

RESOLUTION NO. 2013-0017

Adopted by the Sacramento City Council

January 15, 2013

ENDORISING THE NEXT ECONOMY REGIONAL PROSPERITY PLAN AND AUTHORIZING THE CITY MANAGER TO ALIGN THE CITY OF SACRAMENTO ECONOMIC DEVELOPMENT EFFORTS IN SUPPORT OF ITS IMPLEMENTATION

BACKGROUND

- A. The Capital Region has experienced economic hardship and an associated lagging recovery as a result of the "Great Recession."
- B. Our economy competes and succeeds as a region.
- C. Our individual jurisdictions strive to work together to improve our region's economy to compete within the state, nation and international economies.
- D. The Next Economy is a regional effort to grow the \$97 billion annual Capital Region economy.
- E. Given the size and complexity of the challenges, economic development activities must be strategic and synchronized if they are to have lasting impact.
- F. Realizing that no single organization can accomplish the broad range of strategies and actions encompassed within the Next Economy; business, government leaders, educational institutions, not-for-profit economic development organizations and private industry must come together to positively impact our regional economy.
- G. The Next Economy is deliberately designed to invite direct participation from the broadest array of organizations.
- H. The public sector, as a leader and integral partner with the private sector in any regional economic development success, must be fully engaged.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City of Sacramento endorses the Next Economy Regional Prosperity Plan, which is attached as Exhibit A and is a part of this resolution.
- Section 2. The City Manager is authorized to actively engage in shaping and implementing the Next Economy Regional Prosperity Plan and to integrate it into the City of Sacramento's economic development strategies and activities.

Table of Contents:

Exhibit A - Next Economy Regional Prosperity Plan

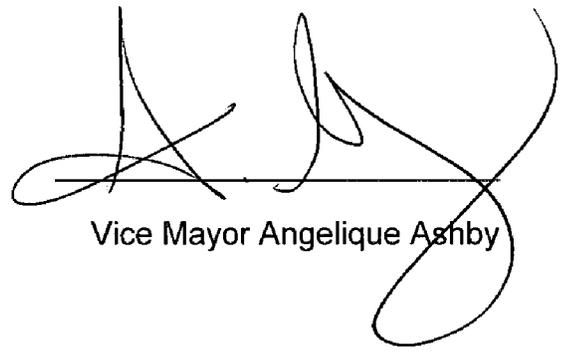
Adopted by the City of Sacramento City Council on January 15, 2013 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, Hansen, McCarty, Pannell, Schenirer, Warren, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Vice Mayor Angelique Ashby

Attest:



Shirley Concolino, City Clerk

nexteconomy

CAPITAL REGION PROSPERITY PLAN

CALL TO ACTION: Accelerate Job Creation and New Investment in California's Capital Region

Through this action-oriented Prosperity Plan, the Capital Region of California, covering El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties, joins together to pursue a competitive and strategic economic development agenda to bring about resiliency, vitality and a wide range of new opportunities for job creation, innovation and increased investment.

Next Economy is a business-led, volunteer-driven regional endeavor that strives to move a \$97 billion annual economy that has suffered economic hardship and a lagging recovery into one that is diversified, robust and sustainable. Recognizing that competition in today's global economy increasingly occurs at the regional level, and that the Region's economic advantages are narrowing under dated models, business leadership from the Sacramento Metro Chamber, the Sacramento Area Commerce and Trade Organization (SACTO), the Sacramento Regional Technology Alliance (SARTA) and Valley Vision launched **Next Economy** as a collective response. This initiative uncovers competitive strengths and maps out a set of interlocking strategies that can accelerate job and wealth creation and boost new investment across the Capital Region.

Given the size and complexity of the challenge, economic development activities must be strategic and synchronized if they are to have lasting impact. It is clear that broad based job creation efforts are necessary to revive economic health on a regional scale and that a series of independent, localized steps will not bring about true economic growth and prosperity for all.

More than a plan, **Next Economy** is a movement. It aims to align regional economic development activities and focus them for maximum impact. To do so, **Next Economy** poses a region-wide **CALL-TO-ACTION: Mobilize private industry, government, academic and civic leadership to focus on a set of common strategies and actions to accelerate job creation and new investment in California's Capital Region with the goals of supporting innovation and entrepreneurship, diversifying the regional economy, and improving the business climate for economic growth.**

Realizing that no single organization can accomplish the broad range of strategies and actions encompassed within the Prosperity Plan, **Next Economy** challenges government leaders, educational institutions, not-for-profit economic development organizations and private industry to initiate bold new approaches to bring about economic recovery and to actively work together to make those approaches succeed. In this way, **Next Economy** is deliberately designed to invite direct participation from the broadest array of organizations and people possible who are committed to widespread prosperity across the Region. This Prosperity Plan sets the stage to transform the Region's economy by mobilizing leaders around a **common playbook for action**, enabling organizations to select certain "plays" that suit their strengths and capabilities, and put them in action in ways that fit the needs of those they serve.

In the end, however, success lies in ensuring that **Next Economy** strategies and actions are deeply integrated into organizations' work plans with strong accountability mechanisms and champions across all segments of the Capital Region's leadership. We encourage you to take part in this important movement to accelerate job creation and investment and together we will move the Capital Region to the **Next Economy**.

Mark Otero | Susan Peters | Martha Lofgren | Jim Williams | Brice Harris | Craig McNamara
BioWare | Sacramento County | Brewer Lofgren | Williams Paddon | Los Rios | Sierra Orchards



Goals

The Capital Region Prosperity Plan lays out five overarching goals:

1. Foster a strong innovation environment
2. Amplify the Region's global market transactions
3. Diversify the economy through growth and support of core business clusters
4. Grow and maintain a world-class talent base
5. Improve the regional business climate for economic growth

A Unified Vision

By uniting job creating activities against a common vision and activating joint implementation of that vision, the Capital Region becomes poised to engender a new reputation. **Vision—***Within five years, the Capital Region will be widely regarded as a:*

1. Sought-after place for business growth, investment and entrepreneurship
2. Desirable place for an educated workforce and young professionals to live, study, work and contribute
3. Diverse economy renowned for its core business clusters and driven in large part by export activity

Strategic Economic Agenda

The Capital Region Prosperity Plan lays out five overarching goals and a set of associated long range objectives and action-oriented strategies designed to accelerate job creation and investment. To move the Region's Next Economy vision to reality, these objectives and strategies will be activated through a set of high-priority tactics and performance measures to be developed in coordination with regional stakeholders and organizations. Plan implementation is scheduled to begin in first quarter of 2013.

1. FOSTER A STRONG INNOVATION ENVIRONMENT

Objective 1:

BOLSTER UNIVERSITY TECHNOLOGY TRANSFER AND COMMERCIALIZATION

Strategies:

- ◆ Embed regional research, university technology transfer and entrepreneurship programs within the Region
- ◆ Identify regional industry needs and align university research capacity for new discoveries and emerging technologies
- ◆ Develop strong relationships between regional research universities and small business, financing, and incubator and accelerator programs and services on a region-wide basis
- ◆ Encourage linkages between researchers making discoveries with entrepreneurs and companies able to commercialize and deploy
- ◆ Explore opportunities for developing university-industry research centers around regional research strengths and core business clusters

Objective 2:

EXPAND ACCESS TO CAPITAL FOR HIGH GROWTH COMPANIES AND SMALL AND MEDIUM ENTERPRISES

Strategies:

- ◆ Establish a centralized access point for information about the sources of capital available across all stages of a company lifecycle
- ◆ Build new forms of debt and equity capital available to high-growth companies and small and medium enterprises
- ◆ Facilitate effective connections between funders and companies
- ◆ Strengthen relationships with external funding sources interested in regional deal opportunities
- ◆ Leverage public sector investment power to increase the level of regional investment

Objective 3:

BUILD A ROBUST NETWORK OF BUSINESS INCUBATOR AND ACCELERATOR SERVICES

Strategies:

- ◆ Link existing and emerging incubator and accelerator programs into a regional network
- ◆ Expand the scope and capacity of incubator and accelerator services based on potential market demand
- ◆ Connect emerging companies in the Region to appropriate components of the incubator and accelerator network
- ◆ Market the existence and outcomes of the incubator and accelerator network internally and externally
- ◆ Build a targeted retention effort focused on viable companies that have received incubator and accelerator services

2. AMPLIFY THE REGION'S GLOBAL MARKET TRANSACTIONS

Objective 1:

GROW INTERNATIONAL TRADE AND EXPORT ACTIVITY

Strategies:

- ◆ Build a comprehensive regional service provider network that offers effective business assistance, financing, and targeted support services for international trade
- ◆ Market the availability and outcomes of the service provider network internally and externally
- ◆ Develop an ongoing series of foreign trade missions exclusively designed for local company export promotion
- ◆ Form strategic relationships with international business networks, existing foreign companies and foreign government agencies to identify and support international trade opportunities
- ◆ Ensure the Region's transportation infrastructure has the capacity to increase global goods movement and passenger travel

Objective 2:

INCREASE THE LEVEL OF FOREIGN DIRECT INVESTMENT

Strategies:

- ◆ Enhance coordinated marketing efforts focused on foreign direct investment
- ◆ Create a diverse and effective group of lead generation resources for priority foreign direct investment targets
- ◆ Expand the amount and frequency of foreign trade trips targeting specific companies, industry trade shows, and business networks
- ◆ Develop a strategic network of service providers and regional leaders to assist with outreach efforts and foreign company prospects
- ◆ Market investment opportunities within the Region to potential foreign investors

3. DIVERSIFY THE ECONOMY THROUGH GROWTH AND SUPPORT OF CORE BUSINESS CLUSTERS

Objective 1:

