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ADMINISTRATOR  
GRANT

AGREEMENT No. D2217033

by and between

COUNTY OF SONOMA ("Administrator")

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD ("State Water Board")

for the purpose of the

WEST WATER COMPANY FULL SCOPE ADMINISTRATOR ("Project")

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- Section 116766 of the Health & Safety Code and State Water Board Resolution No. 2022-0042.

PROJECT FUNDING AMOUNT: \$184,670  
ESTIMATED REASONABLE PROJECT COST: \$184,670

ELIGIBLE WORK START DATE: JANUARY 01, 2021  
WORK COMPLETION DATE: MARCH 31, 2026  
FINAL REIMBURSEMENT REQUEST DATE: APRIL 30, 2026  
RECORDS RETENTION END DATE: MARCH 31, 2033

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1. The State Water Board and the Administrator 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 2019-NOV
- EXHIBIT D – SPECIAL CONDITIONS

2. The following documents are also incorporated by reference:

- Administrator Order No. \_\_\_\_\_;

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

State Water Board		County of Sonoma	
Section:	Division of Financial Assistance		
Name:	Kyle Harper, Project Manager	Name:	Olivia Guevara, Project Director
Address:	1001 I Street, 16 <sup>th</sup> Floor	Address:	2300 County Center Dr. Suite A220
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Santa Rosa, CA 95403
Phone:	(916) 341-5957	Phone:	(707) 565-7952
Email:	Kyle.Harper@waterboards.ca.gov	Email:	Olivia.Guevara@sonoma-county.org

State Water Board		State Water Board	
Section:	Division of Drinking Water	Section:	Northern Engagement Unit
Name:	Misha Anderson	Name:	Sirichad (Tara) Ouitavon
Address:	50 D Street #200	Address:	850 Marina Bay Pkwy
City, State, Zip:	Santa Rosa, CA 95404	City, State, Zip:	Richmond, CA 94804
Phone:	(707) 576-2728	Phone:	(510) 620-3154
Email:	DDWSantaRosa@waterboards.ca.gov	Email:	Sirichad.Ouitavon@Waterboards.ca.gov

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

4. Conditions precedent to this Agreement are set forth as follows:
  - (a) The Administrator must deliver to the Division a resolution authorizing this Agreement and identifying its Authorized Representative by title.
  - (b) The Division of Drinking Water shall have issued to the Designated Water System an Administrator Order, ordering the Designated Water System to accept administrative, technical, operational, or managerial services from an administrator.
5. The Administrator represents, warrants, and commits 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 Administrator agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.
  - (b) The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Administrator. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Administrator, 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 the Administrator. The Administrator is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Administrator is able to pay its debts as they become due. The Administrator maintains 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, and professional liability.
  - (d) The Administrator is in compliance with all State Water Board funding agreements to which it is a party.
6. 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 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 SONOMA:

STATE WATER RESOURCES CONTROL  
BOARD:

By:

By:

\_\_\_\_\_  
Name: Johannes J Hoevertsz

Title: Director

Sonoma County Public Infrastructure

\_\_\_\_\_  
Name: Joe Karkoski

Title: Deputy Director

Division of Financial Assistance

Date:

Date:

\_\_\_\_\_

\_\_\_\_\_

## EXHIBIT A – SCOPE OF WORK AND SCHEDULE

### A.1 PROJECT PURPOSE AND DESCRIPTION.

The Project is for the benefit of the Administrator and the Designated Water System. The funding under this Agreement is for the purpose of establishing an agreement with the Administrator to act as a full-scope Administrator and exercise in a general manager capacity total and complete managerial control over the Designated Water System in compliance with the Administrator Policy Handbook.

### A.2 SCOPE OF WORK.

The Administrator agrees to do the following:

#### 1. Project Management

- 1.1. Provide technical and administrative services as needed through the Work Completion Date; plan, organize, direct, control, and report on the Project to complete the agreed-to scope on schedule, barring any unforeseen or unexpected delays, and within the assigned budget in accordance with approved procedures, applicable laws, and regulations.
- 1.2. Prepare correspondence, attend teleconferences, and participate in team meetings with the State Water Board, as needed, during the grant period.
- 1.3. Comply with all requirements that are attributed to the appointed Administrator in the Division of Drinking Water Administrator Policy Handbook.

