NO LIENS.

The Recipient must not make any pledge of or place any lien on the Project, System, or Revenues except as otherwise provided or permitted by this Agreement.

## EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS

### C.1 REPRESENTATIONS & WARRANTIES.

The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement.

#### C.1.1 Application and General Recipient Commitments.

The Recipient has not made any untrue statement of a material fact in its application for this financial assistance, or omitted to state in its application a material fact that makes the statements in its application not misleading.

The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

#### C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.

#### C.1.3 No Violations.

The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date set forth on the Cover Page.

#### C.1.4 No Litigation.

There are, as of the date of execution of this Agreement by the Recipient, no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect the financial condition or operations of the Recipient, the System, the Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the System or any of the real or personal property related to or necessary for the Project.

#### C.1.5 Property Rights.

The Recipient owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not subject to third-party revocation during the Useful Life of the Project.



C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

C.1.7 Legal Status and Eligibility.

The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. The Recipient acknowledges that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.

C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.

The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.

C.1.9 System Obligations

The Recipient has no System Obligations other than those defined in this Agreement.

C.1.10 No Other Material Debt.

The Recipient has no Material Obligations other than those System Obligations listed in this Agreement.

C.1.11 Compliance with State Water Board Funding Agreements.

The Recipient represents that it is in compliance with all State Water Board funding agreements to which it is a party.

C.2 DEFAULTS AND REMEDIES

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.

C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

- i. return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement;
- ii. accelerate the payment of any principal owed under this Agreement, all of which shall be immediately due and payable;
- iii. pay interest at the highest legal rate on all of the foregoing; and
- iv. pay any Additional Payments.

#### C.2.2 Judicial remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

- i. by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
- ii. by mandamus or other proceeding, compel the performance by the Recipient and any of its officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement, including but not limited to the imposition and collection of rates for the services of the System sufficient to meet all requirements of this Agreement; and
- iii. take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to collect the Payments then due or thereafter to become due, or to enforce performance of any obligation or covenant of the Recipient under this Agreement.

Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the State Water Board under this Agreement, the State Water Board may make application for the appointment of a receiver or custodian of the Revenues, pending such proceeding, with such power as the court making such appointment may confer.

#### C.2.3 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

#### C.2.4 Damages for Breach of Tax-Exempt Status.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

#### C.2.5 Damages for Breach of Federal Conditions.

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

#### C.2.6 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any claim of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the claims procedures provided to the Recipient under this Agreement.

#### C.2.7 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's Obligation to pay Payments as provided herein or shall affect or impair the right of the State Water Board to bring suit to enforce such payment. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

#### C.2.8 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

### C.3 STANDARD CONDITIONS

#### C.3.1 Access, Inspection, and Public Records.

The Recipient must ensure that the State Water Board, the Governor of the State, the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Agreement. The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, disbursement requests, and supporting documentation submitted hereunder.

#### C.3.2 Accounting and Auditing Standards; Financial Management Systems; Records Retention.

(a) The Recipient must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB) or its successor. The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

(b) The Recipient must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient is bound by, and must comply with, the provisions and requirements of the federal Single Audit Act of 1984 and 2 CFR Part 200, subpart F, and updates or revisions, thereto.

(c) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:

- i. Establish an official file for the Project which adequately documents all significant actions relative to the Project;
- ii. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;
- iii. Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
- iv. Establish an accounting system which will accurately depict final total costs of the Project, including both direct and Indirect Costs;
- v. Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- vi. If Force Account is used by the Recipient for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Costs from Force Account are not eligible for funding.

(d) The Recipient must maintain separate books, records and other material relative to the Project. The Recipient must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Completion of Construction. The Recipient must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

### C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee.

Requests for amendments must be in writing and directed to the contact listed in Section 4 and to the Division's Chief of Loans and Grants Administration Section.

### C.3.4 Assignability.

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

### C.3.5 Audit.

(a) The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit must be performed by a

certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division.

(b) Audit disallowances must be returned to the State Water Board.

#### C.3.6 Bonding.

Where contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

#### C.3.7 Competitive Bidding

Recipient must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws.

#### C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, to the extent applicable, the Recipient must:

- (a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;
- (b) Comply with the Policy; and
- (c) Comply with and require compliance with the state and federal requirements set forth elsewhere in this Agreement.

#### C.3.9 Computer Software.

The Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

#### C.3.10 Conflict of Interest.

The Recipient certifies that its owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

#### C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

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

#### C.3.12 Data Management.

The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

#### C.3.13 Disputes.

(a) The Recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient must continue with the responsibilities under this Agreement during any dispute.

(d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

#### C.3.14 Environmental Clearance.

(a) Notwithstanding any other provision, the State Water Board has no binding obligation to provide funding under this Agreement except for activities excluded from, not subject to, or exempt under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA). No work that is subject to CEQA or NEPA may proceed under this Agreement until the State Water Board has provided approval to proceed. Upon receipt and review of the Recipient's environmental documents, the State Water Board shall make the appropriate environmental findings before determining whether to approve construction or implementation funding for the Project under this Agreement. Providing approval for such construction or implementation funding is fully discretionary. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement.

(b) If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

#### C.3.15 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

#### C.3.16 Income Restrictions.

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

#### C.3.17 Indemnification and State Reviews.

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

#### C.3.18 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

#### C.3.19 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.

#### C.3.20 Leveraging Covenants.

(a) Notwithstanding any other provision hereof, the Recipient covenants and agrees that it will comply with the Tax Covenants set forth in Exhibit F of this Agreement.

(b) The Recipient covenants to furnish such financial, operating and other data pertaining to the Recipient as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5). The Recipient further covenants to provide the State Water Board with copies of all continuing disclosure documents or reports that are disclosed pursuant to (i) the Recipient's continuing disclosure undertaking or undertakings made in connection with any outstanding System Obligation, (ii) the terms of any outstanding System Obligation, or (iii) a voluntary disclosure of information related to an outstanding System Obligation. The Recipient must disclose such documents or reports to the State Water Board at the same time such documents or reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

#### C.3.21 No Discrimination.

(a) The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 11140 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project or System on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project.

(b) If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.

(c) The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).

(d) The Recipient's obligations under this section shall survive the term of this Agreement.

(e) During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.

(f) The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(g) The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(h) The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(i) The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.



C.3.22 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

C.3.23 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

C.3.24 Notice.

Upon the occurrence of any of the following events, the Recipient must provide notice as set forth below.

- (a) Within 24 hours of the following, the Recipient must notify the Division by phone at (916) 327-9978 and by email to [PM email address and senior email address] and [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov):
  - i. The seizure of, or levy on, any Revenues securing this Agreement;
  - ii. Any discovery of any potential tribal cultural resource and/or archaeological or historical resource. Should a potential tribal cultural resource and/or archaeological or historical resource be discovered during construction or Project implementation, the Recipient must ensure 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 Division has determined what actions should be taken to protect and preserve the resource. The Recipient must implement appropriate actions as directed by the Division.
  
- (b) Within five (5) business days, the Recipient must notify the Division by phone at (916) 327-9978; by email to [Lance.Reese@waterboards.ca.gov](mailto:Lance.Reese@waterboards.ca.gov) [PM email address and senior email address] and [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov); and by mail to the contact address set forth in Section 4 of this Agreement of the occurrence of any of the following events:
  - i. Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
  - ii. Change of ownership of the Project or the System or change of management or service contracts, if any, for operation of the System;
  - iii. Loss, theft, damage, or impairment to Project, the Revenues or the System;
  - iv. Failure to meet any debt service coverage test in Exhibit B of this agreement;
  - v. Draws on the Reserve Fund;
  - vi. Listed Events and Events of Default, except as otherwise set forth in this section;
  - vii. Failure to observe or perform any covenant or comply with any condition in this Agreement.
  - viii. An offer from a public entity to purchase the Project or the System or any portion thereof, or any of the real or personal property related to or necessary for the Project;
  - ix. A proceeding or action by a public entity to acquire the Project or the System by power of eminent domain;
  - x. Incurrence of a System Obligation or Material Obligation by the Recipient; or
  - xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a System Obligation or Material Obligation of the Recipient, any of which reflect financial difficulties.

- (c) Within ten (10) business days, the Recipient must notify the Division by phone at (916) 327-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of the following events:
- i. Material defaults on Material Obligations, other than this Obligation;
  - ii. Unscheduled draws on material debt service reserves or credit enhancements, reflecting financial difficulties;
  - iii. Substitution of credit or liquidity providers, if any or their failure to perform;
  - iv. Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity to operate the System or the Recipient's continued existence,
  - v. Circulation of a petition to repeal, reduce, or otherwise challenge the Recipient's rates for services of the System,
  - vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Revenues;
  - vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds;
  - viii. Rating changes on outstanding System Obligations, if any;
  - ix. Issuance of additional Parity Obligations;
  - x. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board; or
  - xi. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
- (d) The Recipient must notify the Division promptly by phone at (916) 327-9978, by email to [PM email address and senior email address] and CleanWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for disbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
  - ii. Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
  - iii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - iv. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
  - v. Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;

- vi. Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
- vii. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state representatives with at least ten (10) working days' notice to the Division;
- viii. Any allegation of research misconduct involving research activities that are supported in whole or in part with EPA funds under this Project, as required by Exhibit C.4.3(xxvii).
- ix. Any events requiring notice to the Division pursuant to the provisions of this Agreement;
- x. Completion of Construction of the Project, and actual Project Completion;
- xi. The award of the prime construction contract for the Project;
- xii. Initiation of construction of the Project.

#### C.3.25 Operation and Maintenance; Insurance.

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

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

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the System to the extent necessary to enable the Recipient to pay all remaining unpaid principal portions of the Payments, if any, in accordance with the terms of this Agreement, the Recipient must provide additional funds to restore or replace the damaged portions of the System.

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

#### C.3.26 Permits, Subcontracting, and Remedies.

Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction begins.

The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at [http://www.waterboards.ca.gov/water\\_issues/programs/enforcement/fwa/dbp.shtml](http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml)

#### C.3.27 Professionals.

The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

#### C.3.28 Prevailing Wages.

The Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met.

In addition, the Recipient agrees to comply with the Davis-Bacon provisions incorporated by reference in Section 3 of this Agreement.

#### C.3.29 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

#### C.3.30 Recipient's Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

#### C.3.31 Related Litigation.

Under no circumstances may the Recipient use funds from any disbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and

notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

#### C.3.32 Rights in Data.

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request.

#### C.3.33 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

#### C.3.34 Timeliness.

Time is of the essence in this Agreement.

#### C.3.35 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

#### C.3.36 Venue.

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

#### C.3.37 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

### C.4 MISCELLANEOUS STATE AND FEDERAL REQUIREMENTS

#### C.4.1 State Cross-Cutters.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following for the term of the Agreement:

- i. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- ii. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- iii. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- iv. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- v. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- vi. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- vii. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- viii. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- ix. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- x. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.

C.4.2 Federal Requirements and Cross-Cutters for SRF Funding.

The Recipient acknowledges, warrants compliance with, and covenants to continuing compliance with the following federal terms and conditions for the Useful Life of the Project:

- i. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. The Recipient must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in Section 3 of this Agreement in all construction contracts and subcontracts.
- iii. The Recipient must comply with the signage requirements set forth in Exhibit A.

