

SITE CLEANUP SUBACCOUNT PROGRAM (SCAP)
GRANT AGREEMENT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD, hereinafter called "State" or "State Water Board"
AND

SONOMA SOUNTY COMMUNITY DEVELOPMENT COMMISSION, hereinafter called "Grantee"

ROSELAND CLEANERS, hereinafter called "Project"

AGREEMENT NO. (XX-XXX-XXX)

SCAP NO. [XXX]

WHEREAS:

1. The following provision(s) authorize the State Water Board to enter into this type of Grant Agreement:

Health and Safety Code section 25299.50.6 authorizes the State Water Board to issue grants from the Site Cleanup Subaccount to assist eligible applicants with the reasonable and necessary costs of actions to remediate the harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination.

2. The Grantee has applied for a grant and the State Water Board has determined that the Grantee is eligible for a Site Cleanup Subaccount grant pursuant to Health and Safety Code section 25299.50.6. The Grantee may obtain funding for reasonable and necessary costs of actions to remediate the harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination incurred on or after **DATE** with all work to be completed by **DATE**; and

- A. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Agreement will be:

State Water Board	Grantee: Sonoma Community Development Commission
Name: Craig J. Sanchez, Grant Manager	Name: Benjamin Wickham, Director of Affordable Housing
Address: 1001 "I" Street, 17th Floor	Address: 1440 Guerneville Rd
City, Zip: Sacramento, CA 95814	City, Zip: Santa Rosa, CA 95403-4107
Phone: 916-322-9446	Phone: (707) 565-7542
Fax: (916) 341-5296	Fax: (707) 565-7583
e-mail: craig.sanchez@waterboards.ca.gov	e-mail: Benjamin.wickham@sonoma-county.org

- B. Direct all inquiries to:

State Water Board	Grantee: Sonoma County Community Development Commission
Section: Division of Financial Assistance	Section: Housing and Neighborhood Investments
Attention: Randy Indvik, Program Analyst	Name: Benjamin Wickham, Director of Affordable Housing
Address: 1001 "I" Street, 17th Floor	Address: 1440 Guerneville Rd
City, Zip: Sacramento, CA 95814	City, Zip: Santa Rosa, CA 95403-4107
Phone: (916) 341-5833	Phone: (707) 565-7542
Fax: (916) 341-5296	Fax: (707)565-7583
email: randy.indvik@waterboards.ca.gov	email: Benjamin.wickham@sonoma-county.org

- C. Either party may make changes to the information above by giving written notice to the other party. Said changes will not require an amendment to this Grant Agreement.
- D. The maximum amount payable under this agreement shall not exceed
- E. In the event the Grantee receives or will receive funds from other sources for work completed under this Grant Agreement, or the Grantee has or makes a misrepresentation or false claim, the State Water Board reserves the right to request repayment of funds.

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

Exhibit A	SCOPE OF WORK
Exhibit B	INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS
Exhibit C	GENERAL TERMS AND CONDITIONS
Exhibit D	SPECIAL TERMS AND CONDITIONS

GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable laws, policies, and regulations.

IN WITNESS THEREOF, the parties have executed this Agreement on the dates set forth below.

By:

Grantee Signature

Grantee Typed/Printed Name

Title

Date

By:

Leslie S. Laudon, Deputy Director
State Water Resources Control Board
Division of Financial Assistance

Date

Reviewed by: _____
Office of Chief Counsel

Date

EXHIBIT A SCOPE OF WORK

BACKGROUND

The site is located at 761 Sebastopol Road, in the city of Santa Rosa (Site). The Site is bounded by a drainage ditch and commercial property to the north; commercial and retail properties adjacent to the east; commercial and retail south across Sebastopol Road; and commercial and retail properties adjacent to the west. The Site is owned by Sonoma County Community Development Commission (SCCDC), who intends to redevelop the property with high-density residential buildings, including affordable housing, as well as a civic building, a market, and a public plaza.

Between 1965 and 1971, the Site was a dry cleaning facility. In January 2002, a release of tetrachloroethene (PCE) from former dry cleaning operations was discovered during a sanitary sewer assessment and underground utility survey. In November 2002, the North Coast Regional Water Quality Control Board (Regional Water Board) issued a California Water Code Section 13267 Order (Order) in response to the detection of PCE in groundwater. The Regional Water Board required an investigation to determine the source of PCE and define the lateral and vertical extent of contamination. Since 2003, soil, soil vapor, indoor air, and groundwater investigations, and soil removal actions have been conducted. Confirmation soil sampling results indicate that PCE-impacted soil in the vadose zone has been remediated.

