

STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AGREEMENT NUMBER: 4600012946

FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES
AND
LAKE COUNTY WATERSHED PROTECTION DISTRICT

FOR THE
**MIDDLE CREEK FLOOD DAMAGE REDUCTION AND ECOSYSTEM
RESTORATION PROJECT**

A PART OF THE FLOOD CORRIDOR PROGRAM

UNDER PROPOSITION 13, THE SAFE DRINKING WATER, CLEAN WATER,
WATERSHED PROTECTION, AND FLOOD PROTECTION ACT, AND
PROPOSITION 1E, THE DISASTER PREPAREDNESS AND FLOOD PREVENTION
BOND ACT OF 2006, AND
PROPOSITION 84 SAFE DRINKING WATER, WATER QUALITY AND SUPPLY,
FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006

**STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND THE
LAKE COUNTY WATERSHED PROTECTION DISTRICT
UNDER THE FLOOD CORRIDOR PROGRAM**

THIS AGREEMENT is entered into by and between the Department of Water Resources of the State of California (hereinafter called the State), and the Lake County Watershed Protection District (hereinafter called the Grantee) for the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project (Project).

The State and the Grantee agree as follows:

SECTION 1 PURPOSE OF AGREEMENT

This Agreement is made by and between the State and the Grantee to assist in financing a Flood Protection Project pursuant to the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, (Wat. Code, § 79035 et seq.) (Proposition 13), the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Pub. Resources Code, § 5096.800 et seq.) (Proposition 1E), and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Pub. Resources Code, § 75001 et seq.) (Proposition 84) (collectively "Bond Programs").

This Agreement continues the management and administration of funds granted under Agreement No. 4600003318 and subsequent amendments. Grant funds may be used only as provided in this Agreement for such Eligible Project Costs as set forth in the Project description and Budget, copies of which are incorporated herein by this reference and set forth in Exhibit B, Project Location, Exhibit C, Scope of Work, and Exhibit D, Budget, which describes costs associated with the scope of work under this Agreement.

SECTION 2 TERM OF AGREEMENT

The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by March 31, 2022, and no funds may be requested after December 31, 2022. The date of execution shall be the last date of the required signatures of the parties to the Agreement. Certain activities specified in this Agreement, such as maintenance responsibilities of the Grantee, have a different term which continue through the useful life of the Project and require annual reporting for five years after Project completion.

SECTION 3 PROJECT COSTS

The Total Project Costs (identified in Exhibit D) are estimated to be \$27,954,000.

SECTION 4 STATE GRANT AND DIRECT EXPENDITURE

Pursuant to the Bond Programs , and subject to the availability of funds, including any mandates from the Department of Finance, the Pooled Money Investment Board, or any other State authority, the State will reimburse the Grantee, in accordance with the terms of this Agreement, an amount equal to the Grantee's eligible expenditures for this Project not to exceed \$27,714,000, as the State Share. The State Share includes \$12,714,000 paid to the Grantee under Agreement 4600003318 for eligible Project costs. Hence, the remaining State Share is \$15,000,000 as identified in Exhibit D, Budget and made available through Direct Expenditure of Proposition 84 and 1E funds to the Project. 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.

SECTION 6 INCORPORATION OF STANDARD TERMS AND GRANTEE COMMITMENTS

In addition to Exhibits B, C, D, and E this Agreement by this reference incorporates Exhibit A, Standard Terms, Exhibit G, Planned Maintenance Activities and Exhibit F, Information Needed for Escrow Processing and Closure. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations and statements made by the Grantee in the Application, documents and amendments filed in support of its request for financing.

SECTION 7 METHOD OF PAYMENT

The Grantee shall submit invoices on a quarterly basis for eligible non-capital costs and on an as-needed basis for capital costs. Except for property acquisition payments, all payments will be made to the Grantee. Payments will be made upon receipt of an original invoice and three copies by the State of California, Department of Water Resources, 3464 El Camino Avenue, Room 200, Sacramento, CA 95821, to the attention of Kevin Pond, Project Manager for the State. Invoices should include SAP contract number and work plan element identification. For real property acquisition payments, funds will be made payable to the title company and deposited directly into escrow.