#### 2. Initial Designated Water System Assessment

- 2.1. Perform a comprehensive assessment of the technical, managerial, and financial condition and needs of the Designated Water System and submit a report of the results to the Project Manager and Technical Contact for review, based on the initial information provided by the Designated Water System, operations personnel, and the Division of Drinking Water (DDW). Identify issues to address to bring the System into compliance using the items listed below, but not limited to:

2.1.1. Storage Requirements

2.1.2. Distribution System Condition and Adequacy

2.1.3. Sampling and Testing Requirements

2.1.4. Emergency Response Plan

2.1.5. Emergency Notification Plan

2.1.6. Sampling Plans

2.1.7. Investigation of the current status of the Designated Water System permits and licenses.

2.1.8. Assess the current hazard mitigation capacities of the Designated Water System and identify necessary improvements.

2.2. Identify and address emergency needs of the Designated Water System. Notify the Project Manager and Technical Contact within twenty-four hours (24) of identification of the emergency need and upon completion of addressing the emergency need.

3. Technical

3.1. Identify necessary technical tasks and processes based on assessment results in Item 2.1 that should be implemented, improved, or eliminated in order to maintain the technical operations of the Designated Water System.

3.2. Ensure that the necessary technical tasks and processes are performed, including, but not limited to, the following:

3.2.1. Operating and maintaining the production and treatment system using Designated Water System revenues.

3.2.2. Operating and maintaining the distribution system using Designated Water System revenues.

3.2.3. Monitoring and reporting for compliance.

3.2.4. Conducting emergency response activities.

3.2.5. Conducting physical inspections of the Designated Water System.

3.2.6. Conducting any other activities that are required to maintain compliance with the domestic water supply permit requirements of the Designated Water System to the extent feasible given the condition of the System and the permit violations at the time of appointment.

4. Managerial

4.1. Identify necessary managerial tasks and processes based on the assessment results in item 2.1, that should be implemented or eliminated in order to maintain managerial operations of the Designated Water System.

4.2. Implement necessary managerial tasks and processes, which may include:

- 4.2.1. Establish a customer call center with an emergency line to be available twenty-four (24) hours a day, seven (7) days a week.
- 4.2.2. Respond to inquiries from the State Water Board.
- 4.2.3. Perform a water rate analysis to determine adequacy of current rate structure.
- 4.2.4. Prepare and submit an application to the California Public Utilities Commission for a system rate increase, if the results of the water rate analysis, performed under item 4.2.3, indicate an increase is needed to adequately fund the operation and maintenance of the Designated Water System.
- 4.2.5. Contract for engineering services
  - 4.2.5.1. Obtain Project Manager approval to enter into contracts over ten thousand dollars (\$10,000).
- 4.2.6. Comply with existing county purchasing methodologies to ensure financial accountability for all purchases and transactions.
- 4.2.7. Prepare asset inventory and management plans and submit to the Project Manager and Technical Contact.
- 4.2.8. Coordinate and review work funded through the State Water Board's Technical Assistance contract for a comprehensive engineering evaluation of the Designated Water System.
- 4.2.9. Prepare a Capital Improvement Plan and submit a copy of the plan to the Project Manager and Technical Contact.
- 4.2.10. Apply for and oversee funding and coordinate any necessary related planning activities for projects that the Division identifies as priorities.
  - 4.2.10.1. Designing and installing distribution system improvements found necessary to enable the water system to reliably convey water to its customers.
  - 4.2.10.2. The design and installation of hazard mitigation measures, based on the assessment results completion of item 2.1.
  - 4.2.10.3. Coordinate and review work funded through the State Water Board's Technical Assistance contract.

## 5. Financial

- 5.1. Identify necessary financial tasks and processes based on assessment results

in item 2.1, that should be implemented or eliminated to maintain the Designated Water System's financial operations.

5.2. Perform financial tasks and processes, as necessary, including, but not limited to, the following:

- Ensure financial management of the Designated Water System meets industry standards.
- Create and monitor budgets and policies.
- Obtain all customer information.
- Manage personnel services.
- Manage accounting and payroll services.
- Manage billing and collections.
- Interfacing with the public
- Perform or obtain support for clerical functions.
- Prepare and submit grant and loan funding applications.
- Contract for financial services, as needed.
- Manage funding applications on behalf of the Designated Water System and administer executed funding agreements.