Elevated concentrations of PCE in soil vapor (up to 9,700 micrograms per cubic meter at SG-2) and groundwater (up to 190 micrograms per liter at MW-2) remain within and downgradient of the former source area. The lateral and vertical extent of PCE in the soil vapor and groundwater has been delineated. Groundwater monitoring indicates that the PCE concentrations in groundwater are decreasing.

The Regional Water Board required **WHEN** an Environmental Response Plan be prepared for the Site to: (1) develop cleanup levels protective of human health and the environment; and (2) select a cleanup method to achieve these levels in a reasonable time frame. The Regional Water Board also required that the response plan include a method for control and mitigation of potential soil vapor intrusion into future residential units within the footprint of the PCE plume, and a Site Management Plan to manage soil and groundwater generated during development.

During 2018, the Grantee evaluated several remedial technologies for the reduction of PCE in groundwater and soil vapor at the Site. In-situ chemical oxidation (ISCO) was selected as the most effective remedy for reducing the PCE mass in groundwater, but its effectiveness has not been tested in the field. More information is necessary to validate, design, and monitor the ISCO approach. If the groundwater remedy is not effective at the time of Site development in reducing the concentration of PCE in soil vapor to below concentrations that pose an unacceptable vapor intrusion risk to future ground-floor residential occupants, a vapor barrier and passive soil vapor mitigation system will be installed. The passive soil vapor mitigation system is included in the response plan as a contingent vapor mitigation action.

The Grantee proposes the following scope of work to meet the requirements of the Order and accomplish cleanup of groundwater.

A. WORK TO BE PERFORMED BY GRANTEE

1. PROJECT MANAGEMENT

- 1.1 Prepare correspondence, attend teleconferences, and participate in up to eight (8) Joint Execution Team (JET) meetings during the grant period.
- 1.2 Provide site coordination and logistics, and data management as necessary to support the timely and effective execution of the project.
- 1.3 Negotiate access agreements with property owners and tenants as necessary to complete work.
- 1.4 Prepare monthly progress reports and submit to the Regional Water Board and State Water Board.

2. DATA GAP INVESTIGATION AND IN SITU CHEMICAL OXIDATION PILOT STUDY

Project objective addressed: Conduct a data gap investigation to define contaminant mass (treatment zones) and to design an ISCO pilot test in support of the final remedial design.

2.1 DATA GAP INVESTIGATION WORK PLAN

2.1.1 Prepare and submit to the Regional Water Board and State Water Board a Data Gap Investigation Work Plan.

2.1.2 Upload Data Gap Investigation Work Plan to GeoTracker and obtain Regional Water Board acceptance.

2.2 PRE-FIELD ACTIVITIES

2.2.1 Secure permits, site access agreements, utilities clearances, traffic control, and staging area.

2.2.2 Comply with Regional Water Board public notice requirements.

2.2.3 Notify the Regional Water Board at least five (5) days in advance of all field investigations.

2.2.4 Mobilize subcontractors, equipment, materials, and supplies to site.

2.3 SOIL PROFILING

2.3.1 Advance up to five (5) cone penetrometer/membrane interface probe (CPT/MIP) borings in the source area and up to eight (8) CPT/MIP borings downgradient of the source area to determine soil classifications and relative contaminant concentrations, in accordance with the approved Data Gap Investigation Work Plan. CPT/MIP data shall be used to determine soil classifications and relative contaminant concentrations.

2.3.2 Collect up to four (4) soil samples and up to four (4) groundwater samples per boring from borings located directly adjacent to the CPT/MIP borings (up to thirteen [13] borings). Analyze soil and groundwater samples for volatile organic compounds (VOCs) using a certified laboratory.

2.3.3 Submit photo documentation of soil profiling activities to the Regional Water Board and State Water Board staff electronically, while the work is in progress.

2.3.4 Manage and dispose of investigation-derived waste.

2.4 SOIL VAPOR AND GROUNDWATER MONITORING WELL INSTALLATION AND SAMPLING

2.4.1 Install up to five (5) soil vapor monitoring wells to a depth of five (5) feet below ground surface (bgs) in accordance with the approved Data Gap Investigation Work Plan.

2.4.2 Install up to four (4) shallow groundwater monitoring wells to a depth of approximately twenty-five (25) feet bgs in accordance with the approved Data Gap Investigation Work Plan.

