

Meeting Date: 7/23/2013

Report Type: Consent

Report ID: 2013-00536

Title: Agreement: Water Treatment Plants Proposition 50 Security Grant

Location: Districts 3 and 6

Issue: Security at critical facilities is a high priority for the City and as part of that effort the Department of Utilities (DOU) will be installing new perimeter fencing and security surveillance systems at both of the E.A. Fairbairn and Sacramento River Water Treatment Plants with funding from Proposition 50 grant monies provided by the State of California Department of Public Health.

Recommendation: Pass a Resolution 1) authorizing execution of a Funding Agreement with the California Department of Public Health (CDPH) to provide \$560,000 in grant funding for the Water Treatment Plants Security Improvements; 2) authorizing the necessary budget actions; and 3) providing other authorizations required by the CDPH.

Contact: Bill Busath, Engineering Services Manager, (916) 808-1434; Dan Sherry, Supervising Engineer, (916) 808-1416, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Location Map
- 4-Resolution
- 5-Attachment 1 (Funding Agreement)
- 6-Attachment 2 (Letter of Commitment)

City Attorney Review

Approved as to Form
Joe Robinson
7/16/2013 5:44:09 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
7/10/2013 5:03:48 PM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 7/16/2013 10:08:32 AM

Description/Analysis

Policy Considerations: City Council approval is required for the establishment of a grant over \$100,000.

Economic Impacts: The security surveillance construction cost is estimated to be \$1.25 million (estimated total project cost including planning, design and construction is \$1.3 million) and is expected to create 5 total jobs (2.9 direct jobs and 2.1 jobs through indirect and induced activities), and create \$771,250 in total economic output (\$485,887 of direct output and another \$285,362 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: The Community Development Department, Environmental Planning Services Manager reviewed the project on April 12, 2012 and determined that this project is exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15301, Existing Facilities. The project consists of the operation and minor alteration of existing utility facilities consisting of water treatment plants, reservoirs, and water well sites involving negligible or no expansion of use beyond that at the time of the City's determination. The operation and minor alteration consists of installing security surveillance systems.

Sustainability: The project is consistent with the Sustainability Master Plan goals to protect sources of water in the City.

Commission/Committee Action: Not Applicable

Rationale for Recommendation: This action accepts state funding under the State of California's Department of Public Health (CDPH) Proposition 50 Funding Program – Chapter 3 Water Security, for the E. A. Fairbairn and Sacramento River Water Treatment Plants. Grant opportunities such as this allow the City to increase security at the drinking water treatment plants at a lower cost to the ratepayers.

Financial Considerations: On February 26, 2013, City Council approved the issuance and sale of Water Revenue Bonds to finance improvements of approximately \$239.5 million for the City's water system with \$161 million (fund 6310) allocated to the Water Treatment Plants Rehabilitation Project. The total estimated cost for the security

surveillance, including design, construction and contingencies is estimated to be \$1,318,694 (\$560,000 from 6205 Proposition 50 Grant funds and \$758,694 from 6310 bond funds). The attached resolution establishes revenue and expenditure budgets in the amount of \$560,000 in Z14006000 (fund line 6205) for the Proposition 50 Grant funds received from the CDPH.

There is sufficient funding in Z14006000 (Water Bond Funds 6310) to cover the City's cost share amount of \$758,694. This action has no impact on the General Fund.

Emerging Small Business Development (ESBD): ESBD considerations do not pertain to approving the funding agreement, but contracts for which funding is accepted will require compliance with applicable ESBD requirements.

Background

Security at critical facilities is a high priority for the City and as part of that effort the Department of Utilities (DOU) will be installing new perimeter fencing and security surveillance systems at both of the E.A. Fairbairn and Sacramento River Water Treatment Plants. The fencing and conduits for the surveillance system will be completed as part of the Water Treatment Plants Rehabilitation Project contract that was approved by Council on April 9, 2013 and the installation of surveillance cameras and appurtenances will be installed through a separate contract that will bid next year.

On March 14, 2012, the California Department of Public Health (CDPH), Division of Drinking Water and Environmental Management issued an invitation for the City to apply for funding from Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, for a Water System Security Surveillance System Project.

On June 4, 2012, the City submitted an application to the CDPH for funding in the amount of \$1,000,000 (\$500,000 in grant funds and \$500,000 City matching funds) for the City's Water Treatment Plants Security Improvements ("Project number P50-3410020-154"). On April 30, 2013, the City submitted a revised total estimated cost of \$1,318,694, with the estimated Proposition 50 grant increased to \$560,000, based on recommendations from the City security consultant.

On February 26, 2013, the City Council passed a Resolution approving revenue and expenditure budget for the Water Treatment Plants Rehabilitation Project totaling \$161,000,000 of which \$1.12 million was budgeted for security surveillance.

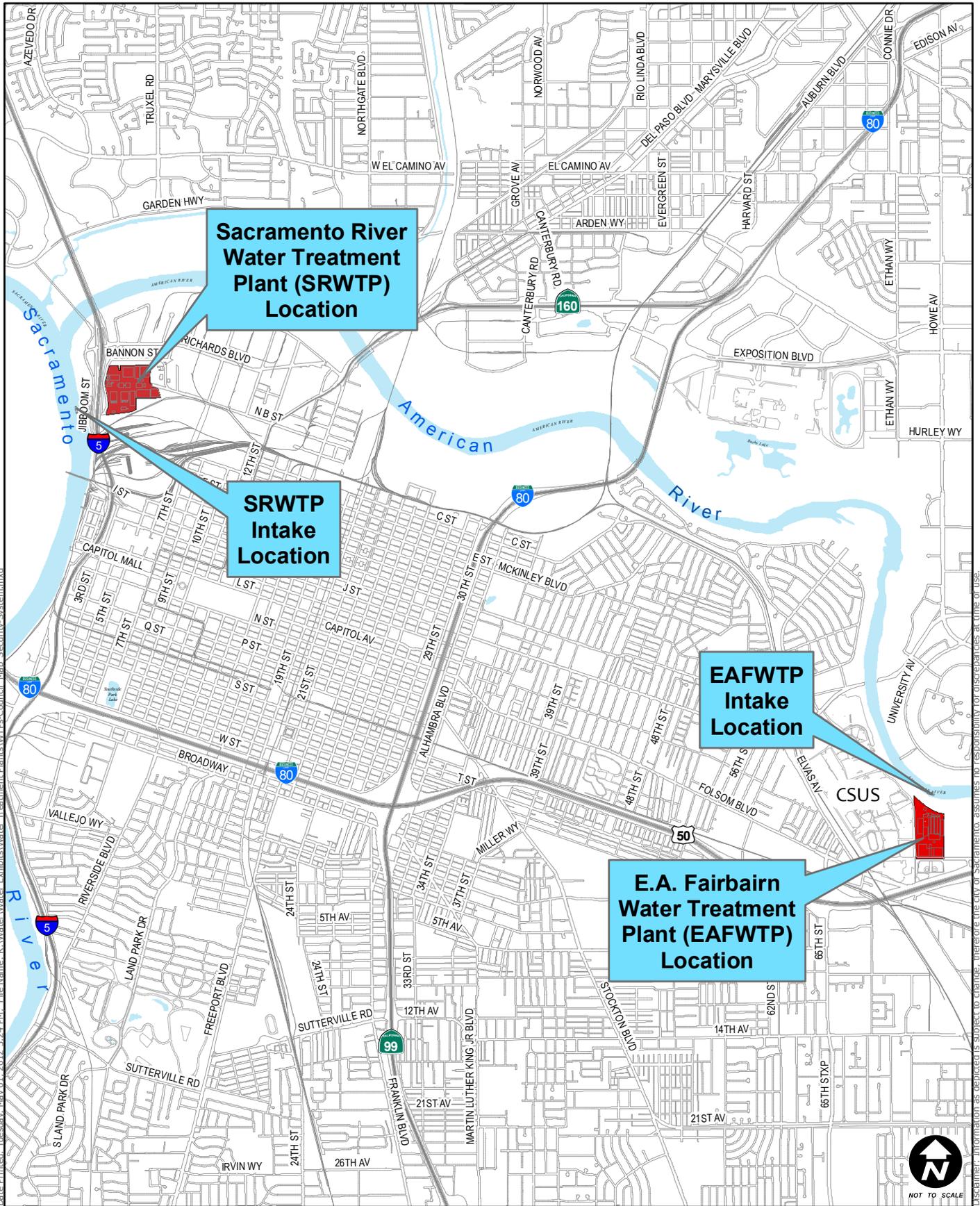
Prior to the CDPH executing a Funding Agreement for the Project, the City is required to adopt a Resolution authorizing a City official to execute the Funding Agreement and amendments, designating a person or persons to approve claims for reimbursement, designating a person or persons (a registered engineer) to sign the Budget and Expenditure Summary, designating a person or persons (registered engineer) to sign the Certification of Project Completion, and designating a person to sign the Final Release form. The resolution also authorizes the City Manager to accept and establish revenue and expenditure budgets in the amount of \$560,000 for the Proposition 50 grant funds.

