



DRINKING WATER CONSTRUCTION GRANT

FISCAL AGREEMENT NO. SWRCB0000000000D1902047

by and between

CITY OF MANTECA ("Recipient")

AND

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

for the purpose of the

NILE GARDEN SCHOOL- WELL 30 WATER SUPPLY PROJECT ("Project")

PROJECT NO. CALSTARS AGREEMENT NO. 3910005-001C

- Section 75022 of the Public Resources Code (P84), and Resolution Nos. 2019-0032 and 2019-0065.
- Section 116766 of the Health and Safety Code and State Water Board Resolution No. 2019-0042.
- **Section 80140 of the Public Resources Code, and Resolution No. 2023-0021.**

AMENDMENT NO. 2

PROJECT FUNDING AMOUNT (GRANT): ~~\$4,963,845~~ \$8,374,888
ESTIMATED REASONABLE PROJECT COST: ~~\$4,963,845~~ \$8,374,888

ELIGIBLE WORK START DATE: JULY 1, 2015

ELIGIBLE CONSTRUCTION START DATE: FEBRUARY 13, 2020

CONSTRUCTION COMPLETION DATE: ~~September 30, 2023~~ **SEPTEMBER 30, 2026**

FINAL REIMBURSEMENT REQUEST DATE: ~~December 31, 2023~~ **MARCH 1, 2027**

RECORDS RETENTION END DATE: ~~September 30, 2059~~ **SEPTEMBER 30, 2062**

This Agreement executed by the State Water Board on October 15, 2020 and March 21, 2022, is hereby amended and restated to revise the cover page, the Agreement, and Work Completion Date, (deletions shown as stricken and revisions bold and underlined). Except as noted herein all other terms and conditions shall remain the same. Please note, page numbers may have changed.

1. The State Water Board and the Recipient mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement, including the following Exhibits, which are attached hereto or are incorporated by reference:
 - Exhibit A – Scope of Work and Schedule
 - Exhibit B – Specific Funding Provisions
 - Exhibit C – GENERAL TERMS AND CONDITIONS 2019-NOV
 - Exhibit D – Special Conditions
2. The following documents are also incorporated by reference:
 - [Reserved];
 - the Drinking Water System Permit No. 01-10-16P-004;
3. Party Contacts during the term of this Agreement are:

State Water Board		City of Manteca	
Section:	Division of Financial Assistance		
Name:	Gary Chan Francine Fua, Project Manager	Name:	Toni Lundgren, Interim City Manager
Address:	1001 I Street, 16 th Floor	Address:	1001 W. Center Street
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Manteca, CA 95337
Phone:	(916) 650-6874 (916) 341-5268	Phone:	(209) 456-8000
Email:	Gary.Chan@waterboards.ca.gov FrancineAnne.Fua@waterboards.ca.gov	Email:	emijango@ci.manteca.ca.us

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

4. Conditions precedent to this Agreement are set forth as follows:
 - (a) The Recipient must deliver to the Division a resolution authorizing this Agreement and identifying its authorized representative by title.
 - (b) The Recipient must deliver an opinion of general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.
5. The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement, which shall be at least until the Records Retention End Date:
 - (a) The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.
 - (b) The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.
 - (c) None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient

maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

- (d) The Recipient is in compliance with all State Water Board funding agreements to which it is a party.
6. This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

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

CITY OF MANTECA:

By: Toni Lundgren
Name: Toni Lundgren
Title: City Manager

Date: May 2, 2024

STATE WATER RESOURCES CONTROL BOARD:

By: J. Karkoski
Name: Joe Karkoski
Title: Deputy Director
Division of Financial Assistance

Date: May 22, 2024

EXHIBIT A – SCOPE OF WORK AND SCHEDULE

A.1 PROJECT PURPOSE AND DESCRIPTION.

The Project is for the benefit of the Recipient and has a Useful Life of thirty (30) years. The funding under this Agreement shall be used to consolidate Manteca Unified School District (MUSD)- Nile Garden School (Public Water System Number 3901169) with the Recipient for potable water service.

A.2 SCOPE OF WORK.