2.4.3 Install up to three (3) deep groundwater monitoring wells to a depth of approximately forty (40) feet bgs in accordance with the approved Data Gap Investigation Work Plan.

2.4.4 Develop the monitoring wells no sooner than seventy-two (72) hours after installation.

2.4.5 Survey the groundwater monitoring well and soil vapor monitoring well locations using a licensed surveyor.

- 2.4.6 Conduct baseline sampling at seventeen (17) groundwater monitoring wells and five (5) soil vapor wells in accordance with the approved Data Gap Investigation Work Plan. Groundwater samples will be collected using low-flow or passive methods. Analyze groundwater samples for VOCs, dissolved metals, total dissolved solids (TDS), and chemical oxygen demand (COD). Active soil vapor samples will be collected in accordance with the *Advisory Active Soil Gas Investigations* (DTSC, July 2015), (https://dtsc.ca.gov/SiteCleanup/upload/VI_ActiveSoilGasAdvisory_FINAL.pdf) and analyze for VOCs.
 - 2.4.7 Submit photo documentation of well installation and sampling activities to the Regional Water Board and State Water Board staff electronically, while the work is in progress.
 - 2.4.8 Manage and dispose of investigation-derived waste.
- 2.5 AQUIFER TESTING AND BENCH SCALE STUDY
- 2.5.1 Conduct aquifer slug testing at two select well pairs, in accordance with the approved Data Gap Investigation Work Plan, to assess the hydraulic conductivity of the water bearing zones. Record groundwater levels during the aquifer slug testing using pressure transducers.
 - 2.5.2 Collect approximately ten (10) kilograms of soil from the source area(s) and four (4) kilograms of soil from a non-impacted area, and approximately 14 liters of impacted groundwater for bench-scale analysis in accordance with the approved Data Gap Investigation Work Plan. Cost estimate assumes that bench-scale analysis will include evaluations of chemical oxidation using sodium permanganate.
 - 2.5.3 Submit photo documentation of aquifer testing and sample collection to the Regional Water Board and State Water Board staff electronically while the work is in progress.
 - 2.5.4 Manage and dispose of investigation-derived waste.
- 2.6 FIELD INVESTIGATION SUMMARY AND NOTICE OF INTENT REPORT
- 2.6.1 Prepare and submit a Field Investigation Summary and Notice of Intent Report (NOI Report). At a minimum, the NOI Report will provide the results of the data gap investigation, a Tier 1 Risk Assessment, and pilot study design specifications to apply for the General Waste Discharge Requirements (WDR) for In-Situ Treatment.
 - 2.6.2 Upload Field Investigation Summary, NOI Report, well location data, groundwater elevation data, and electronic data deliverables to GeoTracker and obtain Regional Water Board acceptance.
- 2.7 ISCO PILOT STUDY
- 2.7.1 Use a qualified remediation subcontractor or driller to inject reagents into the source area saturated zone in accordance with the approved NOI Report. Cost estimate assumes that sodium permanganate will be injected at up to fourteen (14) locations from a depth of approximately two (2) feet above the water table to thirty-eight (38) feet bgs. The target depth intervals may be modified based on the results of Subtasks 2.3 and 2.4.
 - 2.7.2 Conduct monthly groundwater and soil vapor pilot study performance monitoring for four (4) consecutive months (total of four [4] events), in accordance with the approved NOI Report. Collect groundwater samples from three (3) shallow and two (2) upper deep-zone groundwater monitoring wells to assess the effectiveness of the ISCO product in the destruction PCE mass in groundwater. Collect soil vapor samples from at least one (1) soil vapor well located near the pilot study injection area. Analyze groundwater and soil vapor

samples for VOCs. Analyze the groundwater samples for dissolved metals, TDS, and COD per the WDR.

- 2.7.3 Submit photo documentation of pilot study activities to the Regional Water Board and State Water Board staff electronically while the work is in progress.
- 2.7.4 Manage and dispose of investigation-derived waste.
- 2.7.5 Prepare and submit an ISCO Pilot Study Summary Report to the Regional Water Board and State Water Board staff for review.
- 2.7.6 Upload ISCO Pilot Study Summary Report and electronic data deliverables to GeoTracker and obtain Regional Water Board acceptance.

3. RESPONSE PLAN

Project objective addressed: Implement remediation of groundwater. Monitor remedial progress and effectiveness. Collect sufficient indoor air, outdoor air, and soil vapor data to determine post-remediation vapor intrusion risks to future building occupants under a residential land use scenario.

