

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.6  
(ID # 19081)**

**MEETING DATE:  
Tuesday, May 17, 2022**

**FROM :** EXECUTIVE OFFICE:

**SUBJECT:** EXECUTIVE OFFICE: Approve and Execute the Study Grant Agreement No. D2118003 Between the State Water Resources Control Board, County of Riverside, Riverside Local Agency Formation Commission and Imperial County Local Agency Formation Commission for the Imperial Irrigation District Alternative Governance and Electricity Services Study; Adoption of Resolution No. 2022-122 Authorizing Entering Into A Funding Agreement With The State Water Resources Control Board And Authorizing And Designating A Representative For The Alternative Governance Structures And Alternative Electricity Service Provision-Imperial Irrigation District Project; District 4. [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Attached Study Grant Agreement No. D2118003 Between the State Water Resources Control Board (SWRCB), County of Riverside, Riverside Local Agency Formation Commission (Riverside LAFCO) and Imperial County Local Agency Formation Commission (Imperial LAFCO) for the Imperial Irrigation District Alternative Governance and Electricity Services Study for Fiscal Years 21/22 through 23/24 and authorize the Chair of the Board of Supervisors to execute the Agreement on behalf of the County; and

**ACTION:Policy**

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: May 17, 2022  
xc: E.O.

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

2. Adopt Resolution No. 2022-122 Authorizing Entering Into A Funding Agreement With The State Water Resources Control Board And Authorizing And Designating A Representative For The Alternative Governance Structures And Alternative Electricity Service Provision-Imperial Irrigation District Project, including Authorizing the Executive Officer or Designee to Implement the Study Grant Agreement Including but not Limited to Executing Related Documents, Making Requests for Disbursement as set forth in the Agreement, Certifying Invoices to the Extent Required Pursuant to the Agreement, or in Conjunction with the Riverside LAFCO, Making Disbursements of Funds Received from SWRCB to Riverside LAFCO for Study Costs Pursuant to the Agreement and in compliance with applicable state and federal laws.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: N/A</b>	
			<b>For Fiscal Year: 21/22 – 23/24</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

California State grant funding has been authorized for performing an alternative governance and electricity services study of Imperial Irrigation District (IID) for provision of electricity services within IID’s jurisdictional boundaries, and into several cities and unincorporated areas within the Coachella Valley. The purpose of the study is to review the future expiration of a long-standing agreement between IID and the Coachella Valley Water District in which IID provides electricity services into Riverside County, and the governance and service options which are available when the agreement expires.

This study is the result of actions taken by California Assemblymember Chad Mayes, and eventual state authorization which programmed funding into the FY21/22 State budget, to be allocated to the County from the State Water Resources Control Board (SWRCB). Because funding parameters are restricted by the State budget language that funded the study, the resultant attached study grant funding agreement (Agreement) is a four-party agreement between SWRCB, Riverside LAFCO, Imperial LAFCO, and the County. The County will have no responsibility for study planning, implementation or outcome; the County’s role under the Agreement is limited only to that of an entity to pass through funds to Riverside LAFCO, who will expend the funds as lead contracting agency, retaining the consultant to perform the study. Riverside LAFCO and Imperial LAFCO will jointly manage and administer the project.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

As part of SWRCB grant funding requirements, the attached Resolution No. 2022-122 is recommended to be adopted by the Board of Supervisors for authorizing entering into the Study Grant Agreement and approving delegating authority to the Executive Office to perform administrative tasks associated with pass through of funds from SWRCB to LAFCO.

**Impact on Residents and Businesses**

Riverside and Imperial LAFCO will conduct this study to review current electricity service delivery in the area, and review options for optimal future delivery of services to area communities upon expiration of the current service agreement.

**Additional Fiscal Information**

As detailed in the Agreement, study costs are estimated at approximately \$500,000; directly upon receipt, the County will pass these funds to Riverside LAFCO, who is the lead contracting agency responsible for conduct of the study. This arrangement was necessary due to language in the State's budget which allocated these funds from SWRCB to the County, for use by Riverside LAFCO.