LOCATION MAP

Water System Security Surveillance

SRWTP, 301 Water Street

EAFWTP, 7501 College Town Drive



Date: Printed: Tuesday, May 01, 2012 3:24 PM. File Name: R:\Water\Water Exhibits\Water Treatment Plants\WTPs\Council Map Security System.mxd

Disclaimer: Information as depicted is subject to change. Inherent in the City of Sacramento, assumes no responsibility for discrepancies at time of use.

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING FUNDING AGREEMENT AND RELATED ACTIONS
FOR THE WATER TREATMENT PLANTS SECURITY PROJECT (Z14006000)**

BACKGROUND

- A. On June 4, 2012, the City of Sacramento (City) submitted an application to the California Department of Public Health for funding in the amount of \$1,000,000 for the City's Water Treatment Plants Security Improvements ("Project number P50-3410020-154"), which will be constructed as part of the City's Water Treatment Plants Rehabilitation Project.
- B. As set forth in the Revised Project Cost Request, signed and dated April 30, 2013, the total cost for Project number P50-3410020-154 increased to \$1,318,694, with the estimated Proposition 50 grant increased to \$560,000, subject to terms and conditions.
- C. On February 26, 2013, the City Council passed a Resolution approving revenue and expenditure budgets for the Water Treatment Plants Rehabilitation Project totaling \$161,000,000.
- D. Prior to the California Department of Public Health executing a Funding Agreement for Project number P50-3410020-154, the City is required to adopt a Resolution authorizing a City official to execute the Funding Agreement and amendments, designating a person or persons to approve claims for reimbursement, designating a person or persons (a registered engineer) to sign the Budget and Expenditure Summary, designating a person or persons (registered engineer) to sign the Certification of Project Completion, and designating a person to sign the Final Release form.

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

Section 1

The City Manager or his designee is hereby authorized to execute the Funding Agreement with the California Department of Public Health and any amendments thereto, for Project number P50-3410020-154.

Section 2

The City Manager is authorized to establish revenue and expenditure budgets in the amount of \$560,000 for the Proposition 50 grant from the California Department of Public Health in the Water Treatment Plants Rehabilitation Project (Z14006000 fund 6205).

\$758,694 of the total cost of Project number P50-3410020-154 is designated as the Supplier's Cost and \$560,000 of the Supplier's Cost is designated as Matching Funds, and these funds are the responsibility of the City to ensure Project number P50-3410020-154 is a fullyfunded project

Section 3

The Director of Utilities is hereby authorized to approve Claims for Reimbursement under the Proposition 50 Program for Project number P50-3410020-154.

Section 4

The Engineering Division Manager, a registered engineer employed by the City's Department of Utilities, is authorized to execute the Budget and Expenditure Summary under the Proposition 50 Program for Project number P50-3410020-154.

Section 5

The Director of Utilities is authorized to sign the Final Release Form under the Proposition 50 Program for Project number P50-3410020-154.

Section 6

The Engineering Division Manager, a registered engineer, is authorized to certify that Project number P50-3410020-154 is complete and ready for final inspection.

Section 7

The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The California Department of Public Health is authorized to rely upon this Resolution until written notice to the contrary, executed by the Sacramento City Manager, is received by the California Department of Public Health. The California Department of Public Health shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the City of Sacramento or in any other document.

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

Ayes:

Noes:

Abstain:

Absent:

Mayor Kevin Johnson

Attest:

Shirley Concolino, City Clerk

Proposition 50 Public Agency Grant
Funding Agreement No. 50130304

STATE OF CALIFORNIA

HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF PUBLIC HEALTH

FUNDING AGREEMENT
BETWEEN
THE STATE OF CALIFORNIA
DEPARTMENT OF PUBLIC HEALTH
AND
CITY OF SACRAMENTO

PROJECT NUMBER P50-3410020-154

FOR A GRANT UNDER CHAPTER 3 OF THE WATER SECURITY, CLEAN DRINKING
WATER, COASTAL AND BEACH PROTECTION ACT OF 2002

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ATTACHMENTS

1. Budget and Expenditure Summary (Article A-3(c))
2. Claim form (Article A-6(a))
3. Final Release (Article A-6 (f)(4))

STATE OF CALIFORNIA

HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF PUBLIC HEALTH

FUNDING AGREEMENT
BETWEEN
STATE OF CALIFORNIA
DEPARTMENT OF PUBLIC HEALTH
AND
CITY OF SACRAMENTO
PROJECT NUMBER P50-3410020-154

UNDER CHAPTER 3 OF THE WATER SECURITY, CLEAN DRINKING WATER,
COASTAL AND BEACH PROTECTION ACT OF 2002

THIS AGREEMENT is entered into between the State of California Department of Public Health, herein referred to as "State", and **City of Sacramento**, a Municipality, in the County of Sacramento, State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as "Supplier", which parties do hereby agree as follows:

SECTION 1. PURPOSE OF FUNDING

This Agreement provides funding in the form of a grant made by State to the Supplier under the provisions of the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, Division 26.5 of the Water Code, commencing with Section 79500, herein referred to as the "Act". The purpose of the funding is to assist in financing a project which will enable **Supplier** to enhance the protection and security of drinking water supplies, herein referred to as the "Project". Funds may be used only for such eligible project costs as are approved by State.

Supplier is solely responsible for the design, construction, operation, and maintenance of the Project; and for all persons or entities engaged in such work, including but not limited to contractors, subcontractors, suppliers, and providers of services. Review or approval of plans, specifications, bid documents or other

construction documents by State is solely for the purpose of proper administration of the funds by State and shall not be deemed to relieve or restrict Supplier's responsibility.

SECTION 2. INCORPORATION OF OTHER DOCUMENTS

This Agreement incorporates by this reference Exhibit A, "Standard Conditions"; Exhibit B, "Special Terms and Conditions"; Supplier's Application to State for Proposition 50 Funding; project plans and specifications as submitted to and approved by State; and any attachments to said documents.

Supplier accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents and exhibits thereto, and to fulfill all assurances, declarations, representations, and statements made by Supplier in its application, documents, amendments, and communications filed in support of its request for funding, including but not limited to any and all plans and specifications submitted to and approved by State.

SECTION 3. PROJECT COST

Supplier represents that the total cost of the Project is estimated to be \$1,318,694 of which State agrees that \$1,318,694 is the total Eligible Project Costs.

SECTION 4. GRANT AMOUNT

Subject to the availability of funds and in accordance with the terms of this Agreement, State will provide grant funding to Supplier in an amount not to exceed \$560,000, herein referred to as "Grant Amount".