- 3.1 Prepare and submit a Response Plan with updated conceptual site model, remedial specifications, associated monitoring plan, potential soil vapor mitigation measures, and public notice requirements.
- 3.2 Upload Response Plan to GeoTracker and obtain Regional Water Board approval.
- 3.3 Secure permits, site access agreements (includes adjacent properties), utilities clearances, traffic control, and staging areas.
- 3.4 Comply with Regional Water Board public notice requirements.
- 3.5 Notify the Regional Water Board staff at least five (5) days in advance of commencing field work.
- 3.6 Mobilize subcontractors, equipment, materials, and supplies to Site.
- 3.7 Use a qualified remediation subcontractor or driller to inject reagents into the source area saturated zone in accordance with the approved Response Plan. Cost estimate assumes sodium permanganate will be injected at up to thirty-two (32) locations from a depth of approximately two (2) feet above the water table to thirty-eight (38) feet bgs. The target depth intervals may be modified based on the pilot study results.
- 3.8 Conduct a second round of sodium permanganate injections at up to sixteen (16) locations in accordance with the approved Response Plan.
- 3.9 Conduct quarterly groundwater and soil vapor monitoring for a period of two (2) years (total of eight [8] consecutive events). Collect up to seventeen (17) groundwater samples and up to five (5) soil vapor samples per event, and analyze for VOCs. In addition, groundwater samples will be analyzed for dissolved metals, TDS, and COD per the WDR.
- 3.10 Conduct four consecutive (4) semi-annual garage air monitoring events in accordance with the approved Response Plan and DTSC's *Final – Guidance for the Evaluation and Mitigation of Subsurface Gas Intrusion to Indoor Air (Gas Intrusion Guidance)*, (http://www.dtsc.ca.gov/AssessingRisk/upload/Final_VIG_Oct_2011.pdf).
- 3.11 Prepare eight (8) consecutive quarterly groundwater and soil vapor monitoring reports for Regional Water Board review. Four (4) of these reports will include garage air monitoring data.

- 3.12 Upload eight (8) quarterly monitoring reports, groundwater elevations, and electronic data deliverables to GeoTracker and obtain Regional Water Board acceptance.
- 3.13 Prepare a Groundwater Completion Report for Regional Water Board and State Water Board staff review.
- 3.15 Upload Groundwater Completion Report etc to GeoTracker and obtain Regional Water Board approval.

4. SOIL VAPOR MITIGATION (CONTINGENT TASK)

Project objective addressed: Mitigate indoor vapor intrusion risk, if warranted by post-remediation indoor air sampling results, through passive means.

- 4.1 Prepare and submit a Soil Vapor Mitigation Work Plan for Regional Water Board review.
- 4.2 Upload the Soil Vapor Mitigation Work Plan to GeoTracker and obtain Regional Water Board acceptance.
- 4.3 Obtain subcontractors, permits, utilities clearances, traffic controls, and access agreements necessary to implement the approved passive soil vapor mitigation measures.
- 4.4 Notify the Regional Water Board at least seventy-two (72) hours prior to the start of field activities.
- 4.5 Install passive soil vapor mitigation measures in accordance with the approved Soil Vapor Mitigation Work Plan.
- 4.6 Conduct up to six (6) rounds of sub-slab monitoring HOW MANY SAMPLE LOCATIONS? after the mitigation measures are installed, in accordance with the approved Soil Vapor Mitigation Work Plan.
- 4.7 Conduct one (1) indoor air monitoring event in ground-floor residential units after the mitigation measures are installed. Collect up to five (5) indoor air samples and up to three (3) outdoor (ambient) air samples. Analyze indoor/ambient air samples for VOCs in accordance with the Soil Vapor Mitigation Work Plan.
- 4.8 Prepare and submit a Soil Vapor Mitigation Summary Report for Regional Water Board review. At a minimum, the Soil Vapor Mitigation Summary Report will include a summary of vapor mitigation activities, sub-slab soil vapor sampling results, as-built drawings, and operation and maintenance procedures.
- 4.9 Upload the Soil Vapor Mitigation Summary Report and electronic data deliverables to GeoTracker and obtain Regional Water Board approval.