FORM FUNCTIONAL BUSINESS NETWORKS AND ESTABLISH SPECIFIC CLUSTER INITIATIVES

Strategies:

- ◆ Recruit members from across the entire value chain including company leaders, universities and related service providers to form cluster alliance groups
- ◆ Perform ongoing cluster needs assessments and facilitate effective solutions
- ◆ Develop annual cluster alliance group priorities and action plans that focus on increased jobs and investment, drive implementation of needed growth activities, and monitor progress against stated annual objectives
- ◆ Maintain cluster-specific resource guides listing relevant regional programs, services, and providers

Objective 2:

CREATE AND ALIGN TARGETED PROGRAMS AND SERVICES TO SUPPORT CLUSTERS

Strategies:

- ◆ Develop marketing materials to build internal and external cluster visibility
- ◆ Align regional business attraction and retention programs with cluster opportunities
- ◆ Build targeted innovation and entrepreneurship resources for cluster activities

Capital Region Core Business Clusters

- ◆ Advanced Manufacturing
- ◆ Agriculture & Food
- ◆ Clean Energy Technology
- ◆ Education & Knowledge Creation
- ◆ Information & Communications Technology
- ◆ Life Sciences & Health Services

- ◆ Explore opportunities to create formal public-private partnerships to foster and grow cluster opportunities
- ◆ Facilitate new domestic business-to-business sales and foreign exports to increase economic base activities within core clusters
- ◆ Encourage the creation of local and regional incentives that support growth of primary jobs across core clusters and other industries
- ◆ Explore opportunities for import substitution to facilitate new supplier relationships within the Region and abroad

Objective 3:

BUILD STRONG ECONOMIC FOUNDATIONS FOR SUSTAINED CLUSTER GROWTH

Strategies:

- ◆ Align workforce development efforts to address current and anticipated gaps in labor supply and demand within the clusters
- ◆ Advocate for public policy at the state and local levels that supports conditions necessary for cluster growth
- ◆ Build a robust regional network of suppliers and service providers for effective cluster operations
- ◆ Address specialized facilities and infrastructure needs that strengthen connectivity required for cluster growth

4. GROW AND MAINTAIN A WORLD-CLASS TALENT BASE

Objective 1:

CREATE MECHANISMS TO ATTRACT NEW TALENT AND RETAIN EXISTING TALENT

Strategies:

- ◆ Establish connections between active young professionals groups throughout the Region and engage members as ambassadors in talent attraction and retention efforts
- ◆ Execute a talent attraction campaign targeting young professionals, experienced entrepreneurs, and high demand occupations and skills
- ◆ Implement a talent retention strategy focusing on students and recent graduates of regional education and training programs
- ◆ Develop mechanisms to better connect new, existing and prospective students and residents to career opportunities and lifestyle assets in the Region
- ◆ Invest in the Region's cultural infrastructure as a means to retain and attract talent

Objective 2:

ALIGN TRAINING AND EDUCATION PATHWAYS TO INCREASE ECONOMIC PROSPERITY FOR BUSINESSES AND WORKERS

Strategies:

- ◆ Mobilize the community to advance and support continued investment in education and related infrastructure
- ◆ Develop critical career pathways that align with core business clusters across all education and training levels
- ◆ Address critical gaps in workforce supply and demand across core business clusters and other large industry sectors
- ◆ Track regional benchmarks for education and evaluate feasible strategies to improve performance and student outcomes
- ◆ Ensure that education curriculum and specialized training programs focus on developing and sustaining the Region's diverse ethnic workforce

5. IMPROVE THE REGIONAL BUSINESS CLIMATE FOR ECONOMIC GROWTH

Objective 1:

REMOVE ECONOMIC AND REGULATORY BARRIERS TO STIMULATE GROWTH

Strategies:

- ◆ Educate elected officials and local government about business climate issues and devise permitting policies and procedures that are streamlined and predictable across all local jurisdictions in the Region
- ◆ Establish an effective system to head off business relocation and to respond to company-specific local-level regulatory issues
- ◆ Identify the most important obstacles facing entrepreneurs and the business community at large
- ◆ Coordinate the Region's business advocacy efforts to influence a reduction of regulatory barriers at the local, state and federal levels to improve the Region's business climate
- ◆ Establish alliances among the business community, other regions across the state and special interest groups to coordinate solutions to regulatory barriers and influence state policy

Objective 2:

AMPLIFY THE REGION'S REPUTATION AND VISIBILITY AMONG KEY AUDIENCES

Strategies:

- ◆ Mobilize a set of inter-locking campaigns, aligned with the Next Economy vision, that solidify the Region's reputation as the economic, cultural and recreational capital of the State of California
- ◆ Establish a media partner network committed to publishing content that celebrates local and regional achievements internally and externally
- ◆ Establish a mechanism for collecting, assembling, coordinating and disseminating key messages and celebratory content

Objective 3:

INTENSIFY ECONOMIC DEVELOPMENT ACTIVITIES THAT DRIVE GROWTH AND INVESTMENT

Strategies:

- ◆ Build a significant fund that can be used to directly invest in competitive new company locations or expansions that create high value jobs
- ◆ Establish a formal, region-wide system to retain local companies and good quality jobs
- ◆ Prioritize Next Economy strategies and identify strategic and coordinated funding sources for implementation of actions that offer anticipated high job and wealth creation outcomes
- ◆ Pursue opportunities with state agencies and departments that result in increased investment, procurement, and/or private-sector job creation
- ◆ Educate the public and investors about the Region's economic development activities, the value they offer and the job and wealth creation opportunities they can garner

Objective 4:

DEVELOP A NEXT ECONOMY GOVERNANCE STRUCTURE THAT ENSURES IMPLEMENTATION AND ACCOUNTABILITY

Strategies:

- ◆ Align strategic objectives of Capital Region non-profit organizations with a goal of collaborating on Next Economy implementation strategies
- ◆ Obtain endorsement of Next Economy implementation strategies by cities and counties in the Capital Region and coordinate Next Economy implementation strategies with public agency partners
- ◆ Enact a formal Agreement among principal organizations specifying roles and performance obligations toward Next Economy execution
- ◆ Track implementation progress, manage accountability, report regularly, celebrate successes and adjust strategies and actions as necessary for efficiency and maximum return on investment for economic development activities
- ◆ Examine merits associated with completion of a region-wide Comprehensive Economic Development Strategy (CEDs)

-END-



City of Sacramento

Tax ID # if applicable:

Requires Council Approval: No YES Meeting:

Real Estate

Other Party Signature Needed

Recording Requested

General Information

Type: Grant Agreement PO Type: Formal \$ Not to Exceed: \$6,210,151.00	Attachment: No.: Original Doc Number: .
Other Party: State of CA – Department of Water Resources	Certified Copies of Document:
Project Name: Proposition 1E Round 1 - Stormwater Flood Management Grant Agreement#4600009626	Deed: <input type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number: 14001011 Bid Transaction #.	E/SBE-DBE-M/WBE:

Department Information

Department: Utilities

Division: Business Svcs Division

Project Mgr: Jenny Simpson

Div Mgr: Jamille Moens

Phone Number: 916-808-1463

Org Number: 14001611

Comment:

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	—	—
Contract Services:	AA	10/22/12
Supervisor:	—	—
Division Manager:	[Signature]	11/14/12
City Attorney	Signature or Initial	Date
City Attorney:	[Signature]	10/31/12

For City Clerk Processing Finalized:
Initial:
Date:

Imaged:
Initial:
Date:

Received:
(City Clerk Stamp Here)
NOV 10 P 2:12


 Title: Stormwater Flood Mgmt Grant
 Other Party: State of CA-Dept Water Resources
2012-1008

RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO

Send Interoffice Mail
TO: Annette Atkins, 13800

Notify for Pick Up

Authorization	Signature or Initial	Date
Dave Brent, Interim Utilities Department Director:	[Signature]	11/19/12
City Mgr: yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	[Signature]	12-3-12

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

APPROVED AS TO FORM:



CITY ATTORNEY

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



2012-1008



Title: Stormwater Flood Mgmt Grant
Other Party: State of CA-Dept Water Resource

October 15, 2012

Mr. John F. Shirey
City Manager
City of Sacramento
915 I Street, 5th Floor
Sacramento, California 95814

[COPY]

**Proposition 1E - Round 1- Stormwater Flood Management Grant; Agreement
No.4600009626**

Dear Mr. Shirey:

Enclosed for your signature is one original copy, including three signature pages, of Agreement Number: 4600009626 for a Stormwater Flood Management grant funded under Proposition 1E. The total proposal cost is estimated to be \$13,953,575 with a grant amount of \$6,210,151.

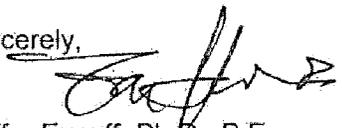
Reimbursement for costs that your Agency incurs under this grant is contingent upon the execution of the agreement and your Agency's ability to meet all requirements for disbursement of funds pursuant to it. Please **sign and date all three (3) copies of the signature pages** and **return all three (3) copies** with original signatures and the enclosed grant to:

Department of Water Resources
1416 Ninth Street, P. O. Box 942836
Sacramento, CA 94236-0001
Attn: Loi Nguyen

The Agreement is executed when it is signed by the state's representative. The Grantee is responsible for meeting all Standard Conditions and Requirements in the Agreement, which will be reviewed by DWR, including compliance with CEQA/NEPA. Upon execution, a signed copy of the Agreement will be provided to you.

If you have any questions, please contact Monica Reis, Project Manager at 916-651-9291 or mreis@water.ca.gov.