SECTION 5. SUPPLIER'S COST AND MATCHING FUNDS

Supplier agrees to fund any Project costs which are in excess of the Grant Amount set forth in Section 4 of this Agreement. Matching funds are incurred Eligible Project Costs paid, or to be paid, with non-State funds, herein referred to as "Matching Funds". Unless otherwise noted in Exhibit B, Matching Funds are required. Supplier must provide Matching Funds in an amount not less than the Grant Amount. Supplier's Cost for this Project, including Matching Funds, is estimated to be \$758,694, herein referred to as "Supplier's Cost". Matching Funds required are \$560,000. Each disbursement of grant funds is expressly conditioned upon Supplier's demonstration that it has incurred an equal amount of costs approved by State as Matching Funds.

SECTION 6. COMPETITIVE BIDDING

All construction contracts related in any way to the Project shall be let by competitive bid procedures which assure award of such contracts to the lowest

responsible bidders. Supplier shall comply with all applicable state or local ordinances for competitive bidding and all applicable labor laws.

Supplier shall not award a contract until a summary of bids and identification of the lowest responsible bidder are submitted to State. A full explanation must be provided if Supplier is proposing to award a contract to anyone other than the lowest responsible bidder.

SECTION 7. REQUIREMENTS FOR DISBURSEMENT

Not later than ninety (90) days following Date of Execution of this Agreement, Supplier shall satisfy all conditions precedent to the disbursement of funds under this Agreement, including Basic Conditions Precedent as set forth in Article A-3 of the Standard Conditions. Failure by Supplier to satisfy said conditions and requirements by this date may, at the option of State, result in cancellation of this Agreement under Article A-7 of the Standard Conditions and/or declaration that Supplier is in default pursuant to Article A-24 of the Standard Conditions.

SECTION 8. SPECIAL TERMS AND CONDITIONS

Supplier shall satisfy the special terms and conditions set forth in Exhibit B. Failure by Supplier to timely satisfy the special terms and conditions may, at the option of State, result in cancellation of this Agreement under Article A-7 of the Standard Conditions, and/or declaration that Supplier is in default pursuant to Article A-24 of the Standard Conditions.

SECTION 9. OPERATION AND MAINTENANCE OF PROJECT

Upon Project completion, and for a period of 15 years, which is the reasonably expected useful life of the Project, Supplier shall, as further consideration for this funding, commence and continue operation of the Project; cause the Project to be operated in an efficient and economical manner; provide for the making of all repairs, renewals, and replacements necessary for the effective operation of the Project; and cause the Project to be maintained in as good of condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Failure by Supplier to operate and maintain the Project in accordance with this provision may, at the option of State, be considered a material breach of Agreement and may be treated as a default under Article A-24 of the Standard Conditions.

SECTION 10. PROJECT OFFICIALS AND NOTICES

State's Grant Administrator shall be the Chief, Safe Drinking Water State Revolving Fund and Small Water Systems Section, Division of Drinking Water and Environmental Management, California Department of Public Health. All communications given to State's Grant Administrator shall be deemed given to State.

State's Grant Administrator shall be State's representative for administration of this Agreement, and shall have authority to make recommendations and findings with respect to each controversy arising under or in connection with this Agreement. All such recommendations and findings shall be communicated to the Chief, Division of Drinking Water and Environmental Management of the California Department of Public Health, and disputes shall be resolved in accordance with Article A-22 of the Standard Conditions.

Supplier's Grant Administrator shall be Dan Sherry, Supervising Engineer. Supplier's Grant Administrator shall be Supplier's representative for administration of this Agreement. All communications given to Supplier's Grant Administrator shall be deemed given to Supplier.

Either party may change its Grant Administrator upon written notice to the other party.

Notices required to be given in writing by Supplier under this Agreement shall be sent to:

State of California
California Department of Public Health
Division of Drinking Water and
Environmental Management
Attention: Proposition 50 Program
1616 Capitol Avenue, MS7408
Post Office Box 997377
Sacramento, Ca 95899-7377

Notices required to be given in writing by State under this Agreement shall be sent to:

Dan Sherry
Supervising Engineer
City of Sacramento
1395 35th Avenue
Sacramento, Ca 95822

A change of address for delivery of notice may be given by written notice to the other party.

All written notices that are required either expressly or by implication to be given by one party to the other under this Agreement shall be signed for State by its Grant Administrator and for Supplier by its Grant Administrator. Except as otherwise expressly required by this Agreement, all such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed postage prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

SECTION 11. ENFORCEMENT

Any enforcement action, arising out of or relating to this Agreement, may be brought by State or any agent thereof.

SECTION 12. MISCELLANEOUS PROVISIONS

ATTORNEY FEES

In the event either party commences an action or proceeding concerning the subject matter of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover reasonable attorney fees incurred therein.

SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this Agreement be construed to remain fully valid, enforceable, and binding on the parties.

GOVERNING LAW

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

CHILD SUPPORT COMPLIANCE ACT

Supplier acknowledges that it is the policy of this state that anyone who enters into a contract with a state agency shall recognize 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. Supplier further acknowledges that to the best of its knowledge it 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 Employment Development Department.

LEGAL CAPACITY

Supplier hereby warrants and represents that it is a legal entity in good standing, and that it has the authority to enter into this Agreement.

Supplier shall notify State as promptly as feasible of any proposed change in Supplier's ownership, organization, legal form or service area.

VENUE

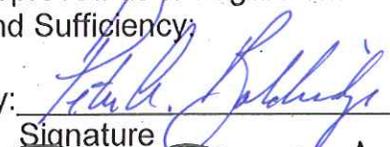
The parties agree that venue of any action between the parties arising out of this Agreement, including disputes that may arise following termination of the Agreement, shall be County of Sacramento, State of California.

DATE OF EXECUTION

Date of Execution of this Agreement is the date of the latest in time execution by a party hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

Approved as to Legal Form
and Sufficiency:

By: 

Signature

Peter Baldridge

Print Name

Assistant Chief Counsel

Title

6/5/13

Date

STATE OF CALIFORNIA
DEPARTMENT OF PUBLIC HEALTH

By: _____

Signature

Print Name

Title

Date

SUPPLIER
CITY OF SACRAMENTO

By: _____

Signature

Print Name

Title

Address

City

State

Zip

Date

EXHIBIT A

STANDARD CONDITIONS

ARTICLE A-1. DEFINITIONS

Whenever in this Agreement the following terms are used, their meaning shall be as follows unless the context clearly requires otherwise:

Agreement: The Funding Agreement to which this Exhibit A "Standard Conditions" is appended.

Days: Calendar days unless otherwise expressly indicated.

Month: Calendar month unless otherwise expressly indicated.

Year: Calendar year unless otherwise expressly indicated.

Eligible Project Costs: Those project costs which are eligible for funding under the Act and applicable State law and implementing criteria.

Force Account: The use of Supplier's own employees or equipment on the Project.

Grant Amount: The total amount disbursed to Supplier under this Agreement.

Public Water System or Public Water Supply System: A system for the provision to the public of water for human consumption, as defined in Part 12, Chapter 4 (commencing with Section 116270), of Division 104 of the Health and Safety Code, as it may be amended.

ARTICLE A-2. TERM OF AGREEMENT

Subject to the provisions of Article A-7, this Agreement shall become effective on its Date of Execution and shall remain in effect until the expiration of the period of time required for operation and maintenance of the Project, as set forth in Section 9 of this Agreement.

ARTICLE A-3. BASIC CONDITIONS PRECEDENT

State shall have no obligation to disburse funds under this Agreement unless and until:

(a) Supplier has provided satisfactory documentation of the action taken by its governing body authorizing it to enter into this Agreement, and designating a

representative to execute this Agreement and to sign a claim for disbursement of funds.