~~The Recipient agrees to do the following: Install a transmission main in the public roads right-of-way, drill a new production well and install the adsorption system to remove arsenic. Both the production well and adsorption system will be located on a property owned by the Recipient. The Recipient applied for funding on behalf of MUSD Nile Garden School and the Recipient shall be responsible for operating and maintaining the Project.~~

The Recipient agrees to do the following: Install a **complete the Project in 2 phases:**

- **Phase 1: Potable Water Well Drilling**
Well drilling, casing installation, production testing, and water sampling/testing.
- **Phase 2: Well Equipping**
Construction of well building, site development, electrical, instrumentation, arsenic treatment system, backup generator, site fencing, connection and coordination at Nile Garden Elementary. ~~transmission main in the public roads right-of-way, drill a new production well and install the adsorption system to remove arsenic. Both the production well and adsorption system will be located on a property owned by the Recipient. The Recipient applied for funding on behalf of MUSD Nile Garden School and the Recipient shall be responsible for operating and maintaining the Project.~~

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

A.3 SIGNAGE

The Recipient must place a professionally prepared sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and must maintain the sign in good condition for the duration of Project implementation. The sign may include another agency's required information and must include, prominently displayed, the following disclosure statement and color logos (available from the Division):



"Funding for this project has been provided in full or in part by the Safe and Affordable Funding for Equity and Resiliency (SAFER) Drinking Water Program and the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 through an agreement with the State Water Resources Control Board."

A.4 SCHEDULE.

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

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
A.	ADDITIONAL SUBMITTAL(S) TO DIVISION		
1.	Final Plans and Specifications		Completed
2.	Final Budget Approval Package		Completed
B.	REPORTS		
1.	Progress Reports		Quarterly
2.	Final Inspection and Certification		February 25, 2027
3.	Project Completion Report	September 30, 2023 <u>September 30, 2026</u>	
4	As Needed Reports		As needed
EXHIBIT B – REIMBURSEMENTS, BUDGET DETAIL, AND REPORTING PROVISIONS			
A.	REIMBURSEMENTS		
1.	Reimbursement Requests		Quarterly
2.	Final Reimbursement Request	December 31, 2023 <u>March 1, 2027</u>	

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

The Division may require corrective work to be performed prior to Project Completion. Any work occurring after the Work Completion Date will not be reimbursed under this Agreement.

A.5 PROGRESS REPORTS.

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

- 1) A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;

- 2) A description of compliance with environmental requirements;
- 3) A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- 4) Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

A.6 SPECIAL REPORTS.

(a) The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate District Office 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 reimbursements under this Agreement or other agreements, and begin administrative proceedings.

- (c) The Recipient must submit information required for compliance with Greenhouse Gas Reduction Fund requirements, as required by the Division.

A.7 FINAL PROJECT INSPECTION AND CERTIFICATION.

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

EXHIBIT B – FUNDING AMOUNTS

B.1 ESTIMATED REASONABLE COST AND PROJECT FUNDS.

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

B.2 RECIPIENT CONTRIBUTIONS.

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

If the Recipient recovers funds from any responsible parties, the Recipient shall immediately notify the Division. The amount of this Agreement may be reduced to reflect the recovered funds.

B.3 VERIFIABLE DATA.

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

B.4 BUDGET COSTS

(a) Estimated budget costs are contained in the Summary Project Cost Table below:

LINE ITEM	TOTAL ESTIMATED COST	PROJECT FUNDING AMOUNT
Construction	\$3,806,100	\$3,806,100
Pre-Purchased Material/Equipment	\$0	\$0
Purchase of Land	\$0	\$0
Contingency	\$570,915	\$570,915
Allowances (Soft Costs)	\$586,830	\$586,830
TOTAL	\$4,963,845	\$4,963,845

The Division's Final Budget Approval and related Form 259 and Form 260 ~~will~~ documents the a more detailed budget of eligible Project Costs and Project funding amounts.

FINAL BUDGET APPROVAL

Table 1: Approved Construction Bid Amount

<u>CONTRACTOR</u>	<u>AMOUNT BID</u>	<u>APPROVED COSTS</u>
<u>Nor-Cal Pump & Well Drilling, Inc. (Phase 1)</u>	<u>\$927,853</u>	<u>\$920,328¹</u>
<u>T&S Construction (Phase 2)</u>	<u>\$4,925,000</u>	<u>\$4,775,000²</u>

¹ Bid Item 27 was determined to be 0% eligible per the DWSRF Policy.

² Bid Item 20 was determined to be 0% eligible per the DWSRF Policy.

