



California Regional Water Quality Control Board
Lahontan Region



Linda S. Adams
*Secretary for
Environmental Protection*

2501 Lake Tahoe Boulevard, South Lake Tahoe, California 96150
(530) 542-5400 • Fax (530) 544-2271
www.waterboards.ca.gov/lahontan

Arnold Schwarzenegger
Governor

February 11, 2009

Rick Lierman
Squaw Valley Public Service District
P.O. Box 2026
Olympic Valley, CA 96146

**TRANSMITTAL OF AGREEMENT FOR USE OF RED DOG DIESEL SPILL
MITIGATION FUNDS**

Enclosed are two copies of the *Agreement for Use of Red Dog Diesel Spill Mitigation Funds* for signature by the Squaw Valley Public Service District. Please have both copies signed, and return one signed copy to my attention. Once the fully executed Agreement is received, we will notify the Attorney General's Office to release the \$46,216 to the District.

If you have any questions, please don't hesitate to call me at (530) 542-5460.

Chuck Curtis
Cleanup and Enforcement Division Manager

Enclosure

CLC/clhT: SVPSD Red Dog transmittal.doc
File: Squaw Valley Groundwater

California Environmental Protection Agency

**AGREEMENT FOR USE OF RED DOG DIESEL SPILL MITIGATION FUNDS
BETWEEN AND AMONG THE SQUAW VALLEY PUBLIC SERVICE DISTRICT
AND THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD,
LAHONTAN REGION**

Regarding

**Development of a Groundwater Monitoring Plan
and Groundwater Management Database**

THIS AGREEMENT is made and entered into by the Squaw Valley Public Service District (District) and the California Regional Water Quality Control Board, Lahontan Region (Lahontan Water Board) (collectively, the "Parties") with reference to the following facts:

RECITALS

- A. On January 14, 2009, the Lahontan Water Board adopted resolution R6T-2009-0008 (Exhibit A) that approved granting the District the amount of forty-six thousand two hundred sixteen dollars (\$46,216) to develop a groundwater monitoring plan and a groundwater management database for Squaw Valley, pursuant to the October 29, 2008 Grant Request from the Squaw Valley Public Service District to Harold Singer and September 9, 2008 Letter from Derrick Williams and David Van Brocklin, Hydrometrics, LLC to Dale Cox, President of the District Board of Supervisors (Exhibit B).
- B. The source of the funds for the grant is the Red Dog Diesel Spill Mitigation Fund (Fund), which is held by the California Attorney General's office for use by the Lahontan Water Board for mitigation projects in the Truckee River watershed. This Fund results from a September 25, 1995 Superior Court judgment that required the Squaw Valley Ski Corporation to pay \$100,000 plus interest for mitigation of a diesel spill that affected Squaw Creek.
- C. The Lahontan Water Board's April 2006 Squaw Creek Sediment Total Maximum Daily Load (TMDL) identified creek flow as a factor in the health of Squaw Creek's aquatic life. Groundwater pumping in Squaw Valley has been identified as affecting flow in Squaw Creek.
- D. In its February 20, 2007 approval of the Squaw Creek Sediment TMDL, the State Water Resources Control Board directed the Lahontan Water Board to continue to support the efforts of entities pumping groundwater as well as other stakeholders in Squaw Valley to: (1) minimize effects on Squaw Creek, (2) develop a groundwater management plan that recognizes potential effects of pumping on the creek and seeks to minimize or eliminate adverse effects on

Squaw Creek, and (3) conduct a study of potential interaction between groundwater pumping and flows in Squaw Creek.

- E. The District adopted the Olympic Valley Groundwater Management Plan (GMP) in May 2007. (Squaw Valley is also known as Olympic Valley.) The GMP includes a goal to minimize adverse effects on Squaw Creek resulting from groundwater extraction. The GMP's March 25, 2008 Annual Review and Report made high priority recommendations to (1) coordinate existing monitoring programs in Squaw Valley and (2) expand monitoring programs to monitor water levels at all production wells in Squaw Valley.
- F. Development of a groundwater monitoring plan and groundwater management database will fulfill the above two GMP Annual Review and Report recommendations and will provide information for management of groundwater in Squaw Valley such that adverse effects of groundwater pumping on the flow of Squaw Creek can be evaluated and minimized.
- G. The Lahontan Water Board's funding of a groundwater monitoring plan and groundwater management database is consistent with direction from the State Water Resources Control Board in its approval of the Squaw Creek Sediment TMDL.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