TABLE OF ITEMS FOR REVIEW

ITEM	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
A.	WORK TO BE PERFORMED BY GRANTEE		
2	DATA GAP INVESTIGATION AND IN SITU CHEMICAL OXIDATION PILOT STUDY		
2.1.2	Upload Data Gap Investigation Workplan to GeoTracker		2Q2019
2.3.3	Submit photo documentation of soil profiling activities		
2.4.7	Submit photo documentation of monitoring well installation and sampling		
2.5.3	Submit photo documentation of aquifer testing activities		
2.6.2	Upload Field Investigation Summary, Notice of Intent Report, well location data, groundwater elevation data, and electronic data deliverables to GeoTracker		3Q2019
2.7.6	Upload ISCO Pilot Study Summary Report to GeoTracker.		3Q2019
3	RESPONSE PLAN		
3.2	Upload Response Plan to GeoTracker		3Q2019
3.12	Upload eight (8) consecutive quarterly groundwater and soil vapor monitoring reports to GeoTracker		2Q, 3Q, 4Q, 2020, 1Q, 2Q, 3Q, 4Q 2021, 1Q 2022
3.15	Upload Groundwater Completion Report to GeoTracker		2Q2022
4	SOIL VAPOR MITIGATION (CONTINGENT TASK)		
4.2	Upload Soil Vapor Mitigation Work Plan to GeoTracker		1Q2021
4.9	Upload the Soil Vapor Mitigation Summary Report and electronic data deliverables to GeoTracker		2Q2022
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
A.	INVOICE PACKAGES		
1.	Invoices		Quarterly
E.	REPORTS		
1.	Progress Reports		Quarterly
2.	Final Project Report		4Q2022

EXHIBIT B
INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS

A. INVOICE PACKAGES

1. No disbursement under this Grant Agreement will be made except upon receipt of an acceptable Standard Form Reimbursement Request duly executed by or on behalf of the Grantee. The Grantee's duly authorized representative, who has been approved by the State Water Board, must execute all Payment Request forms. A Payment Request form must accompany all invoice packages. The original invoice packages shall be submitted to the State Water Board's Grant Manager on a quarterly basis consistent with the reporting schedule in Line E (1) of this exhibit. The address for submittal is:

Craig J. Sanchez, Grant Manager
State Water Resources Control Board
Division of Financial Assistance
P. O. Box 944212
Sacramento, CA 94244-2120
2. The costs submitted must be for the remediation of harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination. The State Water Board may pay eligible costs of remediation actions that are reasonable and necessary. The Grantee may not receive reimbursement from the State Water Board for remediation actions that have been or will be paid or otherwise compensated from another source.
3. Reimbursement of any invoice shall be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed invoice. Invoices submitted in any other format than the one provided by the State Water Board will cause an invoice to be disputed. In the event of an invoice dispute, the State Water Board's Program Analyst will notify the Grantee. Reimbursement will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided above may result in return of the invoice to the Grantee. Reimbursement shall be deemed complete upon deposit of the reimbursement, properly addressed, postage prepaid, in the United States mail. The State Water Board Grant Manager has the responsibility for approving invoices.
4. Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on state bonds, pursuant to any Federal statute or regulation.
5. Grantee shall provide proof of payment to the consultant or contractor for each invoice submitted for payment under this Grant. If the grantee is not able to demonstrate proof of payment, the State Water Board, at its discretion, may issue two-party checks for the payment of costs identified in Exhibit B, Budget. The two-party checks will require the endorsement of both Grantee and the company providing the services.
6. Notwithstanding any other provision of this Agreement, the Grantee agrees that the State Water Board may retain ten percent (10%) of the grant amount specified in this Agreement until "Final Project Summary" from local regulatory agency of the Project is received. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
7. The invoice shall contain the following information:
 - a. The word "INVOICE" and a sequential invoice number should appear in a prominent location at the top of the page(s)
 - b. The date of the invoice and the time period covered by the invoice, i.e., the term "from" and "to"
 - c. Printed name of the consultant or contractor
 - d. Business address of the consultant or contractor, including P.O. Box, City, State, and Zip Code

- e. Printed name of the Grantee
- f. The number of the Agreement upon which the invoice is based
- g. The site address (location) where the work was performed
- h. All subcontractor(s) invoices must be listed on the invoice; a copy of the subcontractor invoice should be attached to the consultant/contractor's invoice. All subcontractor(s) must have current and active professional licenses, as applicable
- i. Original signature and date (in ink) of Grantee or its authorized representative
- j. An itemized account of the work for which the Grantee is seeking payment:
 - a brief description of the work performed, including dates of performance and the name or initials of the person performing the work;
 - the method of computing the amount due; (on cost reimbursable agreements, invoices must be itemized based on the tasks specified in the Budget)
 - the total amount due; this should be in a prominent location in the lower right-hand portion of the last page and clearly distinguished from other figures or computations appearing on the invoice; the total amount due shall include all costs incurred by the Grantee under the terms of this Agreement; and
 - such other documents, certificates, instruments, opinion, or other writings as the State Water Board may reasonably request.