1 - BUDGET

Table 2: Approved Final Project Budget

<u>PROJECT COST TABLE</u>	
<u>TYPE OF WORK</u>	<u>APPROVED BUDGET</u>
<u>A. Construction</u>	
<u>Nor-Cal Pump & Well Drilling, Inc. (Phase 1)</u>	<u>\$920,328</u>
<u>T&S Construction (Phase 2)</u>	<u>\$4,775,000</u>
<u>B. Pre-Purchased Material / Equipment</u>	<u>\$0</u>
<u>C. Purchase of Land / Easements</u>	<u>\$0</u>
<u>D. Change Order Contingency</u>	<u>\$569,532</u>
<u>E. Force Account</u>	<u>\$0</u>
<u>F. Allowances (Soft Costs)</u>	<u>\$2,110,028</u>
<u>TOTAL (Subtotal A+B+C+D+E+F)</u>	<u>\$8,374,888</u>

2 - PROJECT ELIGIBILITY DETERMINATION

The eligibility determinations and conditions of approval identified below are based on the review of:

- **Stamped and Signed Final Plans and Specifications (P&S) for the Project received June 13, 2023, dated March 2023, for Phase 1.**
- **Stamped and Signed Final P&S for the Project received January 2, 2024, dated November 2023, for Phase 2.**

The eligibility determination for the bid items shown in the schedule of values provided by the Recipient are as follows:

Table 3: Eligibility Determination Agreement for Nor-Cal Pump & Well Drilling, Inc. (Phase 1)

<u>Bid Item</u>	<u>Description</u>	<u>Percent Eligibility</u>
<u>1</u>	<u>Mobilization and Demobilization</u>	<u>100%</u>
<u>2</u>	<u>All-Weather Pad and Site Access</u>	<u>100%</u>
<u>3</u>	<u>Sound Panel Installation</u>	<u>100%</u>
<u>4</u>	<u>Furnish/Install 36-inch Conductor Casing (including Sanitary Seal)</u>	<u>100%</u>
<u>5</u>	<u>Drill 17.5-inch Pilot Borehole</u>	<u>100%</u>
<u>6</u>	<u>Geophysical Survey</u>	<u>100%</u>
<u>7</u>	<u>Ream 34-Inch Diameter Borehole</u>	<u>100%</u>
<u>8</u>	<u>Ream 30-inch Diameter Borehole</u>	<u>100%</u>
<u>9</u>	<u>Caliper and Deviation Survey</u>	<u>100%</u>
<u>10</u>	<u>Furnish/Install 18-inch Stainless Steel Casing</u>	<u>100%</u>
<u>11</u>	<u>Furnish/Install 18-inch Stainless Steel Wire Wrap Screen</u>	<u>100%</u>
<u>12</u>	<u>Furnish/Install 3-inch Gravel Pipe</u>	<u>100%</u>
<u>13</u>	<u>Furnish/Install 3-inch Sounding Pipe and Port</u>	<u>100%</u>
<u>14</u>	<u>Furnish/Install 3-inch Camera Pipe and Port</u>	<u>100%</u>
<u>15</u>	<u>Furnish/Install Gravel Envelope/Bentonite Seals/Fine Sand Transition</u>	<u>100%</u>

<u>Bid Item</u>	<u>Description</u>	<u>Percent Eligibility</u>
<u>16</u>	<u>Furnish/Install Sand/Cement Annular Seal</u>	<u>100%</u>
<u>17</u>	<u>Well Development (Swab/Airlift)</u>	<u>100%</u>
<u>18</u>	<u>Install/Remove Test Pump</u>	<u>100%</u>
<u>19</u>	<u>Well Development with Test Pump</u>	<u>100%</u>
<u>20</u>	<u>Short-Term Constant Rate Tests</u>	<u>100%</u>
<u>21</u>	<u>Long-Term Constant Rate Test</u>	<u>100%</u>
<u>22</u>	<u>Drilling Fluid/Cuttings Disposal</u>	<u>100%</u>
<u>23</u>	<u>Well Disinfection</u>	<u>100%</u>
<u>24</u>	<u>Plumbness Survey, Alignment Test, and Camera Survey</u>	<u>100%</u>
<u>25</u>	<u>Wellhead Security, Site Cleanup and Records</u>	<u>100%</u>
<u>26</u>	<u>Prop 84 Project Signage</u>	<u>100%</u>
<u>27</u>	<u>Repairs to Damage of Landscape, Irrigation and Replacement of Damaged/Removed Trees</u>	<u>0%³</u>
<u>28</u>	<u>Locate and Research Monuments</u>	<u>100%</u>
<u>29</u>	<u>Bonds and Insurances</u>	<u>100%</u>

Bid items as shown in the schedule of values provided by the Recipient.

