



**DRINKING  
WATER**  
for **schools**  
**GRANT PROGRAM**

**DRINKING WATER FOR SCHOOLS**

---

---

[RECIPIENT CAPS]

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



GRANT

DRINKING WATER / IMPLEMENTATION / CONSTRUCTION

[PROJECT NAME]

PROJECT NO. [ ]

AGREEMENT NO. [ ]

GRANT FUNDS: \$

ELIGIBLE START DATE: \_\_\_\_\_

WORK COMPLETION DATE: \_\_\_\_\_

FINAL DISBURSEMENT REQUEST DATE: \_\_\_\_\_

RECORDS RETENTION TERM END DATE: \_\_\_\_\_

---

---

WHEREAS,

1. The State Water Board is authorized to provide financial assistance under this Agreement pursuant to the following:

Section 116276 of the California Health and Safety Code.

2. The State Water Board determines eligibility for financial assistance, determines a reasonable schedule for providing financial assistance, establishes compliance with applicable law, and establishes the terms and conditions of a financial assistance agreement.
3. The Recipient has applied to the State Water Board for financial assistance for the Project described in Exhibit A of this Agreement, and the State Water Board has selected the application for financial assistance.
4. The State Water Board proposes to assist in funding the costs of the Project, and the Recipient desires to participate as a recipient of financial assistance from the State Water Board, upon the terms and conditions set forth in this Agreement, all pursuant to applicable law.

NOW, THEREFORE, in consideration of the premises, mutual representations, covenants and agreements in this Agreement, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree as follows:

#### 1. Definitions

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

“Agreement” means this Grant Agreement, including all exhibits and attachments hereto.

“Authorized Representative” means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient’s authorizing resolution that designates the Authorized Representative by title.

“Days” means calendar days unless otherwise expressly indicated.

“Disbursement Period” means the period during which Grant Funds may be disbursed.

“Disbursement Request” means the form used by the Recipient to document and request reimbursement of Project Costs.

“Division” means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer the Drinking Water For Schools Grant Program.

“Eligible Start Date” means the date set forth in Exhibit B, establishing the date on or after which reimbursable Project Costs may be incurred and eligible for reimbursement hereunder.

“Event of Default” means the occurrence of any of the following events: (a) any representation or warranty made by the Recipient under this Agreement proves to be incorrect in any material respect, (b) the Recipient’s failure to observe or perform any covenant, condition, or provision contained in Exhibit B of this Agreement, (c) the failure of the Recipient to perform any covenant or condition under this Agreement and such failure shall remain unremedied for a period of 30 days, unless expressly waived by the Division, (d) the failure of the Recipient to keep in full force and effect its legal existence and any rights, licenses, permit, or privileges to conduct its business, or the occurrence of any material restraint on Recipient’s business by a government agency or by court order, (e) initiations of proceedings seeking

liquidation, reorganization, or other relief with respect to the Recipient or its debts, or for the appointment of a receiver, trustee, custodian or conservator with respect to the Recipient or any part of its assets, or similar event, or (f) a material adverse change in the business, operations, or condition (financial or otherwise) of Recipient

“Final Disbursement Request Date” means the date established in Exhibit B, after which date no further Grant Funds disbursements may be requested.

“Fiscal Year” means the period of twelve (12) months terminating on June 30 of any year.

“Force Account” means the use of the Recipient's own employees or resources for the Project.

“GAAP” means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

“Grant Contact” means the employee of the Recipient who has been delegated by the Project Director to oversee the day-to-day activities of the Project.

“Grant Funds” means funds provided by the State Water Board towards eligible reimbursable Project Costs.

“Grant Manager” means the person designated by the State Water Board to manage performance of the Agreement. The Grant Manager is set forth in this Agreement.

“Guidelines” means the State Water Board’s “Drinking Water For Schools Grant Program Funding Guidelines,” as adopted May 16, 2017, and amended from time to time.

“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’s 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. Indirect costs may be reimbursed for expenses up to and including 10% of the modified total direct costs (MTDC). MTDC equals the sum of personnel services, operating expenses, travel, and up to, and including, the first \$25,000 of sub-contracting expenses. MTDC does not include expenses for equipment.