Sincerely,


Zaffar Eusuff, Ph.D., P.E.
Program Manager
Implementation Grants Section
Financial Assistance Branch
Division of Integrated Regional Water Management

Enclosures

cc: Monica Reis

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
CITY OF SACRAMENTO 4600009626
PROPOSITION 1E ROUND 1 STORMWATER FLOOD MANAGEMENT GRANTS
CALIFORNIA WATER CODE §83002 and PUBLIC RESOURCES CODE §5096.827 ET SEQ**

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the City of Sacramento, a public agency in the County of Sacramento, State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee", which parties do hereby agree as follows:

1. PURPOSE. State shall provide a grant from the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Public Resources Code (PRC) §5096.827 et seq.) to Grantee to assist in financing the project associated with the American River Basin IRWM Stormwater Flood Management Grant Proposal – Downtown Combined Sewer Upsizing Project for the Stormwater Flood Management (SWFM) Program, collectively referred to as "SWFM Program."
2. TERM OF GRANT AGREEMENT. The term of this Grant Agreement begins on the date this Grant Agreement is executed by the State, and terminates on June 30, 2015, or when all of the Parties' obligations under this Grant Agreement are fully satisfied, whichever occurs earlier. Execution date is the date the State signs this Grant Agreement indicated on page 8.
3. GRANT AMOUNT. The maximum amount payable by State under this Grant Agreement shall not exceed \$6,210,151. Reimbursement of grant funds may be claimed after December 21, 2011.
4. GRANTEE COST SHARE. The reasonable costs for this Grant Agreement are estimated to be \$13,953,575. Grantee shall provide a Cost Share (Funding Match) in the amount of at least 50% of the total project cost. Grantee's Funding Match is estimated to be \$7,743,424. Grantee's Funding Match may include cost share performed after September 30, 2008. Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties involved) directly related to the execution of the scope of work (examples: volunteer services, equipment use, and facilities). For Funding Match guidance, see Exhibit G.
5. GRANTEE'S RESPONSIBILITY. Grantee shall faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Schedule) and Exhibit C (Budget). Grantee shall comply with all of the terms and conditions of this Grant Agreement and applicable PRC and CWC requirements.
6. BASIC CONDITIONS. State shall have no obligation to disburse money for a project under this Grant Agreement unless and until Grantee has satisfied the following conditions in accordance with the Disaster Preparedness and Flood Prevention Bond Act of 2006.
 - a) Grantee demonstrates the availability of sufficient funds to complete the project, as stated in the Grant Award/Commitment Letter, by submitting the most recent 3 years of audited financial statements.
 - b) For the term of this Grant Agreement, Grantee submits timely Quarterly Progress Reports as required by Paragraph 16, "Submission of Reports."
 - c) Grantee submits all deliverables as specified in Paragraph 16 of this Grant Agreement and in Exhibit A.
 - d) For each project, prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:
 - 1) Final plans and specifications certified by a California Registered Civil Engineer as to compliance for each approved project as listed in Exhibit A of this Grant Agreement.
 - 2) Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
 - i. Grantee submits all applicable environmental permits as indicated on the Environmental Information Form to the State,
 - ii. Documents that satisfy the CEQA process are received by the State,
 - iii. State has completed its CEQA compliance review as a Responsible Agency, and
 - iv. Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations, or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

- 3) A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."
7. DISBURSEMENT OF GRANT FUNDS. Following the review of each invoice, State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Funds will be disbursed by State in response to each approved invoice in accordance with the Exhibit C. Any and all money disbursed to Grantee under this Grant Agreement and any and all interest earned by Grantee on such money shall be used solely to pay Eligible Costs.
8. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit C. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Work performed after the date of grant award, December 21, 2011, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions and implementation. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including the portion of overhead and administrative expenses that are directly related to the project included in this Grant Agreement in accordance with the standard accounting practices of the Grantee.

Advanced funds will not be provided. Costs that are not reimbursable with grant funds cannot be counted as cost share. Costs that are not eligible for reimbursement include but are not limited to:

 - a) Costs, other than those noted above, incurred prior to the award date of the Grant.
 - b) Operation and maintenance costs, including post construction performance and monitoring costs.
 - c) Purchase of equipment not an integral part of a project.
 - d) Establishing a reserve fund.
 - e) Purchase of water supply.
 - f) Monitoring and assessment costs for efforts required after project construction is complete.
 - g) Replacement of existing funding sources for ongoing programs.
 - h) Travel and per diem costs.
 - i) Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
 - j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of the grant award with the State.
 - k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Grantee Cost Share (i.e. Funding Match)
 - l) Overhead not directly related to project costs.
9. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 6 "Basic Conditions" are met, State will disburse the whole or portions of the Grant Amount to Grantee, following receipt from Grantee of an invoice for costs incurred, and timely Quarterly Progress Reports as required by Paragraph 16, "Submission of Reports."

Invoices submitted by Grantee shall include the following information:

- a) Costs incurred for work performed in implementing the project during the period identified in the particular invoice.
- b) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- c) Appropriate receipts and reports for all costs incurred.
- d) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - 1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - 2) Invoices must be itemized based on the categories (i.e., tasks) specified in the Exhibit C. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - 3) One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - 4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's grant amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent Grantee's costs, as applicable, in Paragraph 4, "Grantee Cost Share."
 - 5) Original signature and date (in ink) of Grantee's Project Manager.

Payment will be made no more frequent than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Submit one original invoice packet to the following address and upload one digital copy of the invoice packet to BMS.

California Department of Water Resources
 Monica Reis
 Division of Integrated Regional Water Management
 Financial Assistance Branch

U.S. Postal Service
 P.O. Box 942836
 Sacramento, CA 94236

Other Delivery Service
 1416 9th Street, Room 338
 Sacramento, CA 95814

Hand Delivery
 901 P Street, Lobby
 Sacramento, CA 95814

10. WITHHOLDING OF GRANT DISBURSEMENT BY STATE. If State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the Grant Amount and take any other action that it deems necessary to protect its interests. State may require the Grantee to immediately repay all or any portion of the disbursed grant amount with interest, consistent with its determination. State may consider Grantee's refusal to repay the requested disbursed grant amount a contract breach subject to the default provisions in Paragraph 12, "Default Provisions."
11. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirements to remain eligible to receive State grant funds:
 - a) Timely adoption of an IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with Section 10530.
 - b) An urban water supplier that receives grant funds governed by this Grant Agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 et. seq.);
12. DEFAULT PROVISIONS. Grantee will be in default under this Grant Agreement if any of the following occur:
 - a) Breach of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - b) Making any false warranty, representation, or statement with respect to this Grant Agreement.
 - c) Failure to operate or maintain project in accordance with this Grant Agreement.

- d) Failure to make any remittance required by this Grant Agreement.
- e) Failure to comply with Labor Compliance Plan (LCP) requirements.
- f) Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

Should an event of default occur, State may do any or all of the following:

- g) Declare the Grant be immediately repaid, with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- h) Terminate any obligation to make future payments to Grantee.
- i) Terminate the Grant Agreement.
- j) Take any other action that it deems necessary to protect its interests.

13. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS: Grantee shall be responsible for ensuring any and all permits, licenses, and approvals required for performing their obligations under this Grant Agreement are obtained, and shall comply with CEQA (PRC Section 21000 et seq.) and other applicable federal, State and local laws, rules, and regulations, guidelines, and requirements for each project described in Exhibit A of this Grant Agreement.
14. RELATIONSHIP OF PARTIES. Grantee is solely responsible for design, construction, and operation and maintenance of project within this Grant Agreement. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of grant funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Grant Agreement.
15. GRANTEE REPRESENTATIONS. Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all written assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for The Disaster Preparedness and Flood Prevention Bond Act of 2006 financing.
16. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proof read for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted in both electronic and hard copy forms. If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.
- Quarterly Progress Reports: Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be sent via e-mail, to the State's Project Manager. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report should be submitted to the State no later than November 30, 2012 with future reports then due on successive three-month increments based on the invoicing schedule and this date. Quarters for this contract are designated as follows: May 1 – July 31, August 1 – October 31, November 1 – January 31, and February 1– April 30. Reports are due 30 days after the last month of the report period.
 - Project Completion Reports: Grantee shall prepare and submit to State a separate Project Completion Report for each project included in Exhibit A. Grantee shall submit a Project Completion Report within ninety (90) calendar days of project completion. Each Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to each project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project, and how the project will further the goals of the IRWM Plan and identify any changes to the IRWM Plan, as a result of project implementation. The Project Completion Report shall also include, if applicable, certification of final project by a registered civil engineer, consistent with

Standard Condition D-15, "Final Inspections and Certification of Registered Civil Engineer." A DWR "Certification of Project Completion" form will be provided by the State.

- Post-Performance Reports: Grantee shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed project begins operation.

17. PROJECT PERFORMANCE AND ASSURANCES. Grantee agrees to faithfully and expeditiously perform or cause to be performed all project work as described in the final plans and specifications for each project under this Grant Agreement and implement the project in accordance with applicable provisions of the law. In the event State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.
18. LABOR COMPLIANCE. Grantee agrees to comply with all applicable California Labor Code requirements, including prevailing wage provisions.
19. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation project and in consideration of the Grant made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee may be excused from operations and maintenance only upon the written approval of the State. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the project in accordance with this provision may, at the option of State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 12, "Default Provisions."
20. STATEWIDE MONITORING REQUIREMENTS. Grantee shall ensure that all projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of CWC) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board.
21. PROJECT MONITORING PLAN REQUIREMENTS. Exhibit A of this Grant Agreement shall contain activities to develop and submit to State a Project Monitoring Plan. Along with the Attachment 6 Project Performance Measures Table requirements outlined on page 19 of the Proposition 1E Round 1 SWFM Proposal Solicitation Package, the Project Monitoring Plan should also include:
 - a) Baseline conditions.
 - b) Brief discussion of monitoring systems to be utilized.
 - c) Methodology of monitoring.
 - d) Frequency of monitoring.
 - e) Location of monitoring points.