(b) Supplier has provided detailed information concerning the account established for deposit of funds received from State.

(c) Supplier has submitted an initial budget approved by State in the form of **Attachment 1** to this Agreement.

ARTICLE A-4. COMPLIANCE WITH LAWS, REGULATIONS, AND PERMIT REQUIREMENTS

Supplier shall at all times comply with, and require its contractors and subcontractors to comply with, all applicable federal and state laws, rules and regulations, permits, and all applicable local ordinances, including, but not limited to, environmental, labor, procurement and safety laws, rules, regulations, permits, and ordinances.

ARTICLE A-5. PROJECT CHANGES

The Project shall be constructed in accordance with the plans and specifications approved by State on February 28, 2013. Supplier shall not make any change in the Project, or issue any change order to a contractor, without receiving prior written approval from State.

Supplier may request a one-time increase in the total funding provided in this Agreement. Such request shall be based upon the final accepted construction bids. Such request may be granted or denied at the sole discretion of State. Supplier shall submit evidence to State that Matching Funds are available in an amount equal to the amount of additional grant funding requested.

Supplier shall submit to State in writing any proposed changes to the Project budget including but not limited to transferring of funds between line item allotments. Supplier shall obtain written approval of such proposed changes from State before the proposed changes are adopted.

Supplier shall not use any funds from any contingency allotment without receiving prior written approval from State.

ARTICLE A-6. DISBURSEMENTS BY STATE

(a) Claims

Supplier shall request disbursement by submitting to State a claim(s) for incurred Eligible Project Costs. A claim for disbursement of funds shall be provided in the form

of **Attachment 2** to this Agreement and shall be submitted no later than ninety (90) days following the Date of Execution of this Agreement, and thereafter at least once per quarter and shall not be submitted more than once a month and shall include:

(1) a statement with supporting documentation of Eligible Project Costs that have been incurred during the period identified in the particular claim, including, but not limited to construction, legal, engineering, and administrative fees associated with the Project;

(2) a statement, with supporting documentation, demonstrating that Matching Funds equal to the amount of the claim have been incurred.

(b) Disbursements

Following the review and approval of a claim by State, it will disburse to Supplier an approved amount, subject to any retention requirements specified in Exhibit B, Special Terms and Conditions, and subject to the availability of funds. Any and all funds disbursed to Supplier under this Agreement, and any and all interest earned by Supplier on such funds, shall be used solely to pay Eligible Project Costs.

(c) Rejection of Claims

A claim may be rejected by State if:

(1) it is submitted without signature;

(2) it is submitted under signature of a person other than Supplier's duly authorized representative;

(3) Supplier fails to timely submit a final claim within the time period specified in Article A-6(f);

(4) Supplier fails to adequately demonstrate required Matching Funds.

State will notify Supplier of any claim so rejected, and the reasons therefore.

(d) Correction of Claims

A claim containing a mathematical error will be corrected by State, after telephone notification to Supplier, and will thereafter be treated as if submitted in the corrected amount. State will confirm correction of the error, to Supplier, in writing.

(e) Adjustments to Claims

If upon review of a claim State determines that any portion or portions of the costs claimed are ineligible to be funded under the Act, State law, implementing criteria, or the terms of this Agreement, State will notify Supplier, by certified or registered mail, of its determination concerning Supplier's failure to adequately document costs as Eligible Project Costs. Supplier may, within thirty (30) days of the date of receipt of such notice, submit additional documentation or evidence to cure such deficiency(ies). If Supplier does not submit additional information, or if State determines such additional information to be inadequate, State will adjust the pending claim by the amount of the ineligible cost(s).

Supplier may submit additional documentation or evidence, and resubmit any such rejected costs on a subsequent claim.

(f) Final Claim and Disbursement

Not later than six (6) months from the Project Completion Date, as set forth in Article A-8, Supplier shall submit a final claim. With the final claim, Supplier shall provide:

- (1) A statement of full written disclosure of all sources and amounts of funds contributed to the Project;
- (2) A certification by Supplier's Grant Administrator that the data disclosed is true and correct;
- (3) Proof of a Recorded Notice of Completion;
- (4) A fully executed "Final Release" in the form of **Attachment 3** to this Agreement.

Should Supplier fail to make the full disclosure and certification required by parts 1 and 2 of this paragraph (f), or should State become aware through any means that Supplier did not disclose all funding sources for the project; the project may be referred to the California Department of Finance for a full project audit.

(g) Force Account

Costs of construction or construction related activities performed by Force Account, if determined by State, in its sole discretion, to be Eligible Project Costs, may be used as Matching Funds, but are not eligible for grant funding under the terms of this Agreement.

Costs of engineering, legal, and administrative activities performed by Force Account, if determined by State, in its sole discretion, to be Eligible Project Costs, may

be used as Matching Funds or may be eligible for grant funding pursuant to the terms of this Agreement.

When Supplier uses the services of its own employees, Supplier shall establish accounts and maintain records which reasonably document all employee hours and costs charged to the Project and the associated tasks performed by each employee.

ARTICLE A-7. WITHHOLDING OF GRANT DISBURSEMENTS BY STATE AND CANCELLATION OF AGREEMENT

(a) Conditions for Withholding

If State determines that the Project is not being carried out substantially in accordance with the provisions of this Agreement or that Supplier has failed in any other respect to comply with the terms and conditions of this Agreement, State may give written notice of such failure to comply. If Supplier does not cure any such failure to State's satisfaction within ten (10) calendar days of receipt of such notice, State may withhold from the Supplier all or any portion of the grant funding and take any other action that it deems necessary to protect its interests, including but not limited to declaring Supplier in default as set forth in Article A-24, or canceling this Agreement pursuant to Subpart (b) of this Article A-7.

(b) Withholding Entire Grant Amount

If State determines to withhold the entire Grant Amount from Supplier pursuant to Subpart (a) of this Article A-7, notice of such a determination shall constitute a notice of cancellation of this Agreement, and this Agreement shall no longer be binding on any party hereto. Said Notice of Cancellation shall be sent to Supplier by certified or registered mail, and shall be effective upon receipt.

(c) Withholding Balance of Grant Amount

When a portion of the grant amount has been disbursed to Supplier and State determines to withhold funding, State will notify Supplier in writing, via certified or registered mail, that State is withholding the balance of the funding from Supplier, pursuant to Subpart (a) of this Article A-7. In such event, Supplier will be deemed to be in default and subject to the provisions of Article A-24.

ARTICLE A-8. TIMING OF PROJECT

Supplier agrees to proceed expeditiously, and shall meet a Project Completion Date of no later than three (3) years following the Date of Execution of this Agreement. Supplier shall commence project construction no later than 120 days following Date of Execution of this Agreement. Supplier's failure to meet said Project Completion Date may, at the option of State, be considered a material breach of agreement and may be

treated as a default under Article A-24. The facility shall not be placed into operation until State has conducted a final inspection and notifies Supplier in writing that the Project is complete.

When the Project is complete, Supplier shall certify to State that the Project is complete in accordance with the approved plans and specifications and ready for final inspection by State. The date of such certification by Supplier shall be the Project Completion Date for purposes of this Agreement.

ARTICLE A-9. SUPPLIER'S CONTRACTS

Supplier shall be solely responsible for resolution of any and all disputes arising out of or related to Supplier's construction and contracts for construction of the Project, including but not limited to bid disputes and payment disputes with Supplier's contractors and subcontractors and shall provide appropriate releases (as set forth in California Civil Code Title 15) as may be requested by State.