The Grantee shall meet all conditions for disbursement of money under this Agreement, including the provisions of the Conditions for Disbursement which is located in Exhibit A. Failure by Grantee to comply may, at the option of the State, result in termination of the Agreement.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing

for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of Grant or Direct Expenditure funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Exhibit A, Paragraph 5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

SECTION 8 PROGRESS REPORTS AND STATEMENT OF COSTS

The Grantee shall submit quarterly progress reports, starting with the end of the first complete calendar quarter after date of execution, describing the status of the Project and containing a Statement of Costs to the State. The submittal and approval by the State of these reports is a requirement for continued disbursement of State Grant and Direct Expenditure funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the Project schedule, and provide a comparison of costs to date compared to the approved scope of work and Project budget. Additionally, if the Grantee is aware of any anticipated problems, obstacles, or issues that could affect the project budget, schedule, or scope of work, they should be discussed in the progress reports.

SECTION 9 FINAL REPORTS

Upon project completion or termination, the Grantee shall submit a Final Report describing project activities and a report of expenditures (Final Financial Report) for the State's review and comment. The Final Report and Final Financial Report shall both be submitted within sixty (60) days of the Project completion or termination. The Final Report shall describe the results of the Project's activities, include photographs of pre-project conditions, and photographs of the work completed. The Grantee shall also submit a Post-Completion Annual Report of Maintenance Activities annually for five years following completion of the project, with the first report due 12 months after the project completion date.

For any construction activity undertaken pursuant to and funded by this agreement, upon completion of the project the Grantee shall provide for a final inspection and a written certification by a California Registered Civil Engineer that the Project has been completed in accordance with final plans and specifications and any modifications thereto. Such certification shall be submitted to the State with a copy of the final report of project expenditures required in the paragraph below. The Grantee shall keep on file, for the useful life of the project, as built plans and specifications for the project. Such documents shall be made available for inspection by the State upon reasonable notice.

The Final Financial Report documenting total project expenditures shall be submitted by the Grantee at the same time as the Final Report.

SECTION 10 RELATIONSHIPS OF PARTIES

The Grantee, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Agreement shall act in an independent capacity and not as officers, employees, or agents of the State. Grantee is solely responsible for planning, design, construction, maintenance, and operation of the activity undertaken pursuant to and funded by this agreement. Any review or approval by the State is solely for proper administration of State funding and shall not be deemed to relieve or restrict Grantee's responsibility for its work.

SECTION 11 DEFAULT PROVISIONS

Grantee will be in default under this Funding Agreement if any of the following occur:

- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations;
- B. Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain this Funding Agreement;
- C. Failure to operate or maintain project in accordance with this Funding Agreement.
- D. Failure to make any remittance required by this Funding Agreement.
- E. Failure to submit timely progress reports.
- F. Failure to routinely invoice State.

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

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

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

SECTION 12 PROJECT OFFICIALS AND NOTICES

The State's Program Manager shall be the Chief, Division of Flood Management, Department of Water Resources. The State's Program Manager shall be the State's representative and shall have the authority to make determinations and findings with

respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under the Funding Agreement. The State's Program Manager may delegate any task to the State's Project Manager.

The Grantee Project Manager shall be Kevin Pond. The Grantee Project Manager shall be the Grantee's representative for the administration of the Agreement and shall have full authority to act on behalf of the Grantee, including authority to execute all payment requests. All communications given to the Project Manager shall be as binding as if given to the Grantee.

Either party may change its representative upon written notice to the other party. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing to the Project Manager.

Notices required to be given to the State in writing by the Grantee under this Agreement shall be sent to:

Kevin Pond
State of California
Department of Water Resources
DIRWM – Northern Region Office
Flood and Watershed Engineering Section
2440 Main Street
Red Bluff, CA 96080

Notices required to be given to the Grantee in writing by the State under this Agreement shall be sent to:

David Cowan, Director
Lake County Watershed Protection District
County of Lake
255 North Forbes Street
Lakeport, CA 95453

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

Notices may be sent by any of the following means: delivery in person, by certified U.S. Mail, postage prepaid, by "overnight" delivery service or, electronic transmission followed by submittal of a hard copy.

SECTION 13 MAINTENANCE OF PROPERTY OWNED IN FEE

Within their respective ownership of land rights, the Grantee agrees to use, manage, and maintain the property acquired, developed, rehabilitated or restored with the grant funds provided in this Agreement consistent with the purposes of the program. Specific maintenance activities are outlined in Exhibit G (attached) and by this reference

incorporated herein. The Grantee or its successors may, with the approval of the State, transfer this responsibility to use, manage, and maintain the property acquired as discussed in Exhibit A, Standard Terms: Easements. Such title transfer will occur in a way that binds the new owner to the same obligations.