“Party Contact” means, for the Recipient, the Authorized Representative of the Recipient or any designee of the Authorized Representative, and, for the State Water Board, the Grant Manager. The Party Contacts are set forth in this Agreement.

“Project” means the Project financed by this Agreement, as described in Exhibit A and in the documents incorporated by reference.

“Project Completion” means, as determined by the Division, that the Project is complete to the reasonable satisfaction of the Division.

“Project Costs” means the incurred costs of the Recipient which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Guidelines, and which are reasonable, necessary and allocable by the Recipient to the Project under GAAP.

“Project Director” means an employee of the Recipient designated by the Authorized Representative to be responsible for the overall management of the administrative and technical aspects of the executed Agreement. The Project Director is set forth in this Agreement.

“Recipient” means [Recipient name].

“State” means State of California.

“State Water Board” means the California State Water Resources Control Board, an administrative and regulatory agency of the State of California.

“Work Completion” means the Recipient’s submittal of all work set forth under Exhibit A for review and approval by the Division. 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.

“Work Completion Date” means the date set forth in Exhibit A that is the last date on which Project Costs may be incurred under this Agreement.

“Year” means calendar year unless otherwise expressly indicated.

## 2. Party Contacts

The Party Contacts during the term of this Agreement are:

State Water Board	Recipient
Section: Division of Financial Assistance	
Name: [Name], Grant Manager	Name: [Name], Project Director
Address:	Address:
City, State, Zip:	City, State, Zip:
Phone:	Phone:
Fax:	Fax:
Email: [name]@waterboards.ca.gov	Email:

Direct inquiries to:

State Water Board	Recipient
Section: Division of Financial Assistance	
Name: [Name], Program Analyst	Name: [Name], Grant Contact
Address: 1001 I Street, 17 <sup>th</sup> Floor	Address:
City, State, Zip: Sacramento, CA 95814	City, State, Zip:
Phone: (916) 341-XXXX	Phone:
Fax: (916) 341-5296	Fax:
Email: [name]@waterboards.ca.gov	Email:

The Recipient may change its Project Director upon written notice to the Grant Manager, which notice shall be accompanied by authorization from the Recipient’s Authorized Representative. The State Water Board will notify the Project Director of any changes to its Party Contacts.

## 3. Exhibits and Appendices Incorporated

The following exhibits and appendices to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement:

EXHIBIT A – SCOPE OF WORK  
EXHIBIT B – FUNDING PROVISIONS  
EXHIBIT C – STANDARD TERMS AND CONDITIONS  
EXHIBIT D – SPECIAL CONDITIONS

Additionally, the following documents are incorporated by reference:

- (a) [Final Plans & Specs, dated \_\_\_\_\_]
- (b) [TBD]

4. Representations, Warranties, and Commitments

The Recipient represents, warrants, and commits to the following as of the Eligible Start Date set forth in Exhibit B and continuing thereafter for the term of this Agreement:

- (a) **General Commitments.** The Recipient 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 Recipient in its application, accompanying documents, and communications filed in support of its request for financial assistance and throughout the term of this Agreement.
- (b) **Authorization and Validity.** The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.
- (c) **No Violations.** The execution, delivery, and performance by the 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 the Recipient is a party or by which the Recipient is bound as of the date set forth on the first page hereof.
- (d) **No Litigation.** There are no pending or, to the 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 and/or the Project.
- (e) **Solvency.** 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 the Recipient. As of the date set forth on the first page hereof, 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.
- (f) **Legal Status and Eligibility.** The Recipient is duly organized and existing and in good standing under the laws of the State of California, and will remain so during the term of this Agreement. The Recipient shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. The Recipient shall maintain its eligibility for funding under this Agreement for the term of this Agreement.
- (g) **Good Standing.** The Recipient is currently in compliance with the State requirements set forth in Exhibit C. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with previous State audit disallowances.

- (h) Insurance. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement including, for example, but not necessarily limited to: general liability, automobile liability, worker's compensation and employer's liability, and professional liability.

#### 5. Project Completion

The Recipient shall expeditiously proceed with and complete the Project in substantial accordance with this Agreement.