ARTICLE A-10. AUDIT AND INSPECTION OF BOOKS AND RECORDS

(a) Upon execution of this Agreement and until three (3) years following final disbursement under this Agreement, pursuant to Government Code Section 8546.7, the parties shall be subject to the examination and audit by State or any agent thereof, and the State Auditor, with respect to all matters connected with the performance of this Agreement, including, but not limited to, the cost of administering this Agreement. If any litigation, claim, negotiation, audit or other action is commenced before the expiration of said three (3) year period, all records must be retained until such action is resolved, or until the end of said three (3) year period whichever shall later occur. All records of Supplier relating in any way to funding received pursuant to this Agreement shall be preserved for this purpose.

(b) During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Agreement. Failure or refusal by Supplier to comply with this provision shall be considered a substantial failure to comply with this Agreement, State may declare Supplier in default as set forth in Article A-24, withhold disbursements to Supplier, or take any other action it deems necessary to protect its interests. The provisions of this Subpart (b) shall be effective until expiration of the time period provided in Subpart (a) of this Article A-10.

ARTICLE A-11. REMITTANCE OF FUNDS BY SUPPLIER

Within thirty (30) days following the date of final disbursement of funds, Supplier shall remit to State any funds that were disbursed under this Agreement and were not utilized to pay Eligible Project Costs. Such funds will not be included in the Grant Amount.

ARTICLE A-12. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENTS

(a) Separate Accounting of Grant Disbursements

Supplier shall account for the funds disbursed pursuant to this Agreement separately from all other Supplier's funds. Supplier shall maintain accounting procedures that are in accordance with Generally Accepted Accounting Principles. Supplier shall keep complete and accurate records of all receipts, disbursements, and interest earned on such funds.

Supplier shall require its agents, contractors and subcontractors to maintain books, records, and other documents pertinent to their work in accordance with Generally Accepted Accounting Principles. Such records shall be subject to inspection by State at any and all reasonable times.

(b) Disposition of Funds Disbursed

In addition to specific requirements set forth in this Agreement, all funds disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to all provisions of law applicable to Supplier.

(c) Interim and Final Audits

In addition to the provisions of Article A-10, at any time following execution of this Agreement and until completion of the Project, or final disbursement whichever shall occur last, State reserves the right to conduct an audit of Supplier's disposition of all funds disbursed under this Agreement. After completion of the Project, State may require Supplier to conduct a final audit, at Supplier's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Failure or refusal by Supplier to comply with these provisions shall be considered a substantial breach of this Agreement.

ARTICLE A-13. INSPECTIONS OF PROJECT BY STATE

State shall have the right but not the duty to inspect the work being performed on the Project at any and all reasonable times during the term of this Agreement. This right

shall extend to any subcontracts, and Supplier shall include provisions ensuring such access in all its contracts or subcontracts related to the Project.

ARTICLE A-14. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION

During the term of this Agreement Supplier 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 Project, without prior written consent of State.

ARTICLE A-15. NONDISCRIMINATION CLAUSE

During the performance of this Agreement, Supplier, its contractors and subcontractors, shall not deny the Agreement's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Supplier, its contractors and subcontractors shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Supplier, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated there under (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article.

By signing this Agreement, Supplier assures State that it shall comply with the requirements of 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; the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d (1988) et seq.; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794 (1989); Federal Water Pollution Control Act Amendments of 1972, Pub.L. No. 92-500, 86 Stat 816; and the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6102 (1994); together with all applicable regulations and guidelines adopted to implement same. Said group of laws and requirements are collectively referred to in this Agreement as the "anti-discrimination laws".

Supplier agrees to collect and maintain information to show compliance with the "anti-discrimination laws" including a list of discrimination complaints, reports of any compliance reviews conducted by other agencies descriptions of any pending discrimination-based lawsuits and data on the racial, ethnic, national origin, sex and handicap characteristics of the population it serves.

Supplier, its contractors and subcontractors shall give written notice of their obligations under this Article to labor organizations with which they have a collective bargaining or other agreement.

Supplier's signature on this Agreement shall constitute a certification under penalty of perjury under the laws of the State of California that Supplier has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

Supplier shall include the nondiscrimination and compliance provisions of this Article A-15 in all contracts and subcontracts to perform work on the Project.

ARTICLE A-16. WORKERS' COMPENSATION CLAUSE

Supplier affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Supplier affirms that it will comply with such provisions before commencing performance of work under this Agreement and will make its contractors and subcontractors aware of this provision.

ARTICLE A-17. SUCCESSORS AND ASSIGNS

This Agreement and all of its provisions shall inure to the benefit of, apply to, and bind the heirs, successors and assigns of the parties hereto. No assignment or transfer of this Agreement or any part hereof by Supplier shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.

ARTICLE A-18. STATE TO BE HELD HARMLESS

Supplier shall indemnify, hold harmless, protect and defend State and its officers, employees, agents and representatives from any loss, suit, action or claim brought for, or on account of any violation of law, ordinance, rule, or regulation, or any injury, damage, or loss, including death, caused by acts or omissions of Supplier, its employees, contractors, or agents; or in any way arising from, or related to the Project.

ARTICLE A-19. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive, and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

ARTICLE A-20. AMENDMENTS

This Agreement may be amended only by mutual written agreement signed by the parties hereto. Requests by Supplier for amendments must be in writing stating the amendment request and the reason for the request.

ARTICLE A-21. WAIVER OF RIGHTS

It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Agreement unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other rights or matters.

ARTICLE A-22. DISPUTE CLAUSE

Any dispute that Supplier may have regarding the performance of this Agreement including, but not limited to, claims for additional disbursements of funds or extension of time, shall be submitted to State's Grant Administrator identified in Section 10 of this Agreement. State's Grant Administrator may make findings and recommendations and transmit a copy of the claim and any such findings and recommendations to the California Department of Public Health, Chief, Division of Drinking Water and Environmental Management, who shall make a decision on such dispute which decision shall be in writing and transmitted to Supplier by certified or registered mail. Said decision shall be final and conclusive.

ARTICLE A-23. PERFORMANCE AND ASSURANCES

Supplier agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted to and approved by State, and to apply funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law.

ARTICLE A-24. DEFAULT PROVISIONS

- (a) Supplier will be in default under this Agreement if any of the following occur:
- (1) Supplier's failure to make any remittances required by this Agreement;
 - (2) Supplier's substantial breach of this Agreement, or any supplement or amendment to it;
 - (3) Supplier's making of any false warranty, representation, or statement with respect to this Agreement or the Project;

(4) Dissolution or cessation of operations by Supplier, termination of Supplier's existence, insolvency of Supplier, or filing of a voluntary or involuntary bankruptcy petition by or on behalf of Supplier; and/or

(5) Supplier's failure to provide required Matching Funds.

(b) When an event of default occurs, State may give Supplier notice of default. Supplier shall have ten (10) calendar days from the date of such notice to cure the default. If Supplier fails to timely cure the default to the satisfaction of State, then State may do any or all of the following:

(1) Declare that any and all amounts disbursed to Supplier under the terms of this Agreement shall be deemed an obligation of Supplier and due and payable to State;

(2) Declare Supplier's obligations immediately due and payable, with or without demand or notice to Supplier, which Supplier expressly waives;

(3) Terminate any obligation of State to make further disbursements to Supplier under this Agreement;

(4) Perform any of Supplier's obligations under this Agreement for Supplier's account; and/or

(5) Take any other action it deems necessary to protect its interests.

(c) Supplier agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to State as a result of a breach of agreement by Supplier, whether such breach occurs before or after completion of the Project.

(d) No waiver by State of any breach or default will be a waiver of any other breach or default.

ARTICLE A-25. DRUG-FREE WORKPLACE CERTIFICATION

By signing this Agreement, Supplier hereby certifies under penalty of perjury under the laws of the State of California that Supplier will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

(a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

(b) Establish a Drug-Free Awareness program to inform employees about all of the following:

- (1) The dangers of drug abuse in the workplace;
- (2) The person's or organization's policy of maintaining a drug-free workplace;
- (3) Any available counseling, rehabilitation and employee assistance programs;
- (4) Penalties that may be imposed upon employees for drug abuse violations.