A Project Monitoring Plan shall be submitted to the State prior to disbursement of grant funds for construction or monitoring activities. See Exhibit F ("Requirements for Data Submittal") for web links and information regarding other State monitoring and data reporting requirements.

22. NOTIFICATION OF STATE. For each project, Grantee shall promptly notify State, in writing, of the following items:
- Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. See Exhibit G for guidance on Agreement Amendment requirements.
 - Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 - Completion of work shall include final inspection of project by a Registered Civil Engineer, as determined and required by State, and in accordance with Standard Condition D-15 (Final Inspections and Certification of Registered Civil Engineer). Furthermore, the Grantee shall provide the State the opportunity to participate in the inspection. Grantee shall make such notification at least fourteen (14) calendar days prior to the final inspection.
23. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by electronic means. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
24. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.
25. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources
Paula Landis
Chief, Division of IRWM
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9220
e-mail: plandis@water.ca.gov

City of Sacramento
John F. Shirey
City Manager
915 I Street, 5th Floor
Sacramento, CA 95814
Phone: (916) 808-5704
e-mail: shirey@cityofsacramento.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Monica Reis
Division of Integrated Regional
Water Management
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9291
e-mail: mreis@water.ca.gov

City of Sacramento
Department of Utilities
Brett Grant
Supervising Engineer
1395 35th Avenue
Sacramento, CA 95822
Phone: (916) 808-1413
e-mail: BGrant@cityofsacramento.org

Either party may change its Project Representative or Project Manager upon written notice to the other party.

26. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Schedule
- Exhibit C – Budget
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Requirements for Data Submittal
- Exhibit G – Guidelines for Grantees
- Exhibit H – Grantee Resolution

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

CITY OF SACRAMENTO

Paula J. Landis, P.E., Chief
Division of Integrated Regional Water
Management
Date _____

John F. Shirey
City Manager
Date _____

Approved as to Legal Form and Sufficiency

Spencer Kenner, Assistant Chief Counsel
Office of Chief Counsel

Date _____

EXHIBIT A WORK PLAN

Introduction

The downtown area of the City of Sacramento is serviced with a combined sewer system. This is a type of sewer system in which domestic sewage, commercial and industrial wastewater, and surface runoff are conveyed in a single pipeline. Unlike separate storm and sewer systems, when flows in combined sewers become too great due to stormwater runoff, combined runoff and sewage spills onto public streets, private property, and into receiving waterways without prior treatment.

Work on improvements to the combined sewer system in downtown Sacramento has been ongoing since 1990. For purposes of this Agreement, seven phases of the Combined System Downtown Sewers Upsizing Project are included. Costs associated with each of these phases incurred after September 30, 2008 are included in this Project. The following three phases have been completed:

- J/K Alley Sewer project from 9th to 11th Street (J/K Alley),
- 5th Street Sewer project from U to P Street (5th Street),
- S Street Sewer project from 7th to 14th Street (S Street - 7th to 14th).

The following four phases are in various stages of design/construction:

- S Street Sewer project from 14th to 17th Street (S Street - 14th to 17th),
- P Street Sewer project from 5th to 7th Street (P Street),
- 7th Street Sewer project from P to K Street, and L Street from 7th to 9th Street (7th Street),
- 9th Street Sewer project from L to G Street (9th Street).

The goal of the project is to reduce the number of combined sewer overflows to the Sacramento River and reduce flooding of combined sewage discharges in the downtown area of Sacramento. This project meets multiple planning objectives: reduced localized flooding and its resulting flood damage, improved water quality in the Sacramento River (the source of drinking water for millions of Californians), and protecting public health by reducing the likelihood and volume of diluted sewage on streets and properties.

Budget Category (a): Direct Project Administration Costs

Direct project administration costs include invoice preparation, communications with the California Department of Water Resources (DWR), and City Council communications, Labor Compliance Program (LCP) implementation, and reporting (quarterly reports and final report).

Task 1: Administration

Administration includes City Council communications, project status meetings, communications with DWR, contractors and various City agencies for four phases: S Street – 14th to 17th, P Street, 7th Street, and 9th Street.

Project administration costs for previously completed phases, J/K Alley, 5th Street, S Street - 7th to 14th, are part of the project, but paid for outside this agreement.

Task 1 Deliverables:

- Meeting minutes

Task 2: Labor Compliance Program

The City of Sacramento has extensive experience complying with labor regulations. As a result of the recent changes to these regulations, the City has been working with the State to revise its certified labor compliance program (LCP). In the mean time, the City will meet the updated labor compliance regulations through cooperation with the State. Labor compliance includes, at a minimum, monitoring and preparation of summary and status reports, receiving, reviewing and processing certified payroll reports, conducting interviews, as well as collecting, reviewing, and processing other data. Annual reports to the Department of Industrial Relations (DIR) will be prepared and submitted. Since previously completed phases of this Project did not have State funding, labor compliance may have been handled differently. Therefore, labor compliance will be provided for the ongoing phases: S Street – 14th to 17th, P Street, 7th Street, and 9th Street. The annual report prepared for DIR will be provided in portable document format (pdf) as proof of the LCP.

Task 2 Deliverables:

- Electronic copy of annual report prepared for DIR

Task 3: Reporting

Quarterly reports will be prepared assessing the progress and accomplishments of the Downtown Combined Sewers Upsizing Project. Quarterly reports will include invoicing for expenses during that quarter.

A project completion report will be prepared at the end of the project and will include a final invoice for expenses. The City will keep all records and documents pertaining to the project for three years after completion of the Project.

Task 3 Deliverables:

- Quarterly reports
- Project completion report
- Invoice preparation

Budget Category (b): Land Purchase/Easement

All of the proposed improvements for the Downtown Combined Sewers Upsizing Project will take place within City maintained Right-of-Way. Accordingly, the City will not need to purchase land or obtain easements.

Budget Category (c): Planning/Design/Engineering/Environmental Documentation

Costs associated with design, final design, engineering field investigations, and preparation of environmental documentation are included in this budget category. The City does not anticipate that a general state stormwater NPDES permit will be required for any phase of the project as the construction zone for each phase is less than an acre. No other permits should be necessary for this project although the contractor may need to make arrangements with adjoining property owners and/or the Sacramento Regional Transit District concerning access to private parking and working near light rail tracks.

Task 4: Assessment and Evaluation

All planning work (assessment and evaluation) for J/K Alley, 5th Street, S Street - 7th to 14th, S Street - 14th to 17th, P Street and 7th Street was completed prior to September 30, 2008 and is not included as part of this Agreement.

The only costs associated with planning are for 9th Street, which is currently underway and for development of a Project Performance Monitoring Plan. The objective of the 9th Street planning work is to identify potential fatal flaws, develop alternatives for overcoming the fatal flaws, identify and locate interferences that would impede construction, prepare preliminary capital cost estimates, and to prepare conceptual plans and profiles that would enable the City to proceed with detailed design and construction.

The Project Performance Monitoring Plan will be prepared to:

- Provide a framework for assessment and evaluation of project performance.
- Identify measures that can be used to monitor progress toward achieving project goals.
- Provide a tool to monitor and measure project process and guide final project performance reporting that will fulfill grant agreement requirements.
- Provide information to help improve current and future projects.
- Maximize the value of public expenditures to achieve desired environmental results.

The monitoring measures will direct longer-term project monitoring to ensure successful project implementation and operation.

Task 4 Deliverables:

- Project Report documenting the completion of the conceptual design for 9th Street
- Project Performance Monitoring Plan

Task 5: Final Design

The Final design for each phase is included in this Agreement. The phases J/K Alley, 5th Street, S Street - 7th to 14th, and S Street - 14th to 17th have completed the design process. Design for P Street, 7th Street, and 9th Street will be completed prior to construction. The design for each phase has been, and will be performed by City staff.

During design, ASTM Construction Standards and Occupational Safety and Health Administration (OSHA) regulations and industry standard practice will be used as construction standards and health and safety standards. City of Sacramento standards for earthwork, traffic control, pipe construction, tree mitigation, etc. will be followed and permits, if warranted, acquired. The City's Stormwater Management Manual has, and will be followed.

Task 5 Deliverables:

- Final Plans and Specifications – J/K Alley, 5th Street, S Street – 7th to 14th, S Street – 14th to 17th, P Street, 7th Street, and 9th Street

Task 6: Environmental Documentation

The City Council certified an environmental impact report (EIR) for the Combined Sewer System Rehabilitation and Improvement Plan (CSS Plan) on March 11, 1997 (Resolution No. 97-123). Costs associated with the preparation of the original EIR are not included in this Agreement.

Any environmental work performed after September 30, 2008 for all seven phases is included in this Agreement. Consistent with the CEQA Guidelines, the City will prepare an Addendum to the CSS EIR to identify and evaluate the impacts associated with the remaining phases (7th Street and 9th Street), including a section on greenhouse gasses. Upon approval of each phase, the City will file the environmental notice with the Sacramento County Clerk's Office and the Governor's Office of Planning and Research, State Clearinghouse as necessary.