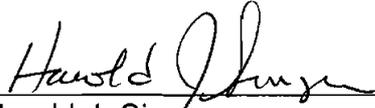
- 1. The following exhibits are attached and made a part of this Agreement by reference:
 - Exhibit A: Resolution R6T-2009-0008
 - Exhibit B: October 29, 2008 Grant Request from the Squaw Valley Public Service District to Harold Singer and September 9, 2008 Letter from Derrick Williams and David Van Brocklin, HydroMetrics, Inc., to Dale Cox
 - Exhibit C: Standard Provisions
- 2. The Lahontan Water Board will grant the amount of forty-six thousand two hundred sixteen dollars (\$46,216) to develop a groundwater monitoring plan and a groundwater management database for Squaw Valley, pursuant to the October 29, 2008 Grant Request from the District to Harold Singer and September 9, 2008 Letter from Derrick Williams and David Van Brocklin, Hydrometrics, LLC to Dale Cox, President of the District Board of Directors (Exhibit B).

3. The District will use the funds solely for the purpose of developing a groundwater monitoring plan and groundwater management database as described in the September 9, 2008 letter to Mr. Dale Cox, President of the District Board of Directors, from HydroMetrics, LLC, which is an enclosure to the October 29, 2008 request of the District (Exhibit B).
4. The District will provide written reports to the Lahontan Water Board on a quarterly basis that (1) describe the status of project work completed under this agreement, (2) describe work expected to be completed in the next quarter, (3) provide an accounting of funds paid during the quarter and to date on the project, and (4) provide copies of receipts for work completed during the quarter. The final quarterly report must include an accounting of all funds paid on the project.
5. The funds must be used on the project by January 31, 2011. The Executive Officer of the Lahontan Water Board may grant a time extension for good cause.
6. Any funds remaining after completion of the project or not used by January 31, 2011 must be paid by the District to the Red Dog Diesel Spill Mitigation Fund, c/o the California Attorney General. The Executive Officer of the Lahontan Water Board may grant a time extension for good cause.
7. This agreement sets forth the parties entire understanding and may be modified only by a written document signed by District and the Lahontan Water Board.
8. The District accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the District and HydroMetrics, LLC in Exhibit B, accompanying documents, and communications filed in support of the District's request of \$46,216.00 from the Red Dog Diesel Spill Mitigation Fund to develop a groundwater monitoring plan and a groundwater management database for Squaw Valley.

Agreement for Use of Red Dog Diesel Spill Mitigation Funds

IN WITNESS THEREOF, the parties have executed this Agreement on the dates set forth below:

February 11, 2009
Date



Harold J. Singer
Executive Officer
Lahontan Regional Water Quality Control Board

Date

Dale Cox
President, Board of Directors
Squaw Valley Public Service District

So Attested:

Date

James Smith
Secretary, Board of Directors
Squaw Valley Public Service District

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION**

RESOLUTION NO. R6T-2009-0008

**REQUEST FROM THE SQUAW VALLEY PUBLIC SERVICE DISTRICT
FOR FUNDS FROM THE RED DOG MITIGATION FUND FOR
MONITORING PLAN AND GROUNDWATER MANAGEMENT DATABASE
DEVELOPMENT FOR SQUAW VALLEY**

Placer County

WHEREAS, the California Regional Water Quality Control Board, Lahontan Region (Lahontan Water Board), finds:

1. The Red Dog Diesel Spill Mitigation Fund (Fund) was established as a result of an enforcement action against Squaw Valley Ski Corporation for an unreported diesel fuel spill in January 1990. The Fund's unallocated value is approximately \$95,000 and is held for the Lahontan Water Board by the California Attorney General's office.
2. The Lahontan Water Board may allocate money from the Fund to mitigation projects in the Truckee River watershed that are acceptable to the Lahontan Water Board.
3. The Squaw Valley Public Service District (SVPSD) has requested \$46,216 from the Fund to develop a monitoring plan and groundwater management database for groundwater management in Squaw Valley (also known as Olympic Valley).
4. The proposed monitoring plan and groundwater management database will assist basin-wide analysis and management of groundwater in compliance with the Olympic Valley Groundwater Management Plan (GMP) that was adopted by SVPSD in May 2007. Certain groundwater pumping in the area affects flow in Squaw Creek. A coordinated groundwater monitoring program and database may be used to assess various pumping scenarios' affects on Squaw Creek flow, thereby providing the information needed to manage groundwater pumping to minimize adverse effects on stream flow.
5. The funding request from the SVPSD has the support of the major landowners and groundwater pumpers in Squaw Valley, including Squaw Valley Mutual Water Company, Squaw Valley Ski Corporation, the Resort at Squaw Creek and Poulsen Commercial, as their representatives serve on the Olympic Valley GMP Advisory Group that recommended SVPSD request these funds.
6. A draft of this resolution has been widely circulated in the area for comment through mailings and posting on the Lahontan Water Board's Internet web page.
7. The Lahontan Water Board has considered all comments received.

THEREFORE, BE IT RESOLVED:

1. The Lahontan Water Board approves the request from the Squaw Valley Public Services District for \$46,216 for use in developing a monitoring plan and groundwater management database for Squaw Valley.
2. The Executive Officer is directed to request the Attorney General's office to transfer \$46,216 from the Red Dog Diesel Spill Mitigation Fund to the Squaw Valley Public Service District for groundwater monitoring plan and groundwater management database development.

I, Harold J. Singer, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, Lahontan Region, on January 14, 2009.



HAROLD J. SINGER
EXECUTIVE OFFICER



SQUAW VALLEY PUBLIC SERVICE DISTRICT

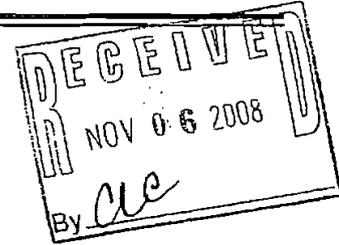
305 Squaw Valley Road
Post Office Box 2026
Olympic Valley, CA 96146-2026

Phone: (530) 583-4692 FAX: (530) 583-6228

www.svpsd.org

COPY

October 29, 2008



Harold Singer, Executive Director
Lahontan Regional Water Quality Control Board
2501 Lake Tahoe Blvd.
South Lake Tahoe, CA 96150

RE: Grant Request

Dear Mr. Singer:

This letter serves as a request for a grant from the Squaw Valley Red Dog Diesel Fuel Spill Mitigation Fund in the amount of \$46,216. The grant will be utilized to develop a database and monitoring plan for the Olympic Valley Groundwater Management Plan.

In May 2007 the Squaw Valley Public Service District adopted the Olympic Valley Groundwater Management Plan (GMP). A copy of this Plan is available in your office. This plan provides for the formation of two groups: an Advisory Group and an Implementation Group. Representatives from entities that pump water from the basin, Placer County Environmental Health, and the Regional Board make up the Advisory Group. The Advisory Group provides community input, technical review of plans and programs and recommendations to the Implementation Group. The locally elected Board of Directors of the Squaw Valley Public Service District also serves as the GMP Implementation Group. The Implementation Group, among other things, secures funds and manages contracts.

The GMP requires the production of an Annual Review and Report (ARR). The Water Year 2007 Annual Review and Report (adopted March 25, 2008) makes the following high priority recommendations:

- Coordinate Existing Monitoring Programs. The three existing groundwater monitoring programs should be combined into a single, coordinated groundwater monitoring program. This unified program will be designed to monitor both groundwater levels and groundwater quality throughout the GMP management area. Coordinating the existing monitoring plan will have the advantage of producing a single, consistent data set that can be used for basin analysis.
- Monitoring Programs should be expanded to monitor both static and pumping groundwater levels at all production wells. This will allow future management of pumping in relation to screen levels and pump settings. This may impact future estimates of pumping capacity.

