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# PROPOSITION 13 WATER RECYCLING RESEARCH

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SOUTHERN CALIFORNIA COASTAL WATER RESEARCH PROJECT

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



RESEARCH GRANT

SCIENCE ADVISORY PANEL ON CONSTITUENTS OF EMERGING CONCERN IN RECYCLED WATER

AGREEMENT NO. D1605020

AMOUNT: \$158,043

ELIGIBLE START DATE: JUNE 6, 2017  
RESEARCH COMPLETION DATE: DECEMBER 31, 2018  
FINAL DISBURSEMENT REQUEST DATE: JANUARY 31, 2019  
RECORDS RETENTION TERM END DATE: DECEMBER 31, 2054

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WHEREAS,

1. The State Water Board is authorized to provide funding under this Agreement pursuant to Article 4 of Chapter 7 of Division 26 of the Water Code (Prop 13).
2. The State Water Board determines eligibility for financial assistance, determines a reasonable schedule for providing financial assistance, establishes compliance with Prop 13 and establishes the terms and conditions of the funding agreement.
3. The Recipient has applied to the State Water Board for funding for the Research described in Exhibit A of this Agreement and the State Water Board has selected the application for a grant.
4. The State Water Board proposes to provide financial assistance for eligible costs of the Research, 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 Prop 13.
5. This grant is for the benefit of the Recipient to advance water recycling research and development, and is not for the planning or construction of a water recycling project as defined in section 79135 of the Water Code.

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

1. DEFINITIONS

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

"Agreement" means this research grant, 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 Research 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 this Agreement.

"Division of Drinking Water" means the Division of Drinking Water of the State Water Board.

"Eligible Start Date" means the date set forth in Exhibit B, establishing the date on or after which reimbursable 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, (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.

"Force Account" means the use of the Recipient's own employees or equipment.

"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 Research.

"Grant Funds" means funds provided by the State Water Board towards eligible reimbursable Research Costs.

"Grant Manager" means the person designated by the State Water Board to manage performance of this Agreement.

"Guidelines" means the Water Recycling Funding Program Guidelines, as amended by the State Water Board on June 16, 2015.

"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 Research (i.e., costs that are not directly related to the Research). 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.

"Material Event" means the failure of the Recipient to observe or perform any covenant in this Agreement, including any of the following: (a) revenue shortfalls; (b) adverse findings by the Regional Water Quality Control Board or Division of Drinking Water; (c) any false warranty or representation made by the Recipient relevant to this Agreement; (d) any event set forth in section 1.8 of this Agreement.

"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 or the Program Analyst.

"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 Section 2 of this Agreement.

"Recipient" means Southern California Coastal Water Research Project.

"Regional Water Quality Control Board" or "Regional Water Board" means the appropriate Regional Water Quality Control Board.

"Research" means the Research financed by this Agreement as described in Exhibit A, and in the documents incorporated by reference herein.

"Research Completion" means the Recipient's submittal of all work set forth under Exhibit A for review and approval by the Division and as determined by the Division, that the Research is complete to the reasonable satisfaction of the Division. The Division may require corrective work to be performed. Any work occurring after the Research Completion Date will not be reimbursed under this Agreement.

"Research Completion Date" means the date set forth in Exhibit A that is the last date on which Research Costs may be incurred under this Agreement. "Research Costs" means the incurred costs of the Recipient which are eligible under this Agreement, which are allowable costs as defined under the Guidelines, and which are reasonable, necessary and allocable by the Recipient to the Research under GAAP.

"State" means State of California.

"State Water Board" means the California State Water Resources Control Board.

"Year" means calendar year unless otherwise expressly indicated.