Task 6 Deliverables:

- CEQA Notice of Exemption for J/K Alley
- CEQA Notice of Exemption for 5th Street
- CEQA Notice of Exemption and NEPA Notice of Exclusion for S Street – 7th to 14th Street
- CEQA Notice of Exemption for S Street – 14th to 17th Street
- CEQA Notice of Exemption and NEPA Notice of Exclusion for P Street
- Addendum to the CSS Plan EIR for 7th & 9th Street
- Notice of Determination for 7th Street
- Notice of Determination for 9th Street

Budget Category (d): Construction/Implementation

Task 7: Construction

Costs associated with construction of each phase of this project J/K Alley, 5th Street, and S Street - 7th to 14th, S Street - 14th to 17th, P Street, 7th Street, and 9th Street, including labor, equipment and materials are included in this Agreement. Since the proposed Project phases involve combined sewer pipe that conveys both sanitary sewer and stormwater, construction is generally slowed or halted in the winter months due to the increased inflows from storm runoff. Construction includes mobilization and site preparation, project construction, and demobilization.

Upon receipt of the Notice To Proceed, the contractor and City Staff will begin mobilization and site preparation activities. These activities will include potholing of existing utilities within the project alignment, sawcutting existing pavement, instituting tree protection measures, if warranted, following all prescribed water quality requirements, and moving all necessary equipment and supplies to the project area.

Following completion of all site preparation and mobilization, the contractor will perform project construction activities for each project phase. This includes the removal of pavement in the pipe trench area, trench excavations, dewatering, shoring, relocation of other conflicting utilities, removal and disposal of existing pipe and manholes, placement of new pipe and manholes, backfilling of trench, and restoration of the pavement surface.

Prior to final surface restoration, the contractor shall inspect the pipeline utilizing closed-circuit-television (CCTV) inspection techniques in order to check the line and grade of the pipe and manholes. Upon acceptance, the contractor will complete surface restoration and any outstanding punchlist items. With all work complete, the contractor will remove materials and equipment and vacate the project site.

Task 7 is broken down into subtasks per phase of the project. Specific construction information is described below for each subtask:

Previously completed phases:

Task 7.1 - J/K Alley: Replace approximately 761 LF of combined sewer (CS) pipe with 15-inch and 18-inch CS pipe and appurtenances, construct six manholes and other associated work.

Task 7.2 - 5th Street: Construct approximately 2,150 LF of 72-inch and 60-inch CS pipe and appurtenances, construct 10 manholes, one inverted siphon, 12 drain inlets and other associated work.

Task 7.3 - S Street - 7th to 14th: Construct approximately 2,911 LF of 54-inch, 66-inch, 72-inch, and 84-inch CS pipe and appurtenances, construct eight manholes, one junction structure and other associated work.

Ongoing phases:

Task 7.4 - S Street - 14th to 17th Street: Construct approximately 1,152 LF of 54-inch, and 66-inch CS pipe and appurtenances, construct four manholes, 12 drain inlets and other associated work.

Task 7.5 - P Street: Construct approximately 860 LF of 72-inch and 60-inch (CS) pipe and appurtenances, construct six manholes and other associated work.

Task 7.6 - 7th Street: Replace approximately 2,990 LF of existing CS pipe with 72-inch and 60-inch CS pipe and appurtenances, construct 16 manholes and other associated work.

Task 7.7 - 9th Street: Replace approximately 2,130 LF of existing CS pipe with 60-inch CS pipe and appurtenances, construct 15 manholes and other associated work.

Location of construction work is shown by phase in Figure 1.

Task 7 Deliverables:

- Certification of Project by Registered Civil Engineer

Budget Category (e): Environmental Compliance/Mitigation/Enhancement

No costs associated with Environmental Compliance, Mitigation or Enhancement are anticipated at this time.

Budget Category (f): Construction Administration**Task 8: Construction Administration**

Construction Administration includes preparing RFP's, reviewing bids, and issuing Notice of Award, and Notice to Proceed. In addition, other construction management services and administrative activities relating to project implementation are included in this task. General contract administration, as well as field inspection, was performed by City staff for previously completed phases and will be performed by City staff for remaining phases of the Project.

During construction activities, City staff performs required inspections and materials testing and monitoring. Inspections include verifying trench width and depth, materials used on the project, trench/excavation stability, line and grade of pipe and manholes, and trench backfill materials and process. Materials testing and monitoring will include earthwork compaction testing, concrete strength, and air testing for leakage of pipe joints. This task includes final inspection and project certification

Construction management for all phases of the project includes the following items:

- Review contractor's schedule and make recommendations
- Manage and coordinate all project inquiries, serve as focal point
- Manage and coordinate all contractor correspondence
- Maintain detailed project records
- Receive, log, and distribute all submittals for review
- Coordinate & perform construction staking
- Perform construction inspection
- Perform soils and materials testing
- Inspect completed construction
- Process construction change orders
- Recommend final payment and submit all project files for archiving
- Other construction administration and construction management activities as needed

Task 8 Deliverables:

- Notices of Award for J/K Alley, 5th Street, S Street – 7th to 14th, S Street – 14th to 17th, P Street, 7th Street, 9th Street
- Notices to Proceed for J/K Alley, 5th Street, S Street – 7th to 14th, S Street – 14th to 17th, P Street, 7th Street, 9th Street
- PE Certification that all phases have been built per the plans and specs.

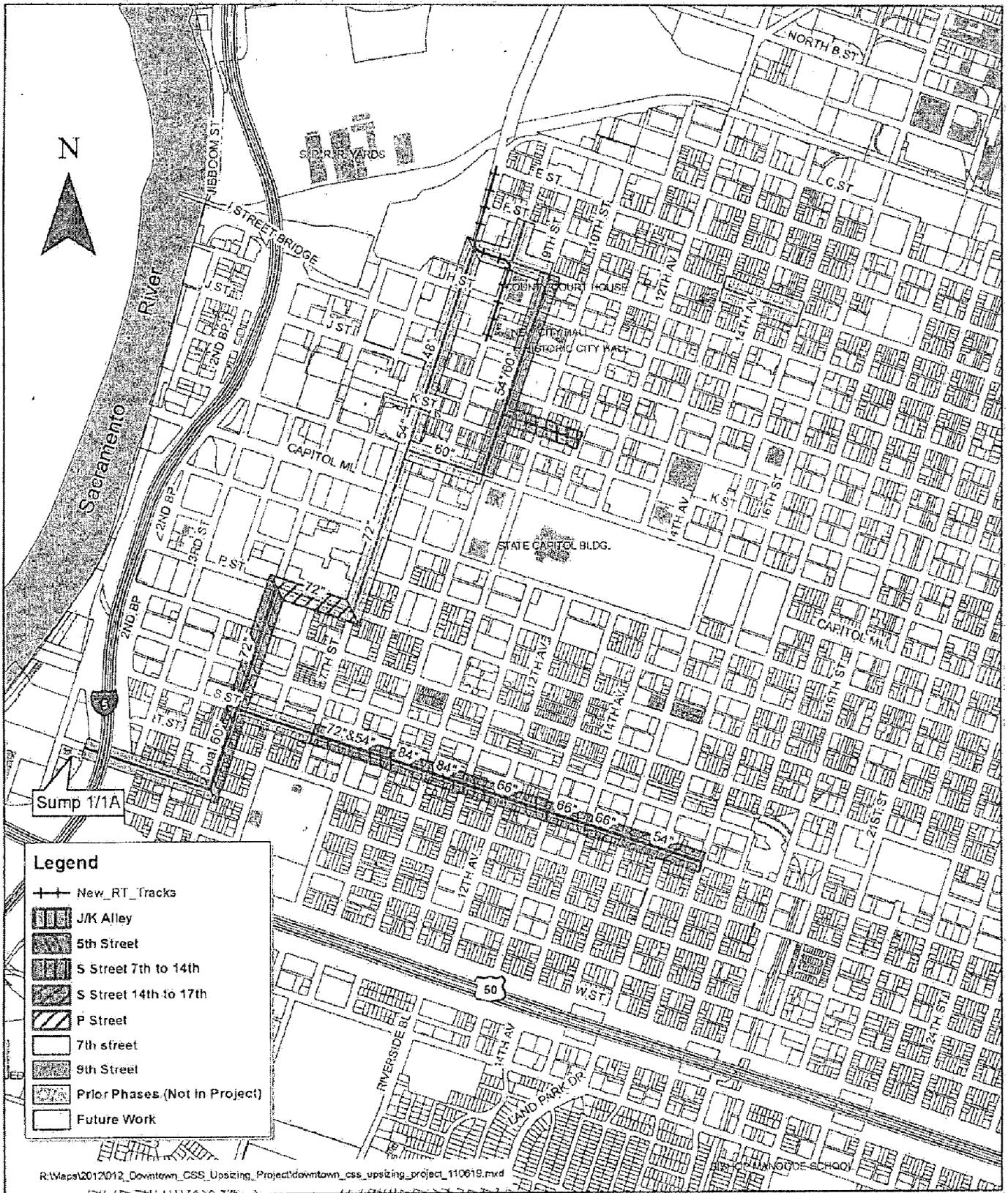
Budget Category (g): Other Costs

No Other Costs are anticipated at this time.

Budget Category (h): Construction/ Implementation Contingency

A construction/implementation contingency of 5% will be used for S Street - 14th to 17th and P Street, and 10% will be used for 7th Street and 9th Street. These percentages are based on previous projects and the design state of each Project phase.