Exhibit C

- iv. The Recipient shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.
- v. The Recipient shall comply with applicable EPA general terms and conditions found at <http://www.epa.gov/ogd>.
- vi. No Recipient may receive funding under this Agreement unless it has provided its DUNS number to the State Water Board.
- vii. The Recipient represents and warrants that it and its principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient is excluded after execution of this Agreement, the Recipient shall notify the Division within ten (10) days and shall inform the Division of the Recipient's exclusion in any request for amendment of this Agreement. The Recipient shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.
- viii. To the extent applicable, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- ix. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement.
- x. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient. The Recipient must utilize the Interagency Edison extramural invention reporting system at <http://Edison.gov> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- xi. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Disclosure statement set forth in Exhibit A.
- xii. The Recipient acknowledges that it is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xiii. The Recipient, its employees, contractors and subcontractors and their employees warrants that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State

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

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

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

- xv. The Recipient must comply with the following federal non-discrimination requirements:
- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
  - b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
  - c. The Age Discrimination Act of 1975, which prohibits age discrimination.
  - d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
  - e. 40 CFR Part 7, as it relates to the foregoing.
- xvi. If the Project relates to construction of a publicly owned treatment works, where the Recipient contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services, the Recipient shall ensure that any such contract is negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement as determined by the State Water Board.
- xvii. If the Project relates to construction of a publicly owned treatment works, the Recipient certifies that it has developed and is implementing a fiscal sustainability plan for the Project that includes an inventory of critical assets that are a part of the Project, an evaluation of the condition and performance of inventoried assets or asset groupings, a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan, and a plan for maintaining, repairing, and, as necessary, replacing the Project and a plan for funding such activities.
- xviii. Executive Order No. 11246. The Recipient shall include in its contracts and subcontracts related to the Project the following provisions:



*"During the performance of this contract, the contractor agrees as follows:"(a) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.*

*"(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.*

*"(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*

*"(d) The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*

*"(e) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.*

*"(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*

*"(g) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."*

- xix. The Recipient agrees to comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises as set forth in Exhibit A.

- xx. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: <http://www.sam.gov/>.
- xxi. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.
- xxii. The Recipient agrees that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure.
- xxiii. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).
- xxiv. If the Recipient is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxv. The Recipient represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.
- xxvi. The Recipient agrees to immediately notify the **Project / Grant Manager** in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with EPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.
- xxvii. The Recipient agrees to comply with, and require all contractors and subcontractors to comply with, EPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the EPA's Scientific Integrity Policy. The Recipient must refrain from acts of research misconduct, including publication or reporting, as described in EPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.

- xxviii. The Recipient agrees to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient also agrees to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.

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EXHIBIT D – SPECIAL CONDITIONS

[DFA property rights]

[environmental]

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EXHIBIT E – PAYMENT SCHEDULE

See the attached preliminary Payment Schedule dated Date. The final Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

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## EXHIBIT F – TAX CERTIFICATE

### F.1 Purpose.

The purpose of this Exhibit F is to establish the reasonable expectations of the Recipient regarding the Project and the Project Funds, and is intended to be and may be relied upon for purposes of Sections 103, 141 and 148 of the Code and as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. This Exhibit F sets forth certain facts, estimates and circumstances which form the basis for the Recipient's expectation that neither the Project nor the Bond Funded Portion of the Project Funds is to be used in a manner that would cause the Obligation to be classified as "arbitrage bonds" under Section 148 of the Code or "private activity bonds" under Section 141 of the Code.

### F.2 Tax Covenant.

The Recipient agrees that it will not take or authorize any action or permit any action within its reasonable control to be taken, or fail to take any action within its reasonable control, with respect to the Project which would result in the loss of the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code.

### F.3 Governmental Unit.

The Recipient is a state or local governmental unit as defined in Section 1.103-1 of the Treasury Regulations or an instrumentality thereof (a "Governmental Unit") and is not the federal government or any agency or instrumentality thereof.

### F.4 Financing of a Capital Project.

The Recipient will use the Project Funds to finance costs it has incurred or will incur for the construction, reconstruction, installation or acquisition of the Project. Such costs shall not have previously been financed with the proceeds of any other issue of tax-exempt obligations.

### F.5 Ownership and Operation of Project.

The Recipient exclusively owns and, except as provided in Section F.12 hereof, operates the Project.

### F.6 Temporary Period.

The Recipient reasonably expects that at least eighty-five percent (85%) of the Bond Funded Portion of the Project Funds will be allocated to expenditures for the Project within three (3) years of the earlier of the effective date of this Agreement or the date the Bonds are issued ("Applicable Date"). The Recipient has incurred, or reasonably expects that it will incur within six (6) months of the Applicable Date, a substantial binding obligation (i.e., not subject to contingencies within the control of the Recipient or a related party) to a third party to expend at least five percent (5%) of the Bond Funded Portion of the Project Funds on Project Costs. The completion of acquisition, construction, improvement and equipping of the Project and the allocation of the Bond Funded Portion of the Project Funds to Project Costs will proceed with due diligence.

### F.7 Working Capital.

No operational expenditures of the Recipient or any related entity are being, have been or will be financed or refinanced with Project Funds.

F.8 Expenditure of Proceeds.

The Bond Funded Portion of the Project Funds shall be used exclusively for the following purposes: (i) Reimbursement Expenditures (as defined in Section F.20 below), (ii) Preliminary Expenditures (as defined in Section F.20 below) in an aggregate amount not exceeding twenty percent (20%) of the Bond Funded Portion of the Project Funds, (iii) capital expenditures relating to the Project originally paid by the Recipient on or after the date hereof, (iv) interest on the Obligation through the later of three (3) years after the Applicable Date or one (1) year after the Project is placed in service, and (v) initial operating expenses directly associated with the Project in the aggregate amount not more than five percent (5%) of the Bond Funded Portion of the Project Funds.

F.9 Private Use and Private Payments.

No portion of the Project Funds or the Project is being, has been or will be used in the aggregate for any activities that constitute a Private Use (as defined below). No portion of the principal or interest with respect to the Payments will be secured by any interest in property (whether or not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or will be derived from payments in respect of property used for a Private Use. "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than a Governmental Unit. The leasing of the Project or the access by or the use of the Project by a person or entity other than a Governmental Unit on a basis other than as a member of the general public shall constitute a Private Use. Use by or on behalf of the State of California or any of its agencies, instrumentalities or subdivisions or by any local Governmental Unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated, nevertheless, as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

F.10 No Sale, Lease or Private Operation of the Project.

The Project (or any portion thereof) will not be sold or otherwise disposed of, in whole or in part, to any person who is not a Governmental Unit prior to the final maturity date of the Obligation. The Project will not be leased to any person or entity that is not a Governmental Unit prior to the final maturity date of the Obligation. Except as permitted under Section F.12 hereof, the Recipient will not enter any contract or arrangement or cause or permit any contract or arrangement to be entered with persons or entities that are not Governmental Units if that contract or arrangement would confer on such persons or entities any right to use the Project on a basis different from the right of members of the general public. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts.

F.11 No Disproportionate or Unrelated Use.



No portion of the Project Funds or the Project is being, has been, or will be used for a Private Use that is unrelated or disproportionate to the governmental use of the Project Funds.

F.12 Management and Service Contracts.

The Recipient represents that, as of the date hereof, it is not a party to any contract, agreement or other arrangement with any persons or entities engaged in a trade or business (other than Governmental Units) that involve the management or operation of property or the provision of services at or with respect to the Project that does not comply with the standards of the Treasury Regulations, Revenue Procedure 97-13, as modified by Revenue Procedure 2001-39 and IRS Notice 2014-67, or Revenue Procedure 2017-13, as applicable. The Recipient represents that it will not be party to any such contract, agreement or arrangement with any person or entity that is not a Governmental Unit for the management of property or the provision of services at or with respect to the Project, while the Obligation (including any obligation or series thereof issued to refund the Obligation, as the case may be) is outstanding, except: (a) with respect to any contract, agreement or arrangement that does not constitute "private business use" of the Project under Code §141(b), or (b) with respect to any contract, agreement or arrangement that complies with (i) Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, and as amplified by Notice 2014-67, with respect to contracts entered into before August 18, 2017 and not materially modified or extended after August 18, 2017, or (ii) Revenue Procedure 2017-13, with respect to contracts entered into or materially modified or extended on or after August 18, 2017, or (c) with respect to any contract, agreement or arrangement that does not give rise to use of the Bond Funded Portion of the Project Funds or the Project by a non-Governmental Unit of more than the amount of such non-qualified use permitted by the Code, or (d) in the event that the Recipient receives an opinion of counsel, satisfactory to the State Water Board and the Bank and expert in the issuance of state and local government bonds the interest on which is excluded from gross income under Section 103 of the Code ("Nationally-Recognized Bond Counsel"), that such contract, agreement or arrangement will not adversely affect the exclusion of the interest on the Obligation from gross income for federal income taxation purposes.

F.13 No Disposition of Financed Property.

As of the date hereof, the Recipient does not expect to sell or otherwise dispose of any portion of the Project, in whole or in part, prior to the final maturity date of the Obligation.

F.14 Useful Life of Project.

As of the date hereof, the Recipient reasonably expects that the economic useful life of the Project, commencing at Project Completion, will be at least equal to the term of this Agreement, as set forth in Exhibit A hereto.

F.15 Payments.

Payments generally are expected to be derived from assessments, taxes, fees, charges or other current Revenues of the Recipient in each year, and such current Revenues are expected to equal or exceed the Payments during each payment period. Any amounts accumulated in a sinking fund or bona fide debt service fund to pay Payments (whether or not deposited to a fund or account established by the Recipient) will be disbursed to pay Payments within thirteen months of the initial date of accumulation or deposit. Any such fund used for the payment of Payments will be depleted once a year except for a reasonable carryover amount not exceeding the greater of earnings on such fund or one-twelfth of the Payments in either case for the immediately preceding year.

F.16 No Other Replacement Proceeds.

The Recipient will not use any of the Bond Funded Portion of the Project Funds to replace or substitute other funds of the Recipient that were otherwise to be used to finance the Project or which are or will be used to acquire securities, obligations or other investment property reasonably expected to produce a yield that is materially higher than the yield on the Bonds.

F.17 No Sinking or Pledged Fund.

Except as set forth in Section F.18 below, the Recipient will not create or establish any sinking fund or pledged fund which will be used to pay Payments on the Obligation within the meaning of Section 1.148-1(c) of the Treasury Regulations. If any sinking fund or pledged fund comes into being with respect to the Obligation before the Obligation has been fully retired which may be used to pay the Payments, the Recipient will invest such sinking fund and pledged fund moneys at a yield that does not exceed the yield on the Bonds.

F.18 Reserve Amount.

The State Water Board requires that the Recipient maintain and fund a separate account in an amount equal to one (1) year of debt service with respect to the Obligation (the "Reserve Amount") as set forth in Exhibit B. The Recipient represents that the Reserve Amount is and will be available to pay debt service with respect to the Obligation, if and when needed. The Reserve Amount consists solely of revenues of the Recipient and does not include any proceeds of any obligations the interest on which is excluded from gross income for federal income tax purposes or investment earnings thereon. The aggregate of the Reserve Amount, up to an amount not exceeding the lesser of (i) ten percent of the aggregate principal amount of the Obligation, (ii) the maximum annual debt service with respect to the Obligation, or (iii) 125 percent of the average annual debt service with respect to the Obligation, will be treated as a reasonably required reserve fund.