2. Party Contacts

The Party Contacts during the term of this Agreement are:

<b>State Water Board</b>	<b>Southern California Coastal Water Research Project</b>
Section: Division of Financial Assistance	
Name: David Balgobin, Grant Manager	Name: Keith Maruya, Project Director
Address: 1001 I Street, 16 <sup>th</sup> Floor	Address: 3535 Harbor Boulevard, Suite 110
City, State, Zip: Sacramento, CA 95814	City, State, Zip: Costa Mesa, CA 92626
Phone: (916) 322-6042	Phone: (714) 755-3214
Fax:	Fax:
Email: <a href="mailto:David.Balgobin@waterboards.ca.gov">David.Balgobin@waterboards.ca.gov</a>	Email: <a href="mailto:KeithM@sccwrp.org">KeithM@sccwrp.org</a>

Direct inquiries to:

<b>State Water Board</b>	<b>Southern California Coastal Water Research Project</b>
Section: Division of Financial Assistance	
Name: Michele Stebbins, Program Analyst	Name: Bryan Nece, Grant Contact
Address: 1001 I Street, 17 <sup>th</sup> Floor	Address: 3535 Harbor Boulevard, Suite 110
City, State, Zip: Sacramento, CA 95814	City, State, Zip: Costa Mesa, CA 92626
Phone: (916) 341-5665	Phone: (714) 755-3201
Fax: (916) 341-5296	Fax:
Email: <a href="mailto:Michele.Stebbins@waterboards.ca.gov">Michele.Stebbins@waterboards.ca.gov</a>	Email: <a href="mailto:BryanN@sccwrp.org">BryanN@sccwrp.org</a>

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 & INCORPORATED DOCUMENTS

EXHIBIT B - FUNDING TERMS

EXHIBIT C - GENERAL TERMS AND CONDITIONS

EXHIBIT D - SPECIAL CONDITIONS

### 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 Recipient Commitments. The Recipient shall comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for financial assistance.
- (b) Authorization and Validity. The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. 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 Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date set forth on the first page hereof, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date set forth on the first page hereof.
- (d) No Litigation. There are no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect the financial condition or operations of the Recipient.
- (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 Recipient. As of the date set forth on the first page hereof, Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. Recipient is able to pay its debts as they become due.
- (f) Legal Status and Eligibility. 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. Recipient shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. Recipient independently represents its eligibility and covenants to maintain its eligibility for funding under this Agreement through Research Completion.

- (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. 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 insurance.

5. Research Completion

The Recipient shall expeditiously proceed with and complete the work under this Agreement.

6. Notice

- (a) The Recipient shall notify the Division within ten (10) working days of the occurrence of any 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;
  - (3) Material Events; or
  - (4) Any litigation pending or threatened against the Recipient regarding its continued existence, consideration of dissolution, or disincorporation.
- (b) The Recipient shall notify the Division promptly of the following:
  - (1) Any proposed change in the scope of the Research. Under no circumstances may the Recipient make changes to the scope of the Research without receiving prior review and approval by the Division. Most changes will require an amendment to this Agreement;
  - (2) Cessation of all major work on the Research 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 Research Completion;
  - (4) Any Research monitoring, demonstration, or other implementation activities such that the State Water Board Division of Drinking Water and/or Regional Water Quality Control Board staff may observe and document such activities;
  - (5) 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
  - (6) Research Completion.

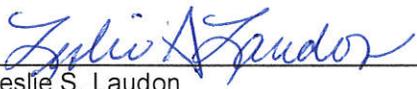
IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

**SOUTHERN CALIFORNIA COASTAL WATER RESEARCH  
PROJECT:**

By:   
Name: Stephen B. Weisberg, Ph. D.  
Title: Executive Director

Date: 7/18/17

**STATE WATER RESOURCES CONTROL BOARD:**

By:   
Name: Leslie S. Laudon  
Title: Deputy Director  
Division of Financial Assistance

Date: 7/21/17

## EXHIBIT A – SCOPE OF WORK

### A-1. Completion Date

The Research Completion Date is established as DECEMBER 31, 2018. Work occurring after the Research 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 reconvening a Science Advisory Panel (Panel) to evaluate scientific literature and data related to the health risks associated with constituents of emerging concern (CECs) in recycled water, conduct stakeholder outreach for input, update their recommendations, and produce a report presenting recommendations for monitoring CECs in recycled water.