Figure 1: Location of Downtown Combined Sewer Upsizing Project



**EXHIBIT B
SCHEDULE**

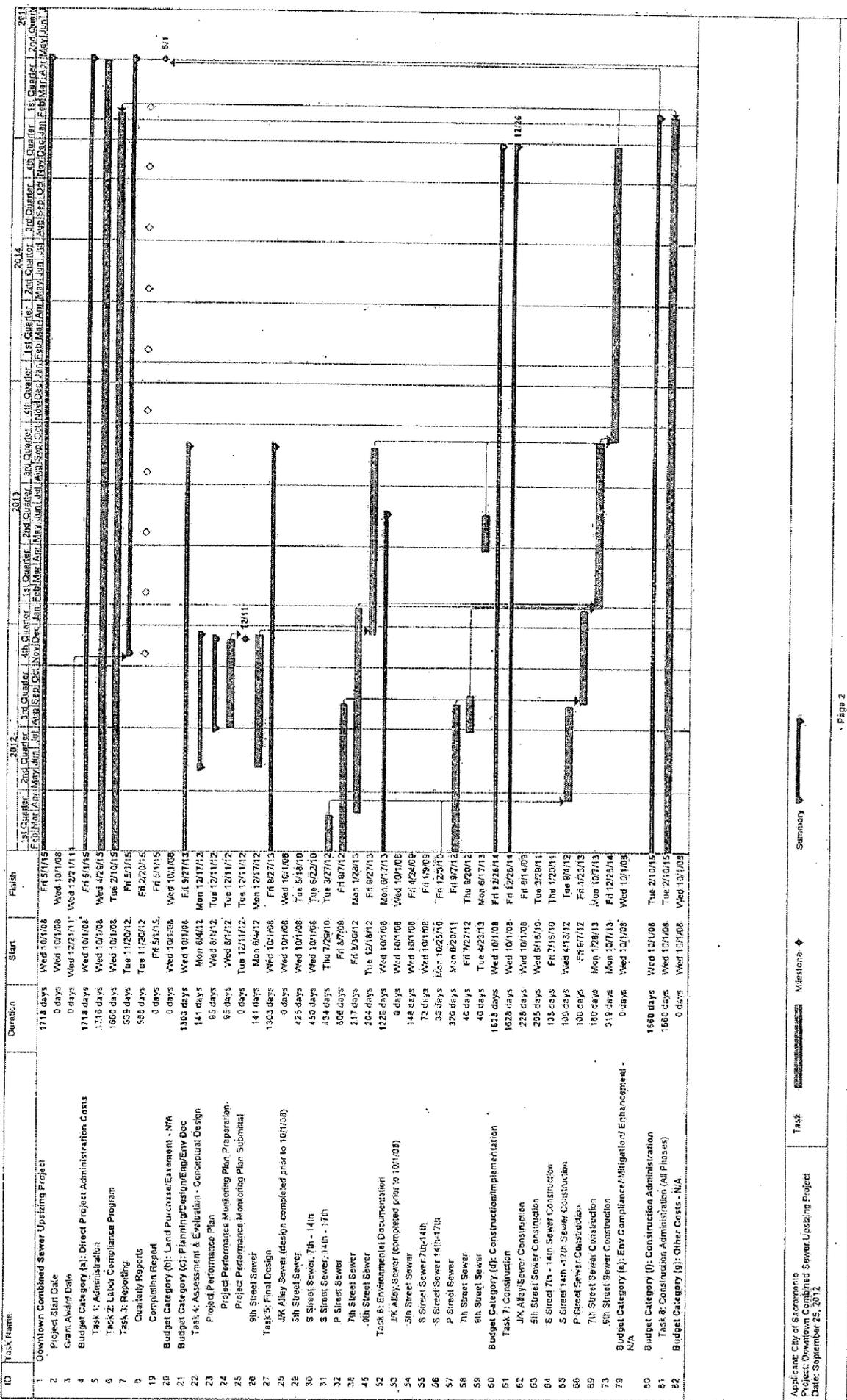
ID	Task Name	Duration	Start	Finish	2009	2010
1	DownTown Combined Sewer Upgrading Project	1718 days	Wed 10/1/08	Fri 5/11/16	Q1: Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec	Q1: Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
2	Project Start Date	0 days	Wed 10/1/08	Wed 10/1/08		
3	Grant Award Date	0 days	Wed 12/21/11	Wed 12/21/11		
4	Budget Category (A): Direct Project Administration Costs	1718 days	Wed 10/1/08	Fri 5/11/16		
5	Task 1: Administration	1718 days	Wed 10/1/08	Wed 10/29/15		
6	Task 2: Labor Compliance Program	1500 days	Wed 10/1/08	Tue 3/10/15		
7	Task 3: Reporting	838 days	Tue 11/20/12	Fri 5/11/16		
8	Quarterly Reports	535 days	Tue 11/20/12	Fri 5/11/16		
19	Completion Report	0 days	Fri 5/11/16	Fri 5/11/16		
20	Budget Category (B): Land Purchase/Easement - N/A	0 days	Wed 10/1/08	Wed 10/1/08		
21	Budget Category (C): Planning/Design/Eng/Env Doc	1303 days	Wed 10/1/08	Fri 9/27/13		
22	Task 4: Assessment & Evaluation - Conceptual Design	141 days	Mon 3/24/12	Mon 12/17/13		
23	Project Performance Plan	55 days	Wed 8/7/12	Tue 12/11/12		
24	Project Performance Monitoring Plan Preparation	6 days	Wed 8/7/12	Tue 12/11/12		
25	Project Performance Monitoring Plan Submittal	6 days	Tue 12/11/12	Tue 12/11/12		
26	8th Street Sewer	141 days	Mon 8/4/12	Mon 12/17/13		
27	Task 5: Final Design	1303 days	Wed 10/1/08	Fri 9/27/13		
28	J&K Alley Sewer (design completed prior to 10/1/08)	0 days	Wed 10/1/08	Wed 10/1/08		
29	5th Street Sewer	425 days	Wed 10/1/08	Tue 5/19/16		
30	S Street Sewer, 7th - 14th	450 days	Wed 10/1/08	Tue 6/22/16		
31	S Street Sewer, 14th - 17th	424 days	Thu 12/27/12	Tue 5/19/16		
32	P Street Sewer	868 days	Fri 8/7/09	Fri 8/7/12		
33	7th Street Sewer	217 days	Fri 3/30/12	Mon 1/28/13		
34	9th Street Sewer	204 days	Tue 12/18/12	Fri 9/27/13		
35	Task 6: Environmental Documentation	1225 days	Wed 10/1/08	Mon 8/17/13		
36	J&K Alley Sewer (completed prior to 10/1/08)	0 days	Wed 10/1/08	Wed 10/1/08		
37	5b Street Sewer	145 days	Wed 10/1/08	Fri 4/24/09		
38	S Street Sewer, 7th-14th	73 days	Wed 10/1/08	Fri 1/6/09		
39	S Street Sewer, 14th-17th	30 days	Wed 10/25/10	Fri 1/23/10		
40	P Street Sewer	320 days	Mon 8/20/11	Fri 8/7/12		
41	7th Street Sewer	40 days	Fri 12/21/12	Tue 9/20/13		
42	9th Street Sewer	40 days	Tue 4/23/13	Mon 6/7/13		
43	Task 7: Construction	1828 days	Wed 10/1/08	Fri 12/26/14		
44	J&K Alley Sewer Construction	228 days	Wed 10/1/08	Fri 8/14/09		
45	5b Street Sewer Construction	205 days	Wed 9/7/10	Tue 3/29/11		
46	S Street 7th - 14th Sewer Construction	135 days	Fri 7/16/10	Thu 1/29/11		
47	S Street 14th - 17th Sewer Construction	100 days	Wed 4/18/12	Tue 5/8/12		
48	P Street Sewer Construction	100 days	Fri 9/7/12	Fri 1/25/13		
49	7th Street Sewer Construction	100 days	Mon 1/28/13	Mon 1/27/13		
50	9th Street Sewer Construction	318 days	Mon 10/7/13	Fri 12/26/14		
51	Budget Category (A): Env Compliance/Mitigation Enhancement - N/A	0 days	Wed 10/1/08	Wed 10/1/08		
52	Budget Category (B): Construction Administration	1880 days	Wed 10/1/08	Tue 2/10/16		
53	Task B: Construction Administration (All Phases)	1560 days	Wed 10/1/08	Tue 2/10/16		
54	Budget Category (C): Other Costs - N/A	0 days	Wed 10/1/08	Wed 10/1/08		

Summary

Task

Milestone

Applicant: City of Sacramento
 Project: Downtown Combined Sewer Upgrading Project
 Date: September 25, 2012



**EXHIBIT C
BUDGET**

This contract utilizes the fund match draw down method of grant fund disbursement. The cost share must be spent on a per category basis before grant funds will be paid.