F.19 Reimbursement Resolution.

The "reimbursement resolution" adopted by the Recipient is incorporated herein by reference.

F.20 Reimbursement Expenditures.

Reimbursements are disallowed, except as specifically authorized in Exhibit B or Exhibit D of this Agreement. To the extent so authorized, a portion of the Bond Funded Portion of the Project Funds may be applied to reimburse the Recipient for Project Costs paid before the date hereof, so long as the Project Cost was (i) not paid prior to sixty (60) days before the Recipient's adoption of a declaration of official intent to finance the Project, (ii) not paid more than eighteen (18) months prior to the date hereof or the date the Project was placed-in-service, whichever is later, and (iii) not paid more than three (3) years prior to the date hereof (collectively, "Reimbursement Expenditures"), unless such cost is attributable to a "preliminary expenditure." Preliminary expenditure for this purpose means architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but does not include land acquisition, site preparation and similar costs incident to the commencement of acquisition, construction or rehabilitation of the Project. Preliminary expenditures may not exceed 20% of the Bond Funded Portion of the Project Funds.

F.21 Change in Use of the Project.

The Recipient reasonably expects to use all of the Bond Funded Portion of the Project Funds and the Project for the entire stated term to maturity of the Obligation. Absent an opinion of Nationally-Recognized Bond Counsel to the effect that such use of the Bond Funded Portion of the Project Funds will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to

Section 103 of the Code, the Recipient will use the Bond Funded Portion of the Project Funds and the Project solely as set forth in this Agreement.

F.22 Rebate Obligations.

If the Recipient satisfies the requirements of one of the spending exceptions to rebate specified in Section 1.148-7 of the Treasury Regulations, amounts earned from investments, if any, acquired with the Bond Funded Portion of the Project Funds will not be subject to the rebate requirements imposed under Section 148(f) of the Code. If the Recipient fails to satisfy such requirements for any period, it will notify the State Water Board and the Bank immediately and will comply with the provisions of the Code and the Treasury Regulations at such time, including the payment of any rebate amount calculated by the State Water Board or the Bank.

F.23 No Federal Guarantee.

The Recipient will not directly or indirectly use any of the Bond Funded Portion of the Project Funds in any manner that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, taking into account various exceptions including any guarantee related to investments during an initial temporary period until needed for the governmental purpose of the Bonds, investments as part of a bona fide debt service fund, investments of a reasonably required reserve or replacement fund, investments in bonds issued by the United States Treasury, investments in refunding escrow funds or certain other investments permitted under the Treasury Regulations.

F.24 No Notices or Inquiries from IRS.

Within the last 10 years, the Recipient has not received any notice of a final action of the Internal Revenue Service that determines that interest paid or payable on any debt obligation of the Recipient is or was includable in the gross income of an owner or beneficial owner thereof for federal income tax purposes under the Code.

F.25 Amendments.

The provisions in this Exhibit may be amended, modified or supplemented at any time to reflect changes in the Code upon obtaining written approval of the State Water Board and the Bank and an opinion of Nationally-Recognized Bond Counsel to the effect that such amendment, modification or supplement will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code.

F.26 Reasonable Expectations.

The Recipient warrants that, to the best of its knowledge, information and belief, and based on the facts and estimates as set forth in the tax covenants in this Exhibit, the expectations of the Recipient as set forth in this Exhibit are reasonable. The Recipient is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in the provisions in this Exhibit.

F.27 Assignment.

The Recipient consents to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement to

Payments (but excluding the State Water Board's rights to Additional Payments and to notices, opinions and indemnification under each Obligation).

DRAFT

DRAFT

**RESOLUTION NO. 05-2020**

**A RESOLUTION OF THE GROVELAND COMMUNITY SERVICES DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A CONSTRUCTION INSTALLMENT SALE AGREEMENT AND AUTHORIZING THE EXECUTION OF OTHER NECESSARY DOCUMENTS AND RELATED ACTIONS**

**WHEREAS**, the Groveland Community Services District (the “District”) is a community services district duly organized and validly existing under the laws of the State of California; and

**WHEREAS**, the District is authorized by the laws of the State of California to acquire and construct certain property for its wastewater system and to finance such acquisition and construction of such wastewater system through the execution of installment sale agreements; and

**WHEREAS**, the District proposes to finance certain improvements to the District’s wastewater system including to the downtown Groveland and Big Oak Flat sewer collection system (the “2020 Project”); and

**WHEREAS**, to provide funds necessary to finance the 2020 Project, the District desires to enter into that certain Construction Installment Sale Agreement (the “Installment Sale Agreement”) with the California State Water Resources Control Board (the “State Water Board”) in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

**WHEREAS**, there have been presented at this meeting the form of Installment Sale Agreement relating to such action; and

**WHEREAS**, the District desires to appoint Kutak Rock LLP, as special counsel (“Special Counsel”), in connection with the financing of the 2020 Project; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE**, the Board of Directors of the District **DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

**Section 1.** All of the recitals herein contained are true and correct and the Board so finds.

**Section 2.** The form of Installment Sale Agreement submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other member of the Board as the President may designate, the General Manager of the District, and

such other officers of the District as the General Manager of the District may designate (each an “Authorized Officer”) are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Sale Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of District Counsel and Special Counsel, such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Sale Agreement by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Sale Agreement so long as the maturity of the Payments (as defined in the Installment Sale Agreement) does not exceed [\_\_\_\_], 20[\_\_\_], the interest rate with respect to the Payments does not exceed [\_\_\_]%, and the principal amount of the Payments does not exceed \$[\_\_\_\_\_].

**Section 3.** The Board hereby appoints the firm of Kutak Rock LLP, as special counsel, in connection with the financing of the 2020 Project. The Board hereby authorizes the General Manager to execute and deliver an agreement, if necessary, with said firm for its services. Payment of fees and expenses with respect to such agreements shall be contingent upon the execution of the Installment Sale Agreement.

**Section 4.** The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution further including, but not limited to, the execution and delivery of any documents required by the State Water Board in order to complete the transactions contemplated by the Construction Financing Agreement, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** at a regular meeting held on February [ ], 2020.

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President

ATTEST:

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District Secretary



I, hereby certify that the foregoing Resolution No. \_\_\_\_\_ was passed and adopted at a regular meeting of said Board on the [ ]th day of February 2020, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this [ ]th day of February 2020.

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District Secretary



## **BOARD MEETING AGENDA SUBMITTAL**

**TO: GCSB Board of Directors**

**FROM: Pete Kampa, General Manager**

**DATE: February 11, 2020**

**SUBJECT: Item 6J: Adoption of a Resolution Approving a Revised Annexation Policy**

### **RECOMMENDED ACTION**

Staff recommends the following action:

*I Move to Adopt a Resolution Approving a Revised Annexation Policy.*

### **BACKGROUND**

Over the past two years, staff has been identifying Board policies and ordinances that need to be updated. As discussed, we have found that the prior Operating Policies and Procedures manual contained very extensive, detailed procedures contained within the policy language. In many cases, the procedures in the policy conflicted with the policy language itself making effective implementation difficult.

One example of such a policy is the District's current annexation policy; attached as Exhibit B. As you will see, much of the policy is in the form of questions, and internal processing procedure. The current policy also contains a very lengthy form of annexation agreement, which is not necessary as part of the policy. Annexation agreements are very project specific and will be prepared by District legal counsel at the expense of the annexation applicant.

Also attached herein is a draft form of revised policy which is much simplified and conveys exactly what is needed for staff and legal counsel to prepare a draft annexation agreement for a proposed project. The relevant procedures from the old policy will be used to create the written (staff) procedures and task assignments in accordance with our new policy format. Please note that the current annexation policy appears to require that the Board take action authorizing the annexation to proceed, prior to it being formally considered for an annexation agreement and petition to LAFCO. The new proposed policy eliminates this step, and the first action of the Board on a proposed project under the new policy would be at consideration of the annexation agreement.

### **ATTACHMENTS:**

- Current annexation policy and annexation agreement
- Draft revised annexation policy
- Draft resolution adopting the annexation policy

### **FINANCIAL IMPACT:**

None

**RESOLUTION 06-2020 EXHIBIT A**  
**GROVELAND COMMUNITY SERVICES DISTRICT**  
**POLICY MANUAL**

Adopted Date:  
Amended Dates:

Policy Number and Title: 605 – Annexation

The purpose of this article is to set forth the policy by which Persons desiring annexations to the Groveland Community Services District, and desiring to have the District initiate the process of annexation by resolution of application to the Tuolumne County Local Agency Formation Commission (the Tuolumne LAFCO), shall proceed:

The following types of properties may be annexed into the District:

1. Development property which is property to which the District will provide services if annexed to the District. Development property must have a contiguous border with the existing District boundary.
2. Disposal property which is property that will be used to store and/or dispose of treated Wastewater from development property.

To initiate the annexation process, the Applicant for annexation shall pay all associated annexation costs and shall submit to the District a Petition for Annexation ("Petition for Annexation"). The Petition for Annexation shall consist of the following:

1. A non-refundable processing fee established by Board Resolution.
2. A copy of the Tuolumne County Assessor's parcel maps highlighting the boundaries of the development property and/or disposal property parcel or parcels proposed for annexation.
3. A letter to the Board of Directors (the Board) of the District from the owner or owners of the properties proposed for annexation formally requesting annexation and listing each parcel by assessor's parcel number.
4. A letter to the Board describing the proposed land use plan for the development property, and including:
  - a. The expected Water demand and seasonal Wastewater flows from the development property at build out
  - b. The expected demand for Park, Fire and Emergency Services

- c. The storage and disposal of proposed development Wastewater Effluent on the disposal property.

The District shall impose such conditions and restrictions as it shall determine necessary or appropriate in approving a Petition for Annexation including, but not limited to, the following:

1. Indemnification and hold harmless of the District against any action, claim, injury or damage arising from the annexation.
2. Payment of all expenses incurred by the District relating to the request for annexation including a deposit to secure payment of expenses.
3. Payment of an Annexation Fee to the District and payment of all costs for the LAFCO annexation application.
4. Providing the District easements and disposal property as determined necessary by the District for the delivery of services.
5. Funding studies to determine the effect on existing facilities and services.
6. Construction and or modification of new or existing collection, treatment, transmission, distribution, storage and disposal facilities.

The Board will consider the Petition for Annexation, and if it approves the initiation of the annexation process, the Applicant(s) will be required to enter into an annexation agreement.

**RESOLUTION 06-2020**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT ADOPTING A REVISED ANNEXATION POLICY**

**WHEREAS**, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, Section §61040 of the California Government Code requires that the board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies which is the responsibility of the district’s general manager; and

**WHEREAS**, the District’s Annexation Policy is outdated and in need of update and clarifying language; and

**WHEREAS**, a revised draft Annexation Policy has been prepared and is included herein.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES** hereby rescind the previous annexation policies and adopt the revised Annexation Policy attached hereto as Exhibit A.

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on February 11, 2020 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:
- ATTEST:

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Jennifer L. Flores, Secretary

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Janice Kwiatkowski, President - Board of Directors

**CERTIFICATE OF SECRETARY**

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on February 11, 2020.

DATED: \_\_\_\_\_

## **EXHIBIT B, ANNEXATION POLICY TO BE RESCINDED**

### 605 ANNEXATION PROCEDURES

#### 605.1 Purpose

Property proposed for development outside the District service area but within the District's sphere of influence must be annexed to the District prior to receiving any of the services provided by the District, including water, sewer, fire or parks, or other services that might be provided by the District. Furthermore, commitments to provide service to property and/or proposed developments will not be granted until said property is annexed to the District.