### A-3. Specific Scope of Work

The Recipient agrees to do the following:

1. Research Management
  - 1.1 Provide all technical and administrative services needed for Research Completion; monitor, supervise, and review all work performed; and coordinate budgeting and scheduling to ensure the Research is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations.
  - 1.2 Notify the Grant Manager at least fifteen (15) working days in advance of upcoming meetings, workshops, and trainings.
  - 1.3 Conduct Research status review meetings as requested by the Grant Manager.
  - 1.4 Submit a summary of any changes that arise during this Research that may affect the schedule and/or costs to the Grant Manager for approval.
2. Science Advisory Panel (Panel)
  - 2.1 Develop an invitation for Panel participation that includes a list of duties and time commitment required and distribute the invitation to those with extensive experience as a principal investigator in their respective areas of expertise. Submit a copy of the invitation and recruitment efforts to the Grant Manager.
  - 2.2 Select seven (7) Panel members with a minimum of one (1) expert in each of the following disciplines: human health toxicology, environmental toxicology, epidemiology or risk assessment, biochemistry, civil engineering (knowledge of design and construction of recycled water treatment facilities), analytical chemistry (knowledge of advanced laboratory methods for detection of CECs), and microbiology (knowledge of the origins, fates and risks associated with antibiotic resistance).
  - 2.3 Submit a final list of participating Panel members, their commitment letters, and a brief description of their qualifications and academic background to the Grant Manager.
  - 2.4 Develop a schedule with Research milestones for the Panel's activities, including timelines, meeting dates, deliverables, and due dates and submit the schedule to the Grant Manager for approval.

- 2.5 Establish a qualified and appropriate Panel meeting facilitator and submit the name of the facilitator to the Grant Manager for approval.
- 2.6 Develop Independent Contractor Agreements to include the Conflict of Interest Certification form, maximum allowances for expenses incurred during the scientific literature review, travel expenses to attend Panel meetings and a State Water Board Public Workshop, and other eligible expenses related to the Panel responsibilities. Submit copies of the Agreements to the Grant Manager.
- 2.7 Develop a procedure for recording dissenting views amongst the Panel members and submit the documented procedure to the Grant Manager. This process will be used during the public Panel meeting in Item 4 and the State Water Board Public Workshop in Item 8.
- 2.8 Facilitate and ensure that the following Panel responsibilities are completed:
  - 2.8.1 Gather scientific literature and data related to the health risks associated with CECs in recycled water, and data related to monitoring of CECs in recycled water from the Stakeholder Advisory Group in Item 3. Submit all the data to the Panel members and to the Grant Manager in electronic format. Submit any relied upon articles, along with the necessary references, to the Grant Manager in PDF format.
  - 2.8.2 Review the scientific literature and data using the conceptual framework developed in the 2010 report, entitled *Monitoring Strategies for Chemicals of Emerging Concern (CECs) in Recycled Water: Recommendations of a Science Advisory Panel* ([http://www.waterboards.ca.gov/water\\_issues/programs/water\\_recycling\\_policy/docs/cec\\_monitoring\\_rpt.pdf](http://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/docs/cec_monitoring_rpt.pdf)). Consider the use of recycled water allowed under the California Code of Regulations, Title 22, and the use of recycled water for augmentation of surface water reservoirs used to supply drinking water (surface water augmentation) to address the following:
    - 2.8.2.1 The appropriate constituents to be monitored in recycled water, including analytical methods and method detection limits.
    - 2.8.2.2 The known toxicological information for the constituents identified in Item 2.8.2.1.
    - 2.8.2.3 Any change to the list of constituents developed in Item 2.8.2.1 based on level of treatment and uses as specified in Title 22 and for surface water augmentation.
    - 2.8.2.4 The indicators or surrogates that can be used to represent a suite of CECs.
    - 2.8.2.5 The concentrations of CECs that should trigger enhanced monitoring.
  - 2.8.3 Evaluate surface water augmentation and consider additional monitoring for CECs, if any, for recycled water used for surface water augmentation and associated monitoring protocols as necessary. The evaluation will not consider monitoring for potential ecosystem risks in reservoirs augmented with recycled water. This assessment will serve to supplement recommendations from a previous expert panel that approved draft surface water augmentation criteria as protective of public health.