5.3. Perform annual audits in accordance with auditing standards generally accepted in the United States of America and submit to the Project Manager and Technical Contact.

## 6. Community Accountability and Engagement Plan

6.1. Prepare the Community Accountability and Engagement Plan. The Community Accountability and Engagement Plan shall include the following:

- 6.1.1. A description of the actions and activities the Administrator shall undertake to meaningfully engage with the community regarding the Administrator's duties.
- 6.1.2. A description of how the Administrator will incorporate input from the community in the provision of services to Designated Water System.
- 6.1.3. Description of means of communication the administrator will utilize to



engage with the community.

6.1.4. A timeline for implementing the Community Accountability and Engagement Plan.

6.2. Submit a Draft Community Accountability and Engagement Plan to the Project Manager and to the Technical Contact for review.

6.3. Submit a Final Community Accountability and Engagement Plan to the Technical Contact for approval.

6.4. Submit approved Final Community Accountability and Engagement Plan to the Project Manager.

## 7. Post-Administrator Drinking Water Service Plan

7.1. Prepare the Post-Administrator Drinking Water Service Plan. The Post-Administrator Drinking Water Service Plan shall include the following:

7.1.1. Identification and evaluation of the technical, managerial, and financial issues preventing the Designated Water System from serving its customers with an adequate supply of safe and affordable drinking water.

7.1.2. Identification and evaluation of significant future issues the Designated Water System may encounter that may affect the Designated Water System's ability to supply its customers with an adequate supply of safe and affordable drinking water.

7.1.3. A detailed plan for developing the necessary technical, managerial, and financial competencies, in the shortest timeframe possible, so that the services of the Administrator would no longer be required.

7.1.4. The additional resources that will be needed to implement the Post-Administrator Drinking Water Service Plan.

7.1.5. An evaluation of the feasibility of long-term public governance or community ownership options for the Designated Water System.

7.1.6. An evaluation of the feasibility of connecting to or consolidating the Designated Water System with another public water system.

7.2. Submit the Draft Post-Administrator Drinking Water Service Plan to the Project Manager and Technical Contact for review.

7.3. Submit the Final Post-Administrator Drinking Water Service Plan to the Technical Contact for approval.

7.4. Submit the approved Final Post-Administrator Drinking Water Service Plan to

the Project Manager.

8. Insurance

- 8.1. Obtain sufficient insurance coverage to adequately perform the Administrator tasks, including but not limited to general liability and errors and omissions insurance for the personnel acting as the Administrator.

9. Emergency Response

- 9.1. Evaluate the emergency reserve fund of the Designated Water System to determine a necessary emergency reserve amount, to include the needs identified in Item 2.2, for the Designated Water System and submit to the Project Manager for approval.

A.3 PROGRESS REPORTS.

The Administrator must submit quarterly progress reports, using a format provided by the Project Manager, within forty-five (45) days following the end of the calendar quarter (March, June, September, and December) to the Project Manager. Progress reports must provide a brief description of activities that have occurred, milestones achieved, monitoring results (if applicable), and any problems encountered in the performance of the work under this Agreement during the applicable reporting period. Reporting is required even if no Project-related activities occurred during the reporting period. The Administrator must document all activities and expenditures in progress reports, including work performed by contractors.

A.4 FINAL REPORTS.

At the conclusion of the Project, the Administrator must submit the following to the Project Manager:

(a) Draft Final Project Report

Prepare and submit to the Project Manager, for review and comment, a draft Final Project Report in a format provided by the Project Manager.

(b) Final Project Report

Prepare a Final Project Report that addresses, to the extent feasible, comments made by the Project Manager on the draft Final Project Report. Submit one (1) reproducible master copy and an electronic copy of the Final Project Report.

If the Recipient fails to submit a timely Final Project Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold

reimbursements under this Agreement or other agreements, and begin administrative proceedings.