#### 6. Notice

- (a) The Recipient shall notify the Division in writing within five (5) working days of the occurrence of the following:
- (1) Bankruptcy, insolvency, receivership or similar event of the Recipient;
  - (2) Actions taken pursuant to state law in anticipation of filing for bankruptcy; or
  - (3) Change of management or service contracts, if any, for the Project.
  - (4) Any Event of Default, except as set forth in subdivisions (b) or (c) of this section.
- (b) The Recipient shall notify the Division within ten (10) working days of any litigation pending or threatened against the Recipient regarding its continued existence, consideration of dissolution, or disincorporation.
- (c) The Recipient shall notify the Division promptly of the following:
- (1) Any proposed change in the scope of the Project. Under no circumstances may the Recipient undertake substantial changes to the scope of the Project without providing the Division with prior written notice of the proposed change and receiving prior written approval from the Division;
  - (2) Cessation of work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - (3) Any circumstance, combination of circumstances, or condition, which is expected to or does delay Work Completion;
  - (4) Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction of the Project, the Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Recipient agrees to implement appropriate actions as directed by the Division;
  - (5) Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
  - (6) Any Project monitoring, demonstration, or other implementation activities such that the State Water Board staff may observe and document such activities;

(7) 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; or

(8) Work Completion and Project Completion.

#### 7. Project Site Access

The Recipient shall ensure that the State Water Board, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during the Project.

#### 8. No Obligation of the State; State Budget Act Contingency

Any obligation of the State Water Board contained herein shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys appropriated by the State Legislature to the State Water Board from the special fund associated with this Agreement.

If the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Recipient or to furnish any other considerations under this Agreement, and the Recipient shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for payment over any other recipient.

If this Agreement's funding for any Fiscal Year is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to the Recipient to reflect the reduced amount.

#### 9. Recipient Operation and Change of Business

Recipient is prohibited from engaging in, or permitting any of its subsidiaries from engaging in, any business other than the businesses currently engaged in by Recipient and such subsidiaries, as applicable, or consummating any transaction that would result in a material change in its ownership. Recipient is prohibited from, without at least thirty (30) days prior written notice to the State Water Board and obtaining prior approval from the State Water Board: (a) relocating its chief executive office, or adding any new offices or business location, or (b) changing its jurisdiction of organization, or (c) changing its organizational structure or type, or (d) changing its legal name, or (e) changing any organizational number (if any) assigned by its jurisdiction of organization, or (f) merging or consolidating, or permitting any of its subsidiaries to merge or consolidate, with any other person or business entity. Recipient is required to meet the minimum funding requirements of Employee Retirement Income Security Act of 1974 (ERISA), is prohibited from having a Reportable Event or Prohibited Transaction, each as defined in ERISA, and is required to comply with the Federal Fair Labor Standards Act.

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

**[RECIPIENT CAPS]:**

By: \_\_\_\_\_

Name: [Name]

Title: [Title as identified in the resolution]

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

**STATE WATER RESOURCES CONTROL BOARD:**

By: \_\_\_\_\_

Name: Leslie S. Laudon

Title: Deputy Director  
Division of Financial Assistance

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



## EXHIBIT A – SCOPE OF WORK

### A-1. Completion Date

The Work Completion Date is established as [DATE]. Work occurring after the Work Completion Date, including corrective actions, is not eligible for reimbursement with Grant Funds.

### A-2. Purpose

This grant is for the benefit of the Recipient. This grant is for the purpose of [xxxxxx].

### A-3. Project-specific Scope of Work

The Recipient agrees to do the following:

[Insert specific tasks and work with clear descriptions about who is responsible for exactly what and when. Revise Section A-5 accordingly.]