**ATTACHMENTS**

- Attachment A - Study Grant Agreement No. D2118003 by and Between the County of Riverside (Recipient), Riverside LAFCO (Subrecipient), Imperial LAFCO, and the California State Water Resources Control Board
  
- Attachment B - Resolution No. 2022-122

  
Rania Odenbaugh, Deputy Director of Administration

5/12/2022

  
Cynthia M. Guzzel, Chief Deputy County Counsel

5/10/2022

2  
3 RESOLUTION NO. 2022-122

4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
5 THE COUNTY OF RIVERSIDE AUTHORIZING ENTERING INTO A FUNDING AGREEMENT  
6 WITH THE STATE WATER RESOURCES CONTROL BOARD AND AUTHORIZING AND  
7 DESIGNATING A REPRESENTATIVE FOR THE ALTERNATIVE GOVERNANCE STRUCTURES  
8 AND ALTERNATIVE ELECTRICITY SERVICE PROVISION-IMPERIAL IRRIGATION DISTRICT  
9 PROJECT  
10

11 **WHEREAS**, the Budget Act of 2021, section 19.56(e), item 118, appropriated funds to the County  
12 of Riverside, for the Imperial Local Agency Formation Commission (IMPERIAL LAFCO) and the  
13 Riverside Local Agency Formation Commission (Riverside LAFCO) to conduct the Alternative  
14 Governance Structures and Alternative Electricity Service Provision-Imperial Irrigation District Project  
15 (“Project”) and designated the State Water Resources Control Board (State Water Board) as the  
16 administering agency; and

17 **WHEREAS**, prior to the State Water Resources Control Board's executing a funding agreement,  
18 the County of Riverside (“County”) is required to adopt a resolution authorizing an agent, or representative,  
19 to sign the funding agreement, amendments, and requests for disbursement on behalf of the County, and to  
20 carry out other necessary Project-related activities;

21 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED**, by the Board of  
22 Supervisors of the County of Riverside, on this 17th day of May, 2022, that the County is hereby authorized  
23 to carry out the Project, enter into a funding agreement with the State Water Resources Control Board, and  
24 accept and transfer the funds to Riverside LAFCO for expending the State funds for the Project; and

25 **BE IT FURTHER RESOLVED AND ORDERED**, that the Chair of the Board of Supervisors is  
26 hereby authorized and designated to sign, for and on behalf of the County of Riverside, the funding  
27 agreement entitled the Study Grant Agreement No. D2118003 for the Project and any amendments thereto;  
28 and

FORM APPROVED COUNTY COUNSEL  
BY: *[Signature]* DATE: 5-10-22  
BY: SYNTHEM. CUNZEL

MAY 17 2022 *(3.6)*

1           **BE IT FURTHER RESOLVED AND ORDERED**, that the COUNTY EXECUTIVE OFFICER,  
2 EXECUTIVE OFFICE PRINCIPAL MANAGEMENT ANALYST or designee, is hereby authorized and  
3 designated to represent the County of Riverside in carrying out the County's responsibilities under the  
4 funding agreement, including executing any related documents, making disbursement requests as set forth  
5 in the funding agreement and to certify invoices to the extent required pursuant to the funding agreement,  
6 or in conjunction with the Riverside LAFCO, making disbursements of funds received from State Water  
7 Board to Riverside LAFCO for the Project costs pursuant to the funding agreement and in compliance with  
8 applicable state and federal laws.

9           **BE IT FURTHER RESOLVED AND ORDERED**, that any and all actions, whether previously  
10 or subsequently taken by the County, which are consistent with the intent and purposes of the foregoing  
11 resolution, shall be, and hereby are, in all respects, ratified, approved and confirmed.

12  
13 ROLL CALL:

14 Ayes:           Jeffries, Spiegel, Washington, Perez and Hewitt

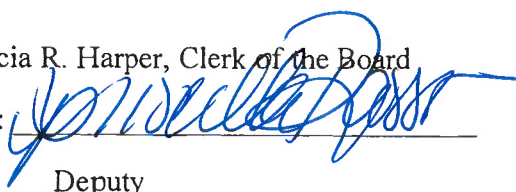
15 Nays:           None

16 Absent:

17  
18           The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors  
19 on the date therein set forth.