#### A.5 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the “Estimated Due Date” column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Administrator must complete and submit all work in time to be approved by the Division prior to the Work Completion Date. As applicable for specific submittals, the Administrator must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Administrator must submit the 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
EXHIBIT A – SCOPE OF WORK AND SCHEDULE			
1.	Project Management		
1.2	Prepare Correspondence, Attend Teleconferences, and Participate in Meetings with the State Water Board		As Needed
2.	Initial Designated Water System Assessment		
2.1.	Comprehensive Initial System Assessment Report		90 Days After Appointment
2.2.	Identify and Address Emergency Needs		90 Days After Appointment
4.	Managerial		
4.2.3.	Water Rate Analysis		15 Months After Appointment
4.2.5.1.	Obtain Approval to Enter into Contracts Over \$10,000		As Needed
4.2.7.	Asset Inventory and Management Plans		12 Months After Appointment

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK AND SCHEDULE			
4.2.9.	Capital Improvement Plan		12 Months After Appointment
5.	Financial		
5.3.	Annual Audits		Annually
6.	Community Accountability and Engagement Plan		
6.2.	Draft Community Accountability and Engagement Plan		30 Days After Appointment
6.3.	Final Community Accountability and Engagement Plan		60 Days After Appointment
6.4.	Implement Community Accountability and Engagement Plan		90 Days After Appointment
7.	Post-Administrator Drinking Water Service Plan		
7.2.	Draft Post-Administrator Drinking Water Service Plan Submittal to the Project Manager and Technical Contact		12 Months After Appointment
7.3.	Final Post-Administrator Drinking Water Service Plan Submittal to the Technical Contact for Approval		16 Months After Appointment
7.4.	Final Post-Administrator Drinking Water Service Plan Submittal to the Project Manager		18 Months After Appointment
9.	Emergency Response		
9.1.	Evaluate the System's Emergency Reserve Fund to Determine a Necessary Emergency Reserve Amount		90 Days After Appointment
	REPORTS		

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK AND SCHEDULE			
A.3	Progress Reports	Quarterly	
A.4(a)	Draft Final Project Report	January 31, 2026	
A.4(b)	Final Project Report	February 28, 2026	
EXHIBIT B – FUNDING TERMS			
	REIMBURSEMENTS		
B.5(e)	Reimbursement Requests	Quarterly	
B.5(b)(5)	Final Reimbursement Request	April 30, 2026	
EXHIBIT D – SPECIAL CONDITIONS			
D.8(c)	Statements of Economic Interests – Form 700 Filings		30 Days After Appointment and Annually Thereafter, and 30 Days After Leaving Appointment

The Administrator must deliver any request for amendment to this Agreement no less than ninety (90) days prior to the Work Completion Date.

The Division may require corrective work to be performed prior to Project Completion. Any work occurring after the Work Completion Date will not be reimbursed under this Agreement.

## EXHIBIT B – FUNDING TERMS

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

The estimated reasonable cost of the total Project is set forth on the Cover Page of this Agreement and is greater than or equal to the funding anticipated to be provided by the State Water Board under this Agreement. 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 VERIFIABLE DATA.

Upon request by the Division, the Administrator must submit verifiable data to support deliverables specified in the Scope of Work. The Administrator's failure to comply with this requirement may be construed as a material breach of this Agreement.

### B.3 BUDGET COSTS.

Budget costs are contained in the Project Cost table below:

LINE ITEM	PROJECT FUNDING AMOUNT	TOTAL ESTIMATED PROJECT COSTS
Personnel/Direct Staff Costs	\$151,257	\$151,257
Operating Expenses/Program Implementation	\$0	\$0
Professional Contracted Services	\$12,140	\$12,140
Travel	\$1,200	\$1,200
*Contingency	\$16,788	\$16,788
Indirect	\$3,285	\$3,285
TOTAL	\$184,670	\$184,670

\*Funds allowed for the "Contingency" line-item are only for reasonable and necessary Project Costs which, for good cause, exceed the funds allotted for another line-item. The Administrator shall not be entitled to any reimbursement from the "Contingency" line-item without prior approval in writing from the Project Manager.

Reasonable indirect costs may be allowable upon approval by the Division.

The Recipient is prohibited from requesting disbursement amounts that represent Recipient's mark-ups to costs invoiced or otherwise requested by consultants or contractors.

#### B.4 LINE ITEM ADJUSTMENTS.

- (a) 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 the Scope of Work will require an Agreement amendment. If the detailed budget includes an amount for the Administrator's personnel costs, that amount is based on the hours, classifications, and rates submitted by the Administrator in its application. Any changes to the hours, classifications, and rates must be approved, in advance and in writing, by the Project Manager.
- (b) The Administrator 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 Administrator 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 require a formal amendment. The Division may also propose budget adjustments.
- (c) The sum of adjusted line items shall not exceed the total Project Funding Amount.