Annexation is a discretionary act by the District Board of Directors. The District has responsibilities and approval authority when considering annexation and expansion into its service area. The District has the power to disapprove any annexation for which it has substantial evidence of finance-related or service-related concerns that the developer is unable to mitigate to the District's satisfaction. If the developer of a project that is to be annexed into the District has agreed to in the Annexation Agreement (Appendix 600-L) to meet all conditions and address required mitigations, as identified in the county Conditions of Approval, CEQA documents and SAMP, then the District's Board of Directors will consider adoption of a resolution of application to LAFCO for annexation.

## 605.2 Approval

In conformance with Section 608, Project Approval, District approval of residential, commercial, industrial or other types of development projects will not be granted by the Board of Directors until the entire site has been annexed to the District and all conditions required to be fulfilled prior to annexation have been met or agreed to in the Annexation Agreement.

## 605.3 Annexation Procedures

The annexation procedures must take place during Step 2 process described in Section 603.3. LAFCO approval of the annexation will take place only after the District's Board of Directors considers and approves the annexation. The District will transmit all of its findings with respect to the project derived from the SAMP to LAFCO for LAFCO to include in its conditions of approval of annexation. The following outlines the District's annexation process.

### A. Determine Suitability

Property owners or project developers desiring annexation to the District should first determine several factors regarding their property's suitability for fire, parks, water and sanitary sewer services. These issues shall be addressed during the preparation of the SAMP and CEQA documentation conducted in Step 2 of the development process. The Developer shall address the following questions and issues:

1. Is the property presently not within the District's boundaries?
2. Is the property within the sphere of influence (Hetch Hetchy Contract Area) established for the District by the Local Agency Formation Commission (LAFCO)?
3. Where are the District's existing water, sanitary sewer, parks and fire service facilities relative to the property?
4. Is the excess capacity in the District's existing facilities adequate for the property's proposed development density?
5. Gather information regarding District annexation policies, service area, sphere of influence, and the location of existing water and sanitary sewer service facilities and available excess capacity will be provided by District staff upon request. Determination of the property's suitability for development and/or connection to the water and sanitary sewer service is the responsibility of the property owner, and his/her use of professional engineering and/or development consultants is encouraged.
6. Any concerns or issues the District Board of Directors may have with regards to community concerns and the appropriate mitigation treatment.

### B. Application to LAFCO

LAFCO has been established by the State Legislature to, among other duties, review and approve or disapprove proposals for annexation of territory to special districts. Approval by

LAFCO of any annexation proposal is required before the District can approve the annexation and provide fire, parks, water, and/or sanitary sewer service.

1. To initiate the LAFCO application procedure, owners of the property proposed for annexation, or the registered voters residing within the area proposed for annexation, shall submit a petition (§56704, Ca. Gov. Code) to LAFCO. The contents of the petition, itemized below, shall conform to §56700 of the California Government Code.
2. With the petition, annexation proponents shall submit to LAFCO a map and legal description of the proposal. The contents of the map and legal description, itemized below, shall conform to LAFCO and the State Board of Equalization requirements.
3. Also with the petition, annexation proponents shall submit to LAFCO a completed application form and appropriate filing and environmental review fees.

C. District Approval of Annexation

If LAFCO accepts the annexation proposal, then it will adopt a resolution and forward it to the District. After confirmation of LAFCO acceptance, and after the annexation proponent(s) tenders to the District applicable annexation fees (discussed below) and appropriate recording and State Board of Equalization fees, as determined by LAFCO, the District's Board of Directors, at a regularly scheduled meeting, will consider approval of the proposed annexation. The Board of Directors' approval of the proposed annexation shall be formalized by the adoption of a resolution, which shall be forwarded to LAFCO prior to its consideration of said annexation. This Board resolution shall contain the following provisions:

1. That a description of the annexed lands shall be attached to said resolution;
2. The annexed land shall be subject to the District's policies, rules and regulations, charges made, and assessments levied pursuant to the provisions of the laws pertaining to Community Services Districts to pay for outstanding obligations of said District. The annexed land shall also be subject to all and any combination of assessments, tolls and charges as may exist at the adoption of the resolution and as thereafter may be established and/or levied by the County of Tuolumne and/or the District, either separately or in joint interest for any District purpose or arising from community impacts or negotiated and agreed community impact mitigations stipulated in the county Conditions of Approval;
3. The District shall be under no obligation to install water or sanitary sewer service systems or any facilities in connection with the subject annexation. The owners of the land to be annexed shall install, as and when water and sanitary sewer services are desired, without cost, charge or obligation to the District, a complete water and sanitary sewer service system as may be specified by the District, in accordance with plans and specifications approved by the District Engineer or General Manager, in a manner meeting his/her approval, and shall convey, at no cost to the District, all of said water and sanitary sewer service system, including rights of way over all parts thereof, to the District; and,



4. The project developers and/or owners of the annexed property, and their heirs, successors and assigns shall agree to abide by all District policies, rules and regulations presently established and as shall be established by the Board of Directors in the future.

#### D. Application to District

If annexation proponents desire to receive confirmation of District acceptance of their proposal prior to initiating the LAFCO application, the petition, map, legal description and LAFCO application form, discussed in 605.3(B), above, should be submitted to the District office. A deposit paid by the developer must also accompany said submittal to cover LAFCO's filing, if any, and LAFCO environmental review fees, State Board of Equalization fees, District processing costs and environmental review fees, if any. When the annexation process is complete or terminated, cost overruns will be billed to the applicant, and under-runs will be refunded.

The Board of Directors will consider the annexation proposal at a regularly scheduled or special Board meeting. Acceptance by the Board of the proposed annexation shall be formalized by the adoption of a resolution. Said resolution shall contain the following:

1. All of the information required in the petition, as itemized below, except for provisions regarding signatories and signatures
2. The annexation map and legal description as attachments
3. Verification that the District desires to, or not to annex the subject territory
4. Authorization for the resolution to be submitted as an application for annexation approval by LAFCO if the Board supports annexation, along with the conditions of support
5. Only if the Board agrees to proceed with annexation, a request that LAFCO approve and authorize the District to conduct proceedings for the annexation without notice and hearing and without an election (only if the petition has been signed by all of the owners of land within the boundaries of the proposed annexation).

#### E. Annexation Petition

In accordance with §56700 of the California Government Code, the petition proposing annexation of property to the District shall do all of the following:

1. State that the proposal is made pursuant to said §56700
2. State the nature of the proposal (i.e., annexation of property to Groveland Community Services District)
3. Include a description of the boundaries of the affected territory accompanied by a map showing the boundaries
4. State any proposed terms and conditions

5. Explain the reason for the proposal (e.g., to receive fire, parks, water, and/or sanitary sewer services)
6. State whether the petition is signed by registered voters or owners of the land
7. Designate no more than three persons as chief petitioners, including their names and mailing addresses
8. Request that proceedings be taken for the proposal pursuant to said §56700
9. State whether the proposal is consistent with the sphere of influence designated by LAFCO for the District
10. State whether any environmental review of the project and required infrastructure has been undertaken and approved

F. Processing Resolution with LAFCO and the State

After adoption of said resolution of approval by the Board of Directors, it shall be sent to LAFCO along with necessary fees, for processing of State filings, local recordings, and filing with the State Board of Equalization.

G. Descriptions and Maps

In accordance with State Board of Equalization and District requirements, annexation descriptions and maps shall conform to the following conditions:

1. All documents must be capable of producing a readable photographic image;
2. Every description must be self-sufficient within itself and without the necessity of reference to any extraneous document, with references to deeds of record used only as a secondary reference;
3. When writing a metes and bounds description of a contiguous annexation, all details of the contiguous portion(s) of the boundary may be omitted, with the points of departure from the existing boundary clearly established;
4. A specific parcel description in sectionalized land is permissible without a metes and bounds description of the perimeter boundary;
5. A parcel description making reference only to a subdivision or a lot within a subdivision is not acceptable, unless all dimensions needed to plot the boundaries are given on an accompanying plat, and the relationship of lot lines with street rights of way must be clearly indicated;

6. Every map must clearly indicate all existing streets, roads and highways within and adjacent to the lands to be annexed, together with the current names of these thoroughfares;
7. Every map shall have a legend, scale and north point;
8. The point of beginning of the legal description must be shown on the map;
9. The boundaries of the lands to be annexed must be distinctively shown on the map without obliterating any essential geographic or political features;

#### H. Maps

All maps must be professionally drawn (rough sketches of maps or plats will not be accepted). All descriptions must be prepared by a surveyor or civil engineer licensed in the State of California, and his/her stamp and signature shall be affixed to said description. All maps must be provided to the District in both paper format and digital format acceptable to the District.

#### I. Annexation Fee

The annexation fee is the amount charged to the developer as buy-in to the existing water and/or sewer infrastructure, which the developer has not contributed to, even though the developer will fund improvements to that pre-existing infrastructure. The amount of the annexation fee will be determined by the District Engineer and shall be related to the actual value of the infrastructure, which the developer is buying into, reduced to an amount per parcel or equivalent dwelling unit.

## Appendix 600-L ANNEXATION AGREEMENT

### ANNEXATION AGREEMENT FOR (NAME OF PROJECT) TO GROVELAND COMMUNITY SERVICES DISTRICT

(Note: This document is a template. The Board reserves the right to add or delete sections that address unique conditions of each development.)

This Annexation Agreement (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between GROVELAND COMMUNITY SERVICES DISTRICT, a political subdivision of the State of California formed and operated pursuant to California Government Code Section 61000 et seq., (hereinafter "District") and \_\_\_\_\_ (hereinafter "Developer").

#### RECITALS

1. Developer has obtained approval from the County of Tuolumne ("County") for a general plan amendment, rezone, and vesting tentative subdivision map (collectively, the "Approvals") for a residential and recreational project formerly known as \_\_\_\_\_ (the "Project"). Prior to approving the Project the County prepared, reviewed, approved and certified a Final Environmental Impact Report (hereinafter "EIR") for the Project.
2. Developer has entered into a Development Agreement with the County with respect to the Project and the construction of the infrastructure required therein (the "Development Agreement").
3. Development of the Project will result in a need for municipal services and/or facilities for water supply and distribution, water treatment, sewage collection and treatment, and fire suppression services, as discussed in the EIR and as required in part by the Approvals. Both the County, as a condition of the Approvals, and District pursuant to Section 600 of its Operational Policies and Procedures Manual requires the Developer to enter into an agreement with the District with respect to the annexation of the Project to the District in order to obtain from the District public water supply, wastewater, parks and recreation, and fire suppression services for the Project.
4. To facilitate the annexation of the Project, Developer and District have agreed to enter into this Agreement in order to have clarity as to District requirements. Both consider that this Agreement will provide the Tuolumne County Local Agency Formation Commission ("LAFCO") the plan of services it requires for approval of annexation. The Project lies within the sphere of influence of the District.
5. The Developer hereby agrees to the following, as more fully described in this Agreement: (a) design, plan, engineer, and construct all on-site wastewater, water, parks and recreation, and fire improvements (hereinafter referred to collectively as "On-Site Improvements") and pay for the design, engineering and construction of all incremental off-site water, wastewater, parks and recreation, and fire Improvements required to serve the Project at Developer's sole cost and expense pursuant to existing adopted District standards and those plans and specifications to be approved by the District; (b) pay certain water and wastewater connection fees, standby charges and other fees and assessments pursuant to District ordinances and policies applicable to all customers within the District; (c) dedicate any real property or easements as hereinafter required for specified on-site water, and wastewater infrastructure to serve the Project; (d) dedicate to District certain real property for parks and recreation and fire suppression facilities; (e) consent in writing, on behalf of all real property in the Project, to inclusion of the Project in a community facilities district and to annexation of such real property to an existing assessment district; and (f) reimburse District for its administrative costs and expenses and legal expenses incurred in conducting the annexation process, negotiating, drafting and implementing this Agreement, reviewing the engineering analyses and the plans and specifications for the improvements, and

inspecting construction of the improvements prior to acceptance by the District of those to be constructed by Developer. Developer agrees to contribute to the costs of such water, wastewater, parks and recreation, and fire suppression facilities and services as required herein to mitigate impacts of the Project.