20  
21 Kecia R. Harper, Clerk of the Board

22 By:



23 Deputy



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**STUDY GRANT  
AGREEMENT No. D2118003  
by and between  
COUNTY OF RIVERSIDE ("Recipient"),  
RIVERSIDE LOCAL AGENCY FORMATION COMMISSION ("Subrecipient"),  
IMPERIAL LOCAL AGENCY FORMATION COMMISSION ("Imperial LAFCO")  
AND  
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD ("State Water Board")**

**for the purpose of the**

**ALTERNATIVE GOVERNANCE STRUCTURES AND ALTERNATIVE ELECTRICITY  
SERVICE PROVISION - IMPERIAL IRRIGATION DISTRICT ("Project")**

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**Sen. Bill No. 170 (2021-2022 Reg. Sess.) § 174, amending The Budget Act of 2021,  
Sen. Bill No. 129 (2021-22 Reg. Sess.) § 19.56(e)(118) (SB 170, Item 118).**

**PROJECT FUNDING AMOUNT: \$500,000  
ELIGIBLE WORK START DATE: MAY 1, 2022  
WORK COMPLETION DATE: , FEBRUARY 29, 2024  
FINAL REIMBURSEMENT REQUEST DATE: MARCH 31, 2024  
RECORDS RETENTION END DATE: FEBRUARY 29, 2031**

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MAY 17 2022 3.6

## RECITALS

- A. On September 23, 2021, the Governor approved Senate Bill No. 170 (2021-2022 Reg. Sess.) § 174, amending The Budget Act of 2021, Sen. Bill No. 129 (2021-22 Reg. Sess.) § 19.56(e)(118).
- B. As part of SB No. 170, Five Hundred Thousand Dollars (\$500,000) was approved to be allocated by the State Water Resources Control Board to the County of Riverside (County/Recipient) for the benefit of the Imperial Local Agency Formation Commission (Imperial LAFCO) and the Riverside Local Agency Formation Commission (Riverside LAFCO/Subrecipient) so a study and assessment of municipal special district governance structures and provision of electricity services by a special district could be conducted (Study).
- C. The County will serve only as the Recipient of the Project Funds and will forward such funds to the Riverside LAFCO, so it may engage a consultant to conduct the Study in conjunction with Imperial LAFCO.
- D. Riverside LAFCO desires to accept the funds and agrees to the terms and conditions of this Agreement to utilize the funds for the purpose for which it was allocated.

## AGREEMENT

1. The State Water Board and the Recipient, Subrecipient and Imperial LAFCO mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement, including the following Exhibits, which are attached hereto or are incorporated by reference:
  - EXHIBIT A – SCOPE OF WORK AND SCHEDULE
  - EXHIBIT B – FUNDING TERMS
  - EXHIBIT C – GENERAL TERMS AND CONDITIONS
  - EXHIBIT D – SPECIAL CONDITIONS

For the purposes of this Agreement, the Recipient is serving as a pass-through entity to disburse the funds to the Subrecipient for the Study and is not obligated to conduct the Study nor shall the Recipient 1) have the obligation to verify or certify any of the information or documentation received from Subrecipient; or 2) be subject to any of the terms described in Exhibits A, B and C, except as specifically provided in this Agreement for it to carry out its limited role as a pass-through entity.

2. Party Contacts during the term of this Agreement are:

State Water Board		County of Riverside	
Section:	Division of Financial Assistance		
Name:	Spencer Joplin, Project Manager	Name:	Scott Bruckner
Address:	1001 I Street, 17th Floor	Address:	4080 Lemon Street, 4th Floor
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Riverside, CA 92501
Phone:	(916) 341-5636	Phone:	(951) 955-1110
Fax:	(916) 341-5296	Fax:	N/A
Email:	spencer.joplin@waterboards.ca.gov	Email:	sbruckner@rivco.org

Riverside LAFCO		Imperial LAFCO	
Name:	Gary Thompson, Project Director	Name:	Jurg Heuberger, Project Director
Address:	6216 Brockton Ave, Suite 111-B	Address:	1122 State St., Suite D
City, State, Zip:	Riverside, CA 92506	City, State, Zip:	El Centro, CA 92243
Phone:	(951) 369-0631	Phone:	(760) 353-4115
Fax:	N/A	Fax:	N/A
Email:	gthompson@lafco.org	Email:	jurgh@iclafco.com

Each party may change its contact upon written notice to the other parties. While Party Contacts are contacts for day-to-day communications regarding Project work, the Recipient, Subrecipient, and Imperial LAFCO must provide any official communications and notices to the Division's Deputy Director.