#### B.5 REIMBURSEMENT PROCEDURE.

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

- (a) Upon execution and delivery of this Agreement by both parties, the Administrator may request reimbursement for eligible Project Costs as specified in this Exhibit through submission to the State Water Board using the Reimbursement Request forms provided by the Project Manager.
- (b) Reimbursement Requests must contain the following information:
  - (1) The date of the request;
  - (2) The time period covered by the request, i.e., the term "from" and "to";
  - (3) The total amount requested;
  - (4) Original signature and date (in ink) or electronic signature, consistent with the State Water Board's approved procedures of the Administrator's Project Director or his/her designee; and

- (5) The final Reimbursement Request must be clearly marked "FINAL REIMBURSEMENT REQUEST" and must be submitted NO LATER THAN the Final Reimbursement Request Date.
- (c) The Administrator may sign Reimbursement Requests 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.
- (d) Reimbursement Requests must be itemized based on the line items specified in the budget in this Exhibit. Reimbursement Requests must be complete, signed by the Administrator's Project Director or his/her designee, and addressed to the Project Manager as set forth in this Agreement. Reimbursement Requests submitted in any other format than the one provided by the State Water Board will cause a Reimbursement Request to be disputed. In the event of such a dispute, the Project Manager will notify the Administrator. Payment will not be made until the dispute is resolved and a corrected Reimbursement Request is submitted. The Project Manager has the responsibility for approving Reimbursement Requests. Project Costs incurred prior to the Eligible Work Start Date of this Agreement will not be reimbursed.
- (e) Project Funds must be requested quarterly via Reimbursement Request for eligible costs incurred during the reporting period of the corresponding Progress Report, describing the activities and expenditures for which the reimbursement is being requested. Each Reimbursement Request must be accompanied by a Progress Report. Failure to provide timely Reimbursement Requests may result in such requests not being honored.
- (f) The Administrator agrees that it will not submit any Reimbursement Requests that include any Project Costs until such costs have been incurred and are currently due and payable by the Administrator, although the actual payment of such costs by the Administrator is not required as a condition of reimbursement. Supporting documentation (e.g., receipts, laboratory invoices) must be submitted with each Reimbursement Request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Reimbursement Request.
- (g) The Administrator will not seek reimbursement of any Project Costs that have been reimbursed from other funding sources.
- (h) The Administrator must use Project Funds within thirty (30) days of receipt to reimburse contractors, vendors, and other Project Costs. Any interest earned on Project Funds must be reported to the State Water Board and will either be required to be returned to the State Water Board or deducted from future reimbursements. In the event that the Administrator fails to disburse Project



Funds to contractors or vendors within thirty (30) days from receipt of the Project Funds, the Administrator must immediately return such Project Funds to the State Water Board. Interest shall accrue on such Project Funds from the date of reimbursement through the date of mailing of Project Funds to the State Water Board. If the Administrator held such Project Funds in interest-bearing accounts, any interest earned on the Project Funds shall also be due to the State Water Board.

- (i) Administrator must submit its final Reimbursement Request no later than the Final Reimbursement Request Date specified herein. If the Administrator fails to do so, then the undisbursed balance of this Agreement may be deobligated.
- (j) The Administrator agrees that it will not request a reimbursement unless that cost is allowable, reasonable, and allocable.
- (k) Notwithstanding any other provision of this Agreement, no 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.
- (l) The Administrator agrees that it shall not be entitled to interest earned on undisbursed Project Funds.
- (m) The Administrator must include any other documents or requests required or allowed under this Agreement.
- (n) Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the state travel and per diem amounts that are current as of the date costs are incurred by the Administrator. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Project Manager.

#### B.6 REVERTING FUNDS AND DISENCUMBRANCE.

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

#### B.7 CONTINGENT DISBURSEMENT.

Notwithstanding any other provision of this Agreement, the Recipient agrees that the State Water Board may retain an amount equal to ten percent (10%) of the Project Funding Amount until Project Completion. Any retained amounts due to the Administrator will be promptly disbursed to the Administrator, without interest, upon Project Completion.

EXHIBIT C – GENERAL TERMS AND CONDITIONS 2019-NOV

GENERAL TERMS AND CONDITIONS 2019-NOV is incorporated by reference and is 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)

For the purposes of this Agreement, the term “Recipient” in Exhibit C means “Administrator.”