12-0007

Harold Singer, Executive Director
Lahontan Regional Water Quality Control Board
Page 2

The Advisory Group met on September 10, 2008 and considered the attached Scope of Work (Exhibit A) proposed by HydroMetrics LLC. This Scope of Work will implement Element 1.2 of the GMP and fulfill the recommendations above for developing a monitoring plan and database for groundwater management in Squaw Valley. The Advisory Group adopted a recommendation that the attached Scope of Work be approved and that a letter requesting a grant in the amount of \$46,216 should be presented to the Lahontan Regional Water Quality Control Board requesting funds from the Squaw Valley Red Dog Diesel Fuel Spill Mitigation Funds.

The recommendations were presented to the Implementation Group at a public meeting on September 30, 2008. The Implementation Group considered and approved the recommendations and directed staff to prepare this request.

Harold, thank you in advance for considering our request. If you have any questions, I would be pleased to discuss the proposal with you.

Sincerely,



Richard L. Lierman
General Manager

RLL/jrs

Enclosure

cc: Olympic Valley GMP Advisory Group (w/o enc) ✓
Olympic Valley GMP Implementation Group (w/o enc)

FAOlympic Valley GMP\ Lahontan Grant Request Ltr 11-04-08.doc

12-0008



519 17th Street, Suite 500
Oakland, CA 94612

Mr. Dale Cox
President, Squaw Valley Public Service District Board of Directors
P.O. Box 2026
Olympic Valley, CA 96146-2026

September 9, 2008

Subject: Squaw Valley Monitoring Plan and Database

Mr. Dale Cox:

This letter summarizes the scope and cost for developing a monitoring plan and database for groundwater management in Squaw Valley. The monitoring plan and database implements Element 1.2 of the Olympic Valley Groundwater Management Plan (GMP), which calls for coordination of existing monitoring plans. Implementing this Element was identified as a high priority action in the 2007 Olympic Valley Groundwater Basin Annual Review and Report.

The goals of this project are to put an appropriate level of existing water level, well construction, groundwater pumping, and water quality data into a single database; and to develop a formal coordinated monitoring plan for collecting high quality data useful for managing groundwater in Olympic Valley.

GROUNDWATER MANAGEMENT DATABASE

The proposed groundwater management database is designed to coordinate groundwater data from various entities in Olympic Valley. Entities with useful groundwater data include SVPSD, Squaw Valley Mutual Water Company, Squaw Valley Ski Corporation, Resort at Squaw Creek, and Plumpjack. The database will not hold all the groundwater data in the Valley, but will coordinate only specific data that assists with groundwater management. Each entity in Olympic Valley will continue to be responsible for their own data collection. The database will be maintained by the SVPSD.

The database will be designed with the following five data tables:

- Well location, including reference point elevations;
- Well construction;
- Groundwater levels;
- Groundwater quality from SVPSD and SVMWC production wells;
- Groundwater production.

Attributes that will be included in each table will be standard groundwater attributes that are found in many similar databases. Queries that rely on the relational aspect of the tables will be designed and incorporated into the database to facilitate data review and export.

Once all the attributes for each table have been designed, we will populate the database with historical data that is already available. Entities will be asked to provide data in electronic format where possible, for ease of input into the database. Data not in electronic format will be input by hand. Regulatory agencies, such as California Department of Health Services, will also be contacted to determine if water quality data via electronic data transfer (EDT) data can be obtained for public water supply wells.

Quality control (QC) will be an important aspect of database construction. Controls will be built into the database that will flag data that appear anomalous within a specified range. This will prevent typos and indicate if the original data may be incorrect.

The database will be documented in a report that will include a detailed description of the structure and contents of the database. Instructions for accessing and updating the database will be included in the documentation.

GROUNDWATER MONITORING PLAN

The proposed groundwater monitoring plan will coordinate the timing and methodology for collecting groundwater level data. This will facilitate groundwater management by ensuring that complete and accurate groundwater level data are available for the Valley. The schedule for water quality data collection will not be changed from the current monitoring schedules required for municipal water supply wells and for the meadow monitoring wells under the CHAMPS program.

Developing the groundwater monitoring plan will include identifying a set of wells in which water level data will be collected on a routine basis. This task will include one or more site visits to inspect some of the wells, to check reference points and access for sounding and logging equipment, and to assist with data logger installation. For QC purposes reference point elevations may be surveyed

at selected wells. Two days of surveying are included as an optional task in the project costs.