8. Final invoice shall be clearly marked "FINAL INVOICE" and submitted NO LATER THAN January 31, 2024.

9. Remaining Balance. In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State Water Board will mail a Notice of Project Completion letter to the Grantee stating that the project file is closed, the final invoice is being processed for payment, and any remaining balance will be disencumbered and unavailable for further use under the Grant Agreement.

B. BUDGET CONTINGENCY CLAUSE

The maximum amount to be encumbered under this Agreement for the 2019-2020 fiscal year ending June 30, 2020 shall not exceed

If the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Grantee to reflect the reduced amount.

C. PROJECT BUDGET

TASK #	DESCRIPTION	TOTAL
1	PROJECT MANAGEMENT	
2	DATA GAP INVESTIGATION AND ISCO PILOT STUDY	
3	RESPONSE PLAN	
4	SOIL VAPOR MITIGATION (CONTINGENT TASK)	
	TOTAL	

NOTE: The Project Budget was accepted by the Grant Manager on XXXXXX ##, ####.

D. BUDGET TASK(S) FLEXIBILITY

1. Total Budgeted Costs Task(s) Adjustment(s). Subject to the prior review and approval of the State Water Board's Grant Manager, adjustments between existing task(s) may be used to defray allowable direct costs up to fifteen percent (15%) of the total grant amount including any amendment(s) thereto. Except as provided for the Available Site Contingency Adjustment, task(s) adjustments in excess of fifteen percent (15%) shall require a formal Agreement amendment. If the Project Budget includes an amount for Personnel Services, that amount is based on the hours, classifications, and rates submitted by the Grantee in its application. Any changes to the hours, classifications, and rates must be approved, in advance and in writing, by the Grant Manager.
2. Available Site Contingency Adjustment. The Grantee shall not be entitled to any reimbursement from the Available Site Contingency Adjustment budget line item without prior approval in writing from the Grant Manager. The Available Site Contingency Adjustment budget line item only is available for reasonable and necessary project costs, which for good cause, exceed the funds allotted for the Total Budgeted Costs. The State Water Board may, at its discretion, require a formal Agreement amendment rather than use funds in the Available Site Contingency Adjustment budget line item.
3. Procedure to Request an Adjustment. The Grantee may submit a request for one of the above budget adjustments in writing to the State Water Board. Such adjustment may not increase or decrease the total grant amount allocated per fiscal year. The Grantee shall submit a copy of the original Agreement Budget sheet reflecting the requested changes. Changes shall be noted by striking the original amount(s) followed with revised change(s) in bold and underlined. Except as provided by the Available Site Contingency Adjustment, budget adjustments deleting a budget task(s) or adding a new budget task(s) require a formal amendment and are not permissible under this provision. The State Water Board also may propose adjustments to the budget.
4. Remaining Balance. In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State Water Board will mail a Notice of Project Completion letter to the Grantee stating that the Project file is closed, the final invoice is being processed for payment, and any remaining balance will be disencumbered and unavailable for further use under the Grant Agreement.

E. REPORTS

1. PROGRESS REPORT. Grantee shall submit quarterly progress reports to the State Water Board's Grant Manager by the twentieth (20th) of the month following the end of the calendar quarter (March, June, September, and December).
 - a. The progress reports shall provide a brief description of the work performed, accomplishments during the quarter, milestones achieved, monitoring results (if applicable), and any problems encountered in the performance of the work under this Agreement. Grantee shall document all contractor activities and expenditures in progress reports.
 - b. The invoice should accompany the progress report. The invoice should reflect charges for the work completed during the reporting period covered by progress report. The invoice cannot be paid prior to submission of a progress report covering the invoice reporting period.
2. DRAFT PROJECT REPORT. Prepare and submit to the Grant Manager a draft Project Report for review and comment.

3. FINAL PROJECT REPORT. Prepare a final Project Report that addresses, to the extent feasible, comments made by the Grant Manager on the draft final Project Report. Submit one (1) reproducible master, and an electronic copy of the final.
4. The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Agreement, such reports, data, information, and certifications that may be reasonably required by the State Water Board.