³ Bid Item 27 was determined to be 0% eligible per the DWSRF Policy.

Table 3: Eligibility Determination Agreement for T&S Construction (Phase 2)

<u>Bid Item</u>	<u>Description</u>	<u>Percent Eligibility</u>
<u>1</u>	<u>Mobilization and demobilization</u>	<u>100%</u>
<u>2</u>	<u>Storm Water Pollution Prevention Plan</u>	<u>100%</u>
<u>3</u>	<u>Construction Staking</u>	<u>100%</u>
<u>4</u>	<u>Installation of all asset data processing and computerized maintenance management system (CMMS) system data inputs</u>	<u>100%</u>
<u>5</u>	<u>Startup and commissioning</u>	<u>100%</u>
<u>6</u>	<u>Traffic Control</u>	<u>100%</u>
<u>7</u>	<u>Well building</u>	<u>100%</u>
<u>8</u>	<u>Site work, grading, reinforced concrete, and asphalt concrete pavement</u>	<u>100%</u>
<u>9</u>	<u>Ornamental steel fencing system and gates</u>	<u>100%</u>
<u>10</u>	<u>Well site piping system and appurtenances</u>	<u>100%</u>
<u>11</u>	<u>Well pump, discharge, head and motor</u>	<u>100%</u>
<u>12</u>	<u>Arsenic removal system</u>	<u>100%</u>
<u>13</u>	<u>Backwash tank and foundation</u>	<u>100%</u>
<u>14</u>	<u>8-inch pump control valve</u>	<u>100%</u>
<u>15</u>	<u>Sodium hypochlorite system</u>	<u>100%</u>
<u>16</u>	<u>Safety Equipment</u>	<u>100%</u>
<u>17</u>	<u>Exhaust fan</u>	<u>100%</u>
<u>18</u>	<u>Emergency generator with fuel tank base</u>	<u>100%</u>
<u>19</u>	<u>Electrical, power, control, instrumentation, lighting</u>	<u>100%</u>
<u>20</u>	<u>Landscaping</u>	<u>0%⁴</u>
<u>21</u>	<u>12-inch Polyvinyl chloride (PVC) pipeline and appurtenances</u>	<u>100%</u>

⁴ Bid Item 20 was determined to be 0% eligible because of the DWSRF policy.

Eligibility Determination Conditions of Approval

1. **Necessary insurance directly related to the construction contract and extending throughout the period of the construction contract will be eligible for DWSRF financing. This includes builder risk insurance, public liability insurance, fire, and Project specific insurance.**
2. **Earthquake insurance and "Act of God" insurance are ineligible for funding.**
3. **Asphalt pavement, corresponding improvements, and excavation and refill materials due to trenching are limited to replacement of the trench width plus one foot on each side of the trench disturbed due to the construction work of the subject contract only. Full lane width paving or slurry seal is eligible only if required by ordinance or code.**
4. **The cost of local permits and licenses other than those issued by the Recipient are eligible for DWSRF financing.**
5. **The approved change order contingency may not be increased above the approved contingency shown in Table 2. Any unclaimed construction or allowance costs may also be used towards approved construction change orders. The change order approval may not: (1) increase the maximum amount of the financing agreement based on Table 2: Approved Construction Budget, (2) increase the term of the financing agreement, or (3) result in a substantial change in the Project scope.**
6. **Review of the P&S by the Division is conducted to determine eligibility and administrative compliance with the Policy. Issuance of the FBA does not relieve the Recipient and the design engineer of their legal liability for the adequacy of the design.**

Indirect Costs are ineligible for funding under this Agreement.

The Recipient is prohibited from requesting disbursement amounts that represent Recipient's mark-ups to costs invoiced or otherwise requested by consultants or contractors.

B.5 LINE ITEM ADJUSTMENTS.

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

Under no circumstances may the sum of line items in the Final Budget Approval exceed the Project Funding Amount.

B.6 REIMBURSEMENT PROCEDURE.