A monitoring schedule will be developed for each well. This schedule will include the frequency of hand measurements of depth to water, retrieval of data from loggers, and of logger measurements. Data collection procedures will be developed and will include a format for field data collection, format for electronic data submission, regular simultaneous measurements of depth to water and water level sensor readings for QC, and calibration of water level sensors. In addition, Hydrometrics LLC will perform an initial inspection of each well with a water level sensor/logger to verify sensor depth measurement, logger setup, and obtain a simultaneous depth to water and sensor measurement.

ONGOING DATA COLLECTION (OPTIONAL)

After the database has been developed and populated with historical data, it will be updated regularly as data become available. We have included a cost for updating the database quarterly for one year. This is an optional task, because it may be a task the SVPSD wishes to perform with its own staff.

ESTIMATED COST

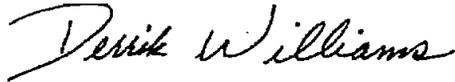
The estimated costs for the various tasks are presented in Table 1.

Cost assumptions include the following:

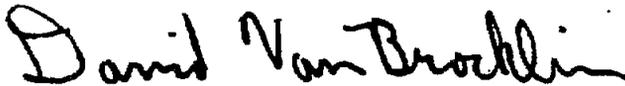
- Data, either electronic or written, are relatively easily accessible. Data that are not easily accessible may be left for future database updates.
- Formal QA/QC has already been performed on the groundwater level and groundwater quality data. We will check the data entry procedures, but not the quality of the raw data.
- Multiple iterations of the monitoring plan are not necessary.

Do not hesitate to call us with any questions.

Sincerely,



Derrick Williams



David Van Brocklin



Task	Hours		Costs		Direct Costs	Total Costs
	Project Manager	Senior Geologist	Project Manager	Senior Geologist		
Task 1: Develop Database						
Task 1A: Database Design	16	4	\$2,640	\$500	\$0	\$3,140
Task 1B: Data Collection and table Population	24	70	\$3,960	\$8,750	\$238	\$12,948
Task 1C: Report	30	20	\$4,950	\$2,500	\$400	\$7,850
Task 1 Total	70	94	\$11,550	\$11,750	\$638	\$23,938
Task 2: Develop Monitoring Plan						
Task 2A: Field Inspection <i>checking wells assist data logger installation</i>		24	\$330	\$3,000	\$648	\$3,978
Task 2B: Write Monitoring Plan	12	40	\$1,980	\$5,000	\$0	\$6,980
Task 2 Total	14	64	\$2,310	\$8,000	\$648	\$10,958
Task 3 (Optional): Reference Point Surveying	0	8	\$0	\$1,000	\$4,000	\$5,000
Task 4 (Optional): One Year Database Upkeep	8	40	\$1,320	\$5,000	\$0	\$6,320
Totals	92	206	\$15,180	\$25,750	\$5,286	\$46,216

12-0013

EXHIBIT C
GENERAL CONDITIONS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The District will not proceed with any work on the Project until authorized in writing by the Lahontan Water Board
3. **ASSIGNMENT:** Use of the Red Dog Diesel Spill Mitigation Funds as specified in this Agreement is not assignable by the District, either in whole or in part, without the consent of the Lahontan Water Board.
4. **AUDIT:** The District agrees that the Lahontan Water Board, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The District agrees to maintain such records for a possible audit for a minimum of **three (3) years after submittal of the Final Report**, unless a longer period of records retention is stipulated. The District agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the District agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement.
5. **CEQA/NEPA:** No work that is subject to the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) may proceed under this Agreement until documents that satisfy the CEQA/NEPA process are received by the Lahontan Water Board has given environmental clearance. No work that is subject to an Environmental Impact Report or a Mitigated Negative Declaration may proceed until and unless approved by the Executive Officer of the Lahontan Water Board. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required.
6. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The District agrees that it will, 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, the District agrees that, to the extent applicable, the District will comply with the provisions of the adopted environmental mitigation plan for the life of this Project.
7. **COMPUTER SOFTWARE:** The District 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.
8. **CONFLICT OF INTEREST.** The District certifies that it is in compliance with applicable state and/or federal conflict of interest laws.
9. **CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT:** The District agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project (i.e., the development of a groundwater monitoring plan and a groundwater management database pursuant to the October 29, 2008 Grant Request from the Squaw Valley Public Service District to Harold Singer and September 9, 2008 Letter from Derrick Williams and David Van Brocklin, HydroMetrics, Inc., to Dale Cox [Exhibit B]) without prior written approval of the Lahontan Water Board. Such approval may be conditioned as determined to be appropriate by the Lahontan Water Board, including conditions requiring repayment of all grant funds or any portion of disbursed grant funds covered by this Agreement together with accrued interest and any penalty assessments