3. Conditions precedent to this Agreement are set forth as follows:

(a) The Recipient, Subrecipient, and Imperial LAFCO must each deliver to the Division a resolution authorizing this Agreement and identifying its Authorized Representative by title.

4. The Recipient, Subrecipient, and Imperial LAFCO represent, warrant, and commit to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement, which shall be at least until the Records Retention End Date:

(a) The Recipient, Subrecipient, and Imperial LAFCO agree to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, that are applicable to each party as provided in this Agreement.



- (b) The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient, Subrecipient, and Imperial LAFCO. Upon execution by all parties, this Agreement constitutes a valid and binding obligation of the Recipient, Subrecipient, and Imperial LAFCO, enforceable in accordance with its terms, except as such enforcement may be limited by law.
  - (c) None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient, Subrecipient, or Imperial LAFCO. The Recipient, Subrecipient, and Imperial LAFCO are solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient, Subrecipient, and Imperial LAFCO are able to pay their debts as they become due. The Subrecipient and Imperial LAFCO maintain sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.
  - (d) The Recipient, Subrecipient, and Imperial LAFCO are in compliance with all State Water Board funding agreements to which each is a party, if any.
5. This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board and where such digital signatures meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code, §§ 1633.1 to 1633.17), for executing this Agreement or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

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

COUNTY OF RIVERSIDE

STATE WATER RESOURCES CONTROL BOARD:

By:

By:

Name: Jeff Hewitt  
Title: Chair, Board of Supervisors

Name: Joe Karkoski  
Title: Deputy Director  
Division of Financial Assistance

Date: MAY 17 2022

Date:

RIVERSIDE LOCAL AGENCY FORMATION COMMISSION:

IMPERIAL LOCAL AGENCY FORMATION COMMISSION:

By:

By:

Name: Gary Thompson  
Title: Executive Officer

Name: Jurg Heuberger  
Title: Executive Officer

Date: MAY 9, 2022

Date: MAY 9, 2022

FORM APPROVED COUNTY COUNSEL

BY: MELISSA R. CUSHMAN DATE 5/10/2022

FORM APPROVED COUNTY COUNSEL  
BY: SYNTHIA M. GUNZEL DATE 5-10-22

ATTEST:  
KECIA R. HARPER, Clerk  
By: DEPUTY

## EXHIBIT A – SCOPE OF WORK AND SCHEDULE

### A.1 PROJECT PURPOSE AND DESCRIPTION.

The Project is for the benefit of the Subrecipient and Imperial LAFCO. The funding under this Agreement shall be used to conduct a study to evaluate alternative governance structures and alternative electricity services provided by the Imperial Irrigation District (Imperial ID), as provided in SB 170, Item 118.

### A.2 SCOPE OF WORK.

Subrecipient and Imperial LAFCO shall do the following:

1. Project Management
  - 1.1 Provide all technical and administrative services as needed for Project completion; monitor, supervise, and review all work performed; and coordinate budgeting and scheduling to ensure the Project is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations.
  - 1.2 Notify the Project Manager at least fifteen (15) working days in advance of upcoming meetings, workshops, and trainings.
  - 1.3 Develop and update appropriately a detailed Project schedule, including key Project milestones, and submit to the Project Manager.
  - 1.4 Conduct Project status review meetings as requested by the Project Manager.
2. Preparation
  - 2.1 Conduct a kickoff meeting. Invite participation from the Riverside LAFCO, the Imperial LAFCO, and from the Project Manager.
    - 2.1.1 Submit a copy of the meeting minutes to the Project Manager.
  - 2.2 Collect relevant source documents such as applicable state statutes, service area maps, master service plans, agreements, audits, budgets, demographic and electricity connection/customer data, electricity rate data, and other information relevant to completing the Project.
    - 2.2.1 Include the statuses of obtaining each source document in the quarterly progress reports.