6. Upon approval of the annexation by LAFCO and completion of all of the conditions for annexation as provided for herein, District agrees to provide all public water supply, wastewater, parks and recreation, and fire suppression facilities and services required by the Project (hereinafter referred to collectively as "Improvements"). District further agrees to cause to be undertaken or to allow Developer to undertake those off-site water, wastewater, parks and recreation, and fire improvements (hereinafter referred to collectively as "Off-site Improvements") required to serve the Project under the control of District in a timely fashion, at Developer's cost, to assure that Developer may proceed with complete development of the Project in accordance with the Approvals. District also agrees, subject to Developer's agreement to pay all costs associated with facilities needed to deliver the same, to provide irrigation water from wastewater effluent treated to the standards required by applicable law and regulations of the state, regional water quality control board and County, if requested by Developer for all or any portion of the Project when developed.

7. Developer and District acknowledge that Developer will be required to enter into one or more Subdivision Improvement Agreements with Tuolumne County in order to obtain approval and recordation of final subdivision maps for the Project. Developer and District agree to jointly cooperate to seek County approval of Plans and Specifications for on-site water, wastewater, parks and recreation, and fire Improvements which conform to adopted District standards and requirements.

8. Developer has completed all Sub-Area Master Plan (SAMP) analyses for District and California Environmental Quality Act (CEQA) documentation for County. County has approved CEQA documents and requires that Developer to address to the satisfaction of County Conditions of Approval. Such Conditions of Approval address, among other things, mitigation of environmental issues, provisions for providing infrastructure, and considerations for community fit and quality of life, as prescribed by the County General Plan and amendments thereto. Prior to final acceptance of infrastructure to be dedicated to District, Developer shall have met all Conditions of Approval to the satisfaction of the County

9. District and Developer recognize and agree that each party's performance under this Agreement is in reliance upon the covenants and conditions provided for in this Agreement.

## **AGREEMENT**

NOW, THEREFORE, the parties hereto in consideration of the mutual performance of the covenants and conditions hereinafter set forth agree as follows:

### **1. Annexation of Property into District.**

1.1 Developer agrees that this Agreement shall constitute Developer's agreement to annex the property constituting the Project to the District (with the exception of any portion of such property which cannot be annexed into the District due to its location outside the sphere of influence of the District). Developer further agrees to execute any further documents necessary to consent to such annexation if the District so requests or if required by District or LAFCO and shall consent to terms and conditions imposed by LAFCO consistent with this Agreement and the Approvals.

1.2 Subject to Developer's payment of applicable filing and processing fees, and reimbursement of the District's administrative, legal, engineering and other consultant costs incurred in reviewing Developer's application, District agrees that this Agreement shall constitute its agreement to annex the property constituting the Project (except as indicated above) to the District and shall initiate proceedings to do so and to obtain LAFCO's consent to such annexation upon terms and conditions consistent with this Agreement and the Approvals.

1.3 Upon annexation Developer shall have the right to receive from District domestic water supply and distribution, wastewater collection and treatment, and fire suppression services to real property comprising the Project on the same basis as do other owners of properties within the District (with the exception of possible improvement district obligations) so long as Developer complies with the terms and conditions of this Agreement, the Approvals, and the terms and conditions of LAFCO consistent with this Agreement and the Approvals. Developer's right to receive such services within the Project from the District shall be subject to subsequent District approvals, as provided herein.

1.4 District will provide the following services to the Development:

- Water: Including water supply, treatment, storage and distribution and facilities constructed and dedicated to the District during the course of developing this Project.
- Wastewater: Including wastewater collections, treatment and disposal and facilities constructed and dedicated to the District during the course of developing this Project.
- Parks and Recreation: Including access to existing parks and recreation facilities and facilities constructed and dedicated to the District during the course of developing this Project.
- Fire: Including full-time fire department and facilities constructed and dedicated to the District during the course of developing this Project.
- Community Facilities: Including access to existing District-owned community facilities and facilities constructed and dedicated to the District during the course of developing this Project.

1.5 Provisions for development of plans and specifications for water, wastewater system, parks and recreation, and/or fire suppression improvements; construction of water, wastewater, parks and recreation, and/or fire suppression improvements; reservation or dedication of land to the District for public purposes; location and maintenance of onsite and offsite improvements; and location, nature and extent of public utilities shall be those set forth in this Agreement and/or a Development Agreement entered into by the parties hereto subsequently to this Agreement. District acknowledges that the Approvals provide for the following land uses and approximate acreages for the Project:

\_\_\_\_\_  
(Description of Project)  
\_\_\_\_\_  
\_\_\_\_\_

## **2. Plans and Specifications for Water, Wastewater, Parks and Recreation, and Fire System Improvements.**

2.1 Developer shall be responsible for funding all the costs for design, engineering, and construction of water, wastewater, parks and recreation, fire Improvements necessary to serve the Project without imposing level of service reductions on existing customers of the District. Such improvements will consist of both improvements within the Project for public water, wastewater, parks and recreation, and fire services (the "On-site Improvements") to be undertaken by Developer as a part of Project development in accordance with the established standards of the District and in accordance with the Approvals, and those incremental improvements to the District's current public water supply, wastewater, parks and recreation, and fire systems and facilities outside the Project boundaries (the "Off-site Improvements") needed to serve the Project. The Off-site Improvements shall either be constructed by Developer or funded by Developer at District's option and the District may select different options for different portions where feasible. Where District combines the Off-site Improvements with other improvements desired or needed by District to serve other needs within the District, Developer shall contribute its prorata share of the incremental costs thereof.

2.2 After annexation, Developer shall arrange for the preparation of a sub-area master plan ("Sub-area Master Plan") for those Off-site Improvements required for the Project for District's review and approval. To the extent that District desires to incorporate other improvements not related to the Project, and after public review and Board approval, District shall contribute funds for such portions or credit Developer with the expenses involved in incorporating the same into the Sub-area Master Plan. For all On-site Improvements, Developer shall prepare construction plans and specifications at Developer's sole cost and expense (the "Plans and

Specifications”). The Plans and Specifications for On-site Improvements shall comply with all applicable District standards and be approved in writing by the District’s engineers. Developer agrees that construction of the On-site Improvements shall not commence until the Plans and Specifications for said improvements have been approved in writing by District. Developer agrees to arrange for the final engineering and construction of Off-site Improvements in a timely manner so as to be available to serve the Project as needed.

### **3. Construction of Water, Wastewater, Parks and Recreation, and Fire System Improvements.**

3.1 Developer shall, without expense to District, furnish all labor, materials, equipment, mechanical workmanship, appliances, supervision, coordination, building permits, other required permits, sales taxes, and samples to complete construction of the On-site Improvements in a workmanlike manner.

3.2 Developer shall complete those Off-site Improvements, which are to be constructed directly by Developer in accordance with the Plans and Specifications to the satisfaction of the District for each approved phase of the Project for which a final map is to be or has been recorded in accordance with the requirements of applicable law and any applicable Approvals. Should Developer fail to complete construction of the On-site Improvements and/or Off-site Improvements as required, or performs work that does not comply with the Plans and Specifications, the District may terminate Developer’s right to perform all or any portion of said improvements and complete the work itself, subject to the rights of those who have bonded performance and completion. The cost of completion by the District shall include reasonable reimbursement for additional executive and administrative expense including legal fees together with all damages for delay and other damages sustained by District as a result of Developer’s default.

3.3 The Parties hereto acknowledge that Tuolumne County may require Developer to post performance and payment bonds to secure the obligation of the Developer to construct certain On-site Improvements pursuant to a Subdivision Improvement Agreement between the Developer and the County pursuant to Title 16 of the Ordinances of Tuolumne County. Developer shall, at the time of District approval of the Plans and Specifications for the On-site Improvements and the Off-site Improvements and the cost estimates associated with such work, file two (2) separate bonds with the District, each made payable to the District. These bonds shall be issued by a surety company admitted to do business in the State of California as an insurer and shall be maintained during the entire life of this Agreement at the expense of Developer. One bond shall be in the amount of One Hundred Percent (100%) of the cost estimate for any On-site Improvements not covered by Developer’s performance and payment bonds issued to the County, and One Hundred Percent (100%) of the cost estimate for construction of the Off-site Improvements and shall guarantee the faithful performance by Developer of all aspects of this Agreement and Developer’s obligation to fund all costs of design, engineering and construction of the On-site Improvements and the Off-site Improvements. The second bond shall be the payment bond required by Division Three, Part 4, Title 15, Chapter 7 of the Civil Code of the State of California, and shall be in the amount of One Hundred Percent (100%) of the construction cost estimate approved by District’s engineer for those On-site Improvements not covered by Developer’s performance and payment bonds issued to the County and the Off-site Improvements, to guarantee the payment of wages and for materials, supplies or equipment used in the construction of such On-site Improvements and Off-site Improvements. Any alterations made in the specifications for the On-site and Off-site Improvements shall not operate to release any surety from liability on any bond required hereunder, and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code. At the time of submitting such bonds to the District, Developer shall provide a Certificate of Fact issued by the County of Tuolumne, County Clerk, or Certificate of Authority issued by the State of California, Department of Insurance for any and all sureties issuing the bonds required under this Agreement. By execution of this Agreement, Developer further certifies and represents that any and all sureties issuing the bonds required under this Agreement are authorized to do business in the State of California and that the bonds fully comply with Civil Code Sections 3247 and 3248, and the Bond and Undertaking Law, Code of Civil Procedure Section 995.010, et seq.

3.4 After acceptance of the dedication of the On-site Improvements by District, said Improvements shall be operated to provide water supply, wastewater, parks and recreation, and fire services to the Project upon receipt and approval of an application for service submitted to and approved by the District. All services made available by District to the Project shall be subject to all rates, charges, fees and assessments established by District’s

Board of Directors from time to time applicable to all properties within the District, as well as any fees that are specific to this development, such as for improvement districts. Construction of the On-site Improvements by Developer and use of such improvements by owners of real property within the Project shall be subject to the District's water and/or wastewater ordinance, as amended from time to time.

3.5 Developer, at its sole cost and expense, shall perform all necessary survey work to prepare a legal description for and dedicate to District twenty-foot (20-ft) wide perpetual easements for the purpose of construction, installation, operation, maintenance and replacement of the On-site Improvements constructed by Developer pursuant to this Agreement. The Developer shall dedicate such easements to the District at no cost to the District and free and clear of all liens and encumbrances. All such easements shall include District rights of ingress and egress to the easements in order to perform operation, maintenance and repair of the On-site Improvements.

