

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES AND
THE CASTAIC LAKE WATER AGENCY, AGREEMENT NO: 4600009364
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLANNING CALIFORNIA PUBLIC RESOURCES CODE §75026 ET
SEQ.**

THIS AGREEMENT is entered into by and between the **Department of Water Resources** of the State of California, hereinafter called "State," and the **Castaic Lake Water Agency**, a public agency in the County of Los Angeles, hereinafter called "Grantee," which parties do hereby agree as follows:

1. PURPOSE. State shall provide a grant from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to Grantee for the purpose of developing or completing a new, or updating an existing IRWM plan, or to develop, complete, or modify a component of an IRWM plan so that the IRWM plan meets the IRWM Plan standards set forth in the IRWM Program Guidelines dated August 2010.
2. TERM OF AGREEMENT. The term of this Grant Agreement begins on the date this Agreement is executed by DWR and terminates on **August 15, 2013**, or when all of the Parties' obligations under this Grant Agreement have been fully satisfied, whichever occurs earlier.
3. GRANT AMOUNT. The maximum amount payable under this Grant Agreement shall not exceed **\$266,250.00**.
4. GRANTEE COSTS. The reasonable costs of the project are estimated to be **\$355,000.00**. Grantee agrees to be responsible for the difference between the estimate of project cost and the Grant Amount specified in Paragraph 3. Grantee shall provide a funding match in the amount of at least 25% of the total project cost. Grantee cost share is estimated to be **\$88,750.00**. Grantee's funding match may include in kind services that are part of **Exhibit A, Project Work Plan**, and performed after September 30, 2008.
5. GRANTEE'S RESPONSIBILITIES. Grantee shall faithfully and expeditiously perform or cause to be performed all project work as described in **Exhibit A, Project Work Plan** and in accordance with, **Exhibit B, Project Budget**, and **Exhibit C, Project Schedule**. Grantee shall comply with all of the terms and conditions of this Grant Agreement and with Chapter 2 (commencing with Section 75026 *et seq.*) of the California Public Resources Code.
6. BASIC CONDITIONS. State shall have no obligation to disburse money for a project under this Grant Agreement unless and until Grantee has satisfied for such project the State's requirements for disbursement in accordance with the IRWM Guidelines and Planning Grant PSP which include:
 - a. Grantee demonstrates the availability of sufficient funds to complete the project.
 - b. Grantee shall furnish a copy of permits, licenses, and approvals required in performing its obligations under this Grant Agreement.
 - c. Work that is subject to the California Environmental Quality Act (CEQA) shall not proceed under this Grant Agreement until documents that satisfy the CEQA process are received by the State and State has completed its CEQA compliance responsibilities. Work that is subject to a CEQA document shall not proceed until and unless approved by the State's Project Manager. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation.

- d. Grantee performs tribal notifications per PRC§75102
 - e. An urban water supplier that receives grant funds governed by this agreement shall maintain compliance with the Urban Water Management Planning Act (CWC§10610 *et. seq.*)
 - f. Grantee submits all deliverables as specified in Paragraph 10 and 11 of this agreement and **Exhibit A**, Project Work Plan.
7. METHOD OF PAYMENT. Payment will be made no more than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Invoices shall be submitted using the invoice template provided by State. Invoices must be accompanied by appropriate receipts, required supporting documentation, and a progress report. The invoice should reflect charges for the work completed during the reporting period covered by the corresponding progress report. The invoice cannot be paid prior to submission of a progress report.

The invoice shall contain the date of the invoice; the time period covered by the invoice; the total amount due; and original signature and date (in ink) of Grantee's authorized representative. Invoices must be itemized based on the categories specified in **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). Submit the original and three (3) copies of the invoice form to the following address:

Department of Water Resources
Attention: Tanya Meeth
PO Box 942836
Sacramento, CA 94236-0001

8. DISBURSEMENTS. Following the review of each invoice, State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant 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. All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.
9. ELIGIBLE PROJECT COSTS. Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and **Exhibit B**, Project Budget. Eligible project costs include the reasonable costs of conducting meetings, stakeholder outreach and engagement, collecting data and information, and developing and writing the IRWM plan, including administrative costs and incidental costs. Work performed after the date of grant award, **February 22, 2011**, shall be eligible for reimbursement. Reasonable administrative expenses may be included as Project Costs and will depend on the complexity of the project preparation, planning, coordination and collaboration. Reimbursable administrative expenses are the necessary costs incidentally but directly related to the project including an appropriate pro-rata allocation of overhead and administrative expenses that are regularly assigned to all such projects in accordance with the standard accounting practices of the Grantee.

Advanced funds cannot be provided. Costs that are not eligible for reimbursement include but are not limited to:

- a. Costs, other than those noted above, incurred prior to the award date of the Grant.

- b. Costs for preparing and filing a grant application belonging to another solicitation.
 - c. Operation and Maintenance costs, including post construction project performance and monitoring costs.
 - d. Purchase of equipment not an integral part of the project.
 - e. Establishing a reserve fund
 - f. Purchase of water supplies.
 - g. Replacement of existing funding sources for ongoing programs.
 - h. Support of existing agency requirements and mandates (e.g. punitive regulatory agency requirements).
 - i. 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, or land purchased prior to effective date of the grant award with the State.
 - j. Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after effective date of the grant award, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise reimbursable project costs.
 - k. Overhead not directly related to project costs.
10. PROGRESS REPORTS. Grantee shall submit progress reports on a regular and consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent **via e-mail**, to the State's Project Manager at the frequency specified in **Appendix C**, Schedule. The progress reports shall provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments, during the reporting period, and any problems encountered in the performance of the work under this Agreement. A recommended Progress Report format is attached as **Exhibit E**.
11. FINAL REPORT. Grantee shall prepare and submit to State, upon completion of the Project, a Final Report, which shall include: 1) an Executive Summary; 2) a comparison between the planned schedule in the Grant Agreement and actual timeline and explanation of the differences; and 3) a discussion of major problems that occurred in meeting the project goals and objectives as proposed and how and if they were resolved. The Final Report shall also contain a detailed description and analysis of project results including whether the purposes of the Project have been met, and a summary of the costs incurred and disposition of funds disbursed. The Final Report shall be provided in **hard copy and digital** format prior to final payment of grant funds retained by State. Final Report format is attached as **Exhibit E**.
12. GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, policies and regulations.
13. PERFORMANCE EVALUATION. Grantee's performance under this Grant Agreement will be evaluated by State after completion.

14. Labor Compliance. Grantee agrees to comply with all applicable California Labor Code requirements, including prevailing wage provisions. Grantee must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code section 1771.5 for projects funded by:
- Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; California Public Resources Code sections 75075 *et seq.*) or
 - Any other funding source requiring an LCP.

Grantee's failure to comply with LCP requirements is a breach of this Grant Agreement. At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements.

15. DEFAULT PROVISIONS. Grantee will be in default under this Grant Agreement if any of the following occur:

- Breach of this Grant Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
- Making any false warranty, representation or statement with respect to this Grant Agreement.
- Failure to operate or maintain projects in accordance with this Grant Agreement.
- Failure to make any remittance required by this Grant Agreement.
- If applicable, the grantee fails to maintain compliance with the Urban Water Management Planning Act (CWC 10610 *et. seq.*)

Should an event of default occur, State may do any or all of the following:

- Declare the Grant 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.
- Terminate any obligation to make future payments to Grantee.
- Terminate the Grant Agreement.
- Take any other action that it deems necessary to protect its interests.

16. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be sent by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; (iii) by "overnight" delivery service; provided that next-business-day delivery is requested by the sender; or (iv) by facsimile transmission. 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 by facsimile will be effective on the date of successful transmission, which is documented in writing. Notices shall be sent to the addresses below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

The Grantee shall promptly notify the State of events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee

agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the State, and the State has given written approval for such change. The Grantee shall notify the State at least ten (10) calendar days prior to any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by State's representatives. The Grantee shall promptly notify the State in writing of completion of work on the Project.