(c) Every employee who works on the Project:

- (1) Shall be issued a copy of Supplier's drug-free policy statement;
- (2) Shall agree to abide by terms of Supplier's statement as a condition of employment on the Project.

This Agreement may be subject to suspension of payments or termination, or both, and Supplier may be subject to debarment if State determines that: (1) Supplier has made a false certification, or (2) Supplier has violated the certification by failing to carry out the requirements of this Article A-25.

ARTICLE A-26. CONFLICT OF INTEREST – CURRENT AND FORMER STATE EMPLOYEES

(a) Current State Officers and Employees:

(1) Supplier shall not utilize in the performance of this Agreement any state officer or employee in the state civil service or other appointed state official unless the employment, activity, or enterprise is required as a condition of the officer or employee's regular state employment. Employee in the state civil service is defined to be any person legally holding a permanent or intermittent position in the state civil service.

(2) If any state officer or employee is utilized or employed in the performance of this Agreement, Supplier shall first obtain written verification from State that the employment, activity, or enterprise is required as a condition of the officer's, employee's, or official's regular state employment and shall keep said verification on file for three (3) years after the termination of this Agreement.

(3) Supplier may not accept occasional work from any currently employed state officer, employee, or official.

(4) If Supplier accepts volunteer work from any currently employed state officer, employee, or official, Supplier may not reimburse, or otherwise pay or compensate, such person for expenses incurred, including, without limitation, travel expenses, per diem, or the like, in connection with volunteer work on behalf of Supplier.

(5) Supplier shall not employ any state officers, employees, or officials who are on paid or unpaid leave of absence from their regular state employment.

(6) Supplier or anyone having a financial interest in the Agreement may not become a state officer, employee, or official during the term of this Agreement. Supplier shall notify each of its employees, and any other person having a financial interest in this Agreement that it is unlawful under the Public Contract Code for such person to become a state officer, employee, or official during the term of this Agreement unless any relationship with the Supplier giving rise to a financial interest, as an employee or otherwise, is first terminated.

(7) Occasional or one-time reimbursement of a state employee's travel expenses is not acceptable.

(b) Former State Officers and Employees:

(1) Supplier shall not utilize in the performance of this Agreement any formerly employed person of any state agency or department that was employed under the state civil service, or otherwise appointed to serve in the State Government, if that person was engaged in any negotiations, transactions, planning, arrangement, or any part of the decision making process relevant to the Agreement while employed in any capacity by any state agency or department. This prohibition shall apply for a two (2) year period beginning on the date the person left state employment.

(2) Supplier shall not utilize within twelve (12) months from the date of separation from services, a former employee of the contracting state agency or department if that former employee was employed in a policy making position in the same general subject area as the proposed Agreement within the twelve (12) month period prior to the employee leaving state service.

ARTICLE A-27. ADDITIONAL INSURED

Supplier agrees that for any policy of general liability insurance concerning the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing State, its officers, agents, employees, and servants as additional insured's; and shall provide State with a copy of all such certificates prior to the commencement of construction of the Project.

ARTICLE A-28. PROHIBITED USE OF STATE FUNDS FOR SOFTWARE

Supplier certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

ARTICLE A-29. LABOR COMPLIANCE

Supplier shall comply with all applicable provisions of Labor Code, Division 2, Part 7, Chapter 1, Article 2, commencing with Section 1770 and implementing regulations regarding labor compliance monitoring and prevailing wage requirements. Supplier's failure or refusal to comply with this requirement shall be considered a substantial breach of this Agreement.

EXHIBIT B

SPECIAL TERMS AND CONDITIONS

ARTICLE B-1.

1. **Supplier** may be reimbursed only for such eligible project costs consisting of eligible construction expenses incurred on or after the date of the Letter of Commitment, and eligible preliminary expenses incurred after March 5, 2005.
2. **Supplier** may use only eligible project costs incurred after October 28, 2003 to satisfy matching fund requirements.
3. **Supplier** shall notify State's **Sacramento District Office** no less than fifteen (15) days before commencement of Project construction.
4. **Supplier** shall notify State's **Sacramento District Office** at the completion of the Project.
5. **Supplier** shall notify State's **Sacramento District Office** no less than fifteen (15) days prior to any start-up testing of the Water System Security Surveillance System facilities.
6. **Supplier** may place Water System Security Surveillance System into operation prior to completion of the Project if prior written approval is obtained from State.
7. Notwithstanding any other provision of this Agreement, including but not limited to Article A-5, the **Supplier** must receive written approval from the State prior to issuance of any and all Project change orders that involve treatment components or that may have any significant effect on the treatment process. In addition, the **Supplier** must receive prior written approval from the State prior to issuance of any and all Project change orders which individually exceed \$5,000; and after such time as the total amount of all change orders issued for the Project exceeds \$50,000, the **Supplier** shall submit all change order(s) to, and receive prior written approval from, the State prior to issuance of such change order(s). For all Project change order(s) not requiring prior written approval, pursuant to the terms of this paragraph, the Supplier shall submit such Project change order(s) to the State's Sacramento District Office within three (3) working days of issuance of such change order(s). All construction change orders shall be submitted to the State's **Sacramento District Office**.
8. Within 120 of the Project Completion Date, **Supplier** shall prepare As-Built Drawings and notify State's **Sacramento District Office** of the availability of the Project As-Built Drawings for the State review.

ATTACHMENT 1

BUDGET AND EXPENDITURE SUMMARY (ARTICLE A-3 (c))

ATTACHMENT 2

CLAIM FORM (ARTICLE A-6 (a))

PART C

	THIS PERIOD	TOTAL TO DATE
AMOUNT EARNED	\$ -	\$ -
PREVIOUS PAYMENTS		\$
AMOUNT DUE	\$ -	\$ -

ESTIMATED PERCENTAGE OF JOB COMPLETED (applicable for construction costs only) _____ %	IS CONTRACTOR'S CONSTRUCTION PROGRESS ON SCHEDULE? (applicable for construction costs only) <input type="checkbox"/> YES <input type="checkbox"/> NO EXPLAIN:
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PART D

1. Certification of Contractor (applicable for construction costs only)

According to the best of my knowledge and belief, I certify that all items and amounts shown on the foregoing Claim for Reimbursement (Itemized) are correct; that all the work has been performed and/or material supplied in full accordance with the requirements of the referenced Funding Agreement, and/or duly authorized deviations, substitutions, alternations, and/or additions; that the foregoing is a true and correct statement of the contract account up to and including the last day of the period covered by this claim; that no part of the "Balance Due This Payment" has been received and that the undersigned and his subcontractors have complied with the nondiscrimination provisions of the Funding Agreement.

Signature

Date

Name (Print)

Title

2. Certification of Individual Authorized Representative to Sign Budget and Expenditure Summary

I certify that I have checked and verified the foregoing Claim for Reimbursement (Itemized); that to the best of my knowledge and belief it is a true and correct statement of work performed and/or material included in this claim; has been inspected by me and/or by my duly authorized representative or assistants and that it has been performed and/or supplied in full accordance with requirements of the referenced contract; and that partial payment claimed and requested by the contractor is correctly computed on the basis of work performed and/or material supplied to date.

Signature

Date

Name (Print)

Position Title or Registration Number

3. Request for Payment by Entity

The construction of the project is progressing satisfactorily and to the best of my knowledge the amounts contained in the foregoing Itemized Claim Form are true and correct statements of actual costs incurred for work performed and I hereby request payment from the fund indicated on the Claim for Reimbursement form in the amount of \$ _____ - for reimbursement of eligible project costs estimated above.

Signature

Date

Name (Print)

Position Title or Registration Number

Your claim packet must include original "wet" signatures from the person(s) designated in your resolution. Please sign in blue ink and make photocopies of the signed originals.