3.6 Developer shall dedicate to District any and all parcels of real property within the Project as approved by District that are necessary as the location for the On-site Improvements to serve the Project. Such parcels shall be certified to be in sound environmental condition prior to dedication. The District must approve in writing the location and size of such sites to serve the Project. Said real property, unencumbered by any financial obligations, comprising those sites necessary to house on-site water and/or wastewater Infrastructure, as well as fire and parks facilities shall be dedicated to District without cost to District prior to Developer's recordation of its first final subdivision map for any part of the Project.

#### **4. Provision of Fire Suppression Facilities.**

4.1 The Approvals for the Project require Developer to dedicate to District a parcel of real property with a minimum size of \_\_\_\_\_ acres to serve as a site for \_\_\_\_\_. The District must approve in writing the location and size of said site. Said real property shall be dedicated to District, unencumbered by any financial obligations, without cost to District by Developer prior to the recordation of any final subdivision map for any part of the Project. Said real property to be dedicated for fire suppression facility purposes is set forth more specifically in Exhibit \_\_\_\_ attached hereto and incorporated herein by this reference as the "Dedicated Land."

4.2 [Reserved for discussion of specific requirements imposed on Project to finance fire suppression facilities will vary from Project to Project.]

4.3 [Reserve for Parks and Recreation Provisions]

4.3 The Parties recognize that it is necessary to provide a source of revenue to fund the provision of fire suppression services to adequately serve the Project. Developer agrees to consent in writing, on behalf of all real property in the Project to inclusion of the Project in a community facilities district to be formed by the District. Said consent shall be attached to this Agreement as Exhibit \_\_\_\_ and incorporated herein by this reference. The real property in the Project may be included in a community facilities district formed under the provisions of the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311, et seq.), any amendments thereto, or any other applicable provision of the law. The community facilities district shall be used to provide funding for fire suppression services in an amount sufficient to provide, beginning with the issuance of the first building permit for the Project, the level of service described in the District's Fire Master Plan dated February 2, 2007 specified in Exhibit \_\_\_\_ attached hereto and incorporated herein by this reference. Said special tax will include an annual inflationary adjustment provision to reflect the estimated annual increase in the cost of providing fire service to the Project. Developer will be responsible for funding all costs relative to the formation of the CFD and the levying of the special tax. Developer shall record a notice of this consent and any liens created as a result of the formation of said community facilities district to ensure that prospective purchasers of individual lots within the Project are given the appropriate notice. Developer shall also provide to each purchaser, and the District, a copy of a preliminary title report giving notice of the inclusion of the real property in the community facilities district, and notice regarding any ad valorem taxes imposed as a result thereof, if a real estate public report is not yet available, or a copy of the real estate public report giving notice of the inclusion of the real property in a community facilities district and any resultant ad valorem taxes upon its availability. Developer further agrees not to cause to be filed, or encourage the filing of, and waives its rights to file, any written protests



to the inclusion of the Project in a community facilities district, or the levy of special taxes within such community facilities district. Developer further agrees to cast its votes in any land owner election for inclusion of the real property in the Project in a newly created community facilities district and the levying of special taxes upon property within said community facilities district in favor of including said real property in said community facilities district and in favor of the levying of such special taxes. Any ad valorem taxes levied against the real property in the Project pursuant to the Mello-Roos Community Facilities Act of 1982 shall be in addition to any and all dedicated land and in addition to any development fee levied pursuant to Government Code Section 66000. No credit shall be allowed against any such ad valorem taxes levied against the real property, regardless of whether such taxes are owing by Developer or any prospective purchaser of the real property contained within the Project.

4.4 Developer further agrees to consent in writing, on behalf of all real property in the Project, to inclusion of the Project in a fire suppression assessment district to be formed by the District, or to annexation of such real property to an existing assessment district. Said consent shall be attached to this Agreement as Exhibit \_\_\_ and incorporated herein by this reference. The real property in the Project may be included in, or annexed to, an assessment district formed under the provisions of Government Code Section 50078 et seq., any amendments thereto, or any other applicable provision of law. Said consent shall include Developer's approval of and consent to the levy of an annual assessment upon all real property comprising the Project at the same rate as levied on other parcels within the District receiving the same benefit from such fire suppression services as proposed by the District. The fire suppression assessment district assessment proceeds shall be used to provide funding for the District to provide fire suppression services to serve the Project. Developer shall record a notice of this consent and any liens created as a result of the formation of said assessment district, or annexation to an existing assessment district, to ensure that prospective purchasers of individual lots within the Project are given the appropriate notice. Developer shall also provide to each purchaser, and the District, a copy of a preliminary title report giving notice of the assessment lien if a real estate public report is not yet available, or a copy of the real estate public report giving notice of the assessment lien upon its availability. Developer further agrees not to cause to be filed, or encourage the filing of, and waives its rights to file, any written protests to the inclusion of the Project in an assessment district, and/or the annexation of the real property encompassing the Project to an existing assessment district and/or the levying of assessments. Any assessments levied against the real property in the Project shall be in addition to any and all dedicated land, in addition to any development fees levied pursuant to Government Code Section 66000, and in addition to any special taxes levied in a community facilities district which includes the Project. No credit shall be allowed against any such assessments levied against the real property, regardless of whether such assessments are owing by Developer or any prospective purchaser of the real property contained within the Project.

4.5 Developer agrees to pay any and all costs incurred by District, including legal, engineering and other consultant fees, with respect to the formation and/or annexation of the community facilities and/or assessment districts pursuant to this Agreement.

4.6 Developer, at its sole cost and expense, shall perform all necessary survey work to prepare a legal description for and dedicate to District all necessary rights-of-way for emergency access as specified in the Approvals to provide efficient fire suppression services to the Project. Developer shall dedicate such rights-of-way to the District at no cost to the District and free and clear of all financial liens and encumbrances. Dedication of such rights-of-way to District shall be completed prior to issuance of the first building permit for a structure within the Project.

4.7 As required by the Approvals Developer shall prepare a fuel reduction/fuel management program in cooperation with the District and the County Fire Department in order to provide for control and removal of flammable vegetation with rights-of-way, vacant lots and within a mutually agreeable distance from residential or commercial structures. Developer shall prepare such fuel reduction/fuel management program at no cost to District. Said program shall include a fee component to reimburse District for the administrative costs incurred in providing the necessary inspections to ensure that the goals and objectives of the fuel reduction/fuel management program are being achieved. Said fuel reduction/fuel management program shall be submitted to District for approval and any fees payable to District for review of such program shall be paid prior to the issuance of the first building permit for a structure within the Project.

4.8 The Approvals require Developer to install at its own cost and expense fire hydrants of various capacities within certain zones of the Project. No such fire hydrant shall be installed by Developer unless the location of each such hydrant has been approved by District in writing. The fire hydrants and lines serving the same shall be deemed a part of the On-site Improvements.

## **5. Permits and Inspections.**

5.1 Developer agrees and understands that it is the responsibility of Developer to obtain and pay for all necessary permits required for the construction of the Improvements from any and all jurisdictions that have authority over the work. Developer also agrees and understands that it is the responsibility of Developer to call for and obtain all required inspections from any and all governmental agencies having jurisdiction over the work during the course of the construction of the Improvements. Developer is not relieved of its obligations to secure all permits and obtain all inspections by virtue of District's assistance in procuring the necessary permits. It is generally understood that the District shall be responsible for Off-site Improvements and the permitting related thereto, at Developer's cost, although District and Developer may agree that Developer shall partially or wholly take on such responsibilities on behalf of the District.

## **6. Inspection of Construction.**

6.1 The District General Manager or his agent may inspect the construction of the Improvements to assure that they are installed in accordance with the approved Plans and Specifications. Said inspection shall be funded by an inspection fee paid by Developer as specified in District's fee schedule in effect on the date of such inspection. District is not, by inspection of the construction or installation of the Improvements, providing a substitute for inspection and control of the work by Developer. Any failure of District to note variances in the work from the Plans and Specifications does not excuse or exempt Developer from complying with all of the provisions of the Plans and Specifications. The fact that District inspects the construction of the Improvements and fails to discover deviations or failures to construct them pursuant to the Plans and Specifications shall not be deemed to constitute a guarantee by District that the Improvements have been built in accordance with the Plans and Specifications. At no time shall the District be responsible for any trench settlement or road failure associated with such work. Any such settlement shall be the sole responsibility of Developer. Construction of the Improvements shall not commence until the estimated inspection fee is deposited with the District. The District General Manager or his designated agent shall notify Developer of a failure to construct the Improvements in accordance with the Plans and Specifications, or defective work pursuant to District standards as soon as such failure or defect is brought to its attention. Developer shall immediately correct any such failure or defect, including removal and replacement of any non-conforming work at Developer's expense. In no event shall any of the work of installing the Improvements be covered until District has inspected all of the work and has approved the covering of the work.

## **7. Dedication of Improvements.**

7.1 Upon completion of construction and operational verification and acceptance of the On-site Water System Improvements and On-site Wastewater System Improvements (referred to collectively as "Improvements"), Developer agrees to dedicate all such Improvements to District to become a part of the District's water, wastewater, parks and recreation, and fire systems. District shall accept the offer of dedication of the Improvements if it finds all of the following: (1) that the design and construction of the Improvements complies with all applicable building codes, the Plans and Specifications, and all applicable District standards, policies and ordinances; (2) that Developer has paid to District all applicable District fees then due pursuant to the District's fee schedule existing as of the date of construction, and Developer's pro rata share the costs of all Off-site Improvements; and (3) that Developer has reimbursed District all of District's administrative costs and expenses incurred in reviewing, approving, and inspecting the design, construction, and operational start-up of the Improvements, negotiating and drafting this Agreement and participating in approval of LAFCO of the proposed annexation; and (4) all mutually agreed to terms and conditions have been met. At such time as the District finds that Developer has fully complied with each of the foregoing three (3) criteria, District shall accept the offer of dedication of the Improvements in writing and assume responsibility for all maintenance, repair, and operation of the Improvements constructed by Developer.

7.2 Developer shall dedicate the Improvements to District by conveying title to the completed Improvements to District at Developer's sole cost and expense, free and clear of all liens, encumbrances, and environmental liabilities from prior land use. Developer shall be responsible for preparing the appropriate documents for conveying title to the Improvements to District in a form reasonably acceptable to District and pursuant to any applicable County requirements.

7.3 Developer shall provide District with one set of twenty-four-inch by thirty-six-inch original (24" x 36") and one set of reproducible "record" drawings of the completed Improvements on matte Mylar (5 mil minimum). Developer shall also provide these drawings in an electronic format acceptable to the District. Developer shall also provide final plans and specifications for the Project, including change orders.

7.4 District shall accept the conveyance of title of the completed Improvements and at that time the Improvements will become part of the District's water, wastewater, parks and recreation, and fire systems.

## **8. Maintenance of Facilities.**

8.1 In consideration for the Improvements constructed by Developer for the benefit of District, and dedicated to District, District will perform all necessary maintenance commencing immediately upon completion of construction, dedication by Developer and acceptance of dedication by District. After the date of acceptance, District shall be solely responsible for all costs of maintenance of the Improvements.

## **9. Project as Private Undertaking.**

9.1 No partnership, joint venture, or other association of any kind between Developer, on the one hand, and the District on the other, is formed by this Agreement. The only relationship between the District and Developer is that of a governmental entity providing water, wastewater, parks, and fire suppression services to the Project area.