### A-4. Reporting

- (a) Progress Reports. The Recipient shall submit quarterly progress reports, using a format provided by the Grant Manager, within forty-five (45) days following the end of the calendar quarter (March, June, September, and December) to the Grant Manager. Progress reports shall provide the status of the long-term solution (if applicable), a brief description of activities that have occurred, milestones achieved, monitoring results (if applicable), and any problems encountered in the performance of the work under this Agreement during the applicable reporting period. Reporting shall be required even if no grant-related activities occurred during the reporting period. The Recipient shall document all activities and expenditures in progress reports, including work performed by contractors.
- (b) As Needed Information or Reports. The Recipient agrees to submit expeditiously, during the term of this Agreement, such reports, data, and information as may be reasonably required by the Division including, but not limited to, material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.
- (c) Final Reports. At the conclusion of the Project, the Recipient must submit the following to the Grant Manager:
  - (1) Draft Final Project Report. Prepare and submit to the Grant Manager, for review and comment, a draft Final Project Report in a format provided by the Grant Manager.
  - (2) Final Project Report. Prepare a Final Project Report that addresses, to the extent feasible, comments made by the Grant Manager on the draft Final Project Report. Submit one (1) reproducible master copy and an electronic copy of the final. Upload an electronic copy of the final report in pdf format to the FFAST system.
  - (3) Final Project Summary. Prepare a brief summary of the information contained in the Final Project Report, using a format provided by the Grant Manager, and include accomplishments, recommendations, and lessons learned, as appropriate. Upload an electronic copy of the Final Project Summary in pdf format to the FFAST system.
  - (4) Final Project Inspection and Certification. Upon completion of the Project, the Recipient shall provide for a final inspection and shall 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 involved the

planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, or other professionals, the final inspection and certification shall be conducted by a California Registered Civil Engineer or other appropriate California registered professional. The results of the final inspection and certification shall be submitted to the Grant Manager.

DRAFT

A-5. Submittal Schedule

Failure to provide items by the due dates indicated in the Submittal Schedule below may constitute a material violation of this Agreement. However, the dates in the “Estimated Due Date” column of this Submittal Schedule may be adjusted as necessary during the Disbursement Period with Grant Manager approval. All work or submittals must be achieved with relevant submittals approved by the Division prior to the Work Completion Date, and the final Disbursement Request submitted prior to the Final Disbursement Request Date set forth in Exhibit B.

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
<b>EXHIBIT A-3 PROJECT-SPECIFIC SCOPE OF WORK</b>			
<b>EXHIBIT A-5 REPORTING</b>			
(a)	Progress Reports	Quarterly	
(b)	As Needed Information or Reports		
(c)	Final Reports		
(c)(1)	Draft Final Project Report		
(c)(2)	Final Project Report		
(c)(3)	Final Project Summary	Before Work Completion Date	
(c)(4)	Final Project Inspection and Certification	Before Work Completion Date	
<b>EXHIBIT B FUNDING PROVISIONS</b>			
3 (b)	Final Disbursement Request		
8 (b)(4)	Disbursement Requests		Quarterly

**EXHIBIT B – FUNDING PROVISIONS**

**B-1. Project Funding**

Subject to the terms of this Agreement, the State Water Board agrees to provide Grant Funds in the amount of up to [WRITTEN DOLLAR AMOUNT] DOLLARS (\$[Numerical Dollar Amount]).

**B-2. Estimated Reasonable Total Project Cost**

The estimated reasonable cost of the total Project is [WRITTEN DOLLAR AMOUNT] DOLLARS (\$[Numerical Dollar Amount]).

**B-3. Funding Dates**

- (a) The Eligible Start Date is [DATE]. Otherwise eligible costs incurred prior to this date will not be reimbursed.
- (b) The Final Disbursement Request Date is [DATE]. The Deputy Director of the Division may extend this date for good cause. Extensions may require an amendment to this Agreement. All Disbursement Requests must be submitted to the Division such that they are received prior to this date. Late Disbursement Requests will not be honored, and remaining amounts will be deobligated.

**B-4. Financial Assistance Contingency and Exclusions**

The State Water Board's disbursement of Grant Funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

**B-5. Budget Summary**

LINE ITEM	GRANT FUNDS	TOTAL PROJECT COSTS
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>

\* Indirect costs may be reimbursed for expenses up to and including 10% of the modified total direct costs (MTDC). MTDC equals the sum of personnel services, operating expenses, travel, and up to, and including, the first \$25,000 of sub-contracting expenses. MTDC does not include expenses for equipment.