- 2.8.4 Evaluate the use of recycled water for irrigation of crops as allowed under Title 22 and include potential human health risks associated with the use of recycled water for crop irrigation and potential exposure from groundwater potentially impacted by recycled water as allowed under Title 22. The evaluation shall not include potential human health risks associated with ingestion of crops irrigated with recycled water as allowed under Title 22. For all other uses of recycled water allowed under Title 22, evaluate potential human health risks for all expected routes of exposure.
- 2.8.5 Provide recommendations for additional research regarding antibiotic resistant bacteria and antibiotic resistance genes related to the use of recycled water for surface water augmentation and other uses allowed under Title 22 to further understand potential human exposure and potential impacts to human health. This assessment will serve to supplement recommendations from a previous expert panel that provided an in-depth review of antibiotic resistant bacteria and antibiotic resistance genes relative to direct potable reuse.

### 3. Stakeholder Advisory Group (SAG)

- 3.1 Develop an invitation to recruit SAG member participation that includes a list of duties and time commitment required and distribute the invitation to those from the non-governmental organization, scientific, regulatory, and industry communities. Submit a copy of the invitation and recruitment efforts to the Grant Manager.
  - 3.1.1 The SAG will assist in developing meeting agendas, identifying topical speakers for each of the public Panel meetings, obtaining relevant CEC occurrence and toxicity data, and presenting their findings related to their respective constituencies at the public Panel meetings in Item 4.
  - 3.1.2 SAG members, or their alternates, will attend and participate in each of the public Panel meetings and participate in a pre-meeting conference call to prepare for each upcoming meeting.
- 3.2 Select a minimum of ten (10) SAG members, and submit a list of confirmed SAG members, and any alternates, along with their contact information and a brief description of their qualifications, background, and represented interest group to the Grant Manager.
- 3.3 Work with the Panel, SAG and the Grant Manager to schedule meetings, develop and distribute agendas and any supporting documentation, and review meeting agenda packets and Panel meeting logistics.
- 3.4 Coordinate all communications between the Panel and SAG and submit copies of all communications to and from Panel members as requested by the Grant Manager.

### 4. Public Panel Meetings

- 4.1 Notify the public and interested stakeholders of two (2) upcoming public Panel meetings.
- 4.2 Assist with travel and lodging arrangements for Panel members as needed.
- 4.3 Arrange and record a webcast for remote participants to observe the meetings. Submit the public Panel meeting webcast link(s) of the recordings to the Grant Manager.
- 4.4 Conduct two (2) public Panel meetings and solicit public comments on monitoring for CECs in recycled water in Items 2.8.2 through 2.8.5.

- 4.5 Coordinate the topical speaker presentations and the SAG presentations. Submit copies of the presentation materials to the Grant Manager.
- 4.6 Record a list of public commenters, their comments, and meeting notes and submit the materials to the Grant Manager.
5. Private Panel Deliberations
  - 5.1 Coordinate two (2) meetings for the Panel to discuss the presentations and public comments in Item 4, formulate and document their recommendations for CEC monitoring, and deliberate any remaining issues. Submit all agendas to the Grant Manager.
  - 5.2 Prepare a summary of topics discussed and the outcomes derived during the Panel meetings in Item 4 and submit the Grant Manager.
6. Panel Report
  - 6.1 Prepare and submit to the Grant Manager a draft Panel Report that describes the current state of scientific knowledge regarding the potential risks of CECs in recycled water, the Panel's findings, and the Panel recommendations.
  - 6.2 Post the draft Panel Report on the Recipient's website and allow a thirty (30)-day period for public comment period. Submit the web link to the Grant Manager.
  - 6.3 Document and organize public comments after the thirty (30)-day period and submit to the Grant Manager.
  - 6.4 Review the public comments received and address those comments in a final Panel Report. Submit one (1) electronic and ten (10) hardbound copies of the final Panel Report to the Grant Manager for review and approval.
  - 6.5 Post the final Panel Report on the Recipient's website and submit the web link to the Grant Manager.
7. Scientific Peer Review
  - 7.1 Coordinate responses from any scientific peer review comments on the Panel Report and submit them to the Grant Manager.
8. State Water Board Public Workshop
  - 8.1 Present, with a minimum of two (2) Panel members, the recommendations for monitoring CECs in recycled water at a State Water Board Public Workshop, if scheduled prior to December 2018.
  - 8.2 Submit the presentation materials to the Grant Manager.