## **10. Environmental Review.**

10.1 The District has retained an environmental consultant to review the existing EIR to determine if any supplemental CEQA review is necessary with respect to the On-site Improvements prior to the District approving this Agreement. District and Developer agree to complete CEQA documentation regarding approval of this Annexation Agreement as determined by said consultant, at the sole expense of Developer.

## **11. Project Phasing.**

11.1 The parties acknowledge that uncertainties associated with market conditions, availability of financing, and other factors may alter the timing of Developer's ability to construct the Project. After annexation, Developer shall use all reasonable efforts to provide District with a phasing plan in order to assist District in its planning and Developer shall then use commercially reasonable efforts to substantially complete each phase of the Project in accordance with the phasing plan.

## **12. Applicable District Rules, Regulations and Policies.**

12.1 Rules Regarding Design and Construction. All construction of the Improvements shall comply with all District standards, ordinances, resolutions and policies in effect as of the date of this Agreement.

12.2 Changes in State or Federal Law. Any changes in District ordinances, policies, regulations, or rules, the terms of which are specifically mandated and/or required by changes in federal or state laws and/or regulations shall be applicable to construction of Improvements to be dedicated to District pursuant to this Agreement.

12.3 Codes and Standards Applicable. Unless otherwise expressly provided in this Agreement, all Improvements constructed pursuant to the terms of this Agreement shall comply with the provisions of the state, County and District codes and standards for Building, Mechanical, Plumbing, Electrical and Fire , in effect at the

time of approval of the appropriate encroachment, grading, building or other construction permits necessary for the Project. If no permits are required for construction by Developer of such infrastructure improvements to be dedicated to District, such improvements shall be constructed in accordance with the provisions of the state, County, and District codes and standards for Building, Mechanical, Plumbing, Electrical and Fire in effect at the start of the construction of such infrastructure.

### **13. Subsequently Enacted Fees, Dedications, Assessments and Taxes.**

13.1 Processing Fees and Charges. Developer shall pay those processing, inspection and plan checking fees and charges required by District and uniformly applicable to all property owners in the District under then current regulations for processing development applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted by District or the performance of any conditions or obligations required of Developer pursuant to this Agreement.

13.2 Development Exactions and Dedications. Except as otherwise provided herein, any and all dedications of land, connection or mitigation fees and exactions required by District to be paid by Developer to support the construction of any public facilities and improvements or the provision of any public services with respect to the Project (hereinafter the "Exactions") shall be the Exactions authorized as of the effective date of this Agreement. However, Developer shall be obligated to pay all Exactions authorized by District after the effective date hereof provided that said Exactions otherwise comply with applicable law and are (1) required on a District-wide basis; or (2) apply uniformly to all properties within the District which are zoned consistent with the property comprising the Project; or (3) which apply uniformly to all properties which are similarly situated within the District, whether by geographic location, drainage patterns, or other distinguishing characteristics and (4) do not duplicate Exactions provided for herein for the same purpose. Wherever this Agreement obligates Developer to design, construct or install any public improvements or to contribute to the design, construction or installation of the same to be dedicated to the District, the cost thereof (including the value of land or easements dedicated to the District) may be provided by Developer through a Community Facilities District, Assessment District or other such financing mechanism, in accordance with the provisions thereof and District hereby agrees to initiate proceedings for the formation thereof at Developer's request, and at Developer's cost .

13.3 Mitigation Measures. Notwithstanding any other provision of this Agreement to the contrary, as and when Developer elects to construct the Project, Developer shall be bound by, and shall perform, all mitigation measures required by the Approvals.

### **14. Amendment or Cancellation.**

14.1 Modification Because of Conflict with State or Federal Laws. In the event that state or federal laws or regulations enacted after the effective date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the District, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such amendment shall be approved by the Board of Directors of District.

14.2 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto.

14.3 Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be cancelled in whole or in part only by the mutual written consent of the parties or their successors-in-interest. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by District.

### **15. Default.**

15.1 Subject to any applicable extension of time, failure by any party to perform any term or provision of this Agreement required to be performed by such party shall constitute an event of default ("Event of Default"). For

purposes of this Agreement a party claiming another party is in default shall be referred to as the "Complaining Party" and the party alleged to be in default shall be referred to as the "Party in Default."

## 15.2 Procedure Regarding Defaults.

15.2.1 Notice. The Complaining Party shall give written notice of default to the Party in Default, specifying the default complained of by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

15.2.2 Cure. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be deemed by the Complaining Party to be reasonably necessary to correct the matter).

15.2.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, asset or enforce any such rights or remedies,

15.2.4 Notice of Default. If an Event of Default occurs prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot practicably be cured within such 30 day period, the cure shall be deemed to have occurred within such 30 day period if: (a) the cure shall be commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing party's receipt of the notice), the curing party provides written notice to the other party that the cure cannot practicably be completed within such 30 day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within one hundred twenty (120) days after the first notice of default is given.

15.2.5 Legal Proceeding. Subject to the foregoing, if the Party in Default fails to cure a default in accordance with the foregoing, the Complaining Party, at its option, may institute legal proceedings pursuant to this Agreement or, in the event of a material default, terminate this Agreement. Upon the occurrence of an event of default, the parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or in the District's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

15.2.6 Effect of Termination. If this Agreement is terminated following any event of default of Developer or for any other reason, such termination shall not affect the validity of any improvement required to be constructed by Developer with respect to the Project which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the County. Furthermore, no termination of this Agreement shall prevent Developer from completing any improvement to be constructed pursuant to this Agreement pursuant to a valid building permit previously issued by the County that is under construction at the time of termination, provided that any such improvement is completed in accordance with said building permit in effect at the time of such termination.

15.2.7 Remedies. Upon the occurrence of an Event of Default, each party hereto shall the right, in addition to all other rights and remedies available under this Agreement to: (1) bring any proceeding in the nature of specific performance, injunctive relief or mandamus and/or (2) bring any action at law or in equity as may be permitted by California law or this Agreement. Notwithstanding the foregoing, however, neither party shall ever be liable to the other party for any consequential damages on account of the occurrence in an Event

of Default (including claims for lost profits, loss of opportunity, lost revenues, or similar consequential damage claims). The parties hereto waive and relinquish any claims for consequential damages on account of an Event of Default, which waiver and relinquishment the parties acknowledge has been made after full and complete disclosure and advice regarding the consequences of such waiver and relinquishment by counsel to each party.

## **16. Estoppel Certificate.**

16.1 Either party may, at any time, and from time to time, request written notice from the other party requesting such party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (c) to the knowledge of the certifying party the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the parties. General Manager of District shall be authorized to execute any certificate requested by Developer. Should the party receiving the request not execute and return such certificate within the applicable period, this shall not be deemed to be a default.

## **17. Mortgagee Protection; Certain Rights of Cure.**

17.1 Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof after the date of recording this Agreement, including the lien for any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

17.2 Mortgagee Not Obligated. Notwithstanding the provisions of Section 16.1 above, no Mortgagee, unless such Mortgagee becomes a transferee or assignee of this Agreement, shall have any obligation or duty under this Agreement, before or after foreclosure or a deed in lieu of foreclosure, to construct or complete the construction of Improvements, or to guarantee such construction of Improvements, or to guarantee such construction or completion, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition. However, the Mortgagee shall not be entitled to undertake any new construction or improvement projects, or to otherwise have the benefit of any rights of Developer under this Agreement, or to devote the Property comprising the Project to any uses or to construct any improvements other than those uses or improvements authorized by the County Condition of Approvals, or Developer's Development Agreement with County, the provisions of the Environmental Impact Report with respect to the Project, and the provisions of this Agreement.

17.3 Notice of Default to Mortgagee and Extension of Right to Cure. If District receives notice from a Mortgagee requesting a copy of any notice of default given Developer hereunder and specifying the address for service thereof, then District shall deliver to such Mortgagee, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by District that Developer has committed an Event of Default. Each Mortgagee shall have the right during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the Event of Default claimed set forth in the District's notice. District, through its General Manager, may extend the cure period provided in Section 15.2.2 and 15.2.4 for not more than an additional sixty (60) days upon request of Developer or a Mortgagee.

## **18. Transfers and Assignments.**

18.1 From and after recordation of this Agreement against the property comprising the Project, Developer shall have the full right to assign this Agreement as to the property comprising the Project, or any portion thereof, in connection with any sale, transfer or conveyance thereof, with the written consent of District which shall not be unreasonably withheld. Upon the express written assignment by Developer and assumption by the assignee of such assignment in a form provided by District and the conveyance of Developer's interest in the property comprising the Project related thereto, Developer shall be released from any further liability or obligation hereunder related to the portion of the property comprising the Project so conveyed and the assignee shall be deemed to be the "Developer," with all rights and obligations related thereto, with respect to such conveyed property comprising the Property.

## **19. Agreement Runs with the Land.**

19.1 All of the provisions, rights, powers, standards, terms, covenants, and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the property comprising the Project, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever and shall insure to the benefit of the Parties and their respective heirs, successors and assigns. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the property comprising the Project hereunder, or with respect to any owned property, (a) is for the benefit of such properties and is a burden upon such properties, (b) runs with the properties, and (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each party and its property hereunder and each other person succeeding to an interest in such properties.

## **20. Other Governmental Approvals.**

20.1 Developer shall promptly and timely apply for and diligently pursue all required governmental agency approvals from governmental agencies other than District, such as the County of Tuolumne, as and when each such governmental approval is required during the course of design, development, and construction of the Improvements specified in this Agreement and the delivery of water, wastewater and fire suppression services to the Project. Developer shall diligently take all reasonable steps necessary to obtain all such governmental approvals and shall bear all costs and expenses for obtaining such governmental approvals. Developer shall comply with, and shall cause the Project to comply with all governmental agency regulations and laws related to the development, use and operation of, and provision of services to the Project. District shall reasonably cooperate with Developer in such endeavors upon Developer's written request for such cooperation. Developer shall be solely responsible for undertaking any investigation and acquiring necessary knowledge of governmental agency regulations and laws applicable to or affecting the Project, including existing or imposed restrictions, environmental and land use laws and regulations to which the Project may be subject. Developer shall reimburse District for all costs and expenses, including those of District staff, legal counsel and/or other consultants incurred in connection with obtaining governmental agency approvals.

## **21. Insurance.**

21.1 Developer shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability insurance and workers' compensation insurance as specified below.

A. Public Liability, Property Damage and Contractual Liability Insurance. Developer shall furnish public liability and property damage insurance which includes, but is not limited to, personal injury, property damage, losses relating to independent contractors, products and equipment, explosion, collapse and underground hazards in a minimum amount of not less than a combined single limit of Two Million Dollars (\$2,000,000.00) for one or more persons injured and property damaged in each occurrence.

The public liability and property damage insurance furnished by Developer shall also name the District as an additional insured and shall directly protect, as well as provide the defense for the District, its officers, agents and employees, as well as Developer, all subcontractors and suppliers, if any, from all suits, actions, damages, losses or claims of every type and description to which they may be subjected by reason of, or resulting from Developer's construction of the Improvements pursuant to this Agreement, and all insurance policies shall so state. Said insurance shall also specifically cover the contractual liability of Developer. Said insurance shall also specify that it acts as primary insurance.