3. Study Report
  - 3.1 Prepare an Initial Draft Study Report that includes:
    - 3.1.1 An executive summary that includes background information on the Project, the issues and options to be analyzed, and recommendations for implementation.
    - 3.1.2 An analysis section that includes a detailed discussion for each of the options and scenarios developed for the two issues required to be studied.
    - 3.1.3 A conclusion and recommendations section that synthesizes the analysis into an overall recommendation for the most cost effective and efficient implementation scenario for each required option.
  - 3.2 Facilitate comment and discussion of the Draft Study Report.
    - 3.2.1 Distribute copies of the Initial Draft Study Report to the Riverside LAFCO, Imperial LAFCO, Imperial ID, affected public agencies, stakeholders, and the Project Manager for comment.
    - 3.2.2 Conduct a minimum of one (1) meeting to discuss the Initial Draft Study Report. Invite participation from the recipients in Section 3.2.1. Submit copies of meeting materials and sign-in sheets, as applicable, to the Project Manager.
    - 3.2.3 Compile the comments received regarding the Initial Draft Study Report and submit to the Project Manager.
    - 3.2.4 Submit updates to the Initial Draft Study Report to the Project Manager, if applicable.
  - 3.3 Prepare a Final Study Report that addresses the comments received on the Draft Study Report and submit a copy to the Project Manager.
  - 3.4 Conduct a minimum of two (2) meetings to present the contents of the Final Study Report to the Riverside LAFCO Commission, the Imperial LAFCO Commission, the Coachella Valley Energy Commission and the Imperial ID Board of Directors. Submit copies of meeting materials, meeting minutes, and sign-in sheet (if applicable) to the Project Manager.

**A.3 PROGRESS REPORTS.**

The Subrecipient must provide progress reports on a quarterly basis. The progress reports shall include a description of the work performed during that quarter, a summary of expenditures and the balance of Project Funds and Project Costs remaining, a report of any interest earned on Project Funds, and other documentation if required by the Division.

**A.4 FINAL PROJECT SUMMARY.**

At the conclusion of the Project, the Subrecipient must submit a Final Project Summary to the Project Manager. The Subrecipient must prepare a brief summary of the information contained in the Final Study Report, using a format approved by the Project Manager. The Subrecipient must include accomplishments, recommendations, and lessons learned, as appropriate.

**A.5 SUBMITTAL SCHEDULE.**

Failure to provide items by the Critical Due Dates indicated in the table below may constitute a material violation of this Agreement. The Recipient must submit the requests for advanced payment referenced in section B.5 and any Final Reimbursement Request prior to the Final Reimbursement Request Date set forth on the Cover Page.

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
<b>EXHIBIT A.2 – SCOPE OF WORK</b>			
1.2	Notification of Upcoming Meetings, Workshops, and Trainings		As Needed
1.3	Detailed Project Schedule	60 Days After Execution	
1.4	Status Review Meetings		As Needed
2.1.1	Kickoff Meeting		July 2022
3.2.1	Initial Draft Study Report	March 31, 2023	
3.2.2	Initial Draft Study Report Meeting		May 31, 2023
3.2.3	Comments on Initial Draft Study Report		August 2023
3.2.4	Updates to the Initial Draft Study Report (if applicable)		As Needed
3.3	Final Study Report	November 30, 2023	
3.4	Final Study Report Presentations		December 2023/January 2024
<b>REPORTS</b>			
A.3	Progress Reports	Quarterly	
A.4	Final Project Summary	February 29, 2024	
<b>EXHIBIT B – FUNDING TERMS</b>			
B.5.1 and B.5.2	Advance Funding Request		As Needed
B.5.6	Advance Funding Recovery Invoices	Quarterly	
B.6.1	Reimbursement Requests		As Needed
B.6.7	Final Reimbursement Request	March 31, 2024	

The Recipient or Subrecipient must deliver any request for extension of the Work Completion Date no less than ninety (90) days prior to the Work Completion Date.

**EXHIBIT B – FUNDING TERMS**

**B.1 ESTIMATED REASONABLE COST AND PROJECT FUNDS.**

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

**B.2 BUDGET COSTS.**

Budget costs are contained in the summary Project Cost table below:

LINE ITEM	TOTAL PROJECT COSTS
Direct Project Administration Costs	\$88,184
Planning/Design/Engineering/Environmental	\$411,816
Construction/Implementation	\$0
Monitoring/Performance	\$0
Education/Outreach	\$0
<b>TOTAL</b>	<b>\$500,000</b>

The Recipient, Subrecipient, and Imperial LAFCO are prohibited from using Project Funds for the Recipient's, Subrecipient's or Imperial LAFCO's mark-ups to costs invoiced or otherwise requested by consultants or contractors.