SECTION 14 MAINTENANCE ENDOWMENT

- A. **TITLE OF ENDOWMENT.** There is hereby established within the Grantee an endowment designated the MA 17 Maintenance Trust Fund (hereinafter referred to as the "Endowment") to receive contributions in the form of money and to administer the same.
- B. **PURPOSE.** The purpose of the fund shall be to pay for maintenance of the properties acquired pursuant to this Agreement as specified in the Grantee's Maintenance Plan,
- C. **FUNDING.** The State shall provide an amount equivalent to 20 percent of the purchase price of each property acquired of the sites described in Exhibit B pursuant to this Agreement for deposit in the Endowment at the time of each property purchase, until the total amount of grant and direct expenditure funds provided for in this agreement have been expended.
- D. **INVESTMENT OF FUNDS.** The Grantee shall have all powers necessary or in its sole discretion desirable to carry out the purposes of the Endowment, including, but not limited to, the power to commingle the assets of the Endowment with those of other funds for investment purposes.
- E. **COSTS OF THE FUND.** It is understood and agreed that the Endowment shall share a fair portion of the total investment and administrative costs of the Grantee. Those costs annually charged against the Endowment shall be determined in accordance with the then current fee schedule identified by the Grantee as applicable to funds of this type. Those funds shall be invested in accordance with the Grantee's current investment policy which will comply with the California Uniform Prudent Investor Act.
- F. **NOT A SEPARATE TRUST.** The Endowment shall be a component part of the Grantee. All money and property in the Endowment shall be held as general assets of the Grantee and not segregated as trust property of a separate trust. The use of said funds shall be restricted in accordance with Paragraph B above.
- G. **DISTRIBUTION.** The annual earnings allocable to the Endowment, net of the fees and expenses set forth in Paragraph E above, shall be committed, granted or expended solely for the purposes described in Paragraph B above. If the annual return of the Endowment is not sufficient to fund the committed obligations of the fund, the Grantee may prioritize tasks that can be funded with the available funds and/or supplement the fund with financial resources from other sources.
- H. **ADMINISTRATIVE PROVISIONS.** Notwithstanding anything herein to the contrary, the Grantee shall hold the Endowment, and all contributions to and earnings of the Endowment, subject to the provisions of the California laws and the regulations and

approvals that led to the establishment of the Grantee. The Grantee's board shall monitor the distribution of the Endowment.

SECTION 15 PROPERTY RIGHTS ACQUISITIONS

The Grantee is coordinating the acquisition of real property rights (Exhibit B attached hereto) for the protection, restoration, and enhancement of the flood corridor by combining an effective and low-cost means of flood control protection with the preservation and enhancement of natural environmental values. The acquisition of any real property interest in these properties with State funds must comply with the following:

- A. The Grantee must provide escrow documents and information listed in Exhibit F, Information Needed for Escrow Processing and Closure, including a preliminary title report, vesting documents, and a fully conformed appraisal report to the State. Appraisals must be prepared and signed by a qualified general appraiser, who is licensed by the California Department of Real Estate Appraisers and demonstrates compliance with the Uniform Standards for Professional Appraisal Practices. Any and all appraisal reports shall be submitted to the State for approval prior to disbursement of funds for the acquisition. For low value property interests, the State, in its sole discretion, may waive any of the foregoing submittal requirements.
- B. The property rights shall be acquired from a willing seller as promulgated in Water Code Section 79037(b)(4), and in compliance with current laws governing acquisition of properties by public agencies.
- C. The Grantee shall provide sufficient notice to adjacent landowners and other members of the public to enable public input on interests that may be affected by the acquisition and changes in land use.
- D. The Grantee shall use, manage, and maintain the property in a manner consistent with the purpose of the acquisition until the State determines that maintenance is no longer necessary. The Grantee further assumes all management and maintenance costs associated with the acquisition, including the costs of ordinary repairs and replacements of a recurring nature, and costs of enforcement of regulations. The State shall not be liable for any cost of such management or maintenance. The Grantee will, prior to the acquisition of the property identified in Exhibit B - Project Location, develop a monitoring and maintenance plan and determine who will be responsible for it and submit it to the State for approval.
- E. The Grantee shall disclose all riparian water rights that it is aware of that would be affected by a real property acquisition and propose appropriate treatment of such rights.
- F. Funds provided by the State for real property acquisitions shall be deposited by the State with an escrow holder acceptable to the State and with escrow instructions regarding funding and disbursement to be approved by the State when State funds are available. When funds are not available from the State at the time of escrow, the Grantee may purchase property from documented willing sellers in the project area at their own expense, in which case, the State will directly reimburse the Grantee in arrears at the State's

discretion provided all other State requirements are met including, but not limited to a property appraisal approved by the State. If the State provides funds with an escrow holder and escrow does not close by the date set forth in the State's escrow instructions, or such other date as may be agreed to in writing by the parties, the funds provided by the State shall be returned to the State.