A-4. Disclosure.

- (a) The Recipient shall include the following color logo and disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:



"Funding has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use."

A-5. 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 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 provide 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) Annual Progress Summaries. The Recipient shall prepare and submit an Annual Progress Summary, using a format provided by the Grant Manager, annually by November 15 that covers the time period from October 1 of the previous year through September 30 of the current year to the Grant Manager. The summary must be no more than five (5) pages, and shall include pictures as appropriate. The Recipient shall submit a copy of the Annual Progress Summary in pdf format to the Grant Manager. The summary shall include, at a minimum, the following:
- (1) A summary of the conditions the Research is meant to alleviate, the Research objective, the scope of the Research, and a description of the approach used to achieve the Research objective.
  - (2) A summary of the progress made to date, significant milestones achieved, and the current schedule of completing the Research.
- (d) Final Research Summary. At the conclusion of the Research, the Recipient must submit a brief summary of Research and include accomplishments, recommendations, and lessons learned, as appropriate. Upload an electronic copy of the Final Research Summary in pdf format to the Financial Assistance Application Submittal Tool (FAAST) system.

A-6. Research Schedule

Failure to provide items by the due dates indicated in the Research Schedule below may constitute a material violation of this Agreement. However, the dates in the "Estimated Due Date" column of this Research 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 Research 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 RESEARCH-SPECIFIC SCOPE OF WORK</b>			
1.	Research Management		
1.2	Notification of Upcoming Meetings, Workshops, and Trainings		Ongoing
1.3	Status Review Meetings		As Needed
1.4	Summary of Changes to Schedule and/or Costs		As Needed
2.	Science Advisory Panel		
2.1	Copy of Invitation and Recruitment Efforts		30 Days After Execution
2.3	Final List of Panel Members, Their Commitment Letters, and Their Qualifications and Academic Background		30 Days After Execution
2.4	Draft Schedule with Milestones		October 2017
2.5	Panel Meeting Facilitator Name		October 2017
2.6	Copies of Independent Contractor Agreements and Conflict of Interest Forms		30 Days After Execution
2.7	Document Describing the Process of Recording Dissenting Views of Panel Members		October 2017
2.8.1	Data, Articles, and References		October 2017
3.	Stakeholder Advisory Group		
3.1	Copy of Invitation and Recruitment Efforts		30 Days After Execution
3.2	List of SAG Members, and any Alternates, Their Contact Information and A Description of Qualifications, Background, and Represented Interest Group		30 Days After Execution
3.4	Copies of Communication To and From Panel Members		As Requested
4.	Public Panel Meetings		
4.3	Public Panel Meeting Link(s) to Webcast Recordings		14 Days After Each Meeting

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
<b>EXHIBIT A-3 RESEARCH-SPECIFIC SCOPE OF WORK</b>			
4.5	Copy of Topical Speaker and SAG Presentation Materials		14 Days After Each Meeting
4.6	List of Public Commenters, Their Comments and Meeting Notes		14 Days After Each Meeting
5.	Private Panel Deliberations		
5.1	Meeting Agendas		14 Days After Each Meeting
5.2	Meeting Summaries		30 Days After Each Meeting
6.	Panel Report		
6.1	Draft Panel Report	December 31, 2017	
6.2	Recipient's Website Web Link		January 2018
6.3	Public Comments		February 2018
6.4	Final Panel Report	February 29, 2018	
6.5	Recipient's Website Web Link		March 2018
7.	Scientific Peer Review		
7.1	Written Responses to Peer Review Comments		As Needed
8.	State Water Board Public Workshop		
8.2	Presentation Materials (If Applicable)		7 Days Prior to Workshop
<b>EXHIBIT A-5 REPORTING</b>			
(a)	Progress Reports	Quarterly	
(b)	As Needed Information or Reports		As Needed
(c)	Annual Progress Summaries	Annually by 11/15	
(d)	Final Research Summary	Before Research Completion Date	
<b>EXHIBIT B – FUNDING PROVISIONS</b>			
3(b)	Final Disbursement Request	January 31, 2019	
8(b)(4)	Disbursement Requests		Quarterly