**B.3 LINE ITEM ADJUSTMENTS.**

1. Subject to the prior review and approval of the Project Manager, adjustments between existing line items may be used to defray allowable direct costs up to fifteen percent (15%) of the total Project Funding Amount, including any amendment(s) thereto. Line item adjustments approved by the Project Manager must be de minimis, less than fifteen percent (15%) of the total Project Funding Amount, and may not include any changes to the Scope of Work. Line item adjustments in excess of fifteen percent (15%) or line item adjustments that result in a change to A.2 Scope of Work will require an Agreement amendment.
2. The Recipient or Subrecipient may submit a request for an adjustment in writing to the Project Manager. Such adjustment may not increase or decrease the total Project Funding Amount. The Recipient or Subrecipient shall submit a copy of

the original Agreement budget sheet reflecting the requested changes and shall note proposed changes by striking out the original amount(s) followed with proposed change(s) in bold and underlined. Budget adjustments deleting a budget line item or adding a new budget line item shall require a formal amendment. The Division may also propose budget adjustments.

3. The sum of adjusted line items shall not exceed the total budget amount.

#### **B.4 FUNDING CONDITIONS.**

1. The Recipient must submit its requests for advance payment and its Reimbursement Requests no later than the Final Reimbursement Request Date specified herein. If the Recipient does not do so, then the undisbursed balance of this Agreement may be de-obligated.
2. The Recipient, Subrecipient, and Imperial LAFCO will not utilize any advanced funding for, nor seek reimbursement of, any Project Costs that have been reimbursed from other funding sources.
3. The Recipient and Subrecipient each agree that it will not request a disbursement or reimbursement of any cost under this Agreement unless that cost is allowable, reasonable, and eligible. The Recipient may rely on the Subrecipient's certification that a cost satisfies this requirement.
4. The Subrecipient must use Project Funds within thirty (30) days of receipt to pay any contractor, vendor, and other Project Costs that it has incurred as of that time. Any advanced Project Funds received by the Subrecipient that are not used within thirty (30) days of receipt shall be used to pay eligible Project Costs within thirty (30) days of incurring such contractor, vendor, and other Project Costs. Any interest earned on Project Funds must be reported to the State Water Board and will be deducted from the final reimbursement, if any, or returned to the State Water Board.
5. The Recipient, Subrecipient, and Imperial LAFCO each agrees that it shall not be entitled to interest earned on any undisbursed Project Funds.
6. The Recipient Subrecipient, and Imperial LAFCO must provide any other documentation in support of this Agreement requested by the State Water Board.
7. Notwithstanding any other provision of this Agreement, no disbursement or reimbursement shall be required at any time or in any manner that is in violation of or in conflict with federal or state laws, policies, or regulations.



**B.5 ADVANCE OF FUNDS PROCEDURE.**

Except as may be otherwise provided in this Agreement, advances of Project Funds will be made as follows:

1. Upon execution of this Agreement by all parties, the Recipient shall submit a request to the State Water Board for an initial advance of Project Funds in the amount of \$225,000. Upon approval of the request, the State Water Board shall disburse this initial amount to the Recipient. The Recipient shall disburse the entire amount of the advanced Project Funds to the Subrecipient within seven (7) working days of receiving the funds.
2. When the remaining balance of the Project Funds held by the Subrecipient is \$50,000 or less, (1) the Subrecipient shall submit to the State Water Board an updated budget, a summary of expenditures for Project Costs and the remaining Project Funds, and a report of any interest earned on Project Funds, (2) the Subrecipient shall prepare a request that a second advance of Project Funds be made to the Recipient and provide the request to the Recipient, and (3) the Recipient shall submit the request to the State Water Board. The amount of the second request shall be for no more than \$250,000. To the extent that the Subrecipient or Recipient provide sufficient documentation of the costs requested, as determined by the State Water Board, the State Water Board shall disburse a second advance of Project Funds in an amount sufficient to cover the balance of the consultant's full contracted cost for the Project and other anticipated Project Costs, up to a maximum of \$250,000. The Recipient shall disburse the entire amount of the second advance to the Subrecipient within seven (7) days of receiving the funds.
3. The requests for advance funds referenced in section B.5.1 and B.5.2 must be made using forms provided by the Division and must include the original signatures and dates (in ink) or electronic signature, consistent with the State Water Board's approved procedures, of the Subrecipient's Authorized Representative and the Recipient's Authorized Representative. The Subrecipient shall attest to the eligibility of the funds being requested, and the Recipient shall attest to making the request pursuant to the terms of this Agreement.
4. The Recipient and Subrecipient may sign requests for advance of funds either by an electronic signature consistent with the State Water Board's approved procedures or by a physical, handwritten signature. The parties mutually agree that an electronic signature consistent with the State Water Board's approved procedures is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