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

1. Upon execution and delivery of this Agreement by both parties, the Recipient may request immediate reimbursement of any eligible incurred costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed.
2. The Recipient must submit a Reimbursement Request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late Reimbursement Requests may not be honored.
3. Additional Project Funds will be promptly disbursed to the Recipient upon receipt of Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed

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

4. The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of Reimbursement Request. Supporting documentation (e.g., receipts) must be submitted with each Reimbursement Request. The amount requested for Recipient's administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed Reimbursement Request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Reimbursement Requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
5. The Division may withhold disbursements where costs incurred do not reflect actual time spent.
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 reimbursements.
7. The Recipient must not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.
8. Notwithstanding any other provision of this Agreement, no reimbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.

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

Except as follows, construction costs and disbursements are not available until after the Division has 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. Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

B.7 REVERTING FUNDS AND DISENCUMBRANCE.

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

EXHIBIT C – GENERAL TERMS AND CONDITIONS 2019-NOV

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

EXHIBIT D – SPECIAL CONDITIONS

D.1 DEFINITIONS

(a) Notwithstanding Exhibit C, the following terms have no meaning for the purposes of this Agreement:

- Work Completion
- Work Completion Date

(b) Each capitalized term used in this Agreement has the following meaning:

- "Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.
- "Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is established on the Cover Page of this Agreement.
- "District Office" means District Office of the Division of Drinking Water of the State Water Board.
- "Division of Drinking Water" means the Division of Drinking Water of the State Water Board.
- "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, in addition to the meanings set forth in Exhibit C, the occurrence of any of the following events:
 - a) A material adverse change in the condition of the Recipient, the Revenues, or the System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
 - b) Failure to operate the System or the Project without the Division's approval;
 - c) The occurrence of a material breach or event of default under any Recipient obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption.
- "Final Budget Approval (FBA)" means the Division-approved final budget for the Project, as set forth in Exhibit B.
- "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.

- "Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.
- "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.
- "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.
- "System" means all drinking water collection, transport, treatment, storage, and delivery facilities, including land and easements thereof, owned by the City of Manteca, or its successor agency, 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.
- "Useful Life" means the economically useful life of the Project beginning at Project Completion and is set forth in Exhibit A.

D.2 ADDITIONAL REPRESENTATIONS AND WARRANTIES.

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 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.

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.

Except as set forth in this paragraph, 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 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 any of the real or personal property related to or necessary for the Project.

The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.

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

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

The Recipient has no conflicting or material obligations, except as set forth in this paragraph.

The Recipient legally possesses all real property rights necessary for the purposes of this Agreement, not subject to third party revocation, which rights extend at least to the Records Retention End Date of this Agreement, except as set forth in Exhibit D.

The Recipient and its principals, to the best of the Recipient's knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in any work overseen, directed, funded, or administered by the State Water Board program for which this grant funding is authorized; nor have they engaged or permitted the performance of services covered by this Agreement from parties that are debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this grant funding is authorized.

The Recipient possesses all water rights necessary for this Project.

D.3 ACKNOWLEDGEMENTS

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

Funding for this project has been provided in full or in part under the Safe and Affordable Funding for Equity and Resiliency (SAFER) Drinking Water Program and Proposition 68 through an agreement with the State Water Resources Control Board. 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.

D.4 RATES, FEES, AND CHARGES

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 in an amount necessary to meet its obligations under this

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

D.5 SPECIAL CONDITIONS

Technical:

1. Recipient shall submit the final plans, specification and bid documents for the Project to the Division for its reviews and comments, not later than nineteen (19) months following execution of this Agreement.
2. Recipient shall not solicit bids, award a contract, or commence any activities for Project prior to receiving written authorization from the Division,
3. Recipient shall notify the Division when Project construction is approximately fifty percent (50%) complete.
4. Recipient shall notify the Division when Project construction is approximately one hundred percent (100%) complete and prior to any start-up testing of the Project facilities.

Environmental:

1. The documents identified below are incorporated by reference and the Recipient shall comply with the conditions and recommendations therein:
 - a. The Mitigation Monitoring and Reporting Program adopted on September 18, 2018 for the Project. The Recipient shall implement all mitigation measures therein.
2. In the Recipient's Quarterly Reports submitted pursuant to this Agreement, the Recipient shall include a discussion of the status of its compliance with environmental measures identified in this Exhibit D, with separate sections clearly labeled and titled, discussing the status of Recipient's compliance.
3. In the Recipient's Project Completion Report submitted pursuant to this Agreement, the Recipient shall include a discussion of its compliance with environmental measures identified in this Exhibit D, with separate sections clearly labeled and titled, discussing the status of Recipient's compliance.