Please submit the original and one copy of the entire claim package to:

Department of Public Health, Safe Drinking Water Office
P.O. Box 997377, MS 7418
Sacramento, CA 95899-7377

In addition, a full copy of the claim package must be sent to your CDPH District Office.

Instructions for completing "CLAIM FOR REIMBURSEMENT (PUBLIC OR PRIVATE)"

INDICATE WHICH FUNDING SOURCE YOU ARE CLAIMING

Choose from the menu in the heading and check the appropriate box below it.

PART A

Name of Water System

The name should be identical to the name used in the Funding Agreement with the State.

Funding Agreement Number

The number is on the Funding Agreement (Ex. AR09N100)

Claim Number

Submit no more than one claim per month. The format for numbering claims will be in sequence (Claim No. 1, No. 2, etc.)

PART B - Expenditure Summary

Line Item Number

This number corresponds to the line items on your Budget and Expenditure Summary form as well as the corresponding Itemized forms.

Attachment Number

Numerically identify each attachment, corresponding to each Claim for Reimbursement (Itemized) form, found in the upper right hand corner.

Description

Must match the B&E line item description but may include additional information, such as the name of the contractor.

Project Expenditures

Enter the total dollar amount incurred for the line item this claim period. (include costs funded by SRF* as well as non-SRF* sources).

Matching Funds/Supplier's Cost/Other Fund Source(s)

If required by Funding Agreement to demonstrate matching funds, enter the dollar amount covered by non-SRF* sources for this claim.

Funds Requested

The dollar amount of SRF* funds requested for each line item. If your project is funded from multiple sources, you must submit to CDPH copies of all payment requests (claims) for each funding source, including support documentation.

PART C - Totals

1. Sum of project expenditures and SRF* funds requested from the columns in Part B.
2. Total all prior claims - *Do not include this claim*.
3. Sum of Items 1 (Total this Claim) and 2 (Total all prior claims).
4. SRF* amount from the Funding Agreement.
5. Same as Item 3, the sum of Items 1 and 2.
6. Funds still available - Item 4 minus Item 5. This amount must be equal to or greater than zero.

The totals in Part C should match the totals on the Claim B&E.

DO NOT WRITE IN THE BLOCKS MARKED "FOR STATE USE ONLY".

If additional space is required use a second Claim for Reimbursement form and identify it as "Page Two" in the upper right hand corner.
Show a total only for the last Claim for Reimbursement form.

Instructions for submitting "ITEMIZED CLAIM FORM"

Submit an itemized form for each contractor whose service is being funded this claim.

PART A

FOR CONSTRUCTION COSTS ONLY - Date of Completion

The expected completion date for this contractor's portion of the project.

FOR CONSTRUCTION COSTS ONLY - Amount of Contract

The amount of the contract for this contractor's portion of the project.

*If any revisions have been made to the completion date or contract amount, note them in the space provided.
The CDPH District Office must approve of any changes.*

Dates of Claims

The date range for this claim (from the Public/Private claim form).

PART B

Budget Line Item

This number corresponds to the line items on your claim (Public/Private) and Budget and Expenditure Summary form.

Contract Items (Unit, Quantity and Unit Price)

"See Attached Invoice # [enter corresponding invoice number or range]."
Alternatively, identify each item by its basic description.

This Period

Quantity and Amount

Total amount for this contractor submitted this claim.

Total to Date

Quantity and Amount

Total amount for this contractor to date (entire project).

PART C

Amount Earned

Total of "This Period" and "Total to Date" columns in Part B.

Amount Due (This Period) and Amount Due (Total to Date)

Enter the amount of funds requested this claim.

Previous Payments

Enter the sum of previous payments related to this contractor in the Total to Date column.

FOR CONSTRUCTION COSTS ONLY - Estimated Percentage

Total percentage of work completed by this contractor for this contract, required.

FOR CONSTRUCTION COSTS ONLY - Contractor's Progress

Indicate if contractor is on schedule. If "no," explain.

Part D

D2 and D3 must always be signed by the personnel designated in the resolution. Part D2 is always signed by a registered civil engineer unless otherwise approved in writing by State. Part D1 is signed FOR CONSTRUCTION COSTS ONLY.

DO NOT REQUEST REIMBURSEMENT FOR FUNDS THAT WON'T BE IMMEDIATELY DISBURSED TO THE CONTRACTOR, INCLUDING RETENTION.

**These instructions apply for all CDPH Drinking Water Program fund sources: SRF, ARRA, Prop 50, Prop 84.*

ATTACHMENT 3

FINAL RELEASE (ARTICLE A-6 (f)(4))

Final Release

Definitions: As used in this release "Funding Agreement" refers to that certain State of California Department of Public Health Funding Agreement identified in paragraph 2 below; "final invoice" refers to "final claim" as used in said Funding Agreement and "Supplier" refers to the party identified as "Supplier" in said Funding Agreement.

Instructions to Supplier:

With your final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind Supplier. The additional copy may bear photocopied signatures.

2. Submission of Final Invoice

Pursuant to Funding Agreement number _____ entered into between the State of California Department of Public Health (CDPH) and the Supplier (identified below), the Supplier does acknowledge that final payment has been requested via invoice number _____, in the amount of \$ _____ and dated _____.

3. Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number referenced above, Supplier does hereby release and discharge the State, its officers agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced Agreement.

4. Repayments Due to Audit Exceptions / Record Retention

By signing this form, Supplier acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Supplier agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced Agreement must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said Funding Agreement.

5. Other Issues

By signing this form, Supplier further agrees, in connection with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced Funding Agreement, including, but not limited to, those provisions relating to notification to the State and related to resolution of disputes and the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING TO THE FINAL INVOICE

Supplier's Legal Name (as on Agreement)

Signature of Supplier

Date: _____

Printed Name/Title of Person Signing

CDPH Distribution: Accounting (Original) Program(Copy): Division of Drinking Water and Environmental Management

ENCLOSURE 1

PAYEE DATA RECORD

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9)
 STD. 204 (Rev. 5/06)_CDPH

1	<p>INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement.</p> <p>NOTE: Governmental entities, federal, state, and local (including school districts), are not required to submit this form.</p>
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2	PAYEE'S LEGAL BUSINESS NAME (Type or Print)	
	SOLE PROPRIETOR—ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)	E-MAIL ADDRESS
	MAILING ADDRESS	BUSINESS ADDRESS
	CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE

3	<p>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <input style="width: 100px;" type="text"/></p>	<p>NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.</p>
<p>PAYEE ENTITY TYPE</p> <p>CHECK ONE BOX ONLY</p>	<p><input type="checkbox"/> PARTNERSHIP</p> <p><input type="checkbox"/> ESTATE OR TRUST</p> <p><input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: <input style="width: 150px;" type="text"/></p> <p style="text-align: center; font-size: small;">(SSN required by authority of California Revenue and Tax Code Section 18646)</p>	
	<p>CORPORATION:</p> <p><input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</p> <p><input type="checkbox"/> LEGAL (e.g., attorney services)</p> <p><input type="checkbox"/> EXEMPT (nonprofit)</p> <p><input type="checkbox"/> ALL OTHERS</p>	

4	<p>PAYEE RESIDENCY TYPE</p> <p><input type="checkbox"/> California resident—qualified to do business in California or maintains a permanent place of business in California.</p> <p><input type="checkbox"/> California nonresident (see reverse side)—Payments to nonresidents for services may be subject to State income tax withholding.</p> <p style="margin-left: 40px;"> <input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached. </p>
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5	<p>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.</p>		
	AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE	
	SIGNATURE	DATE	TELEPHONE ()