5. The Subrecipient shall use the Project Funds for the purposes set forth in Exhibit A, according to the schedule stated therein and to pay administrative costs.
6. In the event of an advance payment of Project Funds to the Recipient, the Subrecipient shall prepare Advance Funding Recovery Invoices for actual costs incurred against the advance using forms provided by the Project Manager on a quarterly basis and provide such invoices to the Recipient. The Recipient shall submit such invoices to the State Water Board promptly upon receipt.
7. The Advance Funding Recovery invoice must contain the following information:
  - (a) The date of the invoice;
  - (b) The time period covered by the invoice, i.e., the term "from" and "to";
  - (c) The total amount of advanced Project Funds expended;
  - (d) An accounting of Project Funds received and expenditures to date;
  - (e) The amount of interest, if any, earned by the Recipient, Subrecipient and Imperial LAFCO on the amounts disbursed under section B.5.1 and B.5.2; and
  - (f) Original signature and date (in ink) or electronic signature, consistent with the State Water Board's approved procedures, of the Subrecipient's Authorized Representative and the Recipient's Authorized Representative.
8. The Advance Funding Recovery invoice must be supported by invoices and supporting documentation indicating that the work has been performed. The invoice must be addressed to the Project Manager as set forth in Section 2 of this Agreement. An invoice submitted in any other format than the one provided by the State Water Board will not be accepted. Future payment will not be made until a corrected invoice is submitted. The Project Manager has the responsibility for approving invoices. Project Costs incurred prior to the Eligible Work Start Date of this Agreement will not be eligible.
9. Prior to fifteen (15) days before the Work Completion Date, the Subrecipient shall reconcile the total Project Costs incurred, as supported by Advance Funding Recovery Invoices, to the total Project Funds received in advance and return any remaining advanced funds to the Recipient. The Recipient shall refund any such remaining advanced funds to the State Water Board by the Work Completion Date set forth on the cover page of this Agreement. In the event the Agreement is terminated, the Subrecipient shall reconcile the total Project Costs incurred prior to the effective date of termination as supported by the Advance Funding Recovery Invoices to the total Project Funds received in advance and return any remaining advanced funds to the Recipient promptly, and the Recipient shall refund any such remaining

advanced funds to the State Water Board promptly, no later than the Work Completion Date set forth on the cover page of this Agreement.

**B.6 REIMBURSEMENT REQUEST AND FINAL FUNDING REIMBURSEMENT PROCEDURE.**

1. If needed, the Subrecipient may prepare Reimbursement Requests for the Recipient to submit to the State Water Board using the reimbursement request forms provided by the Project Manager. In no event shall any reimbursement cause the total Project Funds disbursed to exceed the Project Funding Amount set forth on the Cover Page of this Agreement.
2. The Reimbursement Request must contain the following information:
  - (a) The date of the request;
  - (b) The time period covered by the request, i.e., the term "from" and "to";
  - (c) The total amount requested;
  - (d) An accounting of Project Funds received and expenditures to date;
  - (e) The amount of interest, if any, earned by the Recipient, Subrecipient and Imperial LAFCO on the amounts disbursed under section B.5.1 and B.5.2; and
  - (f) Original signature and date (in ink) or electronic signature, consistent with the State Water Board's approved procedures, of the Subrecipient's Authorized Representative and the Recipient's Authorized Representative.
3. The Recipient and Subrecipient may sign the Reimbursement Request either by an electronic signature consistent with the State Water Board's approved procedures or by a physical, handwritten signature. The parties mutually agree that an electronic signature consistent with the State Water Board's approved procedures is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.
4. The Reimbursement Request must be supported by invoices and supporting documentation indicating that the work has been performed. The Reimbursement Request must be addressed to the Project Manager as set forth in Section 2 of this Agreement. A Reimbursement Request submitted in any other format than the one provided by the State Water Board will cause the Reimbursement Request to be disputed. In the event of such a dispute, the Project Manager will notify the Subrecipient. Payment will not be made until the dispute is resolved and a corrected Reimbursement Request submitted. The Project Manager has the responsibility for approving the Reimbursement Request. Project Costs incurred prior to the Eligible Work Start Date of this Agreement will not be reimbursed.