D.6 FUNDS RELATED TO 1,2,3 – TCP SETTLEMENT

As a condition precedent to this Agreement and prior to any disbursement, the Recipient shall provide to the Division a copy of any agreement with third parties or order related to 1,2,3-TCP litigation or disputes (e.g., settlement agreements, consent agreements, court orders, etc.). The amount of this Agreement may be reduced to offset amounts received under such an order or agreement.

The Recipient shall not enter into any agreement with third parties related to 1,2,3-TCP litigation or disputes (e.g., settlement agreements, consent agreements, court orders, etc.) except upon consent of the Division. The amount of this Agreement may be reduced to offset amounts received under such an order or agreement.

D.7 APPOINTMENT OF RECEIVER OR CUSTODIAN

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.

D.8 RETURN OF FUNDS

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

D.9 DAMAGES FOR BREACH OF TAX-EXEMPT STATUS

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

D.10 OPERATION AND MAINTENANCE

The Recipient shall sufficiently and properly staff, operate, and maintain the facility and structures constructed or improved as part of the project throughout the term of this Agreement, consistent with the purposes of this Agreement. The Recipient assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation.

D.11 INSURANCE

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.

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.

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

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

D.13 NOTICE

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

- (a) The Recipient must notify the Division and Party Contacts promptly of the occurrence of any of the following events:
- i. Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
 - ii. Change of ownership of the Project (no change of ownership may occur without written consent of the Division);
 - iii. Loss, theft, damage, or impairment to Project;
 - iv. Events of Default, except as otherwise set forth in this section;
 - v. A proceeding or action by a public entity to acquire the Project by power of eminent domain.
 - vi. Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity or the Recipient's continued existence;
 - vii. Consideration of dissolution, or disincorporation;
 - viii. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board.
 - ix. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this funding, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
 - x. Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;

- xi. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
- xii. 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;
- xiii. The Recipient must promptly notify the Division and Party Contacts of the discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during implementation of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
- xiv. Any Project monitoring, demonstration, or other implementation activities required in this Agreement;
- xv. 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;
- xvi. Any event requiring notice to the Division pursuant to any other provision of this Agreement;
- xvii. The award of the prime construction contract for the Project; and the initiation of construction of the Project; and
- xviii. Completion of Construction, and Project Completion.

D.14 FRAUD, WASTE, AND ABUSE.

The Recipient shall prevent fraud, waste, and the abuse of Project Funds, and shall cooperate in any investigation of such activities that are suspected in connection with this Agreement. The Recipient understands that discovery of any evidence of misrepresentation or fraud related to Reimbursement Requests, invoices, proof of payment of invoices, or other supporting information, including but not limited to double or multiple billing for time, services, or any other eligible cost, may result in referral to the Attorney General's Office or the applicable District Attorney's Office for appropriate action. The Recipient further understands that any suspected occurrences of false claims, misrepresentation, fraud, forgery, theft or any other misuse of Project Funds may result in withholding of reimbursements and/or the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder.

D.15 DISPUTES.

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

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

D.16 TATE PROGRAM REQUIREMENTS

1. Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following for the term of the Agreement:
2. Public Resources Code section 75075, regarding labor compliance programs (as such term is defined in California Labor Code section 1771.5(c).)
3. Recipient must hold or have applied for a permit pursuant to Health and Safety Code section 116525.
4. Eligible Project Costs are limited to facilities sized to serve no more than the 20-year demand projected in an Urban Water Management Plan or the 20-year demand projected in a comparable public water system planning document. If the Recipient does not have an Urban Water Management Plan or comparable document, the eligible Project Costs are limited to facilities sized to serve no more than 10% above existing water demand at peak flow. A pipeline used to consolidate or interconnect water systems shall be sized to meet the needs of, and be consistent with, the current specifications of the resulting water system.
5. If the Project design exceeds 10% of the water demand at peak flow and if the Recipient is required to prepare an Urban Water management Plan pursuant to California Water code Section 10610 et seq., then a copy of the plan shall be submitted to the Division. The Project must be consistent with the system's most recent Urban Water Management Plan.

D.17 STATE CROSS-CUTTERS

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

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

- Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.
- The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.

D.18 [Reserved]

D.19 **EXECUTIVE ORDER N-6-22 — RUSSIAN SANCTIONS.**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

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

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

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

3. **Direct support to the government and people of Ukraine.**