## EXHIBIT D – SPECIAL CONDITIONS

### D.1 DEFINITIONS.

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

- “Administrator” means County of Sonoma.
- “Administrator Order” means an order issued by the Division of Drinking Water pursuant to Health and Safety Code section 116686.
- “Administrator Policy Handbook” means the State Water Board’s Administrator Policy Handbook, in effect as of the execution date of this Agreement.
- “Authorized Representative” means the duly appointed representative of the Administrator as set forth in the certified original of the Administrator’s authorizing resolution that designates the Authorized Representative by title.
- “Designated Water System” means the system for which Administrator will work to develop an adequate supply of affordable, safe drinking water.
- “Division of Drinking Water” means the Division of Drinking Water of the State Water Board.
- “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.
- “Event of Default” means, in addition to the meanings set forth in Exhibit C, the occurrence of any of the following events:
  - a) A material adverse change in the condition of the Administrator, which the Division reasonably determines would materially impair the Administrator’s ability to satisfy its obligations under this Agreement.
  - b) Failure to operate the Designated Water System without the Division’s approval;
- “Indirect Costs” means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Administrator; non-project-specific accounting and personnel services performed within the Administrator organization; depreciation or use allowances on buildings and equipment; the costs of operating and

maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

- “Project Director” means an employee of the Administrator designated by the Authorized Representative to be responsible for the overall management of the administrative and technical aspects of the executed Agreement.

## D.2 ADDITIONAL REPRESENTATIONS AND WARRANTIES.

**Public Purpose.** The Administrator represents and warrants that the Project has a clear and definite public purpose, and must benefit customers of the Designated Water System, not the investors.

The Administrator has not made any untrue statement of a material fact in its application for this financial assistance or omitted to state in its application a material fact that makes the statements in its application not misleading.

The Administrator agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

The execution, delivery, and performance by the Administrator of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date of execution of this Agreement by the Administrator, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Administrator is a party or by which Administrator is bound as of the Eligible Work Start Date set forth on the cover.

There are, as of the date of execution of this Agreement by the Administrator, no pending or, to the Administrator's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect the financial condition or operations of the Administrator and/or the Project.

The Administrator is duly organized and existing and in good standing under the laws of the State of California. The Administrator must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. Within the preceding ten (10) years, the Administrator has not failed to demonstrate compliance with state or federal audit disallowances.

Any financial statements or other financial documentation of the Administrator previously delivered to the State Water Board as of the date(s) set forth in such financial statements or other financial documentation: (a) are materially complete and correct; (b) present fairly the financial condition of the Administrator; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements or other financial documentation, there has been no material adverse change in the financial

condition of the Administrator, nor have any assets or properties reflected on such financial statements or other financial documentation been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Administrator and approved in writing by the State Water Board.

The Administrator and its principals, contractors, and subcontractors, to the best of the Administrator's knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized; nor have they engaged or permitted the performance of services covered by this Agreement from parties that are debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized.

#### D.3 ACKNOWLEDGEMENTS.

The Administrator must include the following acknowledgement in any document, written report, or brochure to be shared with the general public prepared in whole or in part pursuant to this Agreement:

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

#### D.4 OPERATION AND MAINTENANCE.

The Administrator must sufficiently and properly staff, operate, and maintain the Designated Water System through the Work Completion Date pursuant to the Administrator Order and consistent with the purposes of this Agreement. Notwithstanding the foregoing, the Administrator shall not be responsible for the cost of such maintenance, management, or operation of the Designated Water System beyond the funding authorized for such purposes and the utilization of any existing assets or revenue of the Designated Water System. Except as expressly set forth in this Agreement or in another funding agreement, the State Water Board shall not be liable for any cost of such maintenance, management or operation.

#### D.5 INSURANCE.

The Administrator will use the assets and/or revenues of the Designated Water System, funding awarded to the Designated Water System, or funding authorized under this Agreement to procure and maintain or cause to be maintained insurance on the Designated Water System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or

destruction of the Designated Water System as are usually covered in connection with systems similar to the Designated Water System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Administrator of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the Designated Water System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Designated Water System. The Administrator must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the Designated Water System must be free and clear of all claims and liens.