6	<p>Please return completed form to:</p>		
	Department/Office:	California Department of Public Health	
	Unit/Section:	Prop 50 Unit Pipeline Coordinator	
	Mailing Address:	P. O. Box 997377, MS 7408	
	City/State/ZIP:	Sacramento, CA 95899-7377	
	Telephone:	(916) 449-5600	FAX: (916) 449-5575
	E-Mail Address:	www.cdph.ca.gov	

PAYEE DATA RECORD

STD. 204 (Rev. 5/06)_CDPH (Page 2)

1	<p>Requirement to Complete Payee Data Record, STD. 204</p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>						
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>						
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>						
4	<p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <table border="0"> <tr> <td>Withholding Services and Compliance Section:</td> <td>1-888-792-4900</td> <td>E-mail address: wscs.gen@ftb.ca.gov</td> </tr> <tr> <td>For hearing impaired with TDD, call:</td> <td>1-800-822-6268</td> <td>Website: www.ftb.ca.gov</td> </tr> </table>	Withholding Services and Compliance Section:	1-888-792-4900	E-mail address: wscs.gen@ftb.ca.gov	For hearing impaired with TDD, call:	1-800-822-6268	Website: www.ftb.ca.gov
Withholding Services and Compliance Section:	1-888-792-4900	E-mail address: wscs.gen@ftb.ca.gov					
For hearing impaired with TDD, call:	1-800-822-6268	Website: www.ftb.ca.gov					
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>						
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>						
<p>Privacy Statement</p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>							

ENCLOSURE 2

REVISED PROJECT COST REQUEST

PROP 50 PROGRAM, CHAPTER 3 & 4 - REVISED PROJECT COST REQUEST

A copy should be provided to the CDPH District Engineer and the DWR Analyst on the Project Contact List.

Public Water System Name City of Sacramento	System ID Number 3410020	Prop 50 #:
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PROJECT FINANCIAL INFORMATION – ESTIMATED PROJECT COSTS (Use additional sheets as necessary)

Cost Classification	Total Costs	Prop 50 Funds	Matching Funds	
			Applicant Funds	Other Funds
A. Preliminary Costs	\$ 5,000	\$ 2,124	\$ 2,876	\$
B. Construction Costs	\$ 398,694	\$ 169,310	\$ 229,384	\$
C. Engineering Costs	\$ 60,000	\$ 25,480	\$ 34,520	\$
D. Equipment Costs	\$ 591,000	\$ 250,975	\$ 340,025	\$
E. Land Acquisition	\$	\$	\$	\$
F. Contingencies	\$ 189,000	\$ 80,261	\$ 108,739	\$
G. Other Costs	\$ 75,000	\$ 31,850	\$ 43,150	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total Funding \$	\$ 1,318,694	\$ 560,000	\$ 758,694	\$

PROJECT FINANCIAL INFORMATION – SOURCES OF MATCHING FUNDS IF REQUIRED

Source of Funds	Type of Funds (grants, loans, in-kind services, user fees, etc.)	Amount	Funding Status (i.e., application in progress, funding committed, cash on hand, etc. Describe below.)
Drinking Water CIP	Bond Funds	\$ 758,694	funding committed
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
Total Funding \$		\$	

The applicant will be required to provide documentation that all required matching funds have been secured. Describe in detail the status of matching funds. In particular, describe the source of funds, application status (if applicable), funding commitments secured, date funding will be available, conditions on funding that impact the funding agreement, etc.

Matching funds in the amount of \$758,694 have been comitted through the City's 2013 water bond sale of \$239 million for water related capital improvement projects. The work is budgeted in the Water Treatment Plants

Rehabilitation Project Z14006000. http://www.cityofsacramento.org/finance/budget/approved-cip-2011-16/approvedCIP2011-2016_Web.pdf.

PROJECT FINANCIAL INFORMATION – OPERATIONS AND MAINTENANCE COSTS

Types of O&M Costs for Project Facilities (i.e., labor, power, waste disposal, etc.)	Estimated Annual O&M Costs for Project Facilities	Sources of Funding
Labor, electricity		

I declare under penalty of law that the preceding is true, and that I am authorized to sign as a responsible party for this facility/business.

Signature: _____ Date: _____

Approvals: DWR Analyst: _____ Date: _____
 CDPH District Engineer: _____ Date: _____
 CDPH Project Manager: _____ Date: _____

Proposition 50
Chapter 3
Letter of Commitment (LOC) Attachment

Application for funding under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 has been reviewed by the California Department of Public Health (CDPH) and the Department of Water Resources (DWR). CDPH has determined that Project number **P50-3410020-154**, as proposed by the Applicant, **City of Sacramento** is eligible for a grant in the amount of **\$560,000**.

Funding is contingent upon compliance by **City of Sacramento** with the following terms and conditions and subject to the availability of funds. Compliance shall be determined at the sole discretion of CDPH or its authorized representative. Items must be submitted to CDPH as directed.

CDPH understands that the total Project cost is **\$1,318,694**. **City of Sacramento** is responsible for providing any difference between the grant amount and the total Project cost to ensure a fully funded Project.

I. All items under this Section I must be submitted prior to the issuance of a Funding Agreement for signature by the authorized representative of City of Sacramento. CDPH has deemed all requirements under this Section I as satisfied:

1. Submit a written resolution, adopted by the governing body of **City of Sacramento**, designating (an) official(s) with legal authority to:
 - a. sign the Funding Agreement;
 - b. approve claims for reimbursement;
 - c. sign the Budget and Expenditure Summary form (copy enclosed);
 - d. sign the Final Release form (copy enclosed); and
 - e. sign a certification that the Project is complete and ready for final inspection.

Person(s) signing the Budget and Expenditure Summary and Project Completion Certification must be a registered engineer(s) or person(s) approved by CDPH.

2. Submit a written designation of the Grant Administrator for **City of Sacramento**.

II. Before any funds may be disbursed under terms of the Funding Agreement, the following items must be provided:

1. Evidence that a separate checking account or a separate ledger has been established to account for funds received from CDPH.

Please indicate the name and address of the financial institution, exact name of account holder, and the account name and number. If this bank account is not used solely to account for funds received from CDPH, a ledger must be established within the accounting system for **City of Sacramento** identifying the Project number and Proposition 50 Funding Agreement number.

2. Submit an initial Project budget of eligible Project costs approved by CDPH on the CDPH Budget and Expenditure Summary form.

III. General Requirements

1. This LOC is not an authorization to begin construction. Unless prior written approval from CDPH is received, initiation of construction of this Project prior to the execution of a Proposition 50 Funding Agreement may affect CDPH participation in reimbursement of eligible costs.
2. **City of Sacramento** may be reimbursed only for such eligible Project costs consisting of eligible construction expenses incurred on or after the date of this LOC, and eligible preliminary expenses incurred after March 5, 2005.
3. If **City of Sacramento** is required to provide matching funds, **City of Sacramento** may use only eligible Project costs incurred after October 28, 2003 to satisfy matching fund requirements.
4. Reimbursements will not occur prior to the execution of a Funding Agreement.

Note: Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit of the State or any agent thereof, and the State Auditor.

The signed LOC shall be submitted to:

California Department of Public Health
Division of Drinking Water and Environmental Management
Lance Reese
Proposition 50 Program
1616 Capitol Avenue
P.O. Box 997377, MS 7408
Sacramento, CA 95899-7377

The signature of the authorized representative for **City of Sacramento** below indicates the acceptance of the terms and conditions of this LOC as well as intent to proceed with this Project as proposed. This LOC does not constitute an obligation to enter into the Funding Agreement. **The authorized representative for City of Sacramento must sign this LOC at the space provided below and return it within thirty (30) calendar days of receipt to CDPH. Failure to sign and return this LOC within the timeframe specified will result in a bypass of this Project.**

Signature: _____ Date: _____

Print Name: _____

Title: _____

Address: _____

[street]

[city]

[state]

[zip code]