17. PROJECT REPRESENTATIVES: The Project Representatives during the term of this Grant Agreement will be:

Department of Water Resources
Tracie L. Billington
Chief, Financial Assistance Branch
P.O. Box 942836
Sacramento CA 94236-0001
Phone: (916) 651-9226
Fax: (916) 651-9290
e-mail: tracieb@water.ca.gov

Castaic Lake Water Agency
Dan Masnada
General Manager
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Phone: (661) 297-1600
Fax: (661) 297-1611
e-mail: dmasnada@clwa.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Tanya Meeth
P.O. Box 942836
CA 94236-0001
Phone: (916) 651-9227
Fax: (916) 651-9292
e-mail: tmeeth@water.ca.gov

Castaic Lake Water Agency
Jeff Ford
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Phone: (661) 513-1281
Fax: (661) 513-1202
e-mail: jford@clwa.org

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

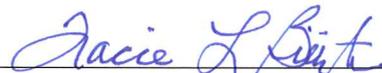
18. STANDARD PROVISIONS. The following exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A	Project Work Plan
Exhibit B	Project Budget
Exhibit C	Project Schedule
Exhibit D	Standard Conditions
Exhibit E	Report Format and Requirements
Exhibit F	Grantee Resolution
Exhibit G	Guidelines for Grantee and Borrowers
Exhibit H	Statewide Monitoring

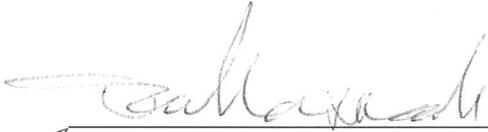
IN WITNESS WHEREOF, the parties have executed this Grant Agreement as of the date first above written.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

CASTAIC LAKE WATER AGENCY



Tracie L. Billington, P.E., Chief
Division of Integrated Regional Water
Management – Financial Assistance Branch



Dan Masnada, General Manager

Date 5 Aug 2011

Date 7/27/11

Approved as to legal form and sufficiency



for Katherine A. Spanos, Assistant Chief Counsel
Office of the Chief Counsel

Date 8/3/11

EXHIBIT A PROJECT WORK PLAN

Work Plan Tasks

Task 1 GRANT ADMINISTRATION

This task is to administer and manage project activities and the overall project schedule and budget to ensure that the project is completed efficiently and successfully. Project management activities will include budget and schedule control and quality assurance and quality control (QA/QC) for the duration of the project. This task also includes the development and submittal of quarterly reports to DWR. Quarterly reports will include project progress reports, upcoming work, schedule, budget, and other pertinent information.

Task 1 Deliverables:

- Quarterly Reports
- Grant Agreement Completion Final Report

Task 2 CLIMATE CHANGE TECHNICAL STUDY

Subtask 2.1: Describe Legislative and Policy Context

This task will identify the main pieces of policy and legislation of importance regarding the State's response to climate change, management of water resources, and including how IRWM planning efforts will eventually analyze climate change at a project level. Included in the discussion will be: Executive Order (EO) S-3-05 and the California Global Warming Solutions Act of 2006 (AB 32; amending California Health and Safety Code Division 25.5, §38500, et seq.); Senate Bill 97; and EO S-13-08.

Subtask 2.2: Identify Vulnerability to Climate Change

Identify the USCR IRWMP Region's Vulnerability to Climate Change

This task will identify the potential vulnerabilities to water resources in the Upper Santa Clara River (USCR) IRWMP Region to projected climate change. Review of the CNRA's 2009 California Adaptation Strategy process will assist in identifying those potential vulnerabilities to resources identified within the USCR Region.

Develop Climate Change Scenarios

This task will collect available data on projected changes in average air temperatures and precipitation ratios downscaled to the region level for a variety of global climate models and global greenhouse gas emission scenarios. These data will be used to develop an array of climate change scenarios for the region (e.g., a warmer, drier future condition) for regional water resources. These scenarios will be consistent with the most recent scenarios used by the Department of Water Resources (DWR) for projecting climate change for the State Water Project, which is the major source of imported water for the region.

Define Vulnerable Watershed Characteristics

This task will define the watershed characteristics that may be vulnerable to the climate change scenarios developed for the region. These characteristics include hydrology, watershed landscape, water supply and demand, groundwater recharge, ecosystem, and other characteristics such as weather (air characteristics, precipitation patterns, and evaporation), vulnerabilities include potential changes in the amount, intensity, timing, quality, and variability of runoff and recharge; effects of sea level rise (on imported water supply by DWR), and increased air temperature effects on water quality and ecosystem health.

Assess vulnerability sectors/variables

This task will provide a vulnerability assessment that includes (as appropriate) a hydraulic analysis, a demand analysis, a reservoir analysis, an ecological analysis, a groundwater recharge analysis, a sea level rise analysis (for imported water by DWR), and other analyses that address water quality changes and potential impacts of extreme events including extended droughts, high precipitation events, flooding, and wildfires.

Rank Vulnerabilities

This task will use the results of the vulnerability analyses to identify the most important water resources and their associated vulnerabilities, and rank them by importance for various climate change scenarios considered. The results of this task will be used to develop adaptive strategies to respond to potential climate change impacts.

A discussion of the highest ranked vulnerabilities will be provided in the objectives section of the IRWMP. The objectives will be evaluated to address the highest ranked vulnerabilities. If an appropriate objective does not exist, the plan objectives will be updated to include new climate change influenced objectives.

Subtask 2.3 Discuss Adaptation to Climate Change

Discuss Impacts from Climate Change Scenarios

This task will discuss the potential impacts of the various climate change scenarios considered on stream flows, reservoir levels, flood plain and groundwater recharge, and watershed landscape, and their relationship to water supply reliability, water quality, and ecosystem health. Potential impacts of sea level rise for imported water will also be described.

Develop Adaptive Strategies

This task will develop adaptive water management strategies to address the potential impacts of climate change discussed in Task 2.2. Initially, these will be “no regrets” strategies (e.g., water conservation and efficiency programs, flood plain protection, water recycling projects) that would be done. As vulnerability assessments and tools become more refined, additional adaptation strategies that are appropriate will be considered. These “no regrets” strategies will be incorporated into the IRWMP as appropriate.

Evaluate Adaptive Strategies

This task will “generally” evaluate the adaptive strategies developed for the region. Eventually the goal of the climate change evaluation is to be able to evaluate projects at an individual level, whereby projects included in the IRWMP, and additional projects deemed necessary, will be assessed for their ability to adapt to potential climate change impacts and for the benefits the projects will provide. However, analysis on a project-by-project level is beyond the scope of this evaluation, but will be required in the near future. Therefore, discussions of how groupings of adaptation projects can potentially contribute to the benefits of watershed resources will be provided. For example, flood management projects and/or water supply projects may maintain and enhance ecosystem processes. The results of this evaluation will be used to identify both short term “no regrets” projects and long term projects that may depend on future assessments of climate change impacts. The adaptation strategies will be ranked in order of importance for implementing the adaptive management strategy.

Subtask 2.4: Recommend Data Collection Improvements and GHG Calculation Tools for Future IRWMP Update

This section will review the data collection process and recommend ways to for the RWMG to collect the necessary data for the next update. As models and climate scenarios and GHG estimation tools are developed, DWR expects those tools to be incorporated into this Plan and

into the implementation projects. This task will also discuss the type of tools that should be created to better calculate the GHG emission impacts of various projects.

Subtask 2.5: Identification of Next Steps for Future IRWMP Updates

As previewed in the “Incorporating Climate Change into Integrated Regional Water Management Plans” presentation by the EPA/DWR, IRWM plans will still require significant updating to incorporate appropriate climate change analyses. This task will describe what should be included in future updates:

- Evaluate adaptive strategies on a project level
- Establish greenhouse gas (GHG) intensity factors
- Establish/calculate GHG emissions for each project
- Identify project components that may support carbon sequestration
- Identify best management practices and GHG mitigation measures for each project
- Discuss project contributions to adaptation strategies
- Establish CEQA Threshold of Significance
- Develop Climate Change Implementation Plan and methodology for implementation under uncertainty

Subtask 2.6: Prepare Technical Study

Prepare Draft and Final Technical Study

This task involves preparing a draft technical study that summarizes the results of Tasks 2.1 through 2.5 and provides recommendations for incorporating climate change analyses into the IRWM plan. The study will be submitted to the RWMG for review and comment. The draft Study will be revised with comments received and one (1) final Study will be submitted to the RWMG as a pdf on CD.

Subtask 2.7: Direct Project Management

Consultants’ Project Manager shall assure that proper resources and staff are dedicated to this project to assure a timely completion of the Study. Consultants’ Project Manager shall also implement and enforce internal Quality Assurance and Quality Control programs. A minimum of bi-monthly communication with the Agency’s Project Manager is assumed in the budget.