B. Workers' Compensation Insurance. Developer shall be permissibly self-insured or shall carry full workers' compensation insurance coverage for all persons employed, either directly or through subcontractors, in carrying out the work contemplated by this Agreement, in accordance with the Workers' Compensation Act contained in the Labor Code of the State of California.

By execution of this Agreement, Developer certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, I will comply with such provisions before commencing the performance of the work of this contract."

As part of the execution of this Agreement, Developer agrees to furnish to the District a certified copy of the insurance policies it has taken out for public liability, property damage and workers' compensation insurance set forth above for the period covered by this Agreement. Such insurance shall be placed with an insurance carrier acceptable to the District under terms satisfactory to the District. Said certified policies of insurance shall be furnished to the District prior to commencing the work contemplated by this Agreement. Each such certified policy shall bear an endorsement precluding the cancellation or reduction in coverage of any such policy before the expiration of thirty (30) days after the District shall have received written notification of such cancellation or reduction.

Should Developer fail to obtain and keep in force the insurance coverage hereinabove required, the District shall have the right to cancel and terminate this Agreement forthwith and without regard to any other provisions of this Agreement.

## **22. Indemnification.**

22.1 Developer shall assume the defense of, and indemnify and save harmless, the District, its officers, employees and agents, and each and every one of them from and against all actions, liability, damages, claims, losses or expenses of every type and description to which they may be subjected or put to by reason of or resulting from: (1) the performance of, or failure to perform, the work or any other obligations of this Agreement by Developer, any subcontractor or Developer's agents or employees; (2) any alleged negligent act or omission of Developer, any subcontractor, Developer's agents or employees, in connection with any acts performed or required to be performed pursuant to this Agreement; (3) any dangerous or defective condition arising or resulting from any of the actions or omissions of Developer, Developer's agents or employees in carrying out the provisions of this Agreement. This indemnification is effective and shall apply whether or not any such action is alleged to have been caused in part by the District as a party indemnified hereunder. This indemnification shall not include any claim arising from the sole negligence or willful misconduct of the District or its employees.

22.2 Developer agrees to indemnify, defend, and hold harmless the District, its officials, officers, employees, agents and consultants from any and all administrative, legal or equitable actions or other proceedings instituted by any person not a party to this Agreement challenging the validity of the Agreement, or otherwise arising out of or stemming from this Agreement, its approval, and/or the process relating thereto, including, but not limited to any legal proceeding alleging that the District has failed to comply with the California Environmental Quality Act (CEQA) with respect to this Annexation Agreement or the Project. Developer may select its own legal counsel to represent Developer's interests at Developer's sole cost and expense. The Parties shall cooperate in defending such action or proceeding. Developer shall pay for District's costs of defense, whether directly or by



timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorneys' fees expended by District in defense of any such action or other proceeding, plus staff and District's attorney time spent in regard to defense of the action or proceeding. The Parties shall use best efforts to select mutually agreeable defense counsel but, if the Parties cannot reach agreement, District may select its own legal counsel and Developer agrees to pay directly or timely reimburse on a monthly basis District for all court costs, attorney fees, and time referenced herein.

22.3 The Parties agree that this Section 22 shall constitute a separate agreement entered into concurrently, and that if any other provision of this Agreement, or the Agreement as a whole, is invalidated, rendered null, or set aside by a court of competent jurisdiction, the Parties agree to be bound by the terms of this Section 22, which shall survive such invalidation, nullification or setting aside.

### **23. Warranty.**

23.1 Developer agrees that construction of the Improvements, including any regulatory fees and charges associated with the project, shall be in accordance with the Plans and Specifications and industry standards. Developer unconditionally guarantees all materials and workmanship furnished under this Agreement, and agrees to replace at its sole cost and expense, and to the satisfaction of District, any and all materials which may be defective through faulty, improper or inferior workmanship or materials. Developer shall repair or replace to the satisfaction of District any or all such work that may prove defective in workmanship or materials, ordinary wear and tear excepted, together with any other work which may be damaged or displaced in so doing. This guarantee shall remain in effect for three years from the date of District's acceptance of the work. This guarantee does not excuse Developer for any other liability related to defective work discovered after the guarantee period. Developer shall transfer to District all manufacturer and supplier warranties relating to the Improvements, if any, upon completion of the work. Developer shall provide a warranty bond in the amount of twenty-five per cent (25%) of the final cost of the installed Improvements, which bond shall be released at the expiration of the two-year warranty period.

23.2 In the event of failure of Developer to comply with the above stated conditions within a reasonable time, District may have the defective work repaired and made good at the expense of Developer who will pay the costs and charges therefor immediately upon demand, including any reasonable management and administrative costs, and engineering, legal and other consultant fees incurred by District in enforcing this guarantee.

### **24. Mello-Roos Community Facilities District.**

24.1 As an alternative in part or entirely to the obligations of Developer for design, engineering, construction, funding and transfer of equipment under Sections 2, 3, 4, 7, and 8, District agrees, if requested by Developer in writing, to inclusion of the Project, or portions thereof in phases in a community facilities district to be formed by the District, to cause the formation of such a community facilities district under the provisions of the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311, et seq.), any amendments thereto, or any other applicable provision of the law. The community facilities district shall be used to provide funding for all those obligations of Developer under this Agreement to the extent possible within the financial resources reasonably available to such community facilities district based on the portions of the Project or the entirety of the Project included therein. Developer and District intend, by the formation of such a district, if requested by Developer, to provide for the construction and financing of all the On-site Improvements, Off-site Improvements, Fire Improvements, Park Improvements, Community Buildings Improvements, and transfers required by this Agreement, and including facilities for irrigation water from treated wastewater effluent, and for all other improvements and dedications required by the Approvals to the fullest extent permitted by Government Code Section 66462, including improvements not to be dedicated to or accepted by the District but to be dedicated to other public agencies such as the County as required by the Approvals. District shall, as the sponsoring public agency for the district, cooperate with Developer in satisfying Developer's obligations under the Approvals with respect to compliance with the County's subdivision ordinance, all at Developer's cost and expense, which may be included within the financing available to the community facilities district.

**25. Disputes.**

25.1 If any dispute arises regarding the meaning of the drawings or Contract Documents, the quality or quantity of materials or workmanship, or Change Orders, the dispute shall be decided by District's engineer whose decision shall be final and binding on both parties.

**26. Term of Agreement.**

26.1 The effective date of this Agreement is \_\_\_\_\_, 201\_\_, which is the effective date of District Ordinance No. \_\_\_\_\_ adopting this Agreement.

26.2 Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of five (5) years, unless said term is terminated, modified or extended by circumstances set forth in this Agreement. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect; provided, however, that if a building permit has not been issued by the County for any of the contemplated residential lots comprising the Project by that time, then this Agreement shall continue in full force and effect until all such lots comprising the Project have received both a building permit and a Certificate of Occupancy from County.

**27. Payment of District Costs.**

27.1 Developer shall pay for District costs in processing this Agreement and discretionary approvals, LAFCO related matters, and all further actions relating hereto. Such processing costs shall include, but not be limited to the time and related expenses of District staff, engineering and environmental consultants, and the District's legal counsel.

27.2 Developer shall, prior to commencement of construction of the Improvements, deposit as security with District the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) from which amount the District shall deduct all of its costs, fees, and expenses incurred as a result of the Project including, but not limited to administrative and staff costs, overhead, engineering costs, legal expenses and inspection fees incurred by District in connection with design, construction and inspection of the Improvements to be constructed by Developer.

27.3 If the amount on deposit with District at any time prior to final acceptance of all the Improvements to be constructed by Developer pursuant to this Agreement is reduced below a balance of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), Developer shall, upon notice from District, deposit with District funds sufficient to restore the amount on deposit to the sum agreed to by the District with during the development of the Sub-Area Master Plan (SAMP) and environmental documentation. Failure of Developer to make any such additional deposits within ten (10) days after notice from the District will cause the District to suspend performance of the terms and conditions of this Agreement by Developer.

27.4 Upon completion of construction and operational certification of the Improvements by Developer, acceptance of dedication of the Improvements by District and the expiration of the warranty period or the satisfactory resolution of any and all warranty claims, the District will determine the final actual amount of its administrative, engineering and legal costs and expenses incurred with respect to the design, construction, inspection and acceptance of the Project. If the actual amount of such costs and expenses exceeds the deposits made by the Developer pursuant to this Agreement, the Developer shall pay to District the amount of any such expenses promptly upon demand. If the actual amount of costs and expenses incurred by District is less than the deposits previously made by Developer, the District shall refund any excess funds deposited by Developer to Developer, without interest. The District's determination of its costs and expenses incurred with respect to the Project shall be final and binding, provided that such determination shall be made upon the basis of generally accepted accounting principles consistently applied.

**28. General Provisions.**

28.1 The Recitals with all defined terms set forth herein are hereby incorporated into this Agreement.

28.2 Developer has a legal or equitable interest in all real property comprising the Project which is the subject of this Development Agreement, the description of which is attached hereto marked Exhibit A and incorporated herein by this reference (the "Property"). Developer represents that all persons holding legal or equitable interest in the Property shall be bound by this Agreement.

28.3 Relationship of District and Developer. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by Developer and District and that Developer is not an agent of District. The District and Developer hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the District and Developer joint ventures or partners.

28.4 This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, successors, assigns and subsequent purchasers. Developer shall not assign its interest in this Agreement without District's prior written approval, which approval shall not be unreasonably withheld.

28.5 Notice shall be sent to the parties at the addresses set forth below. Either party may change the address by giving written notice to the other:

**DEVELOPER:**

Name  
Address  
Phone Number  
Email Address

**DISTRICT:**

Groveland Community Services District  
Attn: General Manager  
18966 Ferretti Road (physical address)  
P.O. Box 350 (mailing address)  
Groveland, CA 95321-0350  
Telephone: (209) 962-7161

28.6 Time is of the essence in the performance of this Agreement.

28.7 This Agreement constitutes the sole and only agreement between the parties concerning the matters set forth herein. This Agreement supersedes any and all other agreements, either oral and in writing, between the parties hereto with respect to the rendering of services by Developer to the District, and contains all the covenants and agreements between the parties with respect to such services. Each party to this Agreement acknowledges that no representations or promises have been made by any party hereto which are not embodied herein, and that no other agreement or promise not contained in this Agreement shall be valid or binding.

28.8 Waiver. The failure or omission by District to terminate this Agreement for any violation of its terms or conditions shall in no way bar, stop or prevent the District from terminating this Agreement thereafter, either for such or for any subsequent violation of any such term, condition or covenant. The filing of a Notice of Completion or acceptance of the Project shall not be, and shall not be construed to be a waiver of any breach of any term, covenant or condition of this Agreement.

28.9 Severability. If a court of competent jurisdiction finds or rules that any provisions of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall

remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

28.10 The terms of this Agreement may be modified only in writing by mutual agreement on signature of the District and Developer. Said amendment shall be attached to this Agreement.

28.11 Attorneys' Fees. In the event that any action is initiated by either party seeking to enforce any of the terms or provisions of this Agreement, the prevailing party in such action shall be awarded its reasonable attorneys' fees and costs.

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Executed in Groveland, California, as of the date set forth above.

**DISTRICT:**

GROVELAND COMMUNITY  
SERVICES DISTRICT, a political  
subdivision of the State of California

By:

\_\_\_\_\_  
President, Board of Directors

By:

\_\_\_\_\_

**DEVELOPER:**

By: \_\_\_\_\_