- G. The Grantee shall supply a copy of any recorded vesting documents to the State after close of escrow.
- H. Interim financial reports documenting incurred eligible costs shall be submitted by the Grantee within 60 days of completion of the acquisition of real property.

SECTION 16 STANDARD PROVISIONS AND INTEGRATION

This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

Exhibit A – Standard Terms

Exhibit B – Project Location

Exhibit C – Scope of Work

Exhibit D – Budget

Exhibit E – Project Schedule

Exhibit F – Information Needed for Escrow Processing and Closure

Exhibit G – Property Maintenance Plan

IN WITNESS HEREOF, the following authorized representatives have executed this Agreement as of the date first above written and approved as to Legal form and sufficiency.

**GRANTEE
THE COUNTY OF LAKE**

By:

David Cowan, Director
Lake County Watershed Protection District

Date: _____

**STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES**

By:

Jon Erickson, Chief
Division of Flood Management

Date: _____

Approved as to Legal Form and Sufficiency

By:

Robin E. Brewer, Assistant Chief Counsel

Date: _____

Exhibit A
STANDARD TERMS

A.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- A. Separate Accounting of Funding Disbursements: Grantee shall account for the money disbursed pursuant to this Funding 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 and disbursements 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. Disposition of Money Disbursed: All money disbursed pursuant to this Funding Agreement shall be deposited in a non-interest-bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. Remittance of Unexpended Funds: Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

A.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

A.3. AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request.

A.4. AMERICANS WITH DISABILITIES ACT: By signing this Funding 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.

A.5. AUDITS: State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, 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 Funding Agreement, and State may elect to pursue any remedies provided in Section 11 or take any other action it deems necessary to protect its interests.

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

- A.6. **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Funding Agreement and Grantee shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State or offer a Funding Agreement amendment to Grantee to reflect the reduced amount.
- A.7. **CALIFORNIA CONSERVATION CORPS:** Grantee may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- A.8. **CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Section 11.
- A.9. **CHILD SUPPORT COMPLIANCE ACT:** The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- A.10. **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- A.11. **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall

comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <http://www.dgs.ca.gov/ols/Resources/StateContractManual.aspx>.

- A.12. **COMPUTER SOFTWARE:** 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 Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- A.13. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. **Employees and Consultants to the Grantee:** Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- A.14. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** Grantee agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- A.15. **DISPOSITION OF EQUIPMENT:** Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of

Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.

- A.16. **DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance:** By signing this Funding 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 (Gov. 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.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Grantee's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i. Will receive a copy of Grantee's drug-free policy statement, and
 - ii. Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.
- A.17. **EASEMENTS:** Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.
- A. Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
 - B. Failure to provide an easement acceptable to the State may result in termination of this Agreement.
- A.18. **FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER:** Upon completion of the Project, 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 Funding Agreement.

- A.19. **GRANTEE'S RESPONSIBILITIES:** Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit C (Work Plan) and in accordance with Project Exhibit D (Budget) and Exhibit E (Schedule).
 - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, and amendments filed in support of its request for funding.
 - C. Comply with all applicable California, federal, and local laws and regulations.
 - D. Implement the Project in accordance with applicable provisions of the law.
 - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
 - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Grantee shall provide copies of permits and approvals to State.
 - G. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Agreement.
 - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- A.20. **GOVERNING LAW:** This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- A.21. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.
- A.22. **INDEMNIFICATION:** Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

- A.23. **INDEPENDENT CAPACITY:** Grantee, and the agents and employees of Grantees, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- A.24. **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- A.25. **INSPECTIONS OF PROJECT BY STATE:** State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- A.26. **LABOR CODE COMPLIANCE:** The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- A.27. **MODIFICATION OF OVERALL WORK PLAN:** At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibit A which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- A.28. **NONDISCRIMINATION:** During the performance of this Funding Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov.

Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

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

- A.29. **OPINIONS AND DETERMINATIONS:** Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- A.30. **PERFORMANCE BOND:** Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- A.31. **PRIORITY HIRING CONSIDERATIONS:** If this Funding Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- A.32. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- A.33. **PROJECT ACCESS:** The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- A.34. **REMAINING BALANCE:** In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed, and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- A.35. **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- A.36. