

CONTRA COSTA WATER DISTRICT
Cost Share Agreement for
Los Vaqueros Reservoir Expansion Project Planning

THIS AGREEMENT is made as of _____, 2019 between Contra Costa Water District, hereinafter referred to as “CCWD,” a county water district organized and existing under Division 12 of the California Water Code; and

Alameda County Flood Control and Water Conservation District, Zone 7, hereinafter referred to as “Zone 7 Water Agency”, a special district organized and existing under Act 20, Section 36 of the Water Code – Uncodified Acts; and

Alameda County Water District, hereinafter referred to as “ACWD”, a county water district organized and existing under Division 12 of the California Water Code; and

Bay Area and Water Supply & Conservation Agency, hereinafter referred to as “BAWSCA”, a public agency organized and existing under Division 31 of the California Water Code; and

The City of Brentwood, hereinafter referred to as “Brentwood”; and

East Bay Municipal Utility District, hereinafter referred to as “EBMUD”, a municipal utility district organized and existing under Division 6 of the California Public Utilities Code; and

Grassland Water District hereinafter referred to as “GWD”, a water district organized and existing under Division 13 of the California Water Code; and

San Francisco Public Utilities Commission hereinafter referred to as “SFPUC”, a department of the City and County of San Francisco; and

San Luis & Delta-Mendota Water Authority hereinafter referred to as “SLDMWA”, a California joint powers authority operating under and by virtue of Section 6500, et seq., of the California Government Code, participating in coordination with and on behalf of those member agencies participating through a separate activity agreement; and

Santa Clara Valley Water District hereinafter referred to as “SCVWD”, an independent special district created by an act of the Legislature of the State of California and Water Code Appendix, Chapter 60; and

Throughout this Agreement, (1) ACWD, BAWSCA, Brentwood, EBMUD, GWD, SFPUC, SLDMWA, SCVWD, and Zone 7 Water Agency may be referred to together as Local Agency Partners, and (2) CCWD and the Local Agency Partners may be referred to together as the “Agencies” or “Parties”, or individually as a “Party”.

RECITALS

WHEREAS, CCWD and the Local Agency Partners share an interest in providing a reliable, high quality water supply at a reasonable cost while preserving or enhancing the environment; and

WHEREAS, CCWD and the Local Agency Partners each have different concerns regarding the water supplies, reliability, and water quality for their individual agencies; and

WHEREAS, the original 100,000-acre-foot Los Vaqueros Reservoir was constructed in 1998 to provide drinking water quality improvements and emergency supplies for CCWD's customers; and

WHEREAS, the Phase 1 Los Vaqueros Reservoir Expansion was constructed in 2012 and expanded the capacity of the reservoir to 160,000 acre-feet with the purpose of providing drinking water quality improvements, emergency supplies, and additional water supply reliability benefits for CCWD's customers; and

WHEREAS, in February of 2013, EBMUD approved Principles of Agreement with CCWD for water supply reliability partnership; and

WHEREAS, in February of 2016, EBMUD and CCWD approved Principles of Agreement concerning, among other things, CCWD's potential future use of the Freeport Regional Water Project and EBMUD's potential future use of Los Vaqueros Reservoir; and

WHEREAS, the Local Agency Partners are considering participation in the Phase 2 Los Vaqueros Reservoir Expansion Project (Project), which is being developed to provide regional water supplies for environmental water management, to improve regional water supply reliability, and to improve regional water quality, while maintaining the existing benefits for CCWD's customers; and

WHEREAS, CCWD and the Local Agency Partners recognize that the Project may be mutually beneficial for all Parties and may address, in full or in part, each Party's concerns regarding water supply, reliability, and water quality; and

WHEREAS, the planning to date for the Project includes, but is not limited to, planning for the construction of an expanded reservoir with a capacity of 275,000 acre-feet, construction of a pipeline between CCWD's Transfer Pump Station and the California Department of Water Resources' California Aqueduct near Bethany Reservoir ("Transfer-Bethany Pipeline"), upgrades to the existing Transfer Pump Station facilities, and construction of the Neroly High Lift Pump Station; and

WHEREAS, CCWD and many of the Local Agency Partners, the California Department of Water Resources, and other federal, state, and local agencies executed a Memorandum of Understanding regarding the CALFED Bay-Delta Program Studies on the Expansion of Los Vaqueros Reservoir in 2001 ("2001 LV MOU"), as amended and extended through December 31, 2018; and

WHEREAS, the United States Department of the Interior, Bureau of Reclamation (“Reclamation”) is authorized to complete a Federal Feasibility Report for the Los Vaqueros Reservoir Expansion by the CALFED Bay-Delta Authorization Act (Public Law 108-361) and has received federal appropriations in support of this work in excess of \$18 million since 2001; and

WHEREAS, CCWD and Reclamation jointly prepared a Final Environmental Impact Statement/Environmental Impact Report released on March 12, 2010 (“Final EIS/EIR”) that evaluated the expansion of Los Vaqueros Reservoir in two phases: an initial phase of expansion from 100,000 acre-feet to 160,000 acre-feet and a future phase of expansion from 160,000 acre-feet to 275,000 acre-feet; and

WHEREAS, the 2016 Water Infrastructure Improvements for the Nation (“WIIN”) Act authorizes federal financial participation in state-led surface storage projects such as the Los Vaqueros Reservoir Expansion Project; and

WHEREAS, Reclamation and CCWD executed a Memorandum of Understanding for Completion of Phase 2 of the Los Vaqueros Reservoir Expansion Investigation and Sharing of Costs on December 16, 2015 (“Reclamation-CCWD Cost Share MOU”) that allows for in-kind services by CCWD and Local Agency Partners to be eligible for tracking and reporting as non-federal expenditures that will help Reclamation secure additional federal funds for planning of the Project; and

WHEREAS, all of the Local Agency Partners executed individual cost sharing agreements with CCWD (“Individual Cost Sharing Agreements”) to prepare a Draft Federal Feasibility Report in partnership with Reclamation, a Draft Supplement to the Final Environmental Impact Statement/Environmental Impact Report (“Draft Supplement to the Final EIS/EIR”), and a funding application to the California Water Commission for implementation funding under its Water Storage Investment Program (California Water Code §79700-79798) (“WSIP”); and

WHEREAS, CCWD, certain Local Agency Partners, and certain member agencies of Local Agency Partners have provided in-kind services and financial support for Project planning efforts to date; and

WHEREAS, through a competitive process CCWD previously selected the environmental, legal, permitting, water rights, engineering, financial, and operations consultants (the “Consultant Team”) to develop the Draft Supplement to the Final EIS/EIR and the Federal Feasibility Report; and

WHEREAS, on June 30, 2017, CCWD and Reclamation released the Draft Supplement to the 2010 Final EIS/EIR that evaluated the environmental effects of changes in the Project, changes in circumstances, and new information since certification of the Final EIS/EIR; and

WHEREAS, on August 11, 2017, CCWD submitted a funding application for the Project and on July 24, 2018 the California Water Commission determined that the Project was eligible for up to \$459 million of funding from the WSIP, including \$13.65 million of early funding; and

WHEREAS, on December 20, 2018, CCWD and the California Water Commission entered into an agreement for the State to provide early funding from the WSIP for the Project (“Early Funding Agreement”); and

WHEREAS, the work funded through CCWD and the Individual Cost Sharing Agreements is nearly complete; and

WHEREAS, on February 2, 2018, Reclamation released the public Draft Federal Feasibility Report; and

WHEREAS, CCWD and the Local Agency Partners recognize that additional planning activities are required to advance the Project consistent with the requirements of the WSIP; and

WHEREAS, CCWD and the Local Agency Partners agree that planning of the Project shall be conducted in a manner consistent with the “beneficiaries pay” principle such that future costs will be allocated equitably in accordance with the benefits received if the Project or any part thereof proceeds, and that no Party will be obligated to fund the benefits from the Project or any part thereof provided to other entities. However, at this stage, for the services set forth in this Agreement, the Parties agree that these costs will be split equally among the Parties.

NOW, THEREFORE, the Parties agree that the above recitals are hereby incorporated into and made a part of this Agreement, and further agree as follows:

1. Purpose. The primary purposes of this Agreement are to provide for cost-sharing of the funding requirements for:
 - a) the completion of the Final Supplement to the 2010 Final EIS/EIR (“Final Supplement to the Final EIS/EIR”);
 - b) the release of the Final Federal Feasibility Report in partnership with Reclamation;
 - c) a financial evaluation of the Project for the purpose of facilitating CCWD’s and the Local Agency Partners’ upcoming decisions regarding their financial commitment to Project implementation;
 - d) the development of a long-term governance structure (currently envisioned as a Joint Powers Authority) and selection of special counsel for this purpose;
 - e) initiation of consultations with federal, state, and local entities for Project permits, approvals, certifications, and agreements;
 - f) design of the Los Vaqueros Reservoir dam to the 50% level and advancement of design work on other Project facilities; and
 - g) independent financial review of usage fees developed by CCWD and EBMUD;
 - h) any other activities mutually agreed to by all Parties who provide a share of funding for such activities pursuant to and consistent with this Agreement.

This Agreement designates roles and responsibilities as related to the receipt of WSIP early funding, consistent with Section 10 of this Agreement.

The purposes established by this Section 1 are referred to herein individually as a “Purpose” and collectively as the “Purposes”.

All work needed for Purposes a, b, c, and g will be completed during the term of this Agreement.

Work to meet Purposes d, e, and f will commence during the term of this Agreement and will continue after the term of this Agreement, provided that new agreements are reached by CCWD, some or all of the Local Agency Partners, and/or participating member agencies of Local Agency Partners which contain provisions to continue work related to Purposes d, e, and f. Consultant Team work and CCWD staff work for the Purposes will be partially funded by this Agreement.

A detailed scope of work and budget for activities funded by this Agreement are included in Exhibit A and Exhibit B, respectively, which are attached hereto and incorporated herein as if fully set forth in this Agreement.

2. Obligations and Responsibilities.

2.1 Contra Costa Water District Responsibilities

In addition to the joint responsibilities, CCWD:

- a) will be responsible for planning a Project that is consistent with the principles for participation in the expansion of Los Vaqueros Reservoir and each and every determination and commitment adopted in 2003 by CCWD’s Board of Directors in Resolution No. 03-24 and supported in the 2004 advisory vote in favor of expansion by voters within CCWD (“CCWD Board Principles”). Resolution 03-24 and Resolution 03-25 authorizing the advisory vote are shown in Exhibit C and Exhibit D, respectively, which are attached hereto and incorporated herein as if fully set forth.
- b) will work with Reclamation to complete a Federal Feasibility Report and a Final Supplement to the Final EIS/EIR for the Project, both of which will include an evaluation of Project operations that have been designed to provide public benefits as defined by Section 79753 of California Water Code and to provide benefits to each of the Local Agency Partners.
- c) will contract with and manage the Consultant Team providing support to the Project for the Purposes, identified in Section 1 of this Agreement, during the term of this Agreement. CCWD will have authority on consultant procurement with respect to contracts procured by CCWD including sole source authorization decisions as appropriate for services related to land and facilities owned and operated by CCWD. Local Agency Partners may, at their own expense, procure their own consultant services to support completion of the Purposes.

CCWD will not allow its Consultant Team to discriminate, harass, or

allow harassment against any applicant, employee, customer, or other person on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices, political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

- d) will prepare operations models of the Project and share modeling results with the Local Agency Partners. CCWD will update the operations modeling as needed. Updates to operations modeling may include but are not limited to changes requested by Local Agency Partners, changes in regulations, and changes to the make-up of the Local Agency Partners pursuant to Section 6 or 12 of this Agreement. CCWD will inform all Local Agency Partners of any and all substantive changes it makes to the modeling, including those requested by CCWD, and will maintain and share with all Local Agency Partners a record of all such changes.
- e) will provide relevant excerpts and/or chapters to the Local Agency Partners to facilitate their review of and input on the Final Federal Feasibility Report and the Final Supplement to the Final EIS/EIR per Section 2.7(b) of this Agreement, as those documents are developed, and shall work cooperatively with the Local Agency Partners to incorporate their comments on the Final Federal Feasibility Report and the Final Supplement to the Final EIS/EIR, subject to Section 8 of this Agreement. CCWD will provide any portion of the Final Federal Feasibility Report or Final Supplement to the Final EIS/EIR upon the request of any Party.
- f) will maintain the website for the Project and will post all relevant public documents on the site.
- g) will initiate discussion and seek to reach agreement on the terms of a Memorandum of Understanding (“MOU”) with the California Department of Water Resources (“DWR”) to negotiate a series of agreements including but not limited to temporary and long-term easements to connect the Transfer-Bethany Pipeline to the California Aqueduct, conveyance through the State owned facilities (California Aqueduct and South Bay Aqueduct), coordinated operations, and potential changes in water rights held by DWR for the State Water Project; and CCWD will, after consulting with and receiving input from the Local Agency Partners, execute such MOU if CCWD is able to reach

agreement with DWR. CCWD will support participation of the Local Agency Partners in any of the subsequent negotiations with DWR to execute the series of agreements outlined in the MOU.

- h) will be responsible for meeting the commitments of the Early Funding Agreement, with the participation and support of the Local Agency Partners. Funds and support provided through this Agreement will count towards the non-state cost share required in the Early Funding Agreement.
- i) will contribute to the development of the financial evaluation of the Project by providing cost estimates of usage fees for Local Agency Partner use of CCWD's existing assets contributed to the Project, responding to requests in a timely manner, providing additional technical analyses as needed, and facilitating communications between the Consultant Team and Local Agency Partners. CCWD's contributed assets will be determined by CCWD in its sole discretion and may include but are not necessarily limited to: CCWD's existing intakes, pump stations, pipelines, and reservoir.
- j) will support an independent financial review of the usage fees pursuant to Section 2.3 by identifying financial firms that may have a conflict of interest (for example as a result of a current agreement between a firm and CCWD), responding to requests in a timely manner, providing additional technical analyses as needed, and facilitating communications with the independent financial consultant and Local Agency Partners.
- k) will enter into a mutually acceptable letter agreement with ACWD, pursuant to Section 2.3, to contract for the independent financial review consultant and that provides for the reimbursement of the consultant fees that ACWD incurs in the performing the services set forth in Section 2.3
- l) will initiate discussions with the California Water Commission, California Department of Fish and Wildlife and the California Department of Water Resources to negotiate long term agreements to administer the public benefits of the Project as required by the WSIP regulations. CCWD will support the participation by the Local Agency Partners in the negotiations of the agreements.

2.2 East Bay Municipal Utility District Responsibilities

In addition to the joint responsibilities and the responsibilities of a Local Agency Partner, EBMUD:

- a) will provide input as required for any updated analyses for the Final Supplement to the Final EIS/EIR regarding potential changes in

operations, benefits, and impacts along the Mokelumne River. EBMUD is not responsible for analysis of:

- (i) greenhouse gas impacts associated with use of the Freeport Regional Water Project;
 - (ii) Delta impacts; and
 - (iii) construction impacts including those associated with the proposed Walnut Creek variable frequency drives and the intertie pump station.
- b) will provide input for the hydraulic assessment of the existing and proposed future CCWD-EBMUD interties.
 - c) will provide information regarding the schedule, cost, engineering, and design of new or upgraded facilities that are proposed such as the relining of the EBMUD Mokelumne Aqueduct No. 2 and the installation of variable frequency drives at the EBMUD Walnut Creek pumping plant.
 - d) will provide input as required for any updated evaluation of the feasibility and cost of diverting water at the Freeport Regional Water Project for the benefit of the Project.
 - e) will evaluate the feasibility and cost of conveying and treating water from the Project through the EBMUD treatment and distribution system and delivering it to other Local Agency Partners as a backup or emergency alternative to normal deliveries.
 - f) will contribute to the development of the financial evaluation of the Project by providing cost estimates of usage fees for Local Agency Partner use of EBMUD's existing assets contributed to the Project. EBMUD's contributed assets will be determined by EBMUD in its sole discretion and may include but are not necessarily limited to: use of Freeport Regional Water Project, conveyance through EBMUD's distribution system, treatment of water distributed to other Local Agency Partners through the EBMUD system, and/or water transfers and exchanges with other Local Agency Partners.
 - g) will support an independent financial review of the usage fees by: identifying financial firms that may have a conflict of interest (for example as a result of a current agreement between a firm and EBMUD), responding to requests in a timely manner, providing additional technical analyses as needed, and facilitating communications with the independent financial consultant and Local Agency Partners.

- h) will work with CCWD and other Local Agency Partners to analyze benefits to the Project from using higher quality source water from the Mokelumne River or the Freeport Regional Water Project.
- i) will evaluate whether any changes to its water rights, water supply contracts, and any other agreements and permits may be necessary to participate in the Project and coordinate this effort with other ongoing water rights evaluations led by CCWD as needed for the Project, and EBMUD would be responsible for initiating such changes at the appropriate time if it determines such changes are needed.
- j) in collaboration with other interested Parties, EBMUD will participate in the development of a long-term governance structure (currently envisioned as a Joint Powers Authority) and in the selection of special legal counsel for that purpose.
- k) will ensure its participation in the Project remains consistent with applicable direction given by its Board of Directors, including principles relating to: (i) use of unassigned EBMUD capacity in Freeport Regional Water Project, and (ii) the 2016 (or as amended) Principles of Agreement with CCWD for Potential Use of the Freeport Regional Water Project and Los Vaqueros Facilities.

2.3 Alameda County Water District Responsibilities

In addition to the joint responsibilities, the responsibilities of a Local Agency Partner and the responsibilities of the South Bay Aqueduct Contractors, ACWD:

- a) will procure and manage an independent financial consultant to perform an independent financial review of the usage fees developed by CCWD and EBMUD. ACWD will ensure that the independent financial consultant does not have a conflict of interest consistent with Sections 2.1(j) and 2.2(g) of this Agreement. Regardless of its conclusions, the independent financial review of the usage fees will not compel any Local Agency Partner to pay the fees evaluated; nor is the independent review intended to prevent or preclude any future negotiations by or among CCWD, EBMUD, and the Local Agency Partners regarding the proposed usage fees.

ACWD will not allow the consultant procured for the independent financial review to discriminate, harass, or allow harassment against any applicant, employee, customer, or other person on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming

practices, political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

- b) will facilitate communications with the independent financial consultant, EBMUD, CCWD and the other Local Agency Partners.
- c) will provide timely updates to EBMUD, CCWD, and the other Local Agency Partners regarding the independent financial review of the usage fees.
- d) will be responsible for ensuring that the scope of work and costs of the financial review do not exceed the scope contained in Exhibit A and budget shown in Exhibit B.
- e) will be responsible for ensuring that the consultant procured complies with all relevant terms of the Early Funding Agreement, including but not limited to compliance with D.5, D.10, D.12, D.13, D.15, D.16, D.19, D.20, D.21, D.22, D.24, D.31, D.38, as shown in Exhibit D and Exhibit G of the Early Funding Agreement, which is attached hereto in Exhibit E.
- f) will participate on a panel to select the independent financial consultant together with up to three other Local Agency Partners,
- g) will enter into a mutually acceptable letter agreement with CCWD to contract for the independent financial review consultant which letter agreement shall include: (1) specific commitments to abide by all relevant terms in the Early Funding Agreement as described in Section 2.3(e) above, and this Agreement, including but not limited to Paragraph 2 of Section 2.1(c) (2) the provision for the reimbursement of consultant fees that ACWD incurs in connection with the engagement of the independent financial consultant; and (3) the process for distributing the results of the independent financial consultant's review of the usage fees developed by CCWD and EBMUD.

2.4 Grassland Water District Responsibilities

In addition to the joint responsibilities and the responsibilities of a Local Agency Partner, GWD:

- a) will continue to provide support for communications with non-governmental organizations as well as local, state, and federal agencies; legislators; and other stakeholders.

- b) will participate in the development of agreements and permits that pertain to providing wildlife refuge benefits.
- c) will provide timely input on the operations, needs, and constraints of the wildlife refuges served by GWD.
- d) will support the development of funding sources for near-term and long-term refuge water supply benefits.
- e) will support the development of wheeling and conveyance agreements as required to deliver water to wildlife refuges.
- f) will provide input on the Federal Feasibility Report and the Final Supplement to the Final EIS/EIR to ensure that the description of benefits to wildlife refuges are accurate and consistent with other existing agreements and obligations.

2.5 San Luis & Delta-Mendota Water Authority Responsibilities

In addition to the joint responsibilities and the responsibilities of a Local Agency Partner, SLDMWA:

- a) will enter into an activity agreement with the member agencies of SLDMWA that choose to continue to participate in the development of the Project including, but not limited to, Byron Bethany Irrigation District, Del Puerto Water District, Panoche Water District, San Luis Water District, and Westlands Water District.
- b) will coordinate with its' participating member agencies and seek their timely input, review and feedback as described in this Agreement.
- c) at the sole discretion of the SLDMWA and its participating member agencies, SLDMWA may delegate SLDMWA's rights and/or certain of its responsibilities as a Local Agency Partner, both generally, and as more specifically described in this Agreement, to one or more of its participating member agencies. Delegations include but are not limited to participating in negotiations, meetings, conference calls, webinars, and committees. No other party will object to such delegation or delegations.

2.6 South Bay Aqueduct Contractor Responsibilities

The South Bay Aqueduct Contractors consist of Alameda County Water District, Santa Clara Valley Water District, and Zone 7 Water Agency. In addition to the responsibilities of a Local Agency Partner and joint responsibilities, the South Bay Aqueduct Contractors:

- a) will assess available capacity in the South Bay Aqueduct and identify any operating constraints.

- b) will, together with CCWD, participate in negotiations with DWR regarding conveyance of water from the Project through the South Bay Aqueduct. The level of participation, including potentially leading the negotiations, will be at the discretion of the South Bay Aqueduct Contractors collectively.
- c) will identify updates to their State Water Project Contracts that may be needed to implement the Project.
- d) will provide timely feedback and information to CCWD and Local Agency Partners.

2.7 Responsibilities of the Local Agency Partners

- a) Local Agency Partners will provide timely input on operations, needs, and constraints for their agencies and on project alternatives in development to CCWD as needed for project planning.
- b) Local Agency Partners will review and provide timely feedback on the administrative draft of the Federal Feasibility Report and the Final Supplement to the Final EIS/EIR prior to the public release of these documents to ensure that discussion of Local Agency Partners and Project benefits are accurate and appropriate.
- c) Local Agency Partners will provide support in communications with non-governmental organizations as well as local, state, and federal agencies.
- d) Local Agency Partners will provide timely financial support, which may include in-kind services.
- e) The other Parties acknowledge and agree that the SLDMWA shall share all information made available to it pursuant to this Agreement to each of its member agencies that enter into an activity agreement pursuant to this Agreement.
- f) Local Agency Partners will support an independent financial review of the usage fees by responding to requests in a timely manner.
- g) Up to three (3) Local Agency Partners may participate in the panel to select the independent financial consultant as described in Section 2.3 (f) of this Agreement.

2.8 Joint Responsibilities

- a) CCWD and all Local Agency Partners will participate in the development of a long-term governance structure, which is currently envisioned as a Joint Powers Authority, and which, if they so elect, will include each Local Agency Partner and SLDMWA member agencies that enter into an activity agreement pursuant to this Agreement. CCWD and each Local Agency Partner will have the option to participate in any and all discussions among the Local Agency Partners and decisions related to the development of a long-term governance structure, including but not limited to participating in the process to select special counsel for this purpose and/or on any committees established to further this purpose.
- b) CCWD and all Local Agency Partners will work together to achieve the Purposes of this Agreement.

3. Cost & Payment.

- a) Total costs to complete the tasks in the scope of work under this Agreement are identified in Exhibit B. The Local Agency Partners' collective total share of the cost shall not exceed \$2,833,036 ("Local Agency Partners' Collective Share").
- b) Notwithstanding anything in this Agreement to the contrary, each Party shall be responsible for providing an amount equal to the Local Agency Partners' Collective Share divided by the number of Local Agency Partners that are Party to this Agreement, provided, however, that in no event shall any individual Local Agency Partner's maximum financial responsibility under this Agreement exceed \$354,129, unless that individual Local Agency Partner voluntarily agrees to amend this Agreement pursuant to Sections 3(d)(iii) and 17 of this Agreement. The Local Agency Partners' Collective Share described herein is exclusive of any joint defense or litigation cost share amounts which may be determined in a subsequent written agreement entered into pursuant to Section 9 of this Agreement.
- c) The SFPUC's payments under this Agreement as a Local Agency Partner are subject to the fiscal provisions of the San Francisco charter and the budget decisions of its Mayor and Board of Supervisors. No SFPUC funds will be available hereunder until prior written authorization certified by the City's Controller. The Controller cannot authorize payments unless funds have been certified as available in the budget or in a supplemental appropriation. This Agreement shall automatically terminate, without liability to the City, if funds are not properly appropriated by the Mayor and Board of Supervisors or certified by the Controller. The SFPUC's obligations hereunder shall never exceed the amount certified by the Controller for the purpose and period stated in such certification. The SFPUC, its employees and officers are not authorized

to request services that are beyond the scope of those expressly described herein, unless this Agreement is amended in writing and approved as required by law.

- d) Funds remaining on account from previous Individual Cost Sharing Agreements, if any, will be applied to the total cost of activities shown in Exhibit B.
- e) CCWD will invoice each of the Local Agency Partners for its share of the Local Agency Partners' Collective Share detailed in Exhibit B.
 - i. Fifty percent (50%) of each Local Agency Partner's cost share, as shown in Exhibit B and calculated based on the number of Local Agency Partners, shall be remitted to CCWD as payment within sixty (60) days of execution of this Agreement by each Local Agency Partner. An invoice for the remaining fifty percent (50%) of each Local Agency Partner's cost share shall be submitted by CCWD to each of the Local Agency Partners on or after July 1, 2019 and payment shall be remitted to CCWD within sixty (60) days after submittal.
 - ii. Funds contributed by the Local Agency Partners shall be committed by CCWD and expended only for work required to further the Purposes of this Agreement.
 - iii. If a sufficient number of Parties withdraw before the second invoice such that the Local Agency Partners' cost shares change substantially or approach the maximum financial responsibility for each Local Agency Partner (\$354,129), each remaining Local Agency Partner, at its sole discretion consistent with Section 3.b of this Agreement, shall determine whether to withdraw from the Agreement. CCWD and the Local Agency Partners who do not choose to withdraw will work together to develop an amendment that substantially conforms to this Agreement. If no mutually agreeable amendment can be developed, the remaining Parties will terminate this Agreement.
 - iv. If a new partner is added, consistent with Section 12 of this Agreement, before the second invoice, the second invoice for each Local Agency Partner will be adjusted to reflect the cost share of the new partner and the total number of partners.
 - v. If funds remain after work under this Agreement is completed, each Local Agency Partner will determine whether its pro-rata share of the remaining funds shall be returned or contributed to future work consistent with Section 7 of this Agreement. Each Local Agency Partner shall advise CCWD of its determination within 60 days of receiving notice from CCWD of the completion of the work, or the remaining funds shall automatically be contributed towards future work.

- f) In-kind services may include labor costs and overhead costs for staff who are providing in-kind services for Project activities under this Agreement, including but not limited to data collection, document review, communications, stakeholder outreach, management of third-party consultant contracts, and attending Project meetings. In-kind services will contribute toward the non-State funding match required by the Early Funding Agreement. In-kind services, pursuant to Section 2.7(d) of this Agreement, are contributed at the discretion of each Local Agency Partner with no minimum or maximum in-kind contribution limits.

4. Reporting

- a) CCWD will act as the fiscal agent and receive funds from the Local Agency Partners, maintain accounting records of expenditures, and prepare quarterly summaries of expenditures and in-kind services from all Parties. CCWD will provide the summaries to the Parties and Reclamation to document Local Agency Partner cost share.
- b) Each Local Agency Partner will maintain an accounting of the value of its in-kind services including labor hours and overhead costs reported by all staff members participating in the Project and provide that accounting to CCWD within sixty (60) days following the completion of each quarter. The accounting will include sufficient detail for CCWD to provide this information to Reclamation and the California Water Commission, together with CCWD staff costs and Consultant Team costs as compiled by CCWD to document local cost share.
- c) The value of the in-kind services may be used as the non-State funding match or may be eligible for reimbursement from the California Water Commission.

5. Term. This Agreement is effective as of the date first written above and shall terminate on the earlier of the completion of the work contemplated herein or June 30, 2020, unless the term is modified consistent with Section 17 of this Agreement.

6. Withdrawal.

- a) Any Party may withdraw from this Agreement upon thirty (30) days written notice to the other Parties. In the event that a Party chooses to withdraw prior to the completion of work or prior to the termination of this Agreement, that Party will forego the funds contributed, and the value of in-kind services provided, and shall not be reimbursed in any manner. Failure or refusal by any Party to enter into a joint defense and litigation cost-sharing agreement pursuant to Section 9 of this Agreement shall be considered to be a voluntary withdrawal pursuant to this Section 6. If a Party withdraws, the Project benefits assigned to the withdrawn Party may be re-distributed among the remaining Local Agency Partners. The costs and payments for each Local Agency Partner, as described in Section 3 of this Agreement, will be adjusted to reflect the total

number of partners. If additional capacity remains, CCWD and the Local Agency Partners will determine whether or not an additional Local Agency Partner is added as described in Section 12 of this Agreement.

- b) Notwithstanding other provisions of this Agreement, if the SLDMWA withdraws because all but one of its member agencies that previously entered into an activity agreement for the Project decide to no longer participate in the Project, no Party shall object to that remaining member agency becoming a Party, and the SLDMWA rights and obligations pursuant to this Agreement shall be assigned to that remaining member agency.

7. Return of Contribution. If contributed funds remain upon termination of this Agreement pursuant to Section 5 of this Agreement, each Party shall request either a return of funds or the allocation of funds towards future work on the Project on a pro rata basis proportional to each Party's total contribution. No contributed funds, or value of in-kind services, shall be returned to any Party or Parties who withdraw from this Agreement pursuant to Section 6 of this Agreement, nor shall contributed funds or value for in-kind services be returned to any Party or Parties who is required to withdraw because it does not enter into a joint defense and cost-sharing agreement pursuant to Section 9 of this Agreement.

8. California Environmental Quality Act/National Environmental Policy Act. CCWD and Reclamation will complete the Final Supplement to the Final EIS/EIR for the Project, and CCWD will provide the Final Supplement to the Final EIS/EIR to the Local Agency Partners.

The Parties recognize that CCWD has not decided whether or on what conditions to approve the Project, and the Parties intend that this Agreement in no way affects the independent judgment to be exercised and findings required to be made by CCWD under CEQA or by Reclamation under NEPA in the event that the Project is approved and implemented. CCWD and Reclamation retain full authority to make the final determination regarding what is to be included in such documents.

Each Local Agency Partner, according to its own judgment, may take any additional actions pursuant to federal or state resource protection laws that it determines are required for its continued participation in the Project.

9. Joint Defense. Notwithstanding anything in this Agreement to the contrary, each of the Local Agency Partners expressly agrees and acknowledges that as a condition of continued participation in the Project, it will share CCWD's cost of the defense of the Final Supplement to the Final EIS/EIR and Project from any claim or litigation filed in any court of law pursuant to the California Environmental Quality Act ("CEQA Litigation"). Each of the Local Agency Partners agrees and acknowledges that to continue its participation in the Project after any CEQA Litigation has been filed in any court, it will enter into a separate joint defense and litigation cost sharing agreement within thirty (30) days of being informed of the claim or legal challenge. The joint defense agreement shall account for the necessary scope of work and anticipated budget pertaining to any such defense and specify the respective responsibilities of the Parties to such agreement, including cost-sharing. Nothing in this Agreement requires any of the Local Agency Partners to enter such a joint defense and litigation cost sharing agreement or be a party to, or otherwise participate in, any future CEQA Litigation. If a Local Agency Partner decides not to enter into

such an agreement, that Agency shall be withdrawn from this Agreement pursuant to Section 6 of this Agreement and will not be able to participate further in the Project.

10. Early Funding Agreement. Early funding, in an amount of \$13.65 million, which is equal to fifty percent of the estimated total planning and permitting costs, was approved by the California Water Commission on July 24, 2018. The Early Funding Agreement, which is attached hereto in Exhibit E, requires a fifty percent (50%) funding match from non-State entities (“Non-Program Cost Share”). The Local Agency Partners hereby agree to cooperate in good faith with CCWD to reasonably assist CCWD in its compliance with the Early Funding Agreement. Without limiting the generality of the foregoing, each Local Agency Partner agrees to provide information and access to records in all forms as may be necessary to facilitate CCWD’s compliance with all reporting and audit requirements of the Early Funding Agreement, including but not limited to information necessary to adequately document the Non-Program Cost Share.

11. Federal Funding. The 2019 federal Omnibus Appropriations bill is expected to allocate additional funding to Reclamation for Reclamation or State-led water storage projects, as authorized in Section 4007 of the 2016 WIIN Act. With support from the Local Agency Partners, CCWD is seeking \$10,000,000 in new WIIN Act funding for design and pre-construction activities and initial demonstration of wildlife refuge benefits. If federal funding for the Project is appropriated by Congress, Reclamation would receive the requested funding and the funds would support Reclamation’s consultant team and the federal permitting process. Some portion of the federal funds may be directly applied to the scope of work contained in Exhibit A. The federal funds could be credited towards any non-state cost share as required in the Early Funding Agreement as described in Section 10 of this Agreement.

12. Adding New Partners. Prior to the Parties’ consideration of the addition of a new Local Agency Partner, other than pursuant to Section 6(b) of this Agreement, the identity of the potential new Local Agency Partner and a description of the benefits that the potential new Local Agency Partner seeks to obtain must be presented to the CCWD Board of Directors for the Board of Directors’ determination whether the addition of the potential new Local Agency Partner would be consistent with the CCWD Board Principles described in Section 2.1(a) of this Agreement, above. CCWD will consult with Local Agency Partners and any feedback provided by Local Agency Partners will be shared with the CCWD Board of Directors. If the CCWD Board of Directors determines that the addition of the potential new Local Agency Partner is consistent with the CCWD Board Principles described in Section 2.1(a) of this Agreement, the Local Agency Partner will be asked whether they agree to add the Potential New Local Agency Partner. The unanimous written agreement of all Parties is required to add a new Local Agency Partner. The costs and payments for each Local Agency Partner, as described in Section 3 of this Agreement, will be adjusted to reflect the cost share of the new partner and the total number of partners.

13. Indemnity. In performance of this Agreement, each Party and its agents, employees, and contractors shall act in an independent capacity and not as officers, employees, or agents of any other Party. Except as otherwise declared herein, no Party assumes any liability for the activities of any other Party in performance of this Agreement. Each Party is responsible in proportion to its fault for liability, including but not limited to personal injury or property damage that may arise out of this Agreement, except to the extent such injury, damage, or loss was caused by the negligence or willful misconduct of any other Party, or its Directors, officers, agents, or

employees. Each Party expressly agrees to defend, indemnify, and hold harmless any other Party and its Directors, officers, agents and employees from and against any and all loss, liability, expense, claims, suits, and damages, including attorneys' fees, arising out of or resulting from the first Party's, its Directors', officers', agents', and employees' negligent acts, errors or omissions, or willful misconduct, in its performance under this Agreement.

Each Party shall be responsible for any adverse impacts to its own customers that may result from the operation or performance of this Agreement, except as arising out of or resulting from the negligent acts, errors or omissions, or willful misconduct of any other Party, its Directors', officers, agents, and employees.

Each Party shall exercise reasonable care in the performance of its obligations and rights under this Agreement, particularly with regard to facilities, operations, water rights, entitlements, and contracts of other Parties to this Agreement.

14. Dispute Resolution. Should any dispute arise concerning any provisions of this Agreement or breach thereof, or the Parties' rights and obligations thereunder, the disputing Parties shall meet and confer in an attempt to resolve the dispute. Prior to commencing legal action, the disputing Party or Parties shall provide to the other Party or Parties thirty (30) days written notice of the intent to take such action and the basis for the action. Within fifteen (15) days of delivery of the notice, the Parties shall meet and confer in an attempt to resolve the dispute. Each Party will designate a member of that Party's executive management to attend the meeting and to conduct the negotiation in good faith.

The Parties shall make good faith efforts to resolve all disputes related to this Agreement at the lowest possible cost, subject to the approval of the Parties' respective governing bodies. Each Party shall bear its own attorneys' fees and costs in all aspects of dispute resolution, including litigation

15. Governing Law and Venue. This Agreement, its construction, and all work performed under it shall be governed by the laws of the State of California, without giving effect to conflict of law provisions. Any judicial action or proceeding between or among any or all of the Parties to this Agreement shall be initially brought in Contra Costa County Superior Court and will be transferred to a neutral venue. The litigants shall attempt to stipulate to a mutually agreeable neutral venue, and if unable to agree will resolve any venue dispute through a motion to transfer brought pursuant to California Code of Civil Procedure section 394. The Parties will support transfer to a neutral venue and will not object to transfer to a neutral venue.

16. Severability. If any provision of this Agreement, or the application thereof, is held invalid or unenforceable by a court of competent jurisdiction, all other provisions of this Agreement, and application thereof, shall remain valid and enforceable and will be construed in such a manner so as to affect the original intent of the Parties to the maximum extent possible.

17. Amendment. No amendment of this Agreement shall be valid unless made in writing and signed by all Parties to this Agreement except those Parties, if any, who have withdrawn from the Agreement before the amendment is made.

18. Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the Parties and their respective successors and permitted assigns, and those member agencies of the SLDMWA that enter into an activity agreement with the SLDMWA pursuant to this Agreement, any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

19. Entire Agreement. This Agreement, together with the attachments hereto, constitutes the complete agreement between the Parties and supersedes any prior written or oral communications between the Parties.

20. Successors and Assigns. This Agreement and all of its provisions shall apply to and bind the successors and assigns of each and every Party to this Agreement.

21. Counterpart Signatures. This Agreement may be executed in counterparts each of which shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

22. Notices. Any notice under this Agreement may be sent by electronic mail, USPS mail, or overnight mail to the designated persons identified below.

23. Waiver. No waiver of any kind pursuant to this Agreement will constitute a continuing waiver unless so stated in a writing signed by the waiving Party.

24. Confidentiality.

- a) In connection with CCWD's preparation of the Final Supplement to the Final EIS/EIR, the Parties may share among themselves or, in the case of the SLDMWA, with those member agencies of the SLDMWA that enter into an activity agreement with the SLDMWA pursuant to this Agreement, confidential and/or privileged information that may be properly withheld from disclosure pursuant to the California Evidence Code and/or the California Public Records Act (CPRA), including shared data, opinions, legal opinions, preliminary drafts, notes, interagency or intra-agency communications, attorney work products, documents or correspondence subject to attorney-client privilege, and documents or correspondence subject to the deliberative process privilege or the official information privilege. A Party which shares such information is referred to as a "Disclosing Party." A Party that receives such information is referred to as a "Receiving Party."
 - i) The Parties shall clearly designate confidential documents and information as "confidential", although failure to do so should not be construed and does not reflect an intent to waive any applicable privilege and/or CPRA exemption(s).
 - ii) To the fullest extent allowed by law, a Disclosing Party's disclosure of confidential information to a Receiving Party or Parties pursuant to this Agreement shall not constitute a waiver of any applicable privilege or CPRA exemption(s).

- iii) The Parties agree to promptly notify each Disclosing Party of any CPRA request, demand by subpoena, discovery request, or any other formal or informal request for disclosure of any confidential information provided by such Disclosing Party to the Party that received such request.
- iv) A Party that receives a CPRA request, demand by subpoena, discovery request, or any other formal or informal request for disclosure of any confidential information provided by one or more Disclosing Parties pursuant to this Agreement, shall promptly notify each such Disclosing Party, in order that the Disclosing Party or Parties may consider and take any actions, including seeking a protective order, to seek to prevent the disclosure of information that the Disclosing Party or Parties believes is legally protected from disclosure.
- v) Notwithstanding any other provision of this Agreement, so long as reasonable notice is provided to the Disclosing Party or Parties before confidential information is disclosed, the Party or Parties receiving a CPRA request, demand by subpoena, discovery request, or any other formal or informal request for confidential information provided by any other Party to this Agreement, shall have no liability of any kind to any Disclosing Party or Parties relative to the Party's disclosure of information, pursuant to a CPRA request, demand by subpoena, discovery request, or any other formal or informal request which the Party reasonably determines is required by law.
- vi) Nothing in this Section shall prevent a Party from disclosing its own confidential information or from disclosing information that is otherwise available in the public domain or that was independently developed by the Disclosing Party or its employees or agents without violation of this Agreement or access to any confidential information shared pursuant to this Agreement.
- vii) If a Party withdraws from this Agreement, the withdrawing Party shall be obligated to continue to protect the confidentiality of all confidential information disclosed pursuant to this Agreement as though such Party continued to be a party to this Agreement.
- viii) Notwithstanding the foregoing, a Party that withdraws from this Agreement shall be entitled to use factual, legal, and analytical information contained in any confidential information for its own purposes, provided that in so doing it does not disclose any confidential information belonging to any other Party without the prior written consent of the Party or Parties that hold any rights, or privileges with respect to the confidential information.

- b) The SLDMWA will ensure that each activity agreement entered into pursuant to this Agreement will include provisions that are substantially similar to the provisions in this Agreement.

Robert Shaver, General Manager
Alameda County Water District

Nicole Sandkulla, CEO / General Manager
Bay Area Water Supply and Conservation Agency

Gustavo "Gus" Vina, City Manager
City of Brentwood

Jerry Brown, General Manager
Contra Costa Water District

Alexander R. Coate, General Manager
East Bay Municipal Utility District

Ric Ortega, General Manager
Grassland Water District

Harlan L. Kelly, Jr., General Manager
San Francisco Public Utilities Commission

Federico Barajas, Executive Director
San Luis & Delta-Mendota Water Authority

Norma J. Camacho, Chief Executive Officer
Santa Clara Valley Water District

Valerie Pryor, General Manager
Zone 7 Water Agency

Exhibit A

Scope of Work

The following tasks describe the work efforts by Contra Costa Water District (CCWD), consultants for the Los Vaqueros Expansion (LVE) Project, and the Local Agency Partners (as indicated) under this Multi-Party Agreement. References to work efforts by the Bureau of Reclamation are described as appropriate to describe joint work efforts, but are not intended to imply that Reclamation is a party to this Agreement. CCWD will be supported by the consultant and legal services team that are under contract to CCWD and managed by CCWD.

Task 1 Project Management

Task 1.1 CWC Early Funding Agreement Administration

Administer the Early Funding Agreement executed by CCWD and the California Water Commission (CWC), including meeting reporting and invoicing requirements of the agreement, coordinating with CWC staff as needed to respond to questions and data requests, and managing cost commitments. Provide financial statements and other supporting documentation as requested by the CWC staff pertaining to the Early Funding Agreement.

Pursuant to the Early Funding Agreement, prepare quarterly progress reports detailing work completed in prior quarter in accordance with WSIP requirements. Progress reports will explain the status of the project and will include the following information: summary of the work completed for the project during the reporting period; activities and milestones achieved; and accomplishments and any problems encountered in the performance of work.

Prepare quarterly invoices meeting the invoice content terms of the Early Funding Agreement, including relevant supporting documentation for submittal to the CWC and Reclamation. Coordinate with consultants and Local Agency Partners to prepare and submit sufficient backup documentation to support claimed costs.

Deliverables:

- Invoices and associated backup documentation
- Quarterly Progress Reports (for CWC and Reclamation)

Task 1.2 Project Management Activities

This task includes project management activities performed by CCWD, local agency partners, consultants, and other agencies related to, but not limited to, managing staff, invoicing, budgeting, scheduling, reviewing submittals, meetings and conference calls, and coordinating project activities that are within the objectives of the Project and of this Agreement.

Deliverables:

- Summary updates on project management activities in Quarterly Progress Reports

Task 1.3 Joint Powers Authority Formation

Selection of legal counsel, including bond counsel, to assist the Local Agency Partners and CCWD in forming a Joint Powers Authority (JPA). Legal counsel will assist in implementing JPA formation through development of a joint powers agreement. Process to select legal counsel may involve development by the Local Agency Partners of a selection committee, evaluation of conflicts of interest, development of a request for proposal (RFP) from candidate firms, review of responses and interviews of candidates, and selection of final candidate. The selected counsel or firm shall have no financial interest or conflict of interest with respect to any Party or the subject matter of the representation that would prevent the counsel or firm from providing unbiased and impartial service.

Develop Project term sheet to identify roles of the JPA and Local Agency Partners, as well as outline major terms of existing agreements amongst CCWD and the Local Agency Partners. Based on the Project term sheet, engage special counsel to develop a joint powers agreement. Conduct meetings and workshops as necessary with Local Agency Partners to negotiate terms.

Deliverables:

- Joint selection of special counsel
- Term sheet
- JPA Agreement

Task 2 Environmental Planning

Task 2.1 Modeling

Perform modeling tasks to support preparation of the Final Supplement to the Final EIS/EIR. Develop new or modify existing modeling tools so that operations or limitations of the governance structure of the JPA can be evaluated in terms of benefits to partners. Refine the model to track terms and requirements of various water rights. Re-build or refine the Los Vaqueros daily operations model to accommodate partner operations, which may serve as a tracking tool in the future for permit reporting, billing, scheduling deliveries, etc.

Deliverables:

- Revised CalSim Model
- Summaries of modeling results

Task 2.2 Public Outreach

Perform outreach activities to educate and inform the media, elected officials, CCWD ratepayers, communities in the Los Vaqueros area, environmental organizations, and regional and statewide interests about the purpose, objectives, and results of the technical studies.

Respond to routine stakeholder comments. Post responses as appropriate to the CCWD hosted project website at ccwater.com or share with stakeholders in informal meetings.

Hold a public meeting in Concord to support the CCWD Board of Directors' certification of the Final Supplement, approval of a project, and adoption of CEQA Findings and MMRP.

Deliverables:

- Stakeholder and public involvement program
- Documentation of outreach activities
- Public meeting(s) for Final Supplement to the Final EIS/EIR

Task 2.3 Environmental Document and Technical Studies

The U.S. Department of the Interior, Bureau of Reclamation, Mid-Pacific Region (Reclamation) is the lead agency under the National Environmental Policy Act (NEPA) for preparation of the EIS and, in conjunction with CCWD, the lead agency under CEQA. Reclamation and CCWD previously prepared a joint Final EIS/EIR in March 2010 and CCWD completed construction of the first phase of reservoir expansion from 100,000 acre-feet (100 TAF) to 160 TAF in 2012. Reclamation and CCWD are preparing a joint Supplement to the Final EIS/EIR document to support the second phase of reservoir expansion up to 275 TAF.

This task includes development of the Supplement to the Final EIS/EIR, including the completion of the necessary technical studies in support of this effort culminating with issuance of the Supplement. The studies and data produced will adhere to the federal planning and NEPA guidelines, CEQA guidelines, and WSIP guidance. Technical studies will be conducted in accordance with the alternatives identified in the Draft Supplement.

All agency meetings and technical workgroup meetings required to support the environmental document and studies are described in Task 1.2 and Task 2.2.

(2.3.1) Post-Draft Supplement Technical Studies and Surveys

Perform wetland delineations and rare plant surveys. The Transfer-Bethany Pipeline alignment (as revised, May 2016) is near vernal pool swales that planned to be placed under conservation easement. This general area is also critical habitat for Contra Costa goldfields and vernal pool fairy shrimp. Wetland delineations will be required for regulatory permits.

(2.3.2) Transfer-Bethany Pipeline Alternative Location Evaluation

The proposed location of the Transfer-Bethany Pipeline has been reviewed by several County agencies and the alignment may have potential conflicts with established designated land uses and/or conservation easements. Meet with County officials and prepare and provide biological and cultural evaluation of alternative pipeline routes as needed. If the proposed alignment is revised, prepare an updated location evaluation as an appendix to the Final Supplement or incorporate the evaluation in each applicable section of the Final Supplement.

(2.3.3) Final Supplement to the Final EIS/EIR

Complete an Administrative Draft of the Final Supplement. Distribute for review to Local Agency partners and responsible agencies. Incorporate comments on the Public Draft into the Administrative Draft.

Prepare the Final Supplement to the Final EIS/EIR for public distribution. Incorporate comments on the Administrative Draft into the Final Supplement to the Final EIS/EIR.

(2.3.4) CEQA Findings and Mitigation Monitoring and Reporting Plan

Prepare draft and final CEQA Findings that address the preferred alternative. The Findings will review the significant impacts of the proposed project, indicate whether feasible mitigation measures have been identified to address each of these impacts and, if so, whether or not measures will be adopted. The Findings will review alternatives considered and present overriding considerations to support approval of the project if it results in any significant and unavoidable impacts.

Update the draft Mitigation Monitoring and Reporting Plan (MMRP) included in the Draft Supplement to describe the implementation plan for each adopted mitigation measure. The MMRP would include updates, as appropriate, to the 2010 MMRP that consider current regulatory approaches and lessons learned from implementation of the 2010 MMRP and construction monitoring during the Phase 1 expansion.

Task 2.4 Regulatory Permitting

Prepare documentation of environmental regulatory compliance including the Clean Water Act (CWA) Section 404(b)(1), CWA Section 401, the Federal Endangered Species Act (Section 7), the California Endangered Species Act, Section 1602 of the California Fish and Game Code, the National Historic Preservation Act (NHPA Section 106), and the Fish and Wildlife Coordination Act (FWCA). When possible or beneficial, obtain amendments to existing permits and excess compensation land acquired/managed during the Phase 1 expansion. If not possible to amend existing permits, seek new permits. Coordinate with regulatory agencies to confirm when amendments will be appropriate. In support of this task, several key work efforts (described below) will be completed.

Conduct reconnaissance-level biological field surveys of any new project areas (if any) to identify the potential for the presence of sensitive biological resources. Conduct a desktop analysis including a database search of the California Natural Diversity Data Base (CNDDDB), California Native Plants Society's Inventory of Rare and Endangered Plants, USFWS species lists, and NMFS species lists in order to determine the potential occurrence of special-status plants, animals, and vegetation communities. Conduct site-specific biotic assessments to identify biological resources that are present or have a high likelihood to occur in the study area, and to assess the likely impacts associated with construction and/or long-term operations of the proposed project on biological resources. The results of the reconnaissance survey and analysis will be used to inform the CEQA/NEPA documentation, regulatory permitting documents, and resource agency review.

Prepare the regulatory permit applications for the proposed project. Attend meetings with regulatory agencies. Develop supporting technical reports, as needed, to support preparation of

proposed permit applications. Permit applications and supporting documents to be prepared in support of the project may include: Biological Assessment for Federal Endangered Species Act compliance and Magnuson Stevens Fisheries Conservation and Management Act compliance; Clean Water Act Section 404/Section 10 Individual Permit Application; Clean Water Act Section 401 Clean Water Act Water Quality Certification Application; California Fish and Game Code Section 1602 Streambed Alteration Agreement Application; Section 2081 California Endangered Species Act Incidental Take Permit Application; Fish and Wildlife Coordination Act Report; National Historic Preservation Act Section 106 compliance; and Aquatic Resources Delineation.

Deliverables:

- Rare plant surveys and report of results
- Wetland delineation and mapping, report of results
- Administrative Draft Supplement to the Final EIS/EIR
- Final Supplement to the Final EIS/EIR
- Draft CEQA Findings and MMRP
- Final CEQA Findings and MMRP
- Permit applications and supporting technical reports, as applicable
- Issued permits

Task 2.5 Water Rights Permitting

Coordinate with Reclamation, the Department of Water Resources (DWR), Local Agency Partners, and the State Water Resources Control Board (State Board) regarding changes to existing water rights. Prepare petitions for change for CCWD's water right permit and assist Reclamation, DWR, and Local Agency Partners with preparation of change petitions as required. File petitions with the State Board, assist State Board staff with drafting orders and permit amendments as required, respond to any protests that may be filed and seek resolution of those protests, prepare for and participate in hearings as required.

Deliverables:

- Change petition on CCWD water right
- Change petition on CVP water rights

Task 2.6 Land Transactions

Identify and contact the landowners of parcels that will be surveyed for Task 2.3.1, Task 2.3.2. Acquire the appropriate land rights to gain access to the properties. Identify potential mitigation lands as needed for Task 2.4. Appraise value of potential mitigation lands. Obtain right-of-way for Transfer-Bethany Pipeline. Acquire options to acquire mitigation lands with the concurrence of the Local Agency Partners.

Deliverables:

- Entry permits and temporary easements on properties needed for technical surveys
- Identification and appraisal of potential mitigation sites

- Right-of-way for Transfer-Bethany Pipeline

Task 3 Engineering Feasibility

Task 3.1 Financial Evaluation

Perform a financial evaluation that will assess the costs and merits of the Project.

Clean Energy Capital will develop an excel-based Proforma Financial Model for the Project that incorporates water pricing options and integration with CalSim model. Perform stakeholder meetings and workshops; collect and review stakeholder and local partner comments and inputs to the model. Refine model as additional information arises that may affect the local agency partners, operations, water pricing, or other financial components of the Project. Clean Energy Capital will work directly with Local Agency Partners, as needed, to support each agency's understanding and familiarity with the financial evaluation.

ACWD will retain an independent financial consultant to evaluate the usage fees CCWD and EBMUD have developed for use of their assets and infrastructure. Clean Energy Capital will also be available to support the independent financial review of the usage fees.

Create a Plan of Finance describing the proposed financing structure and assumptions for financing the Project. The Plan of Finance will take into consideration appropriate debt structures, timing, impact on rates, budgeting, credit ratings, tax laws, availability of grants and other State and Federal funding, and assessment of capital market conditions. Evaluate the funding capabilities of a JPA and associated contractual requirements for partners receiving and paying for services.

Deliverables:

- Proforma Financial Model
- Independent Review of Usage Fees
- Plan of Finance

Task 3.2 Federal Feasibility Study

Reclamation was directed by Federal law (P.L.108-361) to conduct a feasibility-level evaluation of the potential expansion of Los Vaqueros Reservoir. The Feasibility Report presents the results of planning, engineering, environmental, social, economic, and financial studies and potential benefits and effects of alternative plans. The Feasibility Report, along with the 2010 Final EIS/EIR and Supplement, will be used by the Secretary of the Interior and U.S. Congress to determine the type and extent of Federal interest in enlarging Los Vaqueros Reservoir. The Draft Federal Feasibility Report was published in early 2018, and Final Federal Feasibility Report is currently scheduled for Winter 2018.

Deliverables:

- Final Federal Feasibility Study

Task 3.3 Preliminary Design

(3.3.1) Pumping Plant No. 1

If WIIN Act funding is awarded in FY 2020, preliminary design of Pumping Plant # 1 replacement will commence. The preliminary design will set basic design elements including power needs, metering needs, pump configuration, pump elevation, forebay configuration and afterbay configuration. The preliminary design will also need to consider how a new Pumping Plant #1 could be affected by or integrated with other capital projects CCWD has planned in the future such as the Canal Replacement Project and the Canal Modernization Project.

(3.3.2) Los Vaqueros Dam

This task includes work efforts related to design of the Los Vaqueros Dam expansion to gain Division of Safety of Dams (DSOD) authorization to construct. Design-related tasks may include, but are not limited to, reporting, investigations, testing, analysis, and surveys; geotechnical investigations and reporting; stability and deformation analysis; design of earthquake ground motions and parameters, spillway, outlet works, new emergency release outlet, tunnel/portal, transfer pipeline connection, and dam instrumentation; constructability review, value engineering, risk analysis, and feasibility studies; DSOD meetings and correspondence; and design of site restoration for the core borrow area. This task includes formation of a Technical Review Board for independent review of the dam consultant's work in accordance with DSOD guidelines.

(3.3.3) Transfer Bethany Pipeline

This task also includes work efforts related to design of Transfer-Bethany Pipeline including but not limited to: finalizing alignment of pipeline, tie-in to the California Aqueduct, geotechnical field investigations, and static and transient analysis.

(3.3.4) Recreation Facilities

Develop recreation-related components of the Project at Los Vaqueros Watershed. Create schematic design of recreation facilities. Refine the design elements to show the approximate final locations, configuration, materials and finishes. Prepare and disseminate written and illustrative material for information sheets, mailers, and the Los Vaqueros website. Provide information about the Project's recreation components at community meetings held for the purposes of EIS/EIR development.

Prepare 60%, 90% and 100% contract document submittals including plans, specifications, and construction cost estimates. Prepare the recreation component plan sheets and specifications that are part of the larger set of construction documents for the Project. As required, permit the recreation components (trails, marina, interpretive, etc.). Create illustrative material including maps, drawings and plans and descriptive narrative to support permit applications.

Deliverables:

- Pumping plant #1 preliminary design
- LV Dam 50% Final Design Report
- LV Dam 50% Final Drawings and Specifications
- LV Dam 50% Final Cost Estimate/Schedule

- Transfer-Bethany Pipeline Static & Transient Analysis
- Transfer-Bethany Pipeline Alignment
- Recreation Facilities Plan

Exhibit B

Budget and Cost Share

The budget for this Agreement covers three major tasks: project management, environmental planning, and engineering feasibility. The total budget includes projected costs for legal and consulting services, CCWD staff in-kind services, Local Agency Partner in-kind services, and Reclamation expenses. The total cost for the scope of work listed in Exhibit A is \$11,623,400 and is shown in Table 1.

Table 1. Multiparty Agreement Budget

Task No.	Description	Total Cost
1	Project Management	\$1,090,600
2	Environmental Planning	\$3,777,400
3	Engineering Feasibility	\$6,755,400
	Total	\$11,623,400

The total cost to complete the scope of work, \$11,623,400 will be paid through a combination of in-kind services, contributions from Reclamation (pursuant to 2015 Cost Share Memorandum of Understanding between Reclamation and CCWD), reimbursement from the California Water Commission (CWC), and contributions from the Local Agency Partners.

To calculate the amount owed by CCWD and the Local Agency Partners, the total cost is reduced by contribution from the CWC, Reclamation, CCWD in-kind services funded by CCWD, and the Local Agency Partner's in-kind services. The CWC contribution includes fifty percent (50%) of the total cost projected that will be incurred over the term of this Agreement, \$5,811,700 and fifty percent (50%) of previous costs incurred since August 15, 2017 or \$1,333,764 which will be reimbursed upon execution of the Early Funding Agreement and used to offset CCWD and Local Agency Partner costs incurred under this Agreement. The total CWC contribution therefore will be the sum of those two reimbursements or \$7,145,464.

The costs remaining after accounting for contributions from CWC, Reclamation, CCWD and Local Agency Partner in-kind services is \$2,833,036, which will be split equally among the Local Agency Partners as shown in Table 2. The ultimate cost per agency depends on the total number of Local Agency Partners that proceed and execute this Agreement.

Table 2. Multiparty Agreement Cost Allocation

Total Cost	\$11,623,400
CWC Contribution	-\$7,145,464
Reclamation Contribution	-\$910,000
CCWD In-kind Contribution	-\$490,000
LAP In-kind Contribution	-\$244,900
Remaining Cost Required from Local Agency Partners	\$2,833,036
Amount due from each Local Agency Partner (Assuming 13 Agencies)	\$217,926

RESOLUTION NO. 03-24**A RESOLUTION OF THE BOARD OF DIRECTORS OF CONTRA COSTA WATER DISTRICT MAKING DETERMINATIONS AND ADOPTING CONDITIONS FOR DISTRICT PARTICIPATION IN AND SUPPORT FOR IMPLEMENTATION OF THE CALFED BAY-DELTA PROGRAM PROPOSAL FOR EXPANSION OF LOS VAQUEROS RESERVOIR**

RECITALS

- 1. DISTRICT MISSION:** The mission of the Contra Costa Water District (“District”) is to strategically provide a reliable supply of high quality water at the lowest cost possible, in an environmentally responsible manner.
- 2. 1998 LOS VAQUEROS PROJECT PURPOSES:** On May 2, 1998 the District dedicated and put into service the Los Vaqueros Project, a 100,000 acre-foot drinking water reservoir in eastern Contra Costa County. The Los Vaqueros Project’s primary purposes, as set forth in District Resolution 88-45 (July 27, 1988), are “to improve water quality and provide emergency storage for the District’s ratepayers”. The additional purposes of the Los Vaqueros Project, as also set forth in Resolution 88-45 (July 27, 1988), are “to provide flood control benefits, maintain and enhance fish and wildlife resources, and provide recreational opportunities consistent with the primary water quality purpose and the preservation of the watershed and the watershed’s unique features”.
- 3. ADDITIONAL CONDITIONS SPECIFIED IN 1988 LOS VAQUEROS BALLOT MEASURE:** On November 8, 1988, the District’s voters overwhelmingly approved the sale of revenue bonds to finance the Los Vaqueros Project, and the election results were declared by the District’s Board in its Resolution 88-58

(November 30, 1988). The ballot measure placed before the District's voters by the District's Board of Directors in 1988 said, as required by District Resolution 88-46:

“Shall the Contra Costa Water District be authorized to issue and sell revenue bonds to finance the construction and acquisition of a District-controlled water storage and supply system, generally known as the Los Vaqueros Project, for the primary purposes of enhancing water quality and providing a source of emergency water supply, which shall not be operated in conjunction with a peripheral canal or to increase the export of water from Northern California without subsequent voter approval, with an estimated cost to the District in 1988 dollars of \$350,000,000, including reservoirs, recreational facilities, pipelines, pumping plants, fish screens, watershed lands, and other facilities convenient or necessary in obtaining and delivering water and mitigating the environmental impacts thereof?”

4. COMPLIANCE WITH PROJECT PURPOSES AND CONDITIONS: The Los Vaqueros Project has been meeting and will continue to meet the District's commitment, as specified by Resolution 88-45 to:

- provide its customers with high quality water;
- provide its customers with an emergency supply of water;
- provide flood control benefits;
- maintain and enhance the fishery and terrestrial resources of the Delta and the watershed; and
- provide recreational opportunities consistent with the protection of water quality and emergency storage objectives and preservation of the watershed and the watershed's unique features.

Further, the Los Vaqueros Project has also achieved the following results:

- The District built the Los Vaqueros Project at a total cost *less* than the budget of \$450,000,000 in actual expenditures (\$350,000,000 in 1988 dollars) as committed to and specified by Resolution 88-45;

- The environmental mitigation and protection measures for the Delta and the Los Vaqueros Watershed have exceeded the expectations described in the Final Stage 2 Environmental Impact Report/Environmental Impact Statement for the Los Vaqueros Project (Stage 2 EIR/EIS), provide a net benefit to the Delta and the watershed, and exceed the District's commitment to mitigate environmental impacts to a level of less than significant, as specified by Resolution 88-45;
- The District's Board of Directors committed to developing a recreation plan for the Los Vaqueros Project as part of the Stage 2 EIR/EIS, as specified by Resolution 88-45, and said plan was developed in 1990, adopted by the Board February 15, 1991, and included in the Stage 2 Final EIR/EIS certified by the Board on October 27, 1993;
- The District has implemented a recreation program that significantly exceeds the plan described in the Stage 2 Final EIR/EIS;
- The recreation program at the Los Vaqueros Watershed has been a success, providing a well-attended interpretive center, docent tours of watershed features, more than fifty-five miles of trails, including sixteen miles of multi-use trails with linkages to adjacent lands that are open to the public, and a public fishing resource that has become widely recognized as one of the best of the Bay Area;
- The Los Vaqueros Project is entirely owned and operated by the District; and the entire cost of the Los Vaqueros Project was paid for by the ratepayers of the District; and
- It is the policy of the District to maintain rate increases below the level of inflation; and the District has complied with its policy by maintaining rate increases at less than the rate of inflation for over 10 years, with the

average rate increase during the last 10 years equating to one half of the rate of inflation during that period.

5. CALFED BAY-DELTA PROGRAM PROPOSAL FOR EXPANSION OF LOS VAQUEROS RESERVOIR:

CALFED is a consortium of state and federal agencies which are working together to solve the problems of the Sacramento-San Joaquin Delta. The mission of the CALFED Bay-Delta Program is to develop and implement a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta System.

The CALFED Agencies issued the CALFED Bay-Delta Program Final Programmatic Environmental Impact Statement/Environmental Impact Report (CALFED Final PEIS/R) in July 2000, which described the long-term program to restore ecological health and improve water management in the Delta, and disclosed the impacts, cumulative impacts and mitigation measures and strategies for the entire CALFED Bay-Delta Program. The CALFED Agencies on August 28, 2000 adopted Findings and a Programmatic Record of Decision (CALFED ROD) that sets forth the CALFED Bay-Delta Program that is now being implemented. The CALFED ROD requires that project specific environmental documents tier off of the CALFED Final PEIS/R and include specific mitigation measures consistent with the programmatic measures of the CALFED ROD.

The CALFED ROD included expansion of Los Vaqueros Reservoir by up to 400,000 acre-feet (for a total water storage capacity of up to 500,000 acre-feet) as a surface storage project with participation by CCWD and local partners as part of a Bay Area water quality and water supply reliability initiative. The CALFED ROD states: "As part of a Bay Area initiative, an expanded Los Vaqueros Reservoir would provide water quality and water supply reliability benefits to Bay Area water users."

6. CONTRA COSTA WATER DISTRICT PRINCIPLES FOR AN

EXPANSION: The District has an interest in the CALFED Bay-Delta Program objectives to provide water quality and supply reliability benefits to Bay Area water users, and to enhance and restore the aquatic and terrestrial habitats and ecological functions of the Bay-Delta. The District must also ensure that the interests of the District and its ratepayers are protected. On April 19, 2000 the District's Board of Directors adopted seven principles (CCWD Principles) with regard to the CALFED ROD that state: "Contra Costa Water District will not support a proposal involving the existing Los Vaqueros Project or use of the Los Vaqueros or Kellogg reservoir sites without the following assurances:

1. The project improves water quality and reliability for CCWD;
2. The project enhances the Delta environment;
3. The project protects and enhances the fisheries and terrestrial species benefits provided by the existing Los Vaqueros Project;
4. The project preserves and increases the recreational opportunities of the Los Vaqueros Project;
5. CCWD must retain control of the watershed and operation of the reservoir;
6. The project protects and reimburses the financial investment made by the CCWD customers who financed the existing \$450 million Los Vaqueros Project; and
7. The proposal would be placed before the voters of the Contra Costa Water District

In express recognition of these principles, the CALFED ROD states: "As an existing reservoir operated by the Contra Costa Water District (CCWD), the Los Vaqueros Reservoir is subject to a number of mandates and agreements. DWR and Reclamation will work with CCWD and interested stakeholders to assure that previous commitments, including local voter approval required for expansion, are respected."

7. OVER \$50 MILLION OF CALFED STUDIES INCLUDING EXPANSION OF LOS VAQUEROS RESERVOIR AND \$7 MILLION OF LOS VAQUEROS EXPANSION STUDIES COMPLETED, AND OVER THIRTY PUBLIC

MEETINGS TO DATE: CALFED Agencies have, through a seven-year effort costing over \$57 million, studied the environmental impacts of the CALFED Program, including the details of the Los Vaqueros Reservoir expansion, and have studied key planning concerns associated with the Los Vaqueros Reservoir. The CALFED Final PEIS/R constitutes the first tier of environmental analysis, addressing the effects of the CALFED Bay-Delta Program as a whole. Since CALFED Agencies adopted the Record of Decision, CALFED Agencies and the District have formed a Study Team for the purpose of carrying out the CALFED Los Vaqueros Reservoir Expansion Studies (Studies), which started in January 2001. The California Department of Water Resources, California Department of Fish and Game, U.S. Fish and Wildlife Service, Alameda County Water District, Zone 7 of Alameda County Flood Control and Water Conservation District, Santa Clara Valley Water District, City and County of San Francisco Public Utilities Commission, San Francisco Bay Area Water Users Association, and the District executed a Memorandum of Understanding in 2001 that describes how the Studies would be carried out. The District has implemented a public process designed to provide in-depth public information, feedback and consultation:

- A Draft Project Concept Report was produced in August 2002 that conceptually described how a Los Vaqueros Reservoir expansion could be carried out in a way that would meet the CALFED ROD objectives for an expansion project and the District's Principles;
- The Draft Project Concept Report was published and made available at public libraries and other facilities convenient to the general public, and was made

available on the Studies' website, and three public workshops were held on the Draft Project Concept Report on September 10 and September 16, 2002;

- Comments were received from the public on the Draft Project Concept Report through written correspondence and at the public workshops, and all comments on the Draft Project Concept Report were kept as part of the public record;
- Based upon this public participation and further detailed study, a Draft Planning Report was produced in May 2003 that included the detailed information required to determine whether the CALFED Bay-Delta Program proposal could meet the CALFED ROD objectives for an expansion project and the District's Principles,
- The Draft Planning Report described in detail the facilities required for the full range of scenarios of a reservoir expansion under the CALFED Bay-Delta Program proposal, the costs of the facilities, potential project partners, and the operations of the facilities that would be required to meet the CALFED ROD objectives for an expansion project and the District's Principles,
- The Draft Planning Report included an environmental impact analysis that described in detail the full range of environmental impacts of a Los Vaqueros Reservoir expansion, including the details of impacts on: Delta water quality; water levels; water velocities; channel flows; salinity in the western Delta and Bay; fishery and aquatic resources in the Delta and Bay; terrestrial habitat and species as a result of inundating lands within the watershed; terrestrial habitat and species as a result of constructing the project facilities; socioeconomics of the area; environmental justice; and growth;
- The Draft Planning Report also described in detail the benefits of the project for water supply during droughts and water quality for the District and the Bay Area; the net benefits that a Los Vaqueros Reservoir expansion project would

have for Delta fisheries and aquatic resources; the mitigation strategies that would be required to reduce terrestrial impacts in order to meet the CALFED Bay-Delta Program objectives described in the CALFED ROD and the District's Principles; and the institutional arrangements that are required to meet the District's Principles for a CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir;

- The Draft Planning Report also described in detail how the District's investment in the Los Vaqueros Project would be protected and estimated that the District would be reimbursed an amount of up to \$200,000,000 in 2008 dollars;
- Copies of draft sections of the Draft Planning Report, known as Draft Briefing Papers, were published and made available at public libraries and other facilities convenient to the general public, and were made available on the Studies website;
- More than thirty public meetings and public workshops within the District and the Bay Area were held on the Draft Project Concept Report, Draft Briefing Papers and Draft Planning Report. Twenty Public Workshops on the Draft Briefing Papers and Draft Planning Report were held on January 30, February 4, February 19, March 4, March 6, March 19, April 17, April 22, May 21, May 29, June 3, June 4 and June 18, 2003, and comments were received from the public through written correspondence and at the public workshops on the Draft Briefing Papers; and
- All comments on the Draft Briefing Papers were kept as part of the public record and together with the comments on the Draft Project Concept Report were responded to and incorporated into and made part of the Draft Planning Report.

The information contained in the Draft Planning Report shows that the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir that meets the

CALFED ROD objectives for said expansion can and will meet the Principles 1 through 6 inclusive, as adopted by the District's Board of Directors on April 19, 2000. Specifically, the Draft Planning Report shows that water supply reliability during droughts and water quality will be improved by storing high-quality water in the expanded reservoir during wet periods for use in periods of drought; the Draft Planning Report further shows that enhancements to the Delta aquatic environment will be made through the use of state-of-the-art fish screens and through improving the timing and location of diversions and the management of water for environmental purposes, made possible by the expanded reservoir.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Contra Costa Water District that the foregoing Recitals are hereby incorporated into and made a part of these determinations by the Board.

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the purposes of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir for a total water storage capacity up to 500,000 acre-feet, as described in the CALFED ROD, are to improve water supply during droughts and water quality for Bay Area water agencies, including the Contra Costa Water District.

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the purposes of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir, as described in the CALFED ROD, also are to provide fisheries benefits, to provide environmental benefits, to enhance the Delta environment and to protect Delta endangered species and aquatic resources;

BE IT FURTHER RESOLVED that the Board hereby reaffirms its commitments made to the District's voters in the 1988 Los Vaqueros Project ballot measure that the existing and an expanded Los Vaqueros Reservoir "shall not be operated in conjunction with a peripheral canal or to increase the export of Delta water from Northern California without subsequent [CCWD] voter approval";

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the purposes of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir do not include operation of the Los Vaqueros Reservoir in conjunction with a peripheral canal or to increase the export of Delta water from Northern California;

BE IT FURTHER RESOLVED that the Board finds and determines that the support of the District for a CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir is dependent upon the CALFED ROD implementation commitment of "beneficiaries pay" and that the costs of any CALFED project for an expanded Los Vaqueros Reservoir will be borne equitably by the beneficiaries of said project.

BE IT FURTHER RESOLVED that the Board finds and determines that the support of the District for a CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir is dependent upon authorizing federal and/or state legislation that specifically provides for long-term environmental benefits in the Delta as a project purpose.

BE IT FURTHER RESOLVED that consistent with the District's Principles for participation adopted by the Board of Directors on April 19, 2000 and recognized in the CALFED Bay-Delta Program Programmatic Record of Decision on August 28, 2000, the Board finds and determines that the District will not participate in or support the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir unless the Board determines that the CALFED Bay-Delta Program proposal meets the following conditions:

1. Improves drinking water quality for CCWD customers beyond that available from the existing Los Vaqueros Project;
2. Improves the reliability of water supplies for CCWD customers during droughts;
3. Enhances Delta habitat and protects endangered Delta fisheries and aquatic resources by installing state-of-the-art fish screens on all new intakes and creating an environmental asset through improved location and timing of Delta diversions and storage of water for environmental purposes;
4. Increases the protected land and managed habitat for terrestrial species in the Los Vaqueros Watershed and the surrounding region;
5. Improves and increases fishing, boating, hiking, and educational opportunities in the Los Vaqueros Watershed, consistent with the protection of water quality and the preservation of the watershed and the watershed's unique features;
6. CCWD continues as owner and manager of the Los Vaqueros Watershed;
7. CCWD maintains control over recreation in the Los Vaqueros Watershed;
8. CCWD continues as operator of the Los Vaqueros Reservoir system;
9. CCWD will be reimbursed for the value of the existing Los Vaqueros Project assets shared, replaced, rendered unusable or lost with the expansion project and said reimbursement will be used to purchase additional drought supply and water quality benefits or reduce debt on the existing Los Vaqueros Project;
10. Water rates for CCWD customers will not increase as a result of the expansion project.

BE IT FURTHER RESOLVED that the conditions expressed above regarding implementation of the CALFED Bay-Delta Program proposal for expansion of Los

Vaqueros Reservoir are hereby adopted by the Board of Directors as specific policies of the Contra Costa Water District, and the Board of Directors hereby commits to be bound by said policies in regard to the CALFED Bay-Delta Program proposal.

BE IT FURTHER RESOLVED, that the Board hereby finds and declares that the information contained in the CALFED Final PEIS/R, the Draft Project Concept Report and the Draft Planning Report, together with the information contained in the technical memoranda, all of the comments from the public, and all of the responses to the public comments are hereby made a part of the District's public records concerning consideration of the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir for a total water storage capacity up to 500,000 acre-feet.

BE IT FURTHER RESOLVED that, under the CALFED ROD, and under the principles adopted by the Board of Directors on April 19, 2000, all subsequent environmental documents required for approvals and permitting will tier off the CALFED Final PEIS/R and will incorporate the full range of environmental impacts described in the Draft Planning Report, and that the full range of environmental impacts, and the specific mitigation measures for these impacts consistent with the programmatic measures of the CALFED ROD, will be disclosed in the environmental documents, and that sound science will be used as part of that process.

BE IT FURTHER RESOLVED that the Board hereby finds and determines that, due to the importance of Los Vaqueros Reservoir, water supply during droughts, water quality, Delta water issues, and environmental issues to the Contra Costa Water District, the District should allow its voters to have an opportunity at an election, to be held throughout the District, to advise the Board on whether they concur with the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir,

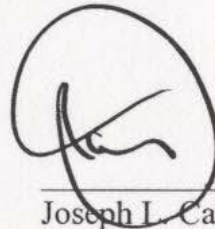
subject to the conditions and assurances specified as District policies by this Resolution.

BE IT FURTHER RESOLVED that the District shall retain the opportunity, which shall be solely within the discretion of the District's Board of Directors, to withdraw District participation in and support for the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir in the event that the conditions established by said District policies are not met.

BE IT FURTHER RESOLVED that the District's General Manager is hereby authorized and directed to take such steps as he shall determine to be necessary and appropriate to inform the CALFED Bay-Delta Program, and all persons and entities that have expressed an interest in the CALFED Bay-Delta Program proposal for expansion of Los Vaqueros Reservoir, of these determinations and conditions.

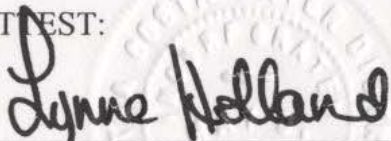
The foregoing resolution was duly and regularly adopted at a meeting held on the 25th day of June 2003, by the Board of Directors of Contra Costa Water District by the following vote:

- AYES: Pretti, Boatmun, Anello, Campbell, and Wandry
- NOES: None
- ABSENT: None



Joseph L. Campbell, President

ATTEST:



Lynne C. Holland, Acting District Secretary

RESOLUTION NO. 03-25

**A RESOLUTION OF THE BOARD OF DIRECTORS OF CONTRA
COSTA WATER DISTRICT DETERMINING THAT
AN ADVISORY ELECTION SHOULD BE CALLED CONCERNING
THE CALFED BAY-DELTA PROGRAM PROPOSAL FOR EXPANSION OF
LOS VAQUEROS RESERVOIR, AND DETERMINING THE BALLOT
MEASURE LANGUAGE**

WHEREAS, on June 25, 2003, the Board of Directors of the Contra Costa Water District (“the Board”) approved Resolution No. 03-24 in which the Board made determinations and adopted conditions under which the District would participate in and support implementation of the CALFED Bay-Delta Program proposal for expansion of the Los Vaqueros Reservoir; and

WHEREAS, Resolution No. 03-24 reiterated the Principles adopted by the Board on April 19, 2000 concerning proposals involving the District’s existing Los Vaqueros Project or use of the Los Vaqueros or Kellogg reservoir sites, including Principle No. 7, which provided that any such proposal would be placed before the District’s voters; and

WHEREAS, pursuant to provisions of the California Elections Code, the Board may call an advisory election within the District, for the purpose of allowing the voters of the District to voice their opinions on substantive issues, or to indicate to the Board their approval or disapproval of a ballot proposal.

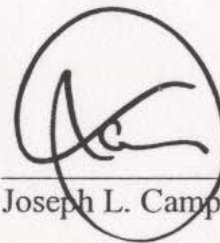
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Contra Costa Water District that the Board of Directors hereby determines that an election shall be held in accordance with applicable laws, and hereby directs the General Manager to present to the Board a timely recommendation for the calling of such an election.

BE IT FURTHER RESOLVED that the Board hereby determines that the following language shall constitute the ballot measure which shall be submitted to the electors of the District:

Shall Contra Costa Water District work with public water agencies to expand Los Vaqueros Reservoir, at no cost to District ratepayers, to: (1) increase water supplies for drought protection; (2) improve drinking water quality; and (3) protect endangered fish in the Delta, on condition that: (a) CCWD water rates will not increase; (b) no water will be exported to Southern California or a peripheral canal; and (c) CCWD will still operate the expanded reservoir?

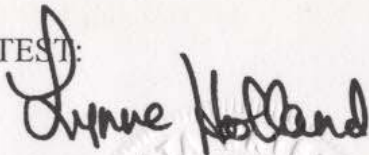
The foregoing resolution was duly and regularly adopted at a meeting held on the 25th day of June 2003, by the Board of Directors of Contra Costa Water District by the following vote:

AYES: Boatmun, Pretti, Anello, Campbell, and Wandry
NOES: None
ABSENT: None



Joseph L. Campbell, President

ATTEST:



Lynne C. Holland, Acting District Secretary

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA (CALIFORNIA WATER COMMISSION) AND
CONTRA COSTA WATER DISTRICT
FOR
LOS VAQUEROS RESERVOIR EXPANSION
WATER STORAGE INVESTMENT PROGRAM (WSIP) – EARLY FUNDING
AGREEMENT NUMBER 4600012892
WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014
CALIFORNIA WATER CODE 79750, ET SEQ.**

THIS FUNDING AGREEMENT is entered into by and between the California Water Commission of the State of California, herein referred to as the "State", "CWC", or "Commission" and the Contra Costa Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Funding Recipient", which parties do hereby agree as follows:

- 1) PURPOSE. State shall provide funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 to Funding Recipient to assist in financing planning related activities for the Los Vaqueros Reservoir Expansion Early Funding (Project) pursuant to Water Code section 79750 and California Code of Regulations, title 23, sections 6000-6015.
- 2) TERM OF FUNDING AGREEMENT. The term of this Funding Agreement begins on the date this Funding Agreement is executed by State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by December 31, 2022, and no funds may be requested after March 31, 2023. Execution date is the date the State signs this Funding Agreement indicated on page 6.
- 3) PROJECT COST. The reasonable cost of the Project is estimated to be \$27,300,618.
- 4) FUNDING AMOUNT. The maximum amount payable by the State under this Agreement shall not exceed \$13,650,309.
- 5) NON-PROGRAM COST SHARE. Funding Recipient agrees to fund the difference between the actual Total Project Cost, as estimated Exhibit B (Budget), and the amount specified in Paragraph 4 (Funding Amount), if any. Funding Recipient is required to provide a Non-Program Cost Share of at least 50 percent of the Total Project Cost. Non-Program Cost Share may include, but is not limited to, local, federal, or other non-WSIP State funds, as documented in Exhibit B (Budget); see Exhibit G (State Audit Document Requirements) for guidance.
- 6) FUNDING RECIPIENT'S RESPONSIBILITY. Funding Recipient and its representatives shall:
 - a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for Water Quality, Supply, and Infrastructure Improvement Act of 2014 financing.
 - c) Comply with all applicable California laws and regulations.
 - d) Implement the Project in accordance with applicable provisions of the law.
 - e) Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
- 7) BASIC CONDITIONS. State shall have no obligation to disburse money for the Project under this Funding Agreement until Funding Recipient has satisfied the following conditions (if applicable):
 - a) An urban or agricultural water supplier that receives funding governed by this funding agreement shall maintain compliance with the Water Code section 10608.56.
 - b) Timely submittal of Progress Reports as specified in Paragraph 15 (Submission of Reports).

- c) Timely submittal of all deliverables as specified in Exhibit A (Work Plan).
 - d) Submittal of audited financial statements for the two most recent fiscal years.
- 8) PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. Funding Recipient shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Funding Agreement. Funding Recipient shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. Funding Recipient shall provide copies of permits and approvals to State.
- 9) RELATIONSHIP OF PARTIES. Funding Recipient is solely responsible for planning, design, and implementation of the tasks contained within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Funding Agreement.
- 10) DISBURSEMENT OF FUNDS. State will disburse to Funding Recipient the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding 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. Any and all money disbursed to Funding Recipient under this Funding Agreement shall be deposited into a non-interest bearing account and shall be used solely to pay Eligible Project Costs.
- 11) ELIGIBLE PROJECT COST. Funding Recipient shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B (Budget). Eligible Project Costs include the activities reasonably related to the completion of environmental documentation and permitting. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the Project including the portion of overhead and administrative expenses that are directly related to the Project. Work performed on the Project on or after August 14, 2017, shall be eligible for reimbursement.

Unless otherwise noted, costs that are not eligible for reimbursement with State funds cannot be counted as Non-Program Cost Share. Costs that are not eligible for reimbursement include but are not limited to the following items:

- a) Costs, other than those noted above, incurred prior to August 14, 2017.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Land acquired via eminent domain
- d) Purchase of equipment not an integral part of the Project.
- e) Establishing a reserve fund.
- f) Purchase of water supply.
- g) Monitoring and assessment costs for efforts required after project construction is complete.
- h) Replacement of existing funding sources for ongoing programs.
- i) Travel and per diem costs.
- j) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirements).
- k) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies.
- l) Overhead not directly related to project costs. "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 funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Funding Recipient; non-project-specific accounting and personnel services performed within the Funding Recipient's

organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and; generic overhead or markup. This prohibition applies to the Funding Recipient and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

- 12) METHOD OF PAYMENT. After the disbursement requirements in Paragraph 7 (Basic Conditions) are met, State will disburse the whole or portions of State funding to Funding Recipient, following receipt of a signed invoice for costs incurred, including Non-Program Cost Share, and timely Progress Reports as required by Paragraph 15 (Submission of Reports). Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Funding Agreement number. State will notify Funding Recipient, in a timely manner, whenever, upon review of an Invoice, State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to State. Funding Recipient may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Funding Recipient fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by Funding Recipient shall include the following information:

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

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 Funding Recipient 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. Any eligible costs for which the Funding Recipient 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 Program funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Paragraph D.5 (Audits) 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. (Civil Code, sections 1572-1573; Penal Code, sections 470, 489-490.)

- 13) WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that the Project is not being implemented in accordance with the provisions of this Funding Agreement, or that Funding Recipient has failed in any other respect to comply with the provisions of this Funding Agreement, and if Funding Recipient does not remedy any such failure to State's satisfaction, State may withhold from Funding Recipient all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of

the State funding has been disbursed to the Funding Recipient and State notifies Funding Recipient of its decision not to release funds that have been withheld pursuant to Paragraph 14 (Default Provisions), the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Funding Recipient, as directed by State. State may consider Funding Recipient's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 14 (Default Provisions). If State notifies Funding Recipient of its decision to withhold the entire funding amount from Funding Recipient pursuant to this paragraph, this Funding Agreement shall terminate upon receipt of such notice by Funding Recipient and the State shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.

14) DEFAULT PROVISIONS. Funding Recipient will be in default under this Funding Agreement if any of the following occur:

- a) Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Funding Recipient and State evidencing or securing Funding Recipient's obligations.
- b) Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain this Funding Agreement.
- c) Failure to make any remittance required by this Funding Agreement.
- d) Failure to submit timely progress reports.
- e) Failure to routinely invoice State.
- f) Failure to meet any of the requirements set forth in Paragraph 7 (Basic Conditions).

Should an event of default occur, State shall provide a notice of default to the Funding Recipient and shall give Funding Recipient at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Funding Recipient. If the Funding Recipient fails to cure the default within the time prescribed by the State, State may do any of the following:

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

In the event State finds it necessary to enforce this provision of this Funding Agreement in the manner provided by law, Funding Recipient agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

15) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager. If requested, Funding Recipient shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F (Report Formats and Requirements). The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for the Project.

- a) Progress Reports: Funding Recipient shall submit Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall, in part, provide a brief description of the work performed, Funding Recipients activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Progress Report shall be submitted to the State no later than 90 days after the execution of the

agreement with future reports then due, at least, on successive three-month increments based on the invoicing schedule and this date.

- b) **Project Completion Report:** Upon completion of the Project, Funding Recipient shall provide a final written report in a format as directed by the State in Exhibit F (Report Formats and Requirements). Funding Recipient shall submit the Project Completion Report within ninety (90) calendar days of project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project.
- 16) **NOTIFICATION OF STATE.** Funding Recipient shall promptly notify State, in writing, of the following items:
- a) Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Funding Recipient 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 State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
- b) Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by State's representatives. Funding Recipient shall make such notification at least 14 calendar days prior to the event.
- c) Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during while undertaking any task set forth in Exhibit A (Work Plan), the Funding Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Funding Recipient agrees to implement appropriate actions as directed by the State.
- d) The initiation of any litigation or the threat of litigation against the Funding Recipient regarding the Project or that may affect the Project in any way.
- 17) **NOTICES.** Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
- a) By delivery in person.
- b) By certified U.S. mail, return receipt requested, postage prepaid.
- c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
- d) By electronic means.
- e) Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing.

Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

- 18) **PROJECT REPRESENTATIVES.** The Project Representatives during the term of this Funding Agreement are as follows:

Joseph Yun, Executive Officer
California Water Commission
P. O. Box 942836
Sacramento, California 94236-0001
Joseph.Yun@water.ca.gov

Jerry Brown, General Manager
Contra Costa Water District
P. O. Box H2O
Concord, California 94524
jbrown@ccwater.com

Direct all inquiries to the Project Manager:

Amy Young
California Water Commission
P. O. Box 942836
Sacramento, California 94236-0001
Amy.Young@water.ca.gov

Marguerite Patil, Special Assistant to the General
Manager
Contra Costa Water District
P. O. Box H2O
Concord, California 94524
mpatil@ccwater.com

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

19) STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Budget
- Exhibit C – Schedule
- Exhibit D – Standard Conditions
- Exhibit E – Funding Recipient Resolution
- Exhibit F – Report Formats and Requirements
- Exhibit G – State Audit Document Requirements
- Exhibit H – Land Access and Acquisition Requirements

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

STATE OF CALIFORNIA

California Water Commission



Joseph Yun
Executive Officer

Date 12/20/19 12/20/18


Contra Costa Water District



Jerry Brown
General Manager

Date 12/19/18

Approved as to Legal Form and Sufficiency



Holly G. Stout

Counsel to the Commission

Date 12/20/19 12/20/2018


Exhibit A Work Plan

The Proposition 1 Water Storage Investment Program Early Funding Agreement (Agreement) provides funding for activities related to the completion of environmental documentation and permitting for the Los Vaqueros Reservoir Expansion Project (Project). The following tasks describe the work efforts by Contra Costa Water District (CCWD or Funding Recipient).

CCWD is the owner and operator of the existing Los Vaqueros Reservoir and associated facilities. The U.S. Department of the Interior, Bureau of Reclamation, Mid-Pacific Region (Reclamation) is the lead agency under the National Environmental Policy Act (NEPA) for preparation of the Environmental Impact Study (EIS) and, in conjunction with CCWD, the lead agency under California Environmental Quality Act (CEQA) for preparation of the Environmental Impact Report (EIR). Reclamation and CCWD jointly prepared a Final EIS/EIR in March 2010 and CCWD completed construction of the first phase of reservoir expansion from 100,000 acre-feet (100 TAF) to 160 TAF in 2012. Reclamation and CCWD are preparing a joint Supplement to the Final EIS/EIR document to support the second phase of reservoir expansion up to 275 TAF.

Non-Program cost share for this agreement is provided by CCWD, Reclamation, and Local Agency Partners. References to Reclamation and Local Agency Partners are not intended to imply that they are party to this Agreement, but are included to describe the coordinated work during the period of performance of this Agreement.

Task 1 Project Management

Task 1.1 Funding Agreement Administration

Administer the Agreement, maintain compliance with reporting and invoicing requirements of the Agreement, coordinate with California Water Commission (CWC) staff as needed to respond to questions and data requests, and manage cost commitments. Provide financial statements and other supporting documentation as requested by the CWC staff pertaining to this Agreement.

(1.1.1) Quarterly Progress Reports

Prepare quarterly progress reports detailing work completed in prior quarter in accordance with Exhibit F of this Agreement.

(1.1.2) Invoices

Prepare quarterly invoices in compliance with the invoice content terms of the Agreement, including relevant supporting documentation for submittal to the CWC.

(1.1.3) Draft and Final Project Completion Report

Prepare the Project Completion Report and submit it to the CWC no later than 90 days after Project completion. Draft and final versions of the report shall be prepared. The report will be prepared and presented in accordance with the provisions of Exhibit F.

Deliverables:

- Invoices and associated backup documentation
- Quarterly Progress Reports
- Draft and Final Project Completion Report

Task 1.2 Project Management Activities

This task includes project management activities performed by CCWD, Local Agency Partners, the consultant and legal team, Reclamation, and other agencies as required that are related to, but not limited to, managing staff, consultant procurement and management, invoicing, budgeting, scheduling, reviewing submittals, meetings and conference calls, and coordinating project activities that are within the objectives of the Project and of this Agreement. This task also includes development of a local governance structure and ancillary activities necessary for local project approvals, joint defense of environmental documentation, performance of project-related technical studies, acquisition of project-related lands, and application for permits.

Deliverables:

- Summary updates on project management activities in Quarterly Progress Reports

Environmental Planning

Task 2.1 Modeling

Perform operations modeling tasks to support preparation of the Final Supplement to the Final EIS/EIR and permitting activities as required. Develop new or modify existing modeling tools so that operations or limitations of the governance structure of the JPA can be evaluated in terms of benefits to partners. Refine the model to track terms and requirements of various water rights. Re-build or refine the Los Vaqueros daily operations model to accommodate partner operations, which may serve as a tracking tool in the future for permit reporting, billing, scheduling deliveries, etc.

Work with Reclamation to develop an update to the existing operations agreement for the Project to coordinate operations of the Project in conjunction with the Central Valley Project. Work with DWR to develop an operations agreement to support operations of the Transfer-Bethany Pipeline and intertie with the California Aqueduct in conjunction with the State Water Project. Updates to the previously-completed storage integration study completed by the Association of California Water Agencies (ACWA) and several project proponents will be completed to provide evidence of bilateral communications between the applicant and any owners and operators of potentially impacted facilities regarding the potential impacts of the proposed project. The study update is also necessary to demonstrate to permitting agencies that the new storage projects can operate in a coordinated fashion without impact to the environment or other water users. Provision of permits, such as those from California Department of Fish and Wildlife (CDFW), State Water Resources Control Board (SWRCB), U.S. Fish and Wildlife Service (USFWS), and National Marine Fisheries Service (NMFS), may be contingent upon the analysis and findings of the updated studies.

Deliverables:

- Revised operational models as required
- Summary updates to storage integration study as required
- Operations agreements as required

Task 2.2 Public Outreach

As required by CEQA, conduct a stakeholder and public outreach program to engage interested individuals, interest groups, agencies, and elected officials based on CCWD's existing Stakeholder and Public Engagement Plan. Hold stakeholder briefings as required to provide updates on the Project and solicit feedback as appropriate. Perform outreach activities regarding the purpose, objectives, and results of the Post-Draft Supplement Technical Studies and Surveys described in Task 2.3. Respond to stakeholder comments as required. Post responses as appropriate to the CCWD-hosted Project website at www.ccwater.com/lvstudies or share directly with project stakeholders.

As directed by CEQA, hold a public meeting to support the CCWD Board of Directors' certification of the Final Supplement to the Final EIS/EIR, approval of the Project, and adoption of CEQA Findings and the Mitigation Monitoring and Reporting Plan (MMRP). Coordinate with Reclamation regarding public release of the Final Federal Feasibility Report and the Record of Decision and support public meetings as required.

Deliverables:

- Stakeholder and public outreach program
- Documentation of outreach activities
- Public meeting(s) for Final Supplement to the Final EIS/EIR
- Public meeting(s) for Federal Feasibility Report and Record of Decision as required

Task 2.3 Environmental Document and Technical Studies

This task includes development of the Supplement to the Final EIS/EIR, including the completion of the necessary technical studies in support of this effort culminating with issuance of the Final Supplement. The studies and data produced will adhere to the federal planning and NEPA guidelines, CEQA guidelines, and WSIP guidance. Technical studies will be conducted in accordance with the alternatives identified in the Draft Supplement.

All agency meetings and technical workgroup meetings required to support the environmental document and studies are described in Task 1.2 and Task 2.2.

(2.3.1) Draft Supplement to the Final EIS/EIR

Complete an Administrative Draft of the Draft Supplement. Distribute for review to Local Agency Partners, Reclamation, and responsible agencies. Incorporate comments on the Administrative Draft into the Public Draft. Prepare the Draft Supplement to the Final EIS/EIR for public distribution.

(2.3.2) Post-Draft Supplement Technical Studies and Surveys

Perform technical studies, as needed, pursuant to changes in Project components and alternatives, setting (with identification of the appropriate CEQA/NEPA baseline condition), or regulatory requirements.

Perform wetland delineations and rare plant surveys. The Transfer-Bethany Pipeline alignment (as revised, May 2016) is near vernal pool swales that are planned to be placed under conservation easement. This general area is also critical habitat for Contra Costa goldfields and vernal pool fairy shrimp. Wetland delineations will be required for regulatory permits.

(2.3.3) Transfer-Bethany Pipeline Alternative Alignment Evaluation

The proposed alignment of the Transfer-Bethany Pipeline has been reviewed by several County agencies and stakeholders that have identified potential conflicts with current or proposed land uses and/or conservation easements. Meet with County staff and stakeholders and provide biological and cultural evaluation of alternative pipeline routes as needed. If the proposed alignment is revised, prepare an updated location evaluation as an appendix to the Final Supplement or incorporate the evaluation in each applicable section of the Final Supplement in response to comments.

(2.3.4) Final Supplement to the Final EIS/EIR

Complete an Administrative Draft of the Final Supplement. Distribute for review to Local Agency Partners, Reclamation, and responsible agencies. Incorporate comments on the Public Draft into the Administrative Draft.

Prepare the Final Supplement to the Final EIS/EIR for public distribution. Incorporate comments on the Administrative Draft into the Final Supplement to the Final EIS/EIR.

(2.3.5) CEQA Findings and Mitigation Monitoring and Reporting Plan

Prepare draft and final CEQA Findings that address the preferred alternative. The Findings will review the significant impacts of the Project, indicate whether feasible mitigation measures have been identified to address each of these impacts and, if so, whether or not measures will be adopted. The Findings will review alternatives considered and present overriding considerations to support approval of the Project if it results in any significant and unavoidable impacts.

Update the draft MMRP included in the Draft Supplement to describe the implementation plan for each adopted mitigation measure. The MMRP would include updates, as appropriate, to the 2010 MMRP that consider current regulatory approaches and lessons learned from implementation of the 2010 MMRP and construction monitoring during the Phase 1 expansion. Support Reclamation in development of the Record of Decision for the Final Supplement as required.

Deliverables:

- Technical studies and surveys as required
- Draft Supplement to the Final EIS/EIR
- Final Supplement to the Final EIS/EIR
- Draft CEQA Findings and MMRP
- Final CEQA Findings and MMRP
- Record of Decision

Task 2.4 Regulatory Permitting

Prepare documentation of environmental regulatory compliance including but not limited to the Clean Water Act (CWA) Section 404(b)(1), CWA Section 401, the Federal Endangered Species Act (Section 7), the California Endangered Species Act, Section 1602 of the California Fish and Game Code, the Delta Stewardship Council's certification process for demonstrating consistency with the Delta Plan, the National Historic Preservation Act (NHPA Section 106), and the Fish and Wildlife Coordination Act (FWCA). When possible or beneficial, obtain amendments to existing permits and excess compensation land acquired/managed during the Phase 1 expansion. If not possible to amend existing permits, seek new permits. Coordinate with regulatory agencies to confirm when amendments will be appropriate. In support of this task, several key work efforts (described below) will be completed.

Conduct reconnaissance-level biological field surveys of any new Project areas (if any) to identify the potential for the presence of sensitive biological resources. Conduct a desktop analysis including a database search of the California Natural Diversity Data Base (CNDDDB), California Native Plants Society's Inventory of Rare and Endangered Plants, USFWS species lists, and NMFS species lists in order to determine the potential occurrence of special-status plants, animals, and vegetation communities. Conduct site-specific biotic assessments to identify biological resources that are present or have a high likelihood to occur in the study area, and to assess the likely impacts associated with construction and/or long term operations of the Project on biological resources. The results of the reconnaissance survey and analysis will be used to inform the CEQA/NEPA documentation, regulatory permitting documents, and resource agency review.

Prepare the regulatory permit applications for the proposed Project. Attend meetings with regulatory agencies. Develop supporting technical reports, as needed, to support preparation of proposed permit applications. Permit applications and supporting documents to be prepared in support of the Project may include but not limited to: Biological Assessment for Federal Endangered Species Act compliance and Magnuson Stevens Fisheries Conservation and Management Act compliance; Clean Water Act Section 404/Section 10 Individual Permit Application; Clean Water Act Section 401 Clean Water Act Water Quality Certification Application; California Fish and Game Code Section 1602 Streambed Alteration Agreement Application; Section 2081 California Endangered Species Act Incidental Take Permit Application; Fish and Wildlife Coordination Act

Report; National Historic Preservation Act Section 106 compliance; and Aquatic Resources Delineation. Submit application fees to regulatory agencies as required.

Deliverables:

- Rare plant surveys and report of results
- Wetland delineation and mapping, report of results
- Issued permits

Task 2.5 Water Rights Permitting

Coordinate with Reclamation, the California Department of Water Resources (DWR), Local Agency Partners, and the State Water Resources Control Board (State Board) regarding changes to existing water rights. Prepare petitions for change for CCWD's water right permit and assist Reclamation, DWR, and Local Agency Partners with preparation of change petitions as required. File petitions with the State Board, assist State Board staff with drafting orders and permit amendments as required, respond to any protests that may be filed and seek resolution of those protests, prepare for and participate in hearings as required. The deliverables listed below include change petitions that will be filed for review and approval to the State Board. Upon approval of the change petition, the State Board will issue a permit modification with revised water rights, which may be completed after expiration of this funding agreement.

Deliverables:

- Change petition on CCWD water rights
- Change petition on CVP water rights
- Change petition on SWP water rights
- Change petition on Local Agency Partners' water rights as required

Task 2.6 Land Transactions

Identify and contact the landowners of parcels that will be surveyed for Task 2.3.2 and Task 2.3.3. Acquire the appropriate land rights to gain access to the properties. Identify potential mitigation lands as needed for Task 2.4. Appraise value of potential mitigation lands. Obtain right-of-way for Transfer-Bethany Pipeline. Work with DWR to develop agreements to support construction of intertie between Transfer-Bethany Pipeline and the CA Aqueduct. Identify options to acquire mitigation lands and engage Local Agency Partners to obtain concurrence.

Deliverables:

- Summary updates on entry permits and temporary easements on properties needed for technical surveys
- Identification and appraisal of potential mitigation sites
- Right-of-way for Transfer-Bethany Pipeline
- Construction and conveyance agreements for Transfer-Bethany Pipeline as required

Task 3 Engineering Feasibility

Task 3.1 Financial Feasibility Study

Perform a financial feasibility study that will assess the costs and merits of the Project. The financial evaluation of the project will help determine the alignment of pipelines, sizing of facilities, etc., as well as any adjustments that need to be made to the configuration of the project facilities. Final facility configurations, alignments, size, and operations must be finalized before permits can be issued. Develop an excel-based Proforma Financial Model for the Project that incorporates water pricing options and integration with CalSim model. Perform meetings and workshops with the Local Agency Partners; collect and review comments and inputs to the model. Refine model as additional information arises that may affect the Local Agency Partners, operations, water pricing, or other financial components of the Project.

Create a Plan of Finance describing the proposed financing structure and assumptions for financing the Project. The Plan of Finance will take into consideration appropriate debt structures, timing, impact on rates, budgeting, credit ratings, tax laws, availability of grants and other State and Federal funding, and assessment of capital market conditions. Evaluate the funding capabilities of a JPA and associated contractual requirements for partners receiving and paying for services.

Deliverables:

- Proforma Financial Model
- Plan of Finance

Task 3.2 Federal Feasibility Study

Reclamation was directed by Federal law (P.L.108-361) to conduct a feasibility-level evaluation of the potential expansion of Los Vaqueros Reservoir. The Feasibility Report presents the results of planning, engineering, environmental, social, economic, and financial studies and potential benefits and effects of alternative plans. The Feasibility Report, along with the 2010 Final EIS/EIR and Final Supplement, will be used by the Secretary of the Interior and U.S. Congress to determine the type and extent of Federal interest in enlarging Los Vaqueros Reservoir. The Draft Federal Feasibility Report was published in January 2018, and Final Federal Feasibility Report is currently scheduled for March 2019.

Deliverables:

- Draft Federal Feasibility Report
- Final Federal Feasibility Report

Task 3.3 Preliminary Design

All design tasks described below are necessary to determine environmental impacts and to support permit acquisition.

(3.3.1) Pumping Plant No. 1

This task will include feasibility-level design of Pumping Plant No. 1 replacement and related facilities. The preliminary design will set basic design elements including power needs, metering needs, pump configuration, pump elevation, forebay configuration, and afterbay configuration.

(3.3.2) Los Vaqueros Dam & Transfer Bethany Pipeline

This task includes work efforts related to design of the Los Vaqueros Dam expansion to gain Division of Safety of Dams (DSOD) authorization to construct. Design-related tasks may include, but are not limited to, reporting,

investigations, testing, analysis, and surveys; geotechnical investigations and reporting; stability and deformation analysis; design of earthquake ground motions and parameters, spillway, outlet works, new emergency release outlet, tunnel/portal; transfer pipeline connection, and dam instrumentation; constructability review, value engineering, risk analysis, and feasibility studies; DSOD meetings and correspondence; and design of site restoration for the core borrow area. This task includes formation of a Technical Review Board for independent review of the dam consultant's work in accordance with DSOD guidelines. Submit application fees to DSOD as required.

This task also includes work efforts related to design of Transfer-Bethany Pipeline including but not limited to: finalizing alignment of pipeline, tie-in to the California Aqueduct, geotechnical field investigations, and static and transient analysis.

(3.3.3) Conveyance Facilities

Prepare updates to feasibility-level drawings, cost estimates, and supporting information for the conveyance facilities included in the Project description as required to support Project permitting activities. Conveyance facilities may include modifications of existing intakes and pump stations, addition of new pipelines and pump stations, and interties to existing facilities.

(3.3.4) Recreation Facilities

Develop recreation-related components of the Project at Los Vaqueros Watershed. Update schematic design of recreation facilities. Refine the design elements to show the approximate final locations, configuration, and materials. Prepare and disseminate written and illustrative material for information sheets, mailers, and the Project website as appropriate. Prepare summary information about the Project's recreation components as needed to support public outreach efforts described in Task 2.2.

Prepare feasibility level design including plans, specifications, and construction cost estimates as needed for input into the Recreation Facilities Plan and to support Project permitting efforts described in Task 2.4.

Deliverables:

- Pumping plant #1 preliminary design
- LV Dam 50%, 90%, and Final Design Report
- LV Dam 50%, 90%, and Final Drawings and Specifications
- LV Dam 50%, 90%, and Final Cost Estimate/Schedule
- Transfer-Bethany Pipeline Static & Transient Analysis
- Transfer-Bethany Pipeline Alignment
- Conveyance facility feasibility design updates
- Conveyance facility final cost estimates
- Recreation facility summary information materials to support public outreach activities
- Recreation facility feasibility level design
- Recreation Facilities Plan
- Recreation component information to support permit applications

Exhibit B
BUDGET

Funding recipient shall be reimbursed based on the ratio of Program cost share and non-Program cost share, also referred to as concurrent draw down. The Commission will reimburse no more than \$13,650,309 under this Funding Agreement, also known as Program cost share. The non-Program cost share is \$13,650,309.

Task	Total Costs
Task 1 Project Management	\$3,549,080
Task 2 Environmental Planning	\$10,920,248
Task 3 Engineering Feasibility	\$12,831,290
Total	\$27,300,618

Commission approves invoices at the overarching task-level. Subtasks are provided in the Work Plan for additional detail and guidance for the project manager to be aware of when administering the Funding Agreement.

Reimbursement of costs will commence after this Funding Agreement is executed as described above. The proportion (or percentage) of Program cost share is the maximum funding amount of this funding agreement divided by the total project cost; which is 50%. If the first invoice received contains eligible costs for the period of August 14, 2017 to the execution date of the agreement, at Commission's discretion, these costs, or a portion thereof, may be directly deducted from the non-Program cost share and the concurrent drawdown percentage may be modified accordingly.

Exhibit C
SCHEDULE

	Start Date	End Date
Task 1 Project Management	August 2017	December 2022
Task 2 Environmental Planning	August 2017	June 2022
Task 3 Engineering Feasibility	August 2017	June 2022

Exhibit D

STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- a) **Separate Accounting of Funding Disbursements and Interest Records:** Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Funding Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b) **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- c) **Remittance of Unexpended Funds:** Funding Recipient shall remit to State any unexpended funds that were disbursed to Funding Recipient under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Funding Recipient of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2) ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: Funding Recipient shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient's headquarters and shall include the California Water Commission color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the California Water Commission." The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3) AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Funding Recipient for amendments must be in writing stating the amendment request and the reason for the request. State shall have no obligation to agree to an amendment.

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

D.5) AUDITS: State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final audit to State's specifications, at Funding Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 14 (Default Provisions) or take any other action it deems necessary to protect its interests.

Pursuant to Government Code section 8546.7, the Funding Recipient shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Funding Recipient or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement. If an audit reveals any impropriety, the Bureau of State Audits or

the State Controller's Office may conduct a full audit of any or all of the Funding Recipient's activities. (Water Code section 79708(b))

- D.6) BUDGET CONTINGENCY: If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State, or offer a Funding Agreement amendment to Funding Recipient to reflect the reduced amount. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Funding Recipient or to furnish any other considerations under this Funding Agreement and Funding Recipient shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Funding Recipient with a right of priority for payment over any other Funding Recipient.
- D.7) CALIFORNIA ENVIRONMENTAL QUALITY ACT: Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act. (Public Resources Code section 21000 et seq.)
- D.8) CHILD SUPPORT COMPLIANCE ACT: The Funding Recipient acknowledges in accordance with Public Contract Code section 7110, that:
- a) The Funding Recipient 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 Family Code section 5200 et seq.; and
 - b) The Funding Recipient, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.9) CLAIMS DISPUTE: Any claim that the Funding Recipient may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the State's Project Manager, within thirty (30) days of the Funding Recipient's knowledge of the claim. State and Funding Recipient shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10) COMPETITIVE BIDDING AND PROCUREMENTS: Funding Recipient shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Funding Recipient's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement.
- D.11) COMPUTER SOFTWARE: Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.12) CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- a) Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of

the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

- c) Employees of the Funding Recipient: Employees of the Funding Recipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act (Government Code section 87100 et seq.).
 - d) Employees and Consultants to the Funding Recipient: Individuals working on behalf of a Funding Recipient may be required by the State to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.13) DELIVERY OF INFORMATION, REPORTS, AND DATA: Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14) DISPOSITION OF EQUIPMENT: Funding Recipient shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15) DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Funding Recipient, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
 - b) Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i) The dangers of drug abuse in the workplace,
 - ii) Funding Recipient's policy of maintaining a drug-free workplace,
 - iii) Any available counseling, rehabilitation, and employee assistance programs, and
 - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - c) Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i) Will receive a copy of Funding Recipient's drug-free policy statement, and
 - ii) Will agree to abide by terms of Funding Recipient's condition of employment, contract or subcontract.
- D.16) GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

- D.17) INCOME RESTRICTIONS: The Funding Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Funding Recipient under this Agreement shall be paid by the Funding Recipient to the State, to the extent that they are properly allocable to costs for which the Funding Recipient has been reimbursed by the State under this Agreement. The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- D.18) INDEMNIFICATION: Funding Recipient shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement. Funding Recipient shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.19) INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.20) INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.
- D.21) INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.22) LABOR CODE COMPLIANCE: The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <https://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <https://www.dir.ca.gov/dlse/PWManualCombined.pdf>.
- The Funding Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Funding Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.23) MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibit A (Work Plan) which concern the budget (Exhibit B) and schedule (Exhibit C) without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.24) NONDISCRIMINATION: During the performance of this Funding Agreement, Funding Recipient and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave.

Funding Recipient and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Funding Recipient and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Government Code section 12990) and the applicable regulations promulgated there under (California Code of Regulations, title 2 section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Funding Recipient and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

- D.25) OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.26) PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.27) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Funding Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Funding Recipient's service of water, without prior permission of State. Funding Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Funding Recipient meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.28) PROJECT ACCESS: The Funding Recipient shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during the Term of this Agreement.
- D.29) REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.30) RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Funding Recipient for reimbursement of Eligible Project Costs. Withheld funds may be released upon either completion of milestones or deliverables identified in Exhibit A (Work Plan) or when the Project is completed, and the Final Report is approved by the State. Any retained amounts due to the Funding Recipient will be promptly disbursed to the Funding Recipient, without interest, upon completion of the Project.
- D.31) RIGHTS IN DATA: Funding Recipient 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 Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act (Government Code section 6250 et seq.). Funding Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.32) SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.

- D.33) SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both, and Funding Recipient may be subject to debarment if the State determines that:
- Funding Recipient, its contractors, or subcontractors have made a false certification, or
 - Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.34) SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.35) TERMINATION BY FUNDING RECIPIENT: Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date.
- D.36) TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 14 (Default Provisions), the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 14 (Default Provisions).
- D.37) TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 calendar days advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.38) THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.39) TIMELINESS: Time is of the essence in this Funding Agreement.
- D.40) UNION ORGANIZING: Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of California Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:
- No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - Funding Recipient shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
- If Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.
- D.41) VENUE: The State and the Funding Recipient 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, or in the United States District Court in and for the Eastern District of California. The Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.42) WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

Exhibit E

AUTHORIZING RESOLUTION ACCEPTING FUNDS TEMPLATE

RESOLUTION NO. 17-016

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONTRA COSTA
WATER DISTRICT AUTHORIZING FUNDING APPLICATION FOR
PROPOSITION 1 WATER STORAGE INVESTMENT PROGRAM AND
EXECUTION OF A FUNDING AGREEMENT WITH THE CALIFORNIA WATER
COMMISSION FOR THE LOS VAQUEROS RESERVOIR EXPANSION PROJECT**

WHEREAS, Chapter 8 Statewide Water System Operational Improvement and Drought Preparedness of Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Division 26.7 of the Public Resources Code, commencing with Section 79750), authorized the Legislature to continuously appropriate the sum of \$2,700,000,000 to the California Water Commission for public benefits associated with water storage projects; and

WHEREAS, the California Water Commission is responsible for the administration of water storage funding under Proposition 1, and is soliciting applications under the Water Storage Investment Program pursuant to Title 23, Division 7, Chapter 1 of the California Code of Regulations; and

WHEREAS, the maximum funding amount available per project is subject to a 50 percent funding match of the total capital costs to be paid for with non-state funds; and

WHEREAS, the Contra Costa Water District constructed the original Los Vaqueros Reservoir with a capacity of 100,000 acre-feet in 1998 and constructed the Phase 1 expansion to 160,000 acre-feet in 2012 to provide water quality, drought supply, emergency supply, and Delta ecosystem benefits; and

WHEREAS, Proposition 1 requires that benefits available to a party shall be consistent with that party's share of total project costs; and

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WHEREAS, in 2003 the Contra Costa Water District adopted Resolution No. 03-24 that included Board Principles for participation in the expansion of Los Vaqueros Reservoir and included a commitment to the principle the project beneficiaries pay for the benefits received; and

WHEREAS, the Contra Costa Water District and the eleven other local agencies participating in the planning phase of the Los Vaqueros Reservoir Expansion Project including Alameda County Water District, Bay Area Water Supply and Conservation Agency, Byron-Bethany Irrigation District, City of Brentwood, Grassland Water District, East Bay Municipal Utility District, East Contra Costa Irrigation District, San Francisco Public Utilities Commission, San Luis & Delta-Mendota Water Authority, Santa Clara Valley Water District, and Zone 7 Water Agency are all signatories to the Memorandum of Understanding regarding CALFED Bay-Delta Program Studies on the Expansion of Los Vaqueros Reservoir and have all submitted letters of support for submittal of the funding application to the California Water Commission; and

WHEREAS, the Contra Costa Water District and the eleven participating local agencies have executed Cost Share Agreements for the planning phase of the Los Vaqueros Reservoir Expansion Project and these agreements include a commitment to develop project alternatives that are consistent with the "beneficiaries pay" principle; and

WHEREAS, funding application procedures established by the California Water Commission require applicants to provide a copy of a resolution adopted by the applicant's governing body designating an authorized representative to file an application and enter into a funding agreement to receive state funding; and

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WHEREAS, the Los Vaqueros Reservoir Expansion Project, as a surface storage project identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, meets the eligibility criteria for funding under the Water Storage Investment Program; and

WHEREAS, the Los Vaqueros Reservoir Expansion Project, as demonstrated in the Draft Supplement to the Final Environmental Impact Study/Environmental Impact Report for the Project dated June 2017 ("Draft Supplement to the FEIS/EIR"), provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta; and

WHEREAS, the Los Vaqueros Reservoir Expansion Project, as demonstrated in the Draft Supplement to the FEIS/EIR, provides ecosystem improvements that are at least 50 percent of total public benefits of the Project; and

WHEREAS, Contra Costa Water District has agreed to submit a funding application for Proposition 1 storage funds on behalf of the eleven participating local agencies,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Contra Costa Water District that the General Manager, or his designee, is hereby authorized to prepare and submit an application to the California Water Commission to obtain 2017 Water Storage Investment Program funding pursuant to Title 23, Division 7, Chapter 1 of the California Code of Regulations, and to enter into an agreement with the California Water Commission to receive funding for the Los Vaqueros Reservoir Expansion Project.

BE IT FURTHER RESOLVED by the Board of Directors of Contra Costa Water District that the General Manager, or his designee, is hereby authorized and directed to prepare the

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necessary data, conduct investigations, submit an application for funding, execute a funding agreement and any amendments thereto as consistent with all future Board actions regarding the Los Vaqueros Reservoir Expansion Project, sign invoices with the California Water Commission, and to execute and submit all other documents, which may be necessary to obtain 2017 Water Storage Investment Program funding for the Los Vaqueros Reservoir Expansion Project.

The foregoing Resolution was duly and regularly adopted at a meeting held on the 19th day of July 2017, by the Board of Directors of the Contra Costa Water District by the following vote:

AYES: Avila, Boatman, Borba, Burgh, Holdaway

NOES:

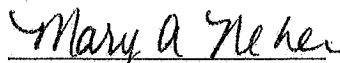
ABSTAIN:

ABSENT:



Lisa M. Borba, President

ATTEST:



Mary A. Neher
District Secretary

Exhibit F

REPORT FORMATS AND REQUIREMENTS

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

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For each project, discuss the following at the task level, as organized in Exhibit A (Work Plan):

- Estimate of percent complete
- Discussion of work accomplished during the reporting period
- Milestones or deliverables completed/submitted during the reporting period
- Meetings held or attended
- Scheduling concerns and issues encountered that may delay completion of the task
- Work anticipated for the next reporting period
- Estimated reimbursable costs for the next reporting period

PROJECT COMPLETION REPORT

Provide a report summarizing the following:

- Summary of deliverables as identified in scope of work
- Summary of expenditures
- Permits obtained and date of approval

Exhibit G

STATE AUDIT DOCUMENT REQUIREMENTS

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

Internal Controls

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

State Funding:

1. Original Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, other funds, or subventions received from the State.
3. A listing of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State funded Program/Project.

Invoices:

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

Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

1. All supporting documentation maintained in the project files.
2. All Funding Agreement related correspondence.

Exhibit H

Land Access and Acquisition Requirements

This exhibit provides direction and guidance regarding the supporting documentation that is necessary for disbursement of State funds for eligible costs related to the land access and acquisition.

K.1 Appraisal Specifications: For property acquisitions funded this Funding Agreement, the Funding Recipient must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

- 1) Title page with sufficient identification of appraisal assignment.
- 2) Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
- 3) Table of contents.
- 4) Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
- 5) Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
- 6) Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
- 7) Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
- 8) Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
- 9) A legal description of the subject property, if available.
- 10) For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
- 11) Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
- 12) Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the state. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
- 13) Regional, area, and neighborhood analyses. This information may be presented in a summary format.
- 14) Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
- 15) Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

- 16) Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
- 17) Subject property leasing and operating cost history, including all items of income and expense.
- 18) Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
- 19) Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
- 20) For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
- 21) Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
- 22) All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
- 23) Map(s) showing all comparable properties in relation to the subject property.
- 24) Photographs and plat maps of comparable properties.
- 25) In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
- 26) Comparable data sheets.
 - i) For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
 - ii) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
 - iii) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.
- 27) For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement

Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.

- 28) For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
- 29) There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
- 30) For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
- 31) Implied dedication statement.
- 32) Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
- 33) Discussion of any departures taken in the development of the appraisal.
- 34) Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
- 35) If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
 - i) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
 - ii) An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

K.2 Escrow Processing and Closure: The Funding Recipient must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Funding Agreement and after a qualified appraisal has been approved.

- a. Name and Address of Title Company Handling the Escrow
- b. Escrow Number
- c. Name of Escrow Officer
- d. Escrow Officer's Phone Number
- e. Dollar Amount Needed to Close Escrow
- f. Legal Description of Property Being Acquired
- g. Assessor's Parcel Number(s) of Property Being Acquired
- h. Copy of Title Insurance Report
- i. Entity Taking Title as Named Insured on Title Insurance Policy
- j. Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- k. Copy of Final Escrow Instructions
- l. Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title

- m. Copy of Deed for Review Purposes Prior to Recording
- n. Copy of Deed as Recorded in County Recorder's Office
- o. Copy of Escrow Closure Notice