**EXHIBIT B – FUNDING TERMS**

**B-1. Research Funding**

Subject to the terms of this Agreement, the State Water Board agrees to provide Grant Funds in the amount of up to ONE HUNDRED FIFTY-EIGHT THOUSAND, FORTY-THREE DOLLARS (\$158,043).

**B-2. [Reserved]**

**B-3. Funding Dates**

- (a) The Eligible Start Date is JUNE 6, 2017. Otherwise eligible costs incurred prior to this date will not be reimbursed.
- (b) The Final Disbursement Request Date is JANUARY 31, 2019. 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. Funding Conditions and Exclusions**

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

Grant Funds may not be used for any Indirect Costs. Any Disbursement Request submitted including Indirect Costs will cause that Disbursement Request, in its entirety, to be disputed and will not be paid until the dispute is resolved. This prohibition applies to the Recipient and any subcontract or sub-agreement for work on the Research that will be reimbursed with Grant Funds pursuant to this Agreement. (Gov. Code, § 16727.)

**B-5. Budget Summary**

LINE ITEM	GRANT FUNDS	TOTAL RESEARCH COSTS
Direct Project Administration Costs	\$17,017	\$17,017
Planning/Design/Engineering/Environ.	\$141,026	\$141,026
Construction/Implementation	\$0	\$0
Equipment	\$0	\$0
Monitoring/Performance	\$0	\$0
Education/Outreach	\$0	\$0
<b>TOTAL</b>	<b>\$158,043</b>	<b>\$158,043</b>

**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. Amounts Payable by the Recipient

The Recipient agrees to pay any and all costs connected with the Research including, without limitation, any and all Research Costs. If the Grant Funds are not sufficient to pay the Research Costs in full, the Recipient shall nonetheless complete the Research and pay that portion of the Research 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 Research 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 their designee; and
  - e. The Final Disbursement Request shall be clearly marked "FINAL DISBURSEMENT REQUEST" and shall be submitted NO LATER THAN JANUARY 31, 2019.
- (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 Project Director or their 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. Disbursement Requests must be complete and signed by the Recipient's Project Director or their designee. Research 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 Research 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 Research 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 Research 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 Research Completion. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon Research 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 Research 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 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 – GENERAL TERMS AND CONDITIONS

### C-1. Access and Public Records

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 Research site at all reasonable times during Research work. The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Research records and locations are public records including, but not limited to, all of the submissions accompanying the application, all of the documents incorporated by Exhibit A, and all reports, Disbursement Requests, and supporting documentation submitted hereunder.

### 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 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, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

### C-4. Audits and Accounting Standards

- (a) The Division may call for an audit of financial information relative to the Research if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit 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) The Recipient shall maintain accounts in accordance with GAAP as issued by the Governmental Accounting Standards Board or its successor. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports for the tracking of Grant Funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or the terms of this Agreement.

### C-5. Claims

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

### C-6. Competitive Bidding

The Recipient shall adhere to any applicable state 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 Research shall be led 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-7. Compliance with Law

The Recipient 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.

C-8. 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-9. Damages for Breach Affecting Tax-Exempt Status or Federal Compliance

In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, including bonds issued on behalf of the State Water Board, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach. In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the failure of Grant Funds to be used pursuant to the provisions of this Agreement, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C-10. Disputes

- (a) The Recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.
- (b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
- (c) The Recipient shall continue with the responsibilities under this Agreement during any dispute.
- (d) This Section 6 relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

C-11. [Reserved]

C-12. Governing Law

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

C-13. 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 costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

C-14. Indemnification and State Reviews

The parties agree that review or approval of Research plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Research. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, and any trustee, and their officers, employees, and agents, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Research or the conditions, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Research 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 Research; 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. 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. The provisions of this section shall survive the term of this Agreement and the discharge of the Recipient's obligation hereunder.

C-15. 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-16. Insurance

The Recipient shall maintain any insurance necessary to protect against losses that might disrupt or delay the Research or otherwise cause a material violation of this Agreement.

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, 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, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- (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 Obligation of the State

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

C-20. 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-21. Other Assistance

If funding for Research Costs is made available to the Recipient from sources other than this Agreement, the Recipient shall notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's local share of Research Costs. To the extent allowed by requirements of other funding sources, excess funding shall be remitted to the State Water Board.

C-22. Permits, Subcontracting, and Remedies

The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules and regulations. 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 the Research begins.

The Recipient shall not contract or allow subcontracting with excluded parties. The Recipient shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program

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

#### C-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 Research 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. Recipient's Responsibility for Work

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

#### C-27. Records

- (a) Without limitation of the requirement to maintain Research accounts in accordance with GAAP, the Recipient shall:
- (1) Establish an official file for the Research which adequately documents all significant actions relative to the Research;
  - (2) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Research, including all assistance funds received under this Agreement;
  - (3) Establish separate accounts which will adequately depict all income received which is attributable to the Research, specifically including any income attributable to assistance funds disbursed under this Agreement;

- (4) Establish an accounting system which will accurately depict final total costs of the Research, including both direct and indirect costs;
  - (5) 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
  - (6) If Force Account is used by the Recipient for any phase of the Research, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Research and the associated tasks performed by each employee. Indirect Force Account costs are not eligible for funding.
- (b) The Recipient shall maintain separate books, records and other material relative to the Research. The Recipient shall also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Research Completion. The Recipient shall require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Bureau of State Audits, or any authorized representatives of the aforementioned. The Recipient shall allow and shall require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section shall survive the term of this Agreement.

#### C-28. Related Litigation

Under no circumstances may the Recipient use Grant Funds from any disbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed Grant Funds plus interest in the event that Recipient does not complete the Research.

#### C-29. Reports

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

#### 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-Cutters

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

- (a) The Recipient certifies that it complies with and shall continue to comply with the State Water Board's Drought Emergency Water Conservation regulations in Article 22.5 of Chapter 2 of Division 3 of Title 23 of the California Code of Regulations.
- (b) If Recipient is a water diverter, Recipient must maintain compliance with Water Code section 5103, subdivision (e)(2)(A) by submitting monthly diversion reports to the Division of Water Rights of the State Water Board.
- (c) If Recipient is an "urban water supplier" as defined by Water Code section 10617, Recipient must charge each customer for actual water volume measured by water meter according to the requirements of Water Code sections 526 and 527. Section 527 further requires that such suppliers not subject to section 526 install water meters on all municipal and industrial service connections within their service area by 2025.
- (d) If Recipient is a state or local public agency and the proposed action is covered by the Delta Plan, Recipient must submit certification of project consistency with the Delta Plan to the Delta Stewardship Council according to the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- (e) 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-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 Research, 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 by written notice prior to Research Completion, at the option of the State Water Board, upon an Event of Default, or upon violation by the Recipient of any material provision of this Agreement 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 monies 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

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.

EXHIBIT D – SPECIAL CONDITIONS

1. If the Recipient is an "urban water supplier" as defined by Water Code section 10617, the Recipient certifies that the Recipient and this Research complies with the Urban Water Management Planning Act (Water Code, § 10610 et seq.). This shall constitute a condition precedent to this Agreement.
2. If the Recipient is an agricultural water supplier as defined by Water Code section 10608.12, the Recipient must comply with Agricultural Water Management Planning requirements as mandated by Water Code section 10852.
3. If the Recipient is an "urban water supplier" as defined by Water Code section 10617 or an "agricultural water supplier" as defined by Water Code section 10608.12, the Recipient must comply with water conservation measures established by SBx7-7 (Water Code section 10608.56).