F. PAYMENT OF PROJECT COSTS

The Grantee agrees that it will provide for payment of its full share of Project costs and that all costs connected with the Project will be paid by the Grantee on a timely basis.

G. AUDIT DISALLOWANCES

The Grantee agrees it shall return any audit disallowances to the State Water Board.

H. FRAUD AND MISUSE OF PUBLIC FUNDS

All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division of Financial Assistance may request an audit pursuant to Exhibit C, paragraph 4 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§1572-1573; Pen. Code, §§470, 489-490.)

EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The Grantee will not proceed with any work on the Project until authorized in writing by the State Water Board.
3. **ASSIGNMENT:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of the State Water Board.
4. **AUDIT:** Grantee agrees that the State Water Board, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the use of grant funds or performance of this Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement.
5. **CHILD SUPPORT COMPLIANCE ACT:** Grantee acknowledges that it recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code. Grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
6. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. This includes, but is not limited to, compliance with any applicable requirements contained in directives or orders issued pursuant to Division 7 of the Water Code.
7. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
8. **CONFLICT OF INTEREST:** Grantee certifies that it is in compliance with applicable state and/or federal conflict of interest laws.
9. **DISPUTES:** The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Grantee shall submit to the Deputy Director of the Division of Financial Assistance a written demand for a final decision. The decision of the Division, or his or her authorized representative, shall be reduced to writing and a copy thereof furnished to the Grantee and to the State Water Board's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days of the date of the Division decision, the State Water Board's Executive Director receives a written appeal. The Grantee's written appeal shall be fully supported by any factual information Grantee desires to be considered in the decision. The Executive Director's decision shall be final and conclusive, unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

Pending final decision of a dispute hereunder, the Grantee shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

10. **DRUG-FREE WORKPLACE REQUIREMENTS:** Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (commencing with Section 8350 of the Government Code) and will provide a drug-free workplace by taking the following actions:
- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace,
 - 2) the organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation, and employee assistance programs; and
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed project will:
 - 1) receive a copy of the organization's drug-free workplace policy statement, and
 - 2) agree to abide by the terms of the statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments or termination of the grant or both, and Grantee may be ineligible for award of any future state grants if it is determined that the Grantee has made false certification or violated the certification by failing to carry out the requirements as noted above.

11. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
12. **FRAUD, WASTE, AND ABUSE:** The Grantee 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 Grantee understands that discovery of any evidence of misrepresentation of fraud related to reimbursement request, 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 referral to the Attorney General's Office or the applicable District Attorney's Office for appropriate action. The Grantee 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 grant disbursements and/or the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder.
13. **GOVERNING LAW:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California.
14. **GRANT MODIFICATIONS:** The State Water Board may, at any time, without notice to any sureties, by written order designated or indicated to be a "grant modification", make any change in Exhibit A, for the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner, or time of performance of work. If the Grantee intends to dispute the change, the Grantee must, within ten (10) days after receipt of a written "grant modification," submit to the State Water Board a written statement setting forth the disagreement with the change.

15. **GRANTEE'S RESPONSIBILITY FOR WORK:** The Grantee shall be responsible for 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 Grantee shall be responsible for 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 will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
16. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.
17. **INDEPENDENT ACTOR:** The Grantee, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of the State Water Board.
18. **INSPECTION:** Throughout the term of this Agreement, the State Water Board shall have the right to inspect the project area to ascertain compliance with this Agreement.
19. **NONDISCRIMINATION:** During the performance of this Project, the Grantee and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, religion, color, national origin, ancestry, religious creed, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40) marital status, or denial of family-care leave. Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this agreement by reference and made a part hereof as if set forth in full.

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

Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work at this Project.
20. **NO THIRD PARTY RIGHTS:** The parties to this grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
21. **NOTICE:** The Grantee shall promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Grantee 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. The Grantee shall 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 Grantee shall promptly notify the State Water Board in writing of completion of work on the Project.

22. **OPERATIONS & MAINTENANCE:** The Grantee shall maintain and operate the facility and structures constructed or improved as part of the project throughout the term of this Agreement, consistent with the purposes for which this Grant was made. The Grantee assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation.

23. **PAYEE DATA RECORD FORM (Std. 204).** The Grantee must complete the Payee Data Record Form.

24. **PERMITS, CONTRACTING, REMEDIES, AND DEBARMENT:** The Grantee shall procure all permits and licenses necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses shall be submitted to the Grant Manager before work begins.