**B-6. Budget Flexibility**

- (a) Subject to the prior review and approval of the Grant Manager, adjustments between existing line items may be used to defray allowable direct costs up to fifteen percent (15%) of the total amount, including any amendment(s) thereto. Line item adjustments in excess of fifteen percent (15%) require an Agreement amendment. If the detailed budget includes an amount for the

Recipient's personnel costs, that amount is based on the hours, classifications, and rates submitted by the Recipient in its application. Any changes to the hours, classifications, and rates must be approved, in advance and in writing, by the Grant Manager.

- (b) The Recipient may submit a request for an adjustment in writing to the Grant Manager. Such adjustment may not increase or decrease the total grant amount. The Recipient shall submit a copy of the original Agreement budget sheet reflecting the requested changes and shall note proposed changes by striking out the original amount(s) followed with proposed change(s) in bold and underlined. Budget adjustments deleting a budget line item or adding a new budget line item shall require a formal amendment. The Division may also propose budget adjustments.
- (c) The sum of adjusted line items shall not exceed the total budget amount.

#### B-7. Project Costs

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

#### B-8. Disbursement of Grant Funds; Availability of Grant Funds

- (a) The State Water Board's obligation to disburse Grant Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason including, but not limited to, failure of the State government to appropriate funds necessary for disbursement of Grant Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other recipient. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding. If this Agreement's funding for any fiscal year is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an amendment to the Recipient to reflect the reduced amount.
- (b) Except as may be otherwise provided in this Agreement, disbursement of Grant Funds will be made as follows:
  - (1) Upon execution and delivery of this Agreement, the Recipient may submit a Disbursement Request for eligible Project Costs to the State Water Board using the Disbursement Request form provided by the Grant Manager.
  - (2) Disbursement Requests shall contain the following information:
    - a. The date of the request;
    - b. The time period covered by the request, i.e., the term "from" and "to";
    - c. The total amount requested;
    - d. Original signature and date (in ink) of Recipient's Project Director or his/her designee; and

- e. The Final Disbursement Request shall be clearly marked "FINAL DISBURSEMENT REQUEST" and shall be submitted NO LATER THAN [MONTH 28/29/30/31, 20XX].
- (3) Disbursement Requests must be itemized based on the line items specified in the budget in this Exhibit. Disbursement Requests must be signed by the Recipient's Project Director or his/her designee and must be addressed to the Grant Manager as set forth in the Party Contacts section of this Agreement. Requests for disbursement submitted in any other format than the one provided by the State Water Board will cause a Disbursement Request to be disputed. In the event of such a dispute, the Grant Manager will notify the Recipient. Payment will not be made until the dispute is resolved and a corrected Disbursement Request submitted. The Grant Manager has the responsibility for approving Disbursement Requests. Project Costs incurred prior to the Eligible Start Date of this Agreement will not be reimbursed.
  - (4) Grant Funds must be requested quarterly via Disbursement Request for eligible costs incurred during the reporting period of the corresponding progress report, describing the activities and expenditures for which the disbursement is being requested. Each Disbursement Request must be accompanied by a progress report. Failure to provide timely Disbursement Requests may result in such requests not being honored.
  - (5) The Recipient agrees that it will not submit any Disbursement Requests that include any Project Costs until such costs have been incurred and are currently due and payable by the Recipient; although, the actual payment of such costs by the Recipient is not required as a condition of the Disbursement Request. Supporting documentation (e.g., receipts) must be submitted with each Disbursement Request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Grant Funds will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Disbursement Request.
  - (6) The Recipient will not seek reimbursement of any Project Costs that have been reimbursed from other funding sources.
  - (7) The Recipient shall use Grant Funds within thirty (30) days of receipt to reimburse contractors, vendors, and other Project Costs. Any interest earned on Grant Funds shall be reported to the State Water Board and will either be required to be returned to the State Water Board or deducted from future disbursements. In the event that the Recipient fails to disburse Grant Funds to contractors or vendors within thirty (30) days from receipt of the Grant Funds, the Recipient shall immediately return such Grant Funds to the State Water Board. Interest shall accrue on such Grant Funds from the date of disbursement through the date of mailing of Grant Funds to the State Water Board. If the Recipient held such Grant Funds in interest-bearing accounts, any interest earned on the Grant Funds shall also be due to the State Water Board.
  - (8) The Recipient shall submit its final Disbursement Request no later than the Final Disbursement Request Date specified herein unless prior approval is granted by the Division. If the Recipient fails to do so, then the undisbursed balance of this Agreement will be deobligated.
  - (9) The Recipient agrees that it will not request a disbursement unless that cost is allowable, reasonable, and allocable.
  - (10) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner that is in violation of or in conflict with federal or state laws, policies, or regulations.

- (11) The Recipient agrees that it shall not be entitled to interest earned on undisbursed Grant Funds.
- (12) Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Recipient. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Grant Manager.
- (13) The Recipient must include any other documents or requests required or allowed under this Agreement.

#### B-9. Withholding of Disbursements and Material Violations

- (a) 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 Grant Funds until Project Completion. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon Project Completion.
- (b) The State Water Board may withhold all or any portion of the funds provided for by this Agreement in the event that:
  - (1) The Recipient has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or
  - (2) The Recipient fails to maintain reasonable progress toward Project Completion.

#### B-10. Remaining Balance

In the event the Recipient does not request all of the Grant Funds encumbered under this Agreement, any remaining Grant Funds revert to the State.

#### B-11. Fraud and Misuse of Public Funds

All Disbursement Requests submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Recipient shall not submit any Disbursement Request containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such. Any eligible costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of Grant Funds and/or termination of this Agreement requiring the repayment of all Grant Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.

## EXHIBIT C – STANDARD TERMS AND CONDITIONS

### C-1. Accounting and Auditing Standards

The Recipient shall maintain GAAP-compliant Project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

### C-2. 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 or written understanding or agreement not incorporated in this Agreement is binding on any of the parties.

### C-3. Assignability

This Agreement is not assignable by the Recipient, either in whole or in part.

### C-4. Audit

- (a) The Division, at its option, may call for an audit of financial information relative to the Project, if the Division determines that an audit is desirable to assure program integrity or if such an audit becomes necessary because of state or federal requirements. Where such an audit is called for, the audit shall be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit shall be in the form required by the Division.
- (b) Audit disallowances will be returned to the State Water Board. Failure to comply with audit disallowance provisions shall disqualify the Recipient from participating in State Water Board funding programs.

### C-5. Bonding

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

### C-6. Continuous Use of Project; Lease or Disposal of Project

The Recipient agrees that, except as provided in this 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 without prior written approval of the Deputy Director of the Division. Such approval may be conditioned as determined to be appropriate by the Deputy Director of the Division, including a condition that a long-term solution be satisfactorily implemented or a condition that the Recipient repay all Grant Funds or any portion of all remaining Grant Funds covered by this Agreement together with accrued interest and any penalty assessments which may be due.

### C-7. Claims

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

### C-8. Competitive Bidding

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



If the Recipient is a private entity, any construction contracts related in any way to the Project shall be let by competitive bid procedures that ensure award of such contracts to the lowest responsible bidders. The Recipient shall not award a construction contract until a summary of bids and identification of the selected lowest responsible bidder is submitted to and approved in writing by the Division. The Recipient must provide a full explanation if the Recipient is proposing to award a construction contract to anyone other than the lowest responsible bidder.

C-9. Compliance with Law, Regulations, etc.

The Recipient agrees that it shall, 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 Recipient agrees that, to the extent applicable, the Recipient shall:

- (a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;
- (b) Comply with the Guidelines; and
- (c) Comply with and require compliance with the list of state laws (cross-cutters) in Section C-31 of this Agreement.

C-10. Conflict of Interest

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

C-11. Disputes

- (a) The Recipient may appeal a staff decision within thirty (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 thirty (30) days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.
- (b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
- (c) The Recipient shall continue with the responsibilities under this Agreement during any dispute.
- (d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

C-12. Financial Management System and Standards

The Recipient agrees to comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal or state government and tracking of Project Costs to a level of expenditure adequate to establish that such Grant Funds have not been used in violation of federal or state laws or the terms of this Agreement.