5. The Recipient and Subrecipient each agree that it will not submit any Reimbursement Request that includes any Project Costs until such cost has been incurred and is currently due and payable by the Subrecipient. The Subrecipient shall certify on the Reimbursement Request that such cost has been incurred and is currently due and payable, and the Recipient is entitled to rely on the Subrecipient's certification. The actual payment of such cost by the Subrecipient is not required as a condition of the Reimbursement Request. Supporting documentation (e.g., invoices or receipts) must be submitted with the Reimbursement Request. Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Reimbursement Request.
6. The Recipient shall disburse the entire amount of the Reimbursement Request to the Subrecipient within seven (7) working days of receiving the funds from the State Water Board.
7. The Final Reimbursement Request must be clearly marked "FINAL REIMBURSEMENT REQUEST" and must be submitted NO LATER THAN the Final Reimbursement Request Date.

#### **B.7 REVERTING FUNDS AND DISENCUMBRANCE.**

In the event the Recipient does not submit any request for the funds encumbered under this Agreement timely, any remaining funds revert to the State. The State Water Board may notify the Recipient and Subrecipient that the project file is closed, and any remaining balance will be disencumbered and unavailable for further use under the Agreement.

#### **B.8 FRAUD, WASTE, AND ABUSE.**

The Recipient, Subrecipient, and Imperial LAFCO shall prevent fraud, waste, and the abuse of Project Funds, and shall cooperate in any investigation of such activities that are suspected in connection with this Agreement. The Recipient, Subrecipient, and Imperial LAFCO understand that discovery of any evidence of misrepresentation or fraud related to Reimbursement Requests, Advance Funding Recovery invoices, invoices, proof of payment of invoices, or other supporting information, including but not limited to double or multiple billing for time, services, or any other eligible cost, may result in administrative action by the State Water Board and/or referral to the Attorney General's Office or the applicable District Attorney's Office for appropriate action. The Recipient, Subrecipient, and Imperial LAFCO further understand that any suspected occurrences of false claims, misrepresentation, fraud, forgery, theft or any other misuse of Project Funds may result in withholding of reimbursements and/or the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder.

**EXHIBIT C – GENERAL TERMS AND CONDITIONS**

**GENERAL TERMS AND CONDITIONS 2019-NOV** posted at [https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/general\\_terms.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/general_terms.html) is incorporated by reference. The references to the "Recipient" in the General Terms and Conditions shall mean the "Recipient, the Subrecipient, and/or Imperial LAFCO" for the purposes of this Agreement, with the exception of paragraph 39 thereof, which is replaced with the following:

**39.RESPONSIBILITY FOR WORK.** The Subrecipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Subrecipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project, including, but not limited to, payment disputes with contractors and subcontractors. The State Water Board will not mediate disputes among the parties, or between any party and any other entity concerning responsibility for performance of work.

The General Terms and Conditions shall not be construed to alter the disbursement request procedures set forth in Exhibit B or the Recipient's role as a pass-through entity as set forth in this Agreement.

## EXHIBIT D – SPECIAL CONDITIONS

### D.1 DEFINITIONS

Each capitalized term used in this Agreement has the following meaning:

"Authorized Representative" means the duly appointed representative of the Recipient, Subrecipient, or Imperial LAFCO as set forth in the certified original of the respective party's authorizing resolution that designates the authorized representative by title.

"Eligible Work Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any costs may be incurred and eligible for reimbursement hereunder.

"Project Director" means an employee designated by the Authorized Representative to be responsible for the overall management of the administrative and technical aspects of the executed Agreement. The Subrecipient and Imperial LAFCO shall each designate a Project Director.

### D.2 RUSSIAN SANCTIONS

The Recipient, Subrecipient, and Imperial LAFCO each represents that it is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient, Subrecipient, and Imperial LAFCO is each required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). The Recipient, Subrecipient, and Imperial LAFCO is each required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. **Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;**
2. **Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and**
3. **Direct support to the government and people of Ukraine.**