Budget Category	Non-State Share (Funding Match)	Requested Grant Funding	Other State Funds Being Used	Total	% Funding Match
(a) Direct Project Administration Costs (Tasks 1-3)	\$ 34,041	\$ 94,207	\$ -	\$ 128,248	27%
Task 1: Administration		\$ 18,200		\$ 18,200	
Task 2: Labor Compliance Program	\$ 34,041	\$ 64,307		\$ 98,348	
Task 3: Reporting		\$ 11,700		\$ 11,700	
(b) Land Purchase/Easement	\$ -	\$ -	\$ -	\$ -	0%
(c) Planning/Design/Engineering/Environmental Documentation (Tasks 4-6)	\$ 393,290	\$ 665,116	\$ -	\$ 1,058,406	37%
Task 4: Assessment and Evaluation	\$ -	\$ 25,804	\$ -	\$ 25,804	
Task 5: Final Design	\$ 361,726	\$ 615,760	\$ -	\$ 977,486	
Task 6: Environmental Documentation	\$ 31,564	\$ 23,552	\$ -	\$ 55,116	
(d) Construction/Implementation (Task 7)	\$ 6,591,907	\$ 4,507,630	\$ -	\$ 11,099,537	59%
Task 7.1: J/K Alley Sewer Construction	\$ 464,301	\$ -	\$ -	\$ 464,301	
Task 7.2: 5th Street Sewer Construction	\$ 1,994,397	\$ -	\$ -	\$ 1,994,397	
Task 7.3: S Street Sewer, 7th-14th St Construction	\$ 2,221,410	\$ -	\$ -	\$ 2,221,410	
Task 7.4: S Street Sewer, 14th-17th St Construction	\$ 794,354	\$ -	\$ -	\$ 794,354	
Task 7.5: P Street Sewer Construction	\$ 914,690	\$ -	\$ -	\$ 914,690	
Task 7.6: 7th Street Sewer Construction	\$ 202,755	\$ 2,493,467	\$ -	\$ 2,629,222	
Task 7.7: 9th Street Sewer Construction	\$ -	\$ 2,014,163	\$ -	\$ 2,014,163	
(e) Environmental Compliance/Mitigation/Enhancement	\$ -	\$ -	\$ -	\$ -	0%
(f) Construction Administration (Task 8)	\$ 638,733	\$ 494,590	\$ -	\$ 1,133,323	56%
(g) Other Costs	\$ -	\$ -	\$ -	\$ -	0%
(h) Construction/Implementation Contingency	\$ 85,453	\$ 448,608	\$ -	\$ 534,061	16%
Grand Total	\$ 7,743,424	\$ 6,210,151	\$ -	\$ 13,953,575	55%
List sources of funding: Funding match will consist of in-kind services and local contributions					

EXHIBIT D
STANDARD CONDITIONS

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS:** Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b) **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **REMITTANCE OF UNEXPENDED FUNDS:** Grantee, within a period of sixty (60) calendar days from the final disbursement from State to Grantee of grant funds, shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the project or using any data and/or information developed under this Grant Agreement. During construction of the project, Grantee shall install a sign at a prominent location, which shall include a statement that the project is financed under the Disaster Preparedness and Flood Prevention Bond Act of 2006, administered by State of California, Department of Water Resources. Grantee shall notify State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

D.3 AMENDMENT: No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties. For guidance on the Amendment Requirements see Exhibit H.

D.4 AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 *et seq.*), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5 AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the project, with the costs of such audit borne by State. After completion of the project, State may require Grantee to conduct a final audit, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may take any action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the parties shall be subject to the examination and audit of State for a period of three years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or subcontractors shall be preserved for this purpose for at least three (3) years after project completion. See Exhibit H for a listing of documents/records that State Auditors would need to review in the event of a grant being audited.

D.6 BUDGET CONTINGENCY: LIMIT ON STATE FUNDS. The Disaster Preparedness and Flood Prevention Bond Act of 2006, is subject to the availability of funds including any mandates from the Department of Finance,

the Pooled Money Investment Board or any other state authority. The State will not make payments of any kind, including advances or reimbursements, until funding is made available by the State Treasurer.

- D.7 CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:
- a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.8 COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.
- D.9 COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employee:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide, during work on the project and throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.12 DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 days prior to submission of the final project invoice, a final inventory list of equipment purchased with grant funds provided by State. Grantee shall consult with State on the scope of the inventory not less than 60 days prior to the submission of the final project invoice. The inventory shall include all items with a current estimated fair market value of more than \$5,000 per item. Within 60 days of receipt of such inventory, State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.13 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30)

calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.

D.14 DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a).
- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors, or subcontractors about all of the following:
 1. The dangers of drug abuse in the workplace,
 2. Grantee's policy of maintaining a drug-free workplace,
 3. Any available counseling, rehabilitation, and employee assistance programs, and
 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide as required by Government Code Sections 8355(c), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 1. Will receive a copy of Grantee's drug-free policy statement, and
 2. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.15 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of a construction project and as determined by State, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the project has been completed in accordance with submitted final plans and specifications, and any modifications thereto and in accordance with this Grant Agreement and to the State's satisfaction.

D.16 GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.17 GRANTEE COMMITMENTS: Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.

D.18 INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon, accruing to or received by the Grantee under this Grant Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Grant Agreement.

D.19 INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantee, if any, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.20 INSPECTIONS: State shall have the right to inspect the work being performed at any and all reasonable times, providing a minimum of a 24-hour notice, during the term of the Grant Agreement. This right shall extend to any subagreements, and Grantee shall include provisions ensuring such access in all its contracts or sub-contractors entered into pursuant to its Grant Agreement with State. Grantee acknowledges that project documents may be subject to the Public Records Act (California Government Code Section 6250 *et seq.*). State shall have the right to inspect these documents at any and all reasonable times after completion of the project to ensure compliance with the terms and conditions of this Grant Agreement.

During regular office hours, State shall have the right to inspect and to make copies of any books, records, or reports of the Grantee relating to this Grant Agreement. Grantee shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.21 NONDISCRIMINATION: During the performance of this Grant Agreement, Grantee and its contractors 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, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Grant Agreement.

D.22 NO THIRD PARTY RIGHTS: The parties to this Grant Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

D.23 OPINIONS AND DETERMINATIONS: The parties agree that review or approval of any IRWM Program applications, documents, permits, plans and specifications or other program information by the State is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the IRWM Program.

D.24 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Grant Agreement. Grantee shall comply with the California Environmental Quality Act (PRC Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to disbursement of funds under this Grant Agreement.

Grantee shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements.

D.25 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the IRWM Program without prior permission of State. Grantee shall not take any action concerning the performance of this Grant Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property acquired with funds disbursed under this Grant Agreement be remitted to State.

D.26 REMEDIES, COSTS, AND ATTORNEY FEES: The Grantee agrees that any remedy provided in this Grant Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of breach of this Grant Agreement by the Grantee, whether such breach occurs before or after completion of the project, and exercise of any remedy provided by this Grant Agreement by the State shall not preclude the State from pursuing any legal remedy or right which would otherwise be

available. In the event of litigation between the parties hereto arising from this Grant Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.

D.27 RETENTION: Notwithstanding any other provision of this Grant Agreement, State shall, for each project, withhold five percent (5.0%) until January 1, 2016 and ten percent (10.0%), thereafter, of the funds requested by Grantee for reimbursement of Eligible Costs. Each project in this Grant Agreement will be eligible to release its respective retention when that project is completed and Grantee has met requirements of Paragraph 16, "Submissions of Reports."

D.28 RIGHTS IN DATA: To the extent permitted by law, the Grantee 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 Grant Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

D.29 SEVERABILITY OF UNENFORCEABLE PROVISION: If any provision of this Grant Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Grant Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.

D.30 STATE REVIEWS AND INDEMNIFICATION: The parties agree that review or approval of project applications, documents, permits, plans and specifications or other project information by the State is for administrative purposes only and does not relieve the Grantee of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State and the State against any loss or liability arising out of any claim or action brought against the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:

- a) 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;
- b) Performing any of the terms contained in this Grant Agreement or any related document;
- c) Any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and CWC Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the natural water system; or
- d) 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 Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Grant Agreement. Grantee agrees to pay and discharge any judgment or award entered or made against the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of the Grant Agreement.

D.31 SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.

D.32 TIMELINESS: Time is of the essence in this Grant Agreement.

- D.33 TRAVEL:** Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, and shall NOT be eligible for computing Grantee cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.34 WAIVER OF RIGHTS:** None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

QUARTERLY PROGRESS REPORT

Grantee shall submit Quarterly Progress Reports on a consistent basis to meet the State's requirement for disbursement of funds. The Quarterly Progress Report should describe the work performed during the reporting period. For each project, describe the work performed including:

CONTINUING ELIGIBILITY

- A brief summary of the status of adoption of an IRWM Plan that complies with Part 2.2 of Division 6 of the CWC commencing with Section 10530.

PROJECT INFORMATION (INCLUDE ANY OF THE BELOW THAT WERE APPLICABLE DURING THE REPORTING PERIOD)

- Legal matters.
- Engineering matters.
- Environmental matters.
- Status of permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies.
- Major accomplishments during the quarter (i.e., tasks completed, milestones met, meetings held or attended, press releases, etc).
- Discussion of data submittal effort(s) for the previous quarter, including a description of the data submitted and date(s) of submittal.
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter.
- Description of any differences between the work performed and the work outlined in this Grant Agreement's Work Plan.

COST INFORMATION

- Provide a list showing all costs incurred during the quarter by the Grantee and each contractor working on the project. The list should include for all non-construction, or implementation costs, (i.e., design, and admin charges) the hours per task worked on during the quarter for above personnel.
- A discussion on how the actual budget is progressing in comparison to Exhibit C.

SCHEDULE INFORMATION

- A discussion on how the actual schedule is progressing in comparison to the schedule in Exhibit B.
- A revised schedule, by task, if changed from the schedule in Exhibit B. Note: a revised schedule may require an official amendment to the Grant Agreement before it is accepted as final.

ANTICIPATED ACTIVITIES NEXT QUARTER

- Provide a description of anticipated activities for the next quarterly reporting period.

PROJECT COMPLETION REPORT

A Project Completion Report is required for each project identified in Exhibit A. This report will include the following Sections:

EXECUTIVE SUMMARY

The Executive Summary consists of a maximum of ten (10) pages summarizing project information (see report status section below for topics). The Executive Summary should include the following:

- Brief description of work proposed to be done in the original Grant application.
- Description of actual work completed and any deviations from Exhibit A. List any official amendments to this Grant Agreement, with a short description of the amendment.
- Describe how the implemented project will meet the program preferences identified in the original Grant Application.
- Describe the mechanism or process that allows for continued performance monitoring of the project in meeting the objectives of the IRWM Plan.
- Identify any changes to the IRWM Plan as a result of implementation of the project.