#### D.6 CONTINUOUS USE OF PROJECT; NO LEASE, SALE, TRANSFER OF OWNERSHIP, OR DISPOSAL OF PROJECT.

The Administrator does not, at any point prior to or after appointment, own the Designated Water System. The Administrator agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Designated Water System without prior written approval of the Division.

#### D.7 INDEMNIFICATION.

Notwithstanding Section 21 of Exhibit C, the Administrator agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Administrator in the performance of this Agreement. The provisions of this section survive the term of this Agreement.

#### D.8 ADMINISTRATOR CONFLICT OF INTEREST.

- (a) All actions taken by the Administrator must be in the best interests of the community served by the Designated Water System.
- (b) The Administrator shall not acquire any interest in the Designated Water System or its assets without receiving prior written approval from the State Water Board. The Administrator shall also ensure that none of its contractors or subcontractors

acquire any interest in the System or its assets without receiving prior written approval from the State Water Board.

- (c) The Administrator shall ensure that individuals employed or contracted by the Administrator to make or participate in making decisions on behalf of the Designated Water System through this Agreement shall file Statements of Economic Interests (also known as Form 700 filings) as required by the Political Reform Act and the Fair Political Practices Commission and identifying the Designated Water System as the covered agency. The Administrator shall provide copies of these filings to the Project Manager.
- (d) This Agreement does not provide for and the parties do not intend under this Agreement for the Administrator to assume title or direct ownership of the assets or liabilities of the Designated Water System.

#### D.9 NOTICE.

- (a) Twenty-four (24)-hour notice. The Administrator must notify the Division of Drinking Water, the Division, and the Party Contacts of any event that may (1) affect the ability of the Designated Water System or the water facilities to produce safe, potable water or (2) result in any other significant public health risks. Reportable events include, but are not limited to, spills of raw sewage or other hazardous chemicals, significant chemical overfeeds, significant bacteriological failures, and unplanned water outages.
- (b) The Administrator must promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Administrator agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the State Water Board, and the State Water Board has given written approval for such change, except where immediate action is legally required and imperative to public health. The Administrator must notify the State Water Board at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by the State Water Board's representatives. The Administrator must promptly notify the State Water Board in writing of completion of work on the Project.
- (c) Within three (3) days, if the Administrator is regulated by the California Public Utilities Commission, the Administrator must submit to the State Water Board by certified mail and by email to the Division and Party Contacts copies of any and all documents filed with the California Public Utilities Commission that directly address this Agreement or the Project, or would have a material effect on this Agreement, as determined by the Division including, but not limited to, applications, petitions, and investigations.

#### D.10 FRAUD, WASTE, AND ABUSE.

The Administrator 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 Administrator understands that discovery of any evidence of misrepresentation or fraud related to Reimbursement Requests, 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 an 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 Administrator further understands 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 Project Funds disbursed hereunder. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

#### D.11 DISPUTES.

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

#### D.12 TERMINATION UPON REMOVAL OF ADMINISTRATOR.

In addition to the termination provisions included herein, this Agreement is subject to termination upon removal of the Administrator by the State Water Board.

#### D.13 STATE PROGRAM REQUIREMENTS.

- (a) Prior to taking an action or participating in a decision which would create a conflict of interest as defined in Title 2, Division 6, Chapter 7 of the Fair Political



Practices Commission, the Administrator must identify the conflict and submit that information to the Fair Political Practices Commission for consideration.

- (b) The Administrator must hold public meetings as required by the Designated Water System's bylaws and/or policies, and all applicable laws and regulations, and at minimum, once every six (6) months.
- (c) The Administrator must provide public notice of violations of notification levels as required under Health and Safety Code section 116455.
- (d) The Administrator must make records relating to the Designated Water System available to the public as required in the Administrator Policy Handbook.

#### D.14 STATE CROSS-CUTTERS.

The Administrator represents that, as applicable, it complies and covenants to maintain compliance with the following for the term of the Agreement:

- The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, section 15000 et seq.
- Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in sections 1725.5 and 1771.1 of the Labor Code.
- Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- Urban Water Demand Management requirements, including the requirements of section 10608.56 of the Water Code.
- Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, Title 23, section 5002.

- Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.
- The Administrator agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.

#### D.15 EXECUTIVE ORDER N-6-22 — RUSSIAN SANCTIONS.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient 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 is 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 is 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:

- (a) 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;
- (b) Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
- (c) Direct support to the government and people of Ukraine.