that may be due. The District shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the District to meet its obligations under this Agreement, without prior written permission of the Lahontan Water Board.

10. **DISPUTES:** The District shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement which is not otherwise disposed of by agreement shall be decided by the Executive Officer, or his or her authorized representative. The decision shall be reduced to writing and a copy thereof furnished to the District and to the Executive Officer. The decision of the Lahontan Water Board's Executive Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. Pending final decision of a dispute hereunder, the District shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the Lahontan Water Board, or any official or representative thereof, on any question of law.
11. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The District agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of Red Dog Diesel Spill Mitigation Funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The District further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
12. **GOVERNING LAW:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California.
13. **DISTRICT'S RESPONSIBILITY FOR WORK:** The District shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and providers of services. The District shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the District and any other entity concerning responsibility for performance of work.
14. **INDEPENDENT ACTOR:** The District, 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 Lahontan Water Board.
15. **INSPECTION:** Throughout the life of the Project, the Lahontan Water Board shall have the right to inspect the Project area to ascertain compliance with this Agreement. The District acknowledges that the Project records and location are public records.
16. **NONDISCRIMINATION:** During the performance of this Agreement, the District and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religion, color, national origin, ancestry, disability, sexual orientation, medical condition, marital status, age (over 40) or denial of family-care leave, medical-care leave, or pregnancy-disability leave. The District and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment.
17. **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 grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

18. RECORDS: Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the District agrees to:
 - a. Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
 - b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on this Project, including all grant funds received under this Agreement;
 - c. Establish separate accounts which will adequately depict all income received which is attributable to the Project, especially including any income attributable to Red Dog Diesel Spill Mitigation Funds disbursed under this Agreement;
 - d. Establish an accounting system which will adequately depict final total costs of the Project, including both direct and indirect costs;
 - e. Establish such accounts and maintain such records as may be necessary for the state to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
 - f. If a Force Account is used by the District for any phase of the Project, establish an account that documents all employee hours, and associated tasks charged to the Project per employee.
19. RIGHTS IN DATA: The District 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 shall be in the public domain. The District may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the Lahontan Water Board for financial support. The District shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
20. STATE REVIEWS AND INDEMNIFICATION: The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the Lahontan Water Board is for administrative purposes only and does not relieve the District of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the District agrees to indemnify, defend and hold harmless the Lahontan Water Board and the State against any loss or liability arising out of any claim or action brought against the Lahontan Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the 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 (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 District for use in any disclosure document utilized in connection with any of the transactions contemplated by

this Agreement. To the fullest extent permitted by law, the District agrees to pay and discharge any judgment or award entered or made against the Lahontan Water Board and/or the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.

21. **LAHONTAN WATER BOARD ACTION, COSTS, AND ATTORNEY FEES:** The District agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the Lahontan Water Board as a result of breach of this Agreement by the District, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the Lahontan Water Board shall not preclude the Lahontan 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 the Lahontan Water Board shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
22. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the Lahontan Water Board, upon violation by the District of any material provision after such violation has been called to the attention of the District and after failure of the District to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the Lahontan Water Board. In the event of such termination, the District agrees, upon demand, to immediately repay to the Lahontan Water Board an amount equal to the amount of Red Dog Diesel Spill Mitigation Funds disbursed to the District prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the District to the date of full repayment by the District.
23. **TIMELINESS:** Time is of the essence in this Agreement. The District shall proceed with and complete the Project in an expeditious manner.
24. **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 shall continue to have full force and effect and shall not be affected thereby.
25. **VENUE:** The Lahontan Water Board and the District hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.