C-13. Governing Law

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

C-14. Income Restrictions

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

C-15. Indemnification and State Reviews

The parties agree that review or approval of Project documents by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, and its officers, employees, and agents (collectively, "Indemnified Persons"), from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the 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 Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Parties. The Recipient shall also provide for the defense and indemnification of the Indemnified Parties in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and shall cause the Indemnified Parties to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution.

Notwithstanding the foregoing, the Recipient shall have no obligation to indemnify, defend, hold harmless, pay or discharge any losses, claims, damages, judgement, liabilities, or expenses arising from the gross negligence or willful misconduct of any Indemnified Persons. The provisions of this section shall survive the term of this Agreement and the discharge of the Recipient's obligations hereunder.

C-16. Independent Actor

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

C-17. Integration

This Agreement is the complete and final Agreement between the parties.

C-18. Non-Discrimination Clause

- (a) During the performance of this Agreement, the Recipient and its contractors and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.
- (b) The Recipient, its contractors, and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- (c) The Recipient, its contractors, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subs. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- (d) The Recipient, its contractors, and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (e) The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

C-19. No Third Party Rights

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

C-20. Operation and Maintenance; Insurance

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

The Recipient will procure and maintain or cause to be maintained insurance on the Project 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 Project) as are usually covered in connection with systems similar to the Project. Such insurance may be maintained by the maintenance of a self-insurance plan so long as any such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund funded 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 Project 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 Project. The Recipient shall begin such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Project shall be free and clear of all claims and liens.

The Recipient agrees that for any policy of general liability insurance concerning the construction related to this 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 shall provide the Division with a copy of all such certificates prior to the commencement of construction associated with this Project upon request by the Grant Manager.

#### C-21. Other Assistance

If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient shall immediately notify the Grant Manager. To the extent allowed by requirements of other funding sources, excess funding shall be remitted to the State Water Board.

#### C-22. Permits; Contracting; Disqualification

The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules and regulations. The Recipient shall procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses shall be submitted to the Division before implementation or construction begins.

For any work related to this Agreement, the Recipient shall not contract or allow subcontracting with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at [http://www.waterboards.ca.gov/water\\_issues/programs/enforcement/fwa/dbp.shtml](http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml). The Recipient shall not contract or allow subcontracting with any party who is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension."

#### C-23. Prevailing Wages

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

#### C-24. Professionals

The Recipient agrees that only professionals with valid licenses in the State of California will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architecture, or geologic sciences shall be prepared by or under the direction of persons registered to practice in California. All technical reports must contain the statement of the qualifications of the responsible registered professional(s). Technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

#### C-25. Public Funding

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

C-26. Public Records

The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Project records and locations are public records including, but not limited to, all of the submissions accompanying the application, all of the documents incorporated by reference into this Agreement, and all reports, disbursement requests, and supporting documentation submitted hereunder.

C-27. Recipient's Responsibility for Work

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

C-28. Records

Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient 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 the Project, including all assistance funds received under this Agreement.
- (c) Establish separate accounts, which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement.
- (d) Establish an accounting system, which will accurately 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.
- (f) If a Force Account is used by the Recipient for the Project, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee.
- (g) Maintain separate books, records, and other material relative to the Project.
- (h) Retain such books, records, and other material for itself and for each contractor or subcontractor who performed work on this Project for a minimum of seven (7) years after Work Completion. The Recipient shall require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Bureau of State Audits, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned, and shall allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar right regarding audit, interviews, and records retention in any subcontract related to the performance of this Agreement. The provisions of this section shall survive the term of this Agreement.



C-29. Related Litigation

The Recipient is prohibited from using Grant Funds to pay costs associated with any litigation the Recipient pursues. Regardless of whether the Project or any eventual related project is the subject of litigation, the Recipient agrees to complete the Project funded by the Agreement or to repay all Grant Funds plus interest to the State Water Board.