Task 2 Deliverables:

- Draft and Final Climate Change Technical Study

Task 3 SALT and NUTRIENT MANAGEMENT PLAN

This task is the preparation of a Salt and Nutrient Management Plan for the Santa Clara River Valley East Groundwater Sub-basin (East Sub-basin). Pursuant to the State Water Resources Control Board (SWRCB) adopted statewide Recycled Water Policy, a stakeholder-driven Salt and Nutrient Management Plan for each basin/sub-basin in California is recommended to address salt and nutrient issues applicable to all users of water and contributors of salts and nutrients in the basin/sub-basin rather than impose requirements solely on individual recycled water projects. The area of focus is the groundwater basin underlying the planned future water recycling in the Santa Clarita Valley. The Salt and Nutrient Management Plan shall include components as described in the Recycled Water Policy. A more detailed scope for preparation of this Salt and Nutrient Management Plan was provided in Attachment 3, Workplan, as

Appendix A that was submitted within the Proposition 84 Grant Application. The final scope will be refined prior to soliciting proposals for consulting services to develop the Salt and Nutrient Management Plan. This task will pull from a considerable body of previous work related to hydrogeologic and water-quality processes in the East Sub-basin, including the IRWMP itself.

Subtask 3.1: Establish Objectives (and Stakeholder Roles and Responsibilities)

A Salt/Nutrient Management Plan Task Force will be convened to work with the RWMG, Regional Board and stakeholders to establish clear and specific objectives for the Salt and Nutrient Management Plan.

Subtask 3.2: Salt and Nutrient Source Identification

This task will summarize salt and nutrient sources and loadings in the groundwater basins. Fate and transport will be addressed in Task 3.5. A GIS map layer will be created to map land uses and salt and nutrient loads. Supporting tables related possible land use changes will be provided.

Subtask 3.3: Summarize Existing Groundwater Monitoring Programs

This task will summarize existing monitoring activities within the groundwater basins that can be used to meet the requirements of the Salt and Nutrient Management Plan. A GIS map layer will be created to map existing monitoring locations.

Subtask 3.4: Summarize Existing Groundwater Quality Data

This task will assess and evaluate the current monitoring efforts with respect to the guidelines of the Policy, Basin Plan and the Salt and Nutrient Management Plan.

Subtask 3.5: Evaluate Constituent Effects on Groundwater

The objectives of this task are to evaluate the assimilative capacity of groundwater basins, develop a salt and nutrient balance to determine the salt and nutrient sources that are likely to effect groundwater in the basins, determine the fate and transport of these constituents, and to quantify the potential impacts of each source on groundwater quality.

Subtask 3.6: Develop Recommended Groundwater Monitoring Plan

This task includes the development of a groundwater monitoring plan, identification of additional monitoring required to fill existing data gaps (if any), and provision for monitoring Chemicals of Emerging Concern (CEC).

Subtask 3.7: Anti-degradation Analysis

In this task, salt and nutrient sources that result in groundwater impacts will be further evaluated to determine the potential level of degradation, if any that would occur within the groundwater basins due to existing and future projects. The objective of the evaluation is to determine whether an anti-degradation analysis is required for a source or combination of sources, and to simplify the anti-degradation analysis if it is found that no significant degradation of groundwater quality is likely to occur. Under this task, the threshold for significant degradation will be defined. Further evaluation will be conducted only if potential significant degradation is likely based on the analysis.

Subtask 3.8: Prepare Salt and Nutrient Management Plan for Submittal to RWQCB

The Salt and Nutrient Plan will address the key issues identified in the approach and will integrate the elements discussed in Subtasks 3.1 through 3.7 and requirements of the State's Recycled Water Policy. Meetings with the RWMG, RWQCB and Stakeholders will be conducted between each task in order to make well-informed decisions regarding the approach.

Subtask 3.9: Project Management

The primary objectives of the project management task are to: 1) provide close coordination among the Stakeholders, the project team, and other involved parties; 2) ensure that project schedule and budget are met; 3) document project activities (progress reports and meetings); and 4) ensure that project work and deliverables meet quality objectives.

Task 3 Deliverables:

- RWMG Task Force
- Groundwater Monitoring Program
- Draft and Final Salt and Nutrient Plan

Task 4 UPDATE IRWMP STANDARDS

Subtask 4.1: Address New Plan Standards and Update Existing Plan

Sections 3.2 through 3.3.2.8 of the Planning Grant Application (PGA) detail the updates that are needed within the 2008 Plan in order to be compliant with the new Proposition 84 IRWMP Standards. The updates are also summarized in Table 3-3 of the PGA. These Sections are included as **Attachment 1**.

Subtask 4.2: Incorporate Technical Studies (Tasks 2 and 3)

The IRWMP Update will incorporate the technical information from the two technical studies, the Climate Change Technical Study (Task 2), and the Salt and Nutrient Management Plan (Task 3). The results from the Salt and Nutrient Management Plan will be used to gauge progress towards meeting the water quality objectives identified in the IRWMP. Data obtained for the Salt and Nutrient Management Plan will be used to update the technical analysis portions and data management chapters. Both studies will also be filling in data deficiencies identified in the 2008 Plan.

Subtask 4.3: Integrate/Re-Prioritize Projects

The updating of the 2008 Plan to the new standards and the incorporation of the two technical studies, the Climate Change Technical Study (Task 2), and the Salt and Nutrient Management Plan (Task 3), may result in changes to the IRWMP objectives, updating of regional priorities, and updated water management strategies. The Candidate Projects within the IRWMP, as well as new projects submitted for evaluation will need to reflect and integrate this new information. The 2008 Plan had a successful framework to ensure collaboration between entities and integration of projects so as to achieve multiple benefits which will be applied in this IRWMP Update.

Subtask 4.4: Stakeholder Meetings

This task budgets for six (6) Stakeholder meetings with the RWMG and Stakeholders. Meeting agendas are tentatively planned:

- Meeting 1 – Overview of IRWMP Update, Climate Change Technical Study Introduction, Salt and Nutrient Management Plan Introduction, Consultant Team Introductions
- Meeting 2 – Region Description, Objectives, Resource Management Strategies
- Meeting 3 – Technical Studies Update, Resource Management Strategy Integration, Project Review, Project Prioritization, Funding Update
- Meeting 4 – Technical Studies Update, Project Integration/Re-Prioritization, New Project Identification
- Meeting 5 – Technical Studies Update, Project Integration/Re-Prioritization, Data Management, New Project Identification, Objectives Evaluation, Funding Update

- Meeting 6 – Technical Studies Update, Project Integration/Re-Prioritization, New Project Identification

Subtask 4.5: Prepare Draft and Final IRWMP

A Public Review Draft IRWMP will be prepared and submitted to the RWMG, posted to the IRWMP website and made available to participating entities. After incorporating RWMG and participating Stakeholder comments, the Final IRWMP will be prepared and submitted to the RWMG and posted to the IRWMP website. After submittal of the Final IRWMP to the RWMG and participating Stakeholders, the IRWMP shall be adopted by the necessary public agency entities in a timely manner to support identified funding opportunities.

Subtask 4.6: Direct Project Administration

Project administrative and management tasks will include: managing staff; coordinating with the RWMG; monitoring the scope, schedule, and budget; planning and monitoring project activities; and preparing the Draft and Final Reports. Quarterly email status reports will be provided in a format specified by the RWMG.

Task 4 Deliverables:

- | |
|---|
| <ul style="list-style-type: none">• Draft and Final IRWMP |
|---|

Attachment 1

This attachment includes details of the needed IRWM Plan updates (Reference: Sections 3.2 through 3.3.2.8 of the Grant Application (PGA)).

Meeting Current IRWM Plan Standards

The Upper Santa Clara River IRWMP currently meets all of the former Proposition 50 IRWM Guidelines, as well as meeting many of the new Proposition 84 Guidelines. Through this IRWM Planning Grant application, funds are being requested for those Proposition 84 Standards that need further development; specific development and attention to the climate change standard which will result in updates throughout the Plan; and specific development and attention to one of the IRWMP objectives related to water quality through development of a Salt/Nutrient Management Plan for the Upper Santa Clara River watershed.

The following discussion identifies, by Proposition 84 Standard, where the 2008 Plan needs updating in order to become a compliant plan. This is also summarized in Table 3-3.

**TABLE 3-3
HOW THE UPPER SANTA CLARA RIVER IRWMP MEETS THE
CURRENT PROPOSITION 84 STANDARDS**

PROPOSITION 84 STANDARD	REFERENCE	UPDATE NEEDED	WORK PLAN TASK
GOVERNANCE	IRWMP (Chapter 5, Sect. 5.5, 7.2) & RAP (No. 5.1, 5.2, 5.3, 5.4)	Incorporate RAP language into IRWMP	Task 4
REGION DESCRIPTION	IRWMP (Chapter 2) & RAP (No. 7.2 - 7.4, & 8.1 - 8.5)	Incorporate RAP language into IRWMP and Climate Change	Task 2, 4
OBJECTIVES	IRWMP (Chapter 3, Sect. 3.1, 3.2)	Update based on ranking of climate change vulnerabilities	Task 2, 3, 4
RESOURCE MANAGEMENT STRATEGIES	IRWMP (Chapter 4, Sect. 4.2)	Update based on effects of climate change	Task 2, 4
INTEGRATION	IRWMP (Chapter 5, Sect. 5.1, 5.2)	No specific update	NA
PROJECT REVIEW PROCESS	IRWMP (Chapter 5, Sect. 5.1) & RAP (No. 5.1, 5.2)	Incorporate climate change	Task 2, 4
IMPACT AND BENEFIT	IRWMP (Chapter 5, Sect. 5.3, 5.4) & RAP (No. 5.5)	Update based on DAC, low income outreach strategy	Task 2, 3, 4
PLAN PERFORMANCE AND MONITORING	IRWMP (Chapter 7, Sect. 7.1.2, 7.1.3, 7.2) & RAP (No. 5.2)	Incorporate climate change	Task 2, 4
DATA MANAGEMENT	IRWMP (Chapter 7, Sect. 7.1)	No specific update	NA
FINANCE	IRWMP (Chapter 6)	Update funding programs, O&M	Task 4
TECHNICAL ANALYSIS	IRWMP (Chapter 7, Sect. 7.1)	Update reports, incorporate climate change	Task 2, 4

PROPOSITION 84 STANDARD	REFERENCE	UPDATE NEEDED	WORK PLAN TASK
RELATION TO LOCAL WATER PLANNING	IRWMP (Chapter 7, Sect. 7.1.1, Chapter 8, Sect. 8.1)	Incorporate climate change	Task 2, 4
RELATION TO LOCAL LAND USE PLANNING	IRWMP (Chapter 8), & RAP (No. 2.3, 2.4)	Incorporate climate change	Task 4
STAKEHOLDER INVOLVEMENT	IRWMP (Chapter 1, Sect. 1.3) & RAP (No. 2.1 – 2.4, 3.1 - 3.4, 4.1)	Incorporate RAP language into IRWMP	Task 4
COORDINATION	IRWMP (Chapter 8) & RAP (No. 2.4, 3.4)	Incorporate RAP language into IRWMP, and climate change	Task 2, 4
CLIMATE CHANGE	IRWMP (Chapter 2, Sect. 2.9.3)	Revisions throughout IRWMP	Task 2, 4

Governance

The Governance Structure discussion contained within the existing IRWMP, supplemented with the recent descriptive narrative of the Governance Structure provided in the RAP application, together meet the majority of the new standard. The IRWMP will be updated with the text from the RAP application in the IRWMP Update.

Region Description

The Region Description contained within the existing IRWMP, supplemented with the recent descriptive narrative of the Region provided in the RAP application, together meet the majority of the new standard. The 2008 Plan will also be updated with the ongoing efforts within the watershed and from other adjacent planning regions. Agencies and other Stakeholders from the Los Angeles County portion of the watershed regularly attend and provide input to meetings of the Watersheds Coalition of Ventura County (WCVC) and Greater Los Angeles IRWMPs; likewise agencies and other Stakeholders from the Ventura County portion of the watershed have been invited to, have attended, and have provided input to meetings of the Upper Santa Clara River IRWMP.

The Upper Santa Clara River and WCVC IRWMP regions are currently cooperating on a number of programs and working together through our respective Stakeholder processes, planning efforts and projects and programs on which we are collaborating to ensure that the entire watershed is protected and managed appropriately, despite the division of the county boundary. These updates will be included in the IRWMP Update. A new land use map will also be prepared. In order to be complete, the region description also requires a discussion of the potential effects of climate change on the region.

Objectives

The existing IRWMP objectives discussion needs to be updated in order for the objectives to address adapting to changes in the amount, intensity, timing, quality and variability of runoff and recharge in addition to the need to consider the effects of sea level rise on water supply conditions and to identify suitable adaptation measures. Therefore, the 2008 Plan will be updated with the results from the Climate Change Technical Study.

One of the current IRWMP objectives is an improvement in water quality. The Salt and Nutrient

Management Plan proposed as part of this IRWMP Update will comply with the State's Recycled Water Policy, which requires every groundwater basin to develop a plan to identify measures to manage salt and nutrient loading. Additionally, increase water supply by means of recycled water use is another IRWMP objective. As the Salt and Nutrient Management Plan is a State requirement, and would result in the increase in use of recycled water, its development meets multiple objectives and Statewide priorities. This plan will be implemented through a subset of the IRWMP Stakeholders, a Salt and Nutrient Management Plan Task Force, and the progress toward meeting the IRWMP objective through the Plan development will be monitored and recorded in the IRWMP Update.

Resource Management Strategies

The IRWMP evaluated the 24 water management strategies contained within the California Water Plan. Since the release of the 2009 Update of the California Water Plan, the following strategies have been added, which will be considered in the IRWMP Update: Forest Management, Land Use Planning and Management (formerly Urban Land Use Management), and Improve Flood Management. There are the additional "Other Strategies", that will also be reviewed, which include: Crop Idling for Water Transfers, Dewvaporation or Atmospheric Pressure Desalination, Fog Collection, Irrigated Land Retirement, Rainfed Agriculture, and Waterbag Transport/Storage Technology.

Additionally, the IRWMP must identify and implement "No-Regrets" Adaptation Strategies to the general effects of climate change, such as meadow and forest restoration, flood plain protection, and water use efficiency. The Climate Change Technical Study will help to identify the "No-Regrets" Adaptation Strategies that will be most effective and appropriate for this Region.

Integration

The 2008 Plan had a successful framework to ensure collaboration between entities and integration of projects so as to achieve multiple benefits. The IRWMP meets the new standard and the update will continue to use this successful format for integration.

Project Review Process

The project review process contained within the existing IRWMP, supplemented with the recent descriptive narrative of the review process provided in the RAP application, together meet the majority of the new standard. In order to be complete however, the Project Review Process must include: contribution of the project to adapting to climate change, contribution of the project in reducing GHG emissions as compared to project alternatives, and CEQA project-level analysis with respect to GHG emissions. While IRWMP plans are not required at this stage to implement sophisticated tools to calculate GHG emissions on a project-by-project basis, they are required to begin the process of evaluating climate change at an analytical level.

Therefore, the Project Review Process will be updated with the results from the Climate Change Technical Study.

Impact and Benefit

The impacts and benefits discussion contained within the existing IRWMP meets the majority of the new standard. However, the IRWMP will be updated to include the discussion of impacts and benefits between regions, as well as those directly affecting DAC, and Environmental Justice related concerns, and Native American tribal communities, and including the benefits of environmental stewardship.

Plan Performance and Monitoring

The IRWMP will be updated with a Data Management System (DMS) that will help track and document the progress of IRWMP implementation and for storing and disseminating data from monitoring efforts. A discussion of how findings or "lessons learned" from project-specific monitoring efforts will be included to improve the RWMG's ability to implement future projects in the IRWM Plan. A table will be provided identifying who has the primary responsibility for development of project-specific monitoring plans, who is

responsible for project-specific monitoring activities, the stage of project development that a project-specific monitoring plan should be prepared, and the generally required contents of such plans.

The plan performance and monitoring discussion contained within the existing IRWMP, will also be updated with the recent descriptive narrative of plan performance provided in the RAP application and a discussion of policies and procedures that promote adaptive management with respect to the effects of climate change.

Data Management

The IRWMP will be updated with a Data Management System (DMS) that will help manage efficient use of available data, dissemination of data, and integrated of data into existing State databases. The existing data management structure within the Plan will be enhanced with validation or quality assurance/quality control measures that will be implemented by the RWMG for data generated and submitted for inclusion into the DMS, as well as with an explanation of how data collected for the IRWMP can be shared within the watershed and with adjacent planning regions.

Finance

The IRWMP currently meets most of the new finance standard as provided in Chapter 6 of the 2008 Plan. However, the discussion requires an explanation of how operation and maintenance (O&M) costs for projects that implement the IRWMP would be covered and the certainty of O&M funding in order to meet the standard completely. Therefore, the IRWMP will be updated to include this discussion and the list of funding sources and programs, and grant opportunities will be updated.

Technical Analysis

The IRWMP includes a detailed listing and categorization of the documents used to develop the baseline information and technical analyses for the development of the IRWMP. Since the adoption of the IRWMP in 2008, some of these technical resources have undergone revisions or updates that should be reflected in this IRWMP update. The documents will be reviewed and if necessary the IRWMP will be updated. New technical data regarding climate change plans, policies, adaptation and mitigation will also be included within this section. These documents will be identified as part of the Climate Change Study being prepared as part of this IRWMP update. Also to be included will be an enhanced discussion of the data, technical methods, and analyses used in selection of the water management strategies, and why this information was appropriate for selecting the strategies within the Region. Some of the data deficiencies stakeholders identified during the development of the 2008 Plan are documented within the IRWMP. Given the new Standards, the expanded scope of the technical analysis, and review of current planning documents, an updated report on deficiencies, priority for filling the gaps, and plan to address them will be provided in the Update.

Relation to Local Water Planning

The IRWMP currently meets the Local Water Use Planning Standard. However, in order for the Plan to meet the requirements the Climate Change Standard, the IRWMP will consider and incorporate the water management issues and climate change adaptation and mitigation strategies from local plans that will be discussed in the Climate Change Technical Study.

Relation to Local Land Use Planning

The IRWMP currently meets the Local Land Use Planning Standard. However, in order for the Plan to meet the requirements the Climate Change Standard, the IRWMP will include a discussion of the region's demonstrated information sharing and collaboration with regional land planning efforts being undertaken in order to manage multiple water demands throughout the state (as described in the California Water Plan 2009), adapt water management systems to climate change, and potentially offset climate change impacts to water supply in California. The climate change adaptation and mitigation strategies discussed in the Climate Change Technical Study that is being conducted as part of this IRWMP Update will be used to help with this update.

Stakeholder Involvement

As described in Sections 1.2.2 -1.2.4 above, and additionally in the RAP application, the IRWMP was developed and continues to operate via a broad public process focused on outreach through meetings, community events, direct emails, mailings, and face to face interaction to maintain Stakeholder involvement. Stakeholders, including DACs, were and continue to be able to directly interact with the IRWMP by adding projects to the list of Candidate Projects for implementation of the IRWMP.

Chapter 1 of the existing IRWMP, supplemented with the recent descriptive narrative of the Region provided in the RAP application, together meet the new standard for Stakeholder Involvement.

Coordination

Chapter 8 of the 2008 Plan, supplemented with the recent descriptive narrative of coordination provided in the RAP application together meet the majority of the new standard. In order to be complete however, the Coordination discussion must include: mention of CNRA's California Adaptation Strategy process and the RWMG's consideration of membership in the California Climate Action Registry (CCAR), <http://www.climateregistry.org/>.

The 2008 Plan will also be updated with the ongoing efforts from other adjacent planning regions. Despite the separate planning efforts, agencies and other Stakeholders from the Los Angeles County portion of the watershed regularly attend and provide input to meetings of the WCVV and Greater Los Angeles IRWMPs; likewise agencies and other Stakeholders from the Ventura County portion of the watershed have been invited to, have attended, and have provided input to meetings of the Upper Santa Clara River IRWMP. So, although no efforts are planned to join with any other IRWM region, all three IRWMPs are making an effort to be aware of each individual plan's content, goals, objectives, and processes.

The Upper Santa Clara River and WCVV IRWMP regions are currently cooperating on a number of programs and working together through our respective Stakeholder processes, planning efforts and projects and programs on which we are collaborating to ensure that the entire watershed is protected and managed appropriately, despite the division of the county boundary. These updates will be included in the IRWMP Update.

Climate Change

As part of this IRWMP Update, a climate change technical study is being commissioned to address the requirements of the new standard. Please see Work Task 2, Climate Change Technical Study, in Section 4 of this Work Plan.

Program Preferences and Statewide Priorities

When the Upper Santa Clara IRWMP group prepared the 2008 Plan, the purpose was to identify water-related regional issues and needs and to facilitate a regional approach to addressing them. The 2008 Plan used Proposition 50 Guidelines as a framework to inform what topics and issues the IRWMP Stakeholder group should evaluate. Since the 2008 Plan, Proposition 84 Guidelines have been released and these Guidelines differ in some substantial ways from the Proposition 50 Guidelines, including the Program Preferences and Statewide Priorities. The Upper Santa Clara IRWMP group intends to update the IRWMP as described earlier in Section 3.2. This section is intended to describe how the IRWMP update will address the Program Preferences and Statewide Priorities in Proposition 84.

Program Preferences

Include Regional Projects or Programs

The development of the 2008 Plan provided an ongoing forum in which the Stakeholders could collaborate and develop regional partnerships and programs. The intent is to also use the IRWMP Update as a forum to facilitate regional partnerships and regional solutions for regional issues.

Integrate Water Management Programs and Projects

As part of the IRWMP Update, Stakeholders will be asked to identify and consider a broad range of water management strategies. A broad and diverse Stakeholder group will be sought so as to insure a wide range of strategies are brought to the table. As was the case with the 2008 Plan, implementation priority will be given to those projects and strategies which can be combined to achieve multiple goals within a single implementation effort.

Resolve Significant Water-Related Conflicts

One of the primary benefits of an IRWMP plan is that it creates the institutional framework through which water related conflicts can be discussed and even resolved.

Various users of the Santa Clara River have been in dispute over acceptable levels of chloride salt in the river as well as acceptable methods to manage and reduce chloride levels. In the Upper Santa Clara River, the river gains chlorides through the application of imported water, the water treatment process, and the use of self-regenerating water softeners (now banned in the Santa Clarita Sanitation District service area). Users downstream include farmers growing strawberries, avocados, and nursery crops. Therein exists the conflict, a need to provide water and sanitary services to the upper watershed at a reasonable cost and a need to provide low-salt water to downstream agricultural users. Drought exacerbates the conflict, increasing the salt in the water supplies for the upper watershed and increased use of recycled water, while elevated chloride levels in recycled water discharged to the river.

The Salt and Nutrient Management Plan proposed as part of this IRWMP update will describe the fate and transport of salt and nutrient contributions from imported and recycled water, agriculture, industrial users, and other land applications and water use within the Santa Clara River Valley East Groundwater Basin. The Salt and Nutrient Management Plan will categorize salt and nutrient contributors and evaluate management practices and indicate where management improvements would benefit. The Salt and Nutrient Management Plan will identify measures to manage salt and nutrient loading within the groundwater basins.

Contribute to Attainment of CALFED Bay-Delta Program

The four CALFED Bay-Delta Program objectives can be summarized as follows:

1. Ecosystem Quality
2. Water Supply
3. Water Quality
4. Levee System Integrity

The Upper Santa Clara IRWMP region receives State Water Project water delivered through the Delta; actions within the Region could contribute to the success of CALFED Bay-Delta Program objectives. In the 2008 Plan, the Stakeholders made reduction in water demand one of the regional objectives. In the 2008 Plan Stakeholders sought a "ten percent overall reduction in projected urban water demand throughout the Region by 2030 through implementation of water conservation measures". Any reduction in water demand would reduce demand on imported water and contribute to the attainment of CALFED objectives.

Since the 2008 Plan, Senate Bill 7 of Extended Session 7 (SBx7-7) has been enacted, mandating that urban water suppliers reduce statewide water use (in gallons per capita per day) by 20 percent by 2020. The IRWMP Update provides the opportunity for the region as a whole to tackle enhanced water use efficiency.

Address Water Supply and Water Quality Needs of Disadvantaged Communities

During development of the 2008 Plan, no communities that met the strict State definition of a Disadvantaged Community (DAC) were identified. However, in the spirit of providing “a safe, clean, affordable, and sufficient water supply to meet the needs of California residents, farms, and businesses”, an outreach effort directed at DAC members was developed and a DAC Outreach Subcommittee was formed. The DAC Outreach subcommittee contacted DAC members through opinion surveys in areas where economically disadvantaged people were likely to seek services. These surveys did not identify any water quality or supply issues unique to DACs.

The IRWMP Update will be able to take advantage of 2010 Census information. It is hoped that the 2010 Census will make it easier to identify and coordinate with DACs and to identify and address potential water quality or water supply issues of these communities.

Effectively Integrate Water Management with Land Use Planning

The 2008 IRWMP had the benefit of participation from all land use planning entities within the Upper Santa Clara watershed: the City of Santa Clarita, the County of Los Angeles, and the Angeles National Forest. Information in the 2008 Plan, including the demographic data and the resultant water demand relied on planning documents that are now out of date. Since 2008 the *Santa Clarita Valley General Plan*, developed jointly by the City of Santa Clarita and the County of Los Angeles, has undergone significant revision. In addition, the Santa Clarita Valley 2010 UWMP update is being prepared. The IRWMP Update will incorporate the new planning data, new demographic data, and updated water demand projections.

Statewide Priorities

Drought Preparedness

The 2008 Plan focused on drought preparedness. Three of the five objectives selected by the Stakeholder group related to drought preparedness:

- o Reduce Water Demand - Implement technological, legislative and behavioral changes that will reduce use demands for water
- o Improve Operational Efficiency - Maximize water system operational flexibility and efficiency, including energy efficiency.
- o Increase Water Supply - Understand future regional demands and obtain necessary water supply sources.

The updated Plan will take another major step forward in drought preparedness through the incorporation of region specific climate change data. The Climate Change Technical Study will not only evaluate the Region’s vulnerability to climate change, but will develop adaptive strategies.

Use and Reuse Water More Efficiently

As described earlier, since preparation of the 2008 Plan, SBx7-7 has been enacted, mandating that urban water suppliers reduce statewide water use (in gallons per capita per day) by 20 percent by 2020. Methods of complying with SBx7-7 include enhanced water conservation, water use efficiency, and recycled water. The update of the IRWMP plan will provide a forum for the Region as a whole to address water use efficiency. Importantly, the IRWMP Update will also address another major element of SBx7-7, use of recycled water. In order to use recycled water in a manner protective of water quality, the Region must have a Salt and Nutrient Management Plan. A Salt and Nutrient Management Plan will be a requirement for using recycled water after year 2014. A Salt and Nutrient Management Plan will be undertaken as part of, and incorporated into, the IRWMP update.

Climate Change Response Actions

The IRWMP Update proposes a focused region-specific Climate Change Technical study. The Climate

Change Technical Study will identify vulnerability of the Region to climate change, evaluate potential climate change impacts, identify and evaluate potential adaptation strategies, and will make recommendations as to how to collect and utilize greenhouse gas emissions data within the IRWMP framework.

Further, the IRWMP Update also includes development of the basis of a Salt and Nutrient Management Plan in accordance with State's Recycled Water Policy, which requires every groundwater basin to develop a plan to identify measures to manage salt and nutrient loading. Additionally, increase water supply by means of recycled water use is another IRWMP objective. As the Salt and Nutrient Management Plan is a State requirement, and would result in the increase in use of recycled water, its development meets multiple objectives and Statewide priorities. The use of recycled water will not only facilitate sustainable local water supplies, but will also result in a reduction of greenhouse gases, a significant driver of climate change.

Expand Environmental Stewardship

The 2008 Plan identified five objectives, including the following:

- o Promote Resource Stewardship - Preserve and improve ecosystem health; improve flood management; and preserve and enhance water dependent recreation.

While included in the 2008 Plan, a need to improve implementation of this objective has been identified. As part of the IRWMP Update Stakeholders will be asked to identify new strategies to achieve all the Plan objectives, including resource stewardship.

Practice Integrated Flood Management

The IRWMP Update is intended to identify both existing and future issues related to water resources. The Climate Change Technical Study will greatly inform the description of future flood management conditions and needs. The Climate Change Technical Study will provide a means to consider uncertainty and risk not only for water management but specifically for flood management. Existing research on climate change suggests that one of the primary outcomes will be a shift in snowfall to rainfall and an increase in peak flood flows. The Climate Change Technical Study will identify flood vulnerabilities as well as adaptation strategies, including the potential for integrated flood management.

Protect Surface Water and Groundwater Quality

The Region will need to balance the sometimes competing objectives of developing new, local water supplies, with protection of surface water and groundwater quality. Nowhere is this more true than when an area is contemplating the production and use of recycled water. It is the intent of this Policy that salts and nutrients from all sources be managed on a basin-wide or watershed-wide basis in a manner that ensures attainment of water quality objectives and protection of beneficial uses. The State Water Board finds that the appropriate way to address salt and nutrient issues is through the development of regional or subregional salt and nutrient management plans rather than through imposing requirements solely on individual recycled water projects.

Improve Tribal Water and Natural Resources

The Santa Clarita Valley is within the historic range of the Tataviam Band of Mission Indians. The 2008 Plan solicited the input and participation from a broad Stakeholder group, including a specific solicitation to the Tataviam. Unfortunately, no tribal representatives participated in the 2008 Plan. The IRWMP Update will provide another opportunity for tribal participation.

Ensure Equitable Distribution of Benefits

The IRWMP Update will include processes to maximize access and participation by a broad range of Stakeholders. Input and participation will be sought throughout the IRWMP Update via letters, email, a

publicly accessible website, water agency mailers, and notices in local newspapers. Meetings and workshops were, and will continue to be, held at a time to allow maximize Stakeholder and public involvement. Participation of the Stakeholders will ensure that all the various water users (DACs, tribes, municipal, agricultural, environmental) are represented. This will also ensure that benefits are shared and potential impacts do not unduly fall on one particular group.

EXHIBIT B
PROJECT BUDGET

SUMMARY BUDGET TABLE						
Upper Santa Clara River IRWMP 2010 Update, Proposition 84 Planning Grant						
Task No.	Description	Non-State Share (Funding Match)	Requested Grant Funding (DWR Grant Amount)	Other State Funds Being Used	Total	% Funding Match
Task 1	GRANT ADMINISTRATION	\$6,250	\$18,750	\$0	\$25,000	25%
Task 2	CLIMATE CHANGE TECHNICAL STUDY	\$25,750	\$77,250	\$0	\$103,000	25%
Task 3	SALT AND NUTRIENT MANAGEMENT PLAN	\$41,250	\$123,750	\$0	\$165,000	25%
Task 4	USCR IRWMP UPDATE	\$15,500	\$46,500	\$0	\$62,000	25%
	Grand Total	\$88,750	\$266,250	\$0	\$355,000	25%

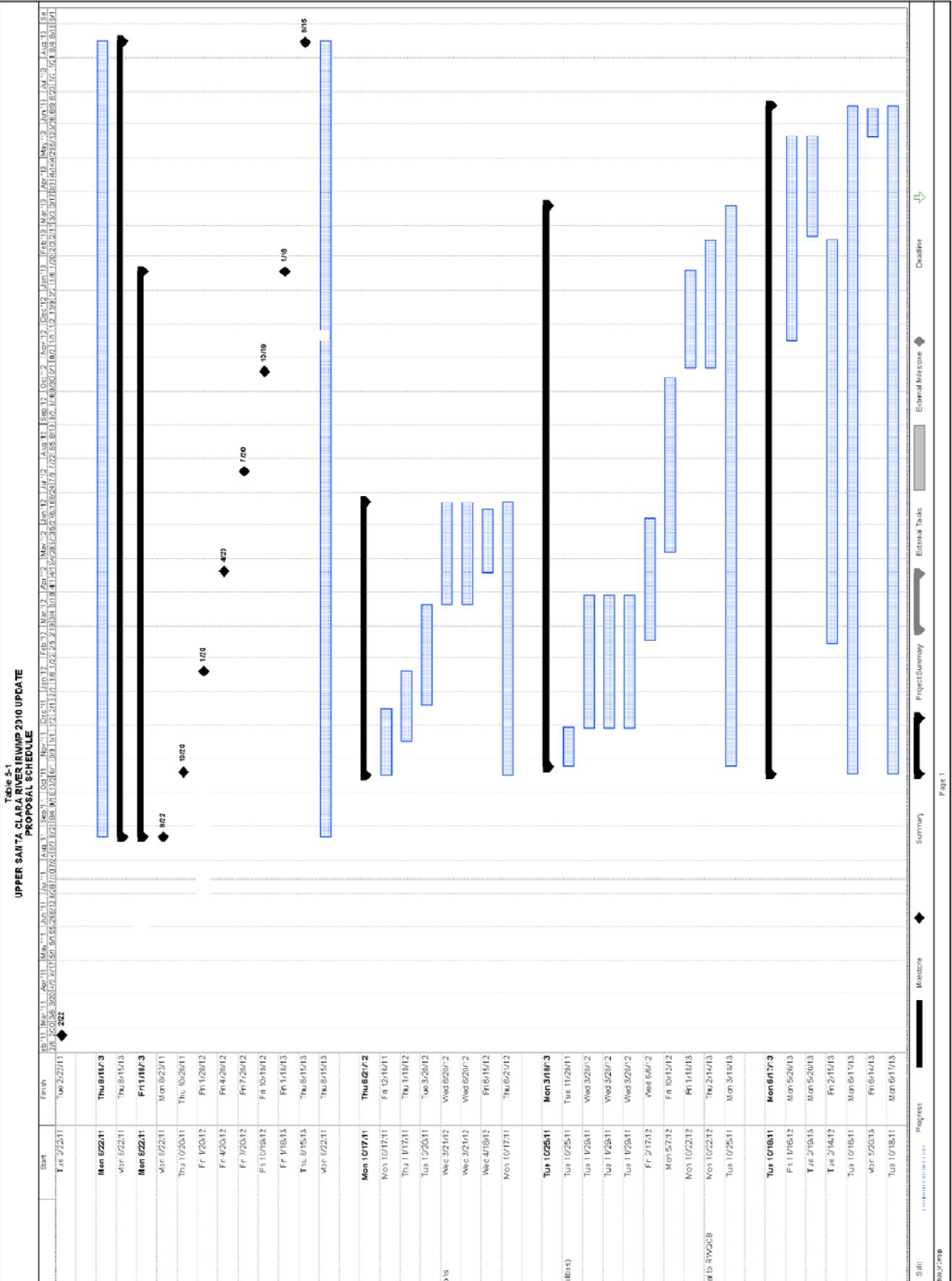
DWR will reimburse the grantee for costs incurred after the Grant Agreement is executed, using the concurrent drawdown by task method, plus retention. That is, if there is grantee cost match and DWR grant share associated with a task, then grant funds and local match dollars will be expended simultaneously in accordance with the percentage (proportion) of funds coming from local costs and grant funds shown in the Budget.

Example: A Grantee submits Invoice 1 that includes costs for Task 2 of a grant agreement; and Task 2 is split as local cost share of 25% and grant share as 75% for a total of 100%. If the grantee submits an invoice for \$100, then \$25 would be drawn down from the local cost match, and \$75 would be reimbursed from the grant share (minus the 10% retention of 7.50 cents). The total Invoice 1 reimbursement for the grantee would be \$67.50.

If the grantee submits invoices for allowable match costs for the period between September 30, 2008 and prior to initiation of the grant agreement, those costs at DWRs discretion, will be directly deducted from the grantees cost share [refer to Section V(L) on page 28 of the DWR IRWM Guidelines].

The 10 percent retention withheld by DWR on each invoice, by task, will be released to the grantee upon: 1) DWRs receipt of a request for release of retention, and 2) confirmation by DWR that all deliverables shown in Exhibit A have been received.

EXHIBIT C
PROJECT SCHEDULE



**Exhibit D
Standard Conditions**

D.1 ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- a) **SEPARATE ACCOUNTING OF GRANT DISBURSEMENT AND INTEREST RECORDS:** Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee 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) **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **REMITTANCE OF UNEXPENDED FUNDS:** Grantee, within a period of sixty (60) calendar days from the final disbursement from State to Grantee of grant funds, shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not needed to pay Eligible Project Costs.

D.2 ACKNOWLEDGEMENT OF CREDIT: Grantee 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 Grant Agreement.

D.3 AMENDMENT: No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.

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

D.5 AUDITS: State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may take any action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the parties shall be subject to the examination and audit of State for a period of three years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion.

D.6 BUDGET CONTINGENCY: LIMIT ON STATE FUNDS. Pursuant to the California Disaster Preparedness and Flood Prevention Bond Act of 2006 and the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 and subject to the availability of

funds, including any mandates from the Department of Finance, the Pooled Money Investment Board ("PMIB") or any other state authority, the State will not make payments of any kind -- advances or reimbursements -- until funding is made available by the State Treasurer, after allocation decisions are made by the Pooled Money Investment Board and Department of Finance.

- D.7 CHILD SUPPORT COMPLIANCE ACT:** For any Grant Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a) The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b) The contractor, 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.8 COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.
- D.9 COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.10 CONFLICT OF INTEREST**
- 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 Employee:** 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.
- D.11 DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.12 DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail.

Any claim that Grantee may have regarding the performance of this Grant Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30) calendar days of Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to the Grant Agreement to implement the terms of any such resolution.

D.13 DRUG-FREE WORKPLACE CERTIFICATION

Certification of Compliance: By signing this Grant Agreement, Grantee, 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 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(a).
- b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors, or subcontractors about all of the following:
 1. The dangers of drug abuse in the workplace,
 2. Grantee's policy of maintaining a drug-free workplace,
 3. Any available counseling, rehabilitation, and employee assistance programs, and
 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide as required by Government Code Sections 8355(c), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 1. Will receive a copy of Grantee's drug-free policy statement, and
 2. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.14 FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of a construction project and as determined by State, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement and to the State's satisfaction.

D.15 FUNDING RECIPIENT COMMITMENTS: Funding Recipient accepts and agrees to comply with all terms, provisions, conditions, and 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 California Disaster Preparedness and Flood Prevention Bond Act of 2006 and the California Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 financing.

D.16 GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.17 INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Grant Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Grant Agreement.

- D.18 INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantee, if any, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.19 INSPECTIONS:** State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any local project sponsor, subagreements, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State. Grantee acknowledges that the Project work site will be reportable under the Public Records Act (California Government Code Section 6250 *et seq.*). State shall have the right to inspect the Grantee's office at any and all reasonable times after completion of the project to ensure compliance with the terms and conditions of this Grant Agreement. During regular office hours, State shall have the right to inspect and to make copies of any books, records, or reports of the Grantee relating to this Grant Agreement. Grantee shall maintain and shall make available at all times for such inspection accurate records of its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.20 NONDISCRIMINATION:** During the performance of this Grant Agreement, Grantee and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Grant Agreement.
- D.21 NO THIRD PARTY RIGHTS:** The parties to this Grant Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
- D.22 OPINIONS AND DETERMINATIONS:** The parties agree that review or approval of any IRWM Program applications, documents, permits, plans and specifications or other program information by the State is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the IRWM Program.
- D.23 PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing its obligations under this Grant Agreement. Grantee shall comply with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) and other applicable federal, State, and local laws, rules, and regulations, guidelines, and requirements prior to disbursement of funds under this Grant Agreement.

Without limiting the foregoing, Funding Recipient shall keep informed of and take all measures necessary to ensure compliance with California Labor Code requirements, including but not

limited to Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5), and payment of prevailing wages for work done under this Funding Agreement. Pursuant to the provisions of Prop. 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Cal. Pub. Res. Code § 75076 *et seq.*, the Funding Recipient must have a labor compliance program that meets the requirements of California Labor Code Section 1771.5

- D.24 PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** Grantee and Local Project Sponsors 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 IRWM Program without prior permission of State. Grantee and Local Project Sponsors shall not take any action concerning the performance of this Grant Agreement, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Grant Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property acquired through this Grant Agreement be remitted to State.
- D.25 REMEDIES, COSTS, AND ATTORNEY FEES:** The Grantee agrees that any remedy provided in this Grant Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of breach of this Grant Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Grant Agreement by the State shall not preclude the State from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Grant Agreement, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.
- D.26 RETENTION:** Notwithstanding any other provision of this Grant Agreement, the State shall retain up to ten percent (10%) of the grant amount specified in this Grant Agreement until completion of the Project and is accepted by the State.
- D.27 RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Grant Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
- D.28 SEVERABILITY of UNENFORCEABLE PROVISION:** If any provision of this Grant Agreement is held invalid or unenforceable by a court of final jurisdiction, all other provisions of this Grant Agreement shall be construed to remain fully valid, enforceable, and binding on the parties.
- D.29 STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State and the State against any loss or liability arising out of any claim or action brought against the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with:

- a) The Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof;
- b) Performing any of the terms contained in this Grant Agreement or any related document;
- c) Any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or
- d) Any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Grant Agreement.

Grantee agrees to pay and discharge any judgment or award entered or made against the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of the Grant Agreement.

- D.30 SUCCESSORS AND ASSIGNS:** This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee 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.31 TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the State, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement within a reasonable time as established by the State. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.
- D.32 TIMELINESS:** Time is of the essence in this Grant Agreement.
- D.33 TRAVEL:** Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement. Travel will be reimbursed at or below the rate allowed for unrepresented State employees. These rates are published at: <http://www.dpa.ca.gov/personnel-policies/travel/main.htm> or its successor website. For the purpose of computing such expenses, Grantee's designated headquarters shall be: **Castaic Lake Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, California 91350**. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.
- D.34 UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
- D.35 WAIVER OF RIGHTS:** None of the provisions of this Grant 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 Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant 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.

- D.36 WITHHOLDING OF GRANT DISBURSEMENTS:** The State may withhold all or any portion of the grant funds provided for by this Grant Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Grant Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project.

EXHIBIT E
REPORT FORMAT AND REQUIREMENTS

PROGRESS REPORTS

Grantee shall use the following outline as a template for Progress Reports. Grantee shall submit progress reports on a regular, consistent basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed a quarter in length.

E.1 Executive Summary

Provide a brief summary of project status for the period covered by the Progress Report.

E.2 Report Status

- a) Describe work performed during the reporting period (include total % of Task completion to date, i.e., Task 1: 60% complete, Task 2: No progress, etc.)
- b) Describe major accomplishments, such as:
 - i) Tasks completed
 - ii) Milestones met
 - iii) Meetings held or attended
 - iv) Press release, etc.
 - v) Data delivered or information gained
- c) Discuss any issues or concerns that may affect the schedule or budget and include recommendations on how to correct the matter(s).
- d) Discuss activities planned for the next reporting period
 - i) A description of work to be performed in the next reporting period
 - ii) Issues/concerns that may affect the schedule or budget in the future and how the matter(s) will be addressed

E.3 Cost Information

- a) Identify costs incurred during the reporting period by Grantee and each subcontractor working on the project. Include hours per task worked on during the reporting period for above personnel.
- b) Discuss how the actual budget is progressing in comparison to the latest Project Budget.
- c) Provide a revised budget, by task, if changed from the latest Project Budget.

E.4 Schedule Information

- a) Provide a project schedule showing actual progress versus planned progress from the latest Schedule.
- b) Discuss how the actual schedule is progressing in comparison to the latest Project Schedule.
- c) Provide a revised schedule, by task, if changed from the latest Project Schedule.

FINAL REPORT

Grantee shall prepare and submit to State, on completion of the project, an original, two hard copies and one copy in electronic format of the Final Project Report, which shall include at a minimum:

- Executive Summary;

- Comparison of the actual work performed with tasks in the **Exhibit A**, Project Work Plan, with an explanation of the differences.
- Discussion of major problems that occurred in meeting the project goals and objectives as proposed and how and if they were resolved.
- Detailed description and analysis of project results and benefits attained or goals achieved.
- A summary of the costs incurred and disposition of funds be disbursed, including a table showing actual costs versus the costs in the **Exhibit B**, Project Budget, by task with an explanation of the differences.

The Final Project Report shall also include all final deliverables as described in **Exhibit A**, Project Work Plan.

ELECTRONIC REPORTING

Grantee agrees that work funded under this Agreement will be provided in an electronic format to State. Electronic submittal of final reports, plans, studies, data, and other work performed under this grant shall be as follows:

- Text preferably in MS WORD and also text PDF format.
- Files named so that the public can determine their content. For example, file naming of reports must have the title and, if subdivided into smaller sized files, the chapter number/letter and names in the report Table of Content (TOC); files of maps, figures, and tables by number/letter as referenced in the TOC; well logs files with DWR required naming convention; and appendix number/letter as named in the TOC.

**EXHIBIT F
GRANTEE RESOLUTION**

RESOLUTION NO. 2753

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE
WATER AGENCY GRANTING THE GENERAL MANAGER
THE AUTHORITY TO APPLY FOR AN INTEGRATED REGIONAL WATER
MANAGEMENT PLANNING GRANT AND TO EXECUTE A GRANT AGREEMENT
WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

WHEREAS, the Castaic Lake Water Agency, City of Santa Clarita, Los Angeles County Flood Control District, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, Newhall County Water District, Santa Clarita Valley Sanitation District of Los Angeles County, Santa Clarita Water Division of CLWA, and Valencia Water Company, have established a Regional Water Management Group in accordance the *Integrated Regional Water Management Planning Act of 2002*; and

WHEREAS, the State of California provides grant funds for the integrated regional water management pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84); and

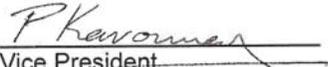
WHEREAS, this grant program is administered by the Department of Water Resources; and

WHEREAS, the Department of Water Resources requires the grant applicant to designate, by Resolution, an authorized representative for filing the grant application and executing the Grant Agreement; and

WHEREAS, the Castaic Lake Water Agency was authorized, designated and requested by the Regional Water Management Group of the Upper Santa Clara River Watershed Integrated Regional Water Management Plan to prepare and apply on their behalf for a Round One Planning Grant under Proposition 84.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors, the governing body of the Castaic Lake Water Agency, resolves and orders as follows:

- 1) The General Manager is authorized and directed to file an application with Department of Water Resources to obtain an Integrated Regional Water Management Planning Grant pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code [PRC] Section 75001 *et seq.*).
- 2) The General Manager is authorized and directed to enter into and execute an agreement with the Department of Water Resources to receive a grant for updating the Upper Santa Clara River Integrated Regional Water Management Plan to be compliant with Proposition 84 Guideline standards; including the development of the climate change assessment and salt and nutrient management plan planning efforts.


Vice President

I, the undersigned, hereby certify I am the duly appointed and acting Secretary of the Castaic Lake Water Agency and at a regular meeting of the Board of Directors of said Agency held on Wednesday, September 22, 2010, the foregoing Resolution No. 2753 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and it is now in full force and effect.

DATED: September 22, 2010


April Jacobs, Secretary

EXHIBIT G
GUIDELINES FOR GRANTEES AND BORROWERS

The lists below details the documents/records that State Auditors would need to review in the event of a grant or loan being audited. Grantees and borrowers 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 grant or loan funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a. Receipts and deposits
 - b. Disbursements
 - c. State reimbursement requests
 - d. Grant or loan expenditure tracking
 - e. Guidelines, policy, and procedures on grant or loan 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 grant or loan funded Program/Project.

Grants or Loans:

1. Original grant or loan agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants or loans 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 grant or loan funded Program/Project.

Invoices:

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

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 grants or loans..
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for or loan 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 grant or loan 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 grant or loan 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 grant or loan related correspondence.

**Exhibit H
Statewide Monitoring**

REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

Ambient surface water and groundwater quality monitoring data (may include chemical, physical, or biological data) shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit E.

Surface water quality monitoring data shall be submitted to the Surface Water Ambient Monitoring Program (SWAMP), which is administered by the State Water Resources Control Board (SWRCB).

SWAMP comparable electronic format shall be followed. SWAMP data formats and templates can be accessed at:

<http://swamp.mpsl.mlml.calstate.edu/resources-and-downloads/database-management-systems/swamp-25-database>

Groundwater quality monitoring data shall be submitted to the State through the SWRCB Groundwater Ambient Monitoring and Assessment (GAMA) Program. If a project work plan contains a groundwater ambient monitoring element, the Grantee shall contact the SWRCB GAMA Program for guidance on the submittal of ambient groundwater data. Information on the SWRCB GAMA Program can be obtained at:

http://www.waterboards.ca.gov/water_issues/programs/gama/

Prior to the Grantee implementing any sampling or monitoring activities, State must be notified in writing as the planned procedure for submittal of groundwater data to GAMA.