Any contractors, outside associates, or consultants required by the Grantee in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by the State Water Board's Grant Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Grant Manager.

The Grantee shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this grant funding is authorized. The Grantee shall not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this grant funding is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at:
http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml.

The Grantee certifies to the best of its knowledge and belief, that it and its principals:

- a. 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 grant funding is authorized; and
- b. have not 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 grant funding is authorized.

25. **PREVAILING WAGES AND LABOR COMPLIANCE:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Agreement to assure that the prevailing wage provisions of State Labor Code are being met. Current Division of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.

26. **PROFESSIONALS:** The Grantee agrees that only licensed professional will be used to perform services under this Agreement where such services are called for.

27. **RECORDS:** Without limitation of the requirements to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee agrees to:

- a. establish an official file for the Project which shall adequately document all significant actions relative to the Project; and
- b. establish separate accounts which will adequately and accurately depict all amounts received and expended on this Project, including all grant funds received under this Agreement.

28. **RELATED LITIGATION:** Under no circumstances may a Grantee use funds from any disbursement under this Grant Agreement to pay costs associated with any litigation the Grantee pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Grantee agrees to complete the Project funded by this Agreement or to repay all of the grant funds plus interest.
29. **RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
30. **STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State Water Board is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State Water Board and the State against any loss or liability arising out of any claim or action brought against the State Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with: (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Grantee agrees to pay and discharge any judgment or award entered or made against the State Water Board and/or the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.
31. **STATE WATER BOARD ACTION, COSTS, AND ATTORNEY FEES:** The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own filing costs and attorney fees.
32. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the State Water Board, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on

all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.

33. **TIMELINESS:** Time is of the essence in this Agreement. The Grantee shall proceed with and complete the Project in an expeditious manner.
34. **TRAVEL AND PER DIEM:** 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 Grantee. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Grant Manager.
35. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement shall continue to have full force and effect and shall not be affected thereby.
36. **UNION ACTIVITIES:** The Grantee hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Agreement. The Grantee certifies that none of the grant funds will be used to assist, promote, or deter union organizing. The Grantee shall account for all state funds disbursed by the grant for a specific expenditure, and show those funds were allocated to that expenditure. If the Grantee incurs costs or makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs and the Grantee shall provide those records to the Attorney General upon request.
37. **VENUE:** The State Water Board and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.
38. **WAIVER AND RIGHTS OF THE STATE WATER BOARD:** Any waiver of rights by the State Water Board with respect to a default or other matter arising under the Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.
39. **WATER CONSERVATION AND EFFICIENCY PROGRAMS:** The Grantee acknowledges that it has appropriate water conservation and efficiency programs in place, and that this provision constitutes a condition of the grant award. A web link with examples of water conservation and efficiency programs is available at: http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/conservation.shtml.
40. **WATER DIVERSION AND USE:** To the extent applicable, the Grantee has complied with, and shall continue to comply with, the requirements of Water Code, division 2, part 5.1, section 5100 et seq. for filing statements of water diversion and use.
41. **WITHHOLDING OF GRANT DISBURSEMENTS:** The State Water Board may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. The State Water Board's obligation to make a disbursement of the proceeds of this Grant to the Grantee is subject to and conditioned upon the State Water Board's receipt of each of the following:
 - a. copy of executed grant agreement(s) for response work acceptable to the State Water Board; (subcontractor(s) must have current and active license issued by the California State Contractors License Board);
 - b. copies of permits from regulatory agencies necessary to conduct response actions;
 - c. copies of invoices as identified in Exhibit B;
 - d. such other documents, certificates, instruments, opinion, or other writings as the State Water Board may reasonably request; and
 - e. a complete, adequately supported, properly documented and accurately addressed invoice package.
2. In addition to paragraph 32 of Exhibit C, the State Water Board, at its discretion, may disencumber grant funds or terminate this Agreement if:
 - a. an invoice package seeking reimbursement under this Agreement is not received within six months of the effective date of this Agreement,
 - b. the Grantee does not perform response actions or seek reimbursement under this Agreement with due diligence, or
 - c. the Grantee is not in compliance with any applicable requirements contained in chapter 6.75 of the Health and Safety Code.
3. The State Water Board's authority to terminate this Agreement under any of the Agreement's termination provisions, including but not limited to paragraph 32 of Exhibit C, is not subject to the Dispute and Appeal provisions of paragraph 9 of Exhibit C.