C-30. Rights in Data

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

C-31. State Cross-Cutter Compliance

The Recipient represents and certifies that, to the extent applicable, it is in compliance with the following conditions precedent and agrees that it will continue to maintain compliance during the term of this Agreement:

- (a) Agricultural Water Management Plan Consistency. A Recipient that is an agricultural water supplier as defined by section 10608.12 of the Water Code must comply with the Agricultural Water Management Planning Act. (Wat. Code, § 10800 et seq.)
- (b) California Environmental Quality Act (CEQA). Implementation and construction activities must comply with CEQA and potentially other environmental review requirements, including the National Environmental Policy Act (NEPA). Proceeding with work subject to CEQA and/or NEPA without environmental clearance by the State Water Board shall constitute a breach of a material provision of this Agreement.
- (c) Contractor and Subcontractor Requirements. (Labor Code, §§ 1725.5, 1771.1, and 1773.3.) For public works contracts, the Recipient acknowledges that the Recipient's contractor(s) and subcontractor(s) must register with the Department of Industrial Relations. If the Recipient is the awarding body for a public works contract, the Recipient acknowledges that it is required to provide notice of the public works contract to the Department of Industrial Relations.
- (d) Delta Plan Consistency Findings. (Wat. Code, § 85225 and Cal. Code of Regulations, title 23, § 5002.) If the Recipient is a state or local public agency and the proposed action is covered by the Delta Plan, the Recipient will submit a certification of project consistency with the Delta Plan to the Delta Stewardship Council prior to undertaking the implementation/construction project associated with this Project.
- (e) State Water Board's Drought Emergency Water Conservation regulations. (Cal. Code of Regulations, Title 23, chapter 2, article 22.5.) The Recipient will include a discussion of its compliance and implementation in progress reports submitted pursuant to this Agreement.
- (f) SBx7-7: Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.). SBx7-7 conditions the receipt of a water management grant or loan for urban water suppliers on achieving gallons per capita per day reduction targets with the end goal of a twenty percent (20%)

reduction by 2020. The Recipients that are urban water suppliers shall provide proof of compliance with SBx7-7.

- (g) Urban Water Demand Management. (Wat. Code, § 10631.5.) If the Recipient is an “urban water supplier” as defined by Water Code section 10617, the Recipient certifies that it is implementing water demand management measures approved by the Department of Water Resources.
- (h) Urban Water Management Planning Act. (Wat. Code, § 10610 et seq.) If the Recipient is an “urban water supplier” as defined by Water Code section 10617, the Recipient certifies that it has submitted an Urban Water Management Plan that has been deemed complete by the Department of Water Resources and is in compliance with that plan. This shall constitute a condition precedent to this Agreement.
- (i) Urban Water Supplier. (Wat. Code, §§ 526 and 527.) If the Recipient is an urban water supplier as defined by Water Code section 10617, it shall have complied and maintain compliance with sections 526 and 527 of the Water Code relating to installation of meters and volumetric charging.
- (j) Water Diverter. (Wat. Code, § 5103.) If the Recipient is a water diverter, the Recipient must maintain compliance by submitting monthly diversion reports to the Division of Water Rights of the State Water Board.
- (k) Water Quality Compliance. The Recipient shall ensure that the Project shall maintain consistency with Division 7 of the Water Code (commencing with section 13000).
- (l) Water Quality Monitoring. If water quality monitoring is required as part of the Project, the Recipient shall collect and report water quality monitoring data to the State Water Board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the State Water Board.
- (m) Wild and Scenic Rivers. The Recipient shall ensure that the Project will not have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

#### C-32. State Water Board Action; Costs and Attorney Fees

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

#### C-33. Termination; Immediate Repayment; Interest

- (a) This Agreement may be terminated at any time prior to the Work Completion Date, at the option of the State Water Board, upon any Event of Default after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the Division.
- (b) In the event of such termination, the Recipient agrees, upon demand, to immediately repay to the State Water Board an amount equal to Grant Funds disbursed hereunder, accrued interest, penalty assessments, and additional payments. 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 Recipient to the date all moneys due have been received by the State Water Board.

C-34. Timeliness

Time is of the essence in this Agreement.

C-35. Unenforceable Provision

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

C-36. Venue

The State Water Board and the Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

C-37. Waiver and Rights of the State Water Board

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.