REPORTS AND/OR PRODUCTS

- Provide a copy of any final technical report or study, produced for the project as described in the Work Plan, if applicable.
- Provide a map and shapefile(s) showing the location of the completed project. A description of the geographic projection and datum used for the shapefile must be submitted with the shapefile (a NAD '83 datum and either a UTM 10 or UTM 11 projection, dependent on the project's location in the state, should be utilized).
- If any wells were constructed as part of the project, provide the following information: well logs; borehole geophysical logs; state well number; site information to include horizontal (NAD '83) and vertical (NAVD '88) datum to be determined within 0.5 feet.
- Provide an electronic copy of any as-built plans (media: CD-ROM; PDF format).
- Provide copies of any data collected along with location maps.
- If applicable, describe the findings of any study and whether the study determined the engineering, hydrologic, hydrogeologic, environmental, economic and financial feasibility of the project.

COST & DISPOSITION OF FUNDS INFORMATION

- A list of invoices showing:
 - The date each invoice was submitted to State.
 - The amount of the invoice.
 - The date the check was received.
 - The amount of the check (If a check has not been received for the final invoice, then state this in this section).
- A spreadsheet summary of the original budget costs by task versus the final project costs.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants (Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc).
 - Construction cost information, shown by material, equipment, labor costs, and change orders.
 - Any other incurred cost detail.
 - A statement verifying separate accounting of grant disbursements.
- Summary of project cost including:
 - Accounting of the cost of project expenditure.
 - Include all internal and external costs not previously disclosed.

- A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION

- Benefits derived from the project, with quantification of such benefits provided, if applicable.
- A final project schedule showing actual progress versus planned progress as shown in Exhibit B.
- Certification from a California Registered Civil Engineer that the project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

POST-PERFORMANCE REPORT

Post Performance Reports are required annually for each project for a period of 10 years beginning after the first year of operation, and includes the following:

REPORTS AND/OR PRODUCTS

- Time period of the annual report.
- Short project description and benefits.
- An assessment of any explanations for any differences between the expected versus actual project benefits. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water recharged that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

ELECTRONIC REPORT FORMATTING

Grantee agrees that work funded under this Grant Agreement will be provided in an electronic format to State. Electronic submittal of final reports, plans, studies, data, and other work performed under this grant shall be as follows:

- Text preferably in MS WORD or text PDF format.
- Files generally less than 10 MB in size.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR-required naming convention; and Appendix number/letter and named in the TOC.
- For a project involving a modeling component, Grantee shall provide the major input data files, parameters, calibration statistics, output files, and other information requested by State's Project Manager.

**EXHIBIT F
REQUIREMENTS FOR DATA SUBMITTAL**

SURFACE AND GROUNDWATER QUALITY DATA:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in Quarterly Progress and Post Performance Reports.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If Exhibit A includes a project that contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

GROUNDWATER LEVEL DATA

For each project that collects groundwater level data, Grantee will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit E. Information regarding the WDL and in what format to submit data in can be found at: <http://wdl.water.ca.gov/>.

DWR's WDL has been replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Grantee will submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

Exhibit G
Guidelines for Grantees
Under DWR Financial Assistance Programs

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both Grant funding and Grantee's Funding Match and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

List of Documents for State Audit

Internal Controls:

1. Organization chart (e.g., Agency's overall organization chart and organization chart for this Grant Agreement's funded project).
2. Written internal procedures and flowcharts for the following:
 - a. Receipts, deposits and disbursements
 - b. State reimbursement requests
 - c. Grant expenditure tracking
 - d. Guidelines, policy, and procedures on grant funded Programs/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on grant funded Programs/Project.

Agreements and Contracts:

1. Original signed Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants received from the State.
3. A listing of all other funding sources for each project.
4. All subcontractor and consultant contracts and related or partners documents, if applicable.
5. Contracts between the Agency and member agencies as related to this Grant Agreement.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under this Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related budget line items under this Grant Agreement.
3. Reimbursement requests submitted to the State for this Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under this Grant Agreement.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for grant reimbursement.

Administration Costs: Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on this grant funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to this Grant Agreement.

Project Files:

1. All supporting documentation maintained in the project files.
2. All correspondence related to this Grant Agreement.

General Grant Agreement Guidelines

Amendment Requirements:

Amendments to the Work Plan, Budget, and/or Schedule of this Grant Agreement are triggered when the proposed changes are deemed by the State to be substantial. Substantial changes generally include changes to the wording/scope of work, schedule or term, and budget. For example, a formal budget change to an Agreement is required when the proposed budget change for a Task is greater than 10% of the budget for that particular Task or the Task to be exchanged with.

Funding Match Contribution

Funding Match (often referred to as Grantee Cost Share) is the amount defined in Paragraph 4 of this Grant Agreement. Provided below is guidance for claiming funding match with and without in-kind services.

1. Adequate documentation supporting value of in-kind service (or volunteer service) as funding match claimed shall be maintained. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Provide formal (on official letterhead) and substantial documentation of in-kind service by including the following:
 - o Describe contributed item(s) or service(s)
 - o Purpose for which contribution was made (tie to scope of work)
 - o Name of contributing organization and date of contribution
 - o Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (see item #4, below)
 - o Person's name and function of the contributing person
 - o Hours of contribution
 - o If multiple sources exist, summarize these on a table with summed charges
 - o Was contribution provided by, obtained with, or supported by government funds? If so, indicate source.
2. Funding match contribution (including in-kind services) shall be for costs and services directly attributed to activities included in this Grant Agreement's Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of this Grant Agreement. Evaluate eligibility with State in advance of submittal.
3. Do not track cash contributions made to a project as an expenditure as you would for an in-kind service. When providing funding match, track cash contributions to the project (i.e. revenues) and expenditures (typically in-kind contribution) separately in an accounting system.
4. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

EXHIBIT H
GRANTEE RESOLUTION

RESOLUTION NO. 2011-206

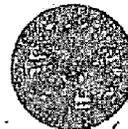
Adopted by the Sacramento City Council

April 12, 2011

**COST SHARE AGREEMENT WITH THE PLACER COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT FOR PREPARATION OF A GRANT
APPLICATION FOR THE INTEGRATED REGIONAL WATER MANAGEMENT
GRANT PROGRAM AND AUTHORIZATION TO SUBMIT GRANT
APPLICATION AND EXECUTE GRANT AGREEMENT**

BACKGROUND

- A. In August 2010, the California Department of Water Resources (DWR), released the Integrated Regional Water Management (IRWM) Grant Program Proposal Solicitation Package for Stormwater Flood Management grants, funded by Proposition 1E.
- B. The City of Sacramento wishes to submit a grant application under the DWR Proposition 1E IRWM Stormwater Flood Management Grant Program.
- C. The City of Sacramento has identified the Combined System Improvement Program Project to be included in the grant application. The City could potentially receive \$7.5 million in grant funding for this project which will require up to \$7.5 million of local match. The local match requirement will be met by recently completed projects as well as projects that are under construction in the combined system.
- D. The Placer County Flood Control and Water Conservation District will serve in the lead agency role in preparation of the application package to receive Proposition 1E funds for local qualifying projects.
- E. The Placer County Flood Control and Water Conservation District has prepared a Cost Share Agreement among participating agencies, including the City, to fund the cost of preparing the grant application packages with each participant's estimated cost share amount.
- F. The City's Combined System Improvement Program Project (X14010000) will promote public health, improve source water quality and provide flood protection, and meets eligibility requirements for financial assistance from the IRWM Proposition 1E Grants.



THIS IS A TRUE COPY
OF AN ORIGINAL DOCUMENT
ON FILE WITH THE
CITY CLERK

Shirley Concolino
SHIRLEY CONCOLINO, CITY CLERK

DATE CERTIFIED: 04/26/2011

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The City Manager or the City Manager's designee is authorized to execute a Cost Share Agreement with the Placer County Flood Control and Water Conservation District for the purpose of preparing a grant application for the State of California Department of Water Resources' Integrated Regional Water Management Grant Program funded by Proposition 1E grant funds.
- Section 2. The City Council hereby resolves that such application be made to the California Department of Water Resources to obtain Stormwater Flood Management grant funding pursuant to the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Public Resource Code Section 5096.800 *et seq.*), and to enter into an agreement to receive such grant for the City's Combined System Improvement Program Project.
- Section 3. The City Manager or the City Manager's designee is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute the grant agreement with the California Department of Water Resources, up to a maximum grant amount of \$7.5 million.
- Section 4. Exhibit A is part of this Resolution.

Table of Contents:

Exhibit A Cost Share Agreement

Adopted by the City of Sacramento City Council on April 12, 2011 by the following vote:

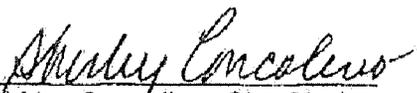
Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

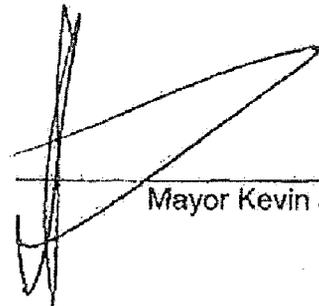
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Conobino, City Clerk

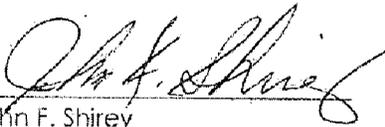

Mayor Kevin Johnson

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

CITY OF SACRAMENTO

Paula J. Landis, P.E., Chief
Division of Integrated Regional Water
Management
Date _____



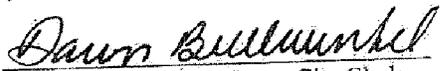
John F. Shirey
City Manager
Date 12-3-12

Approved as to Legal Form and Sufficiency

Spencer Kenner, Assistant Chief Counsel
Office of Chief Counsel

Date _____

Attested on: 12-12-12
(date)



Dawn Bullwinkel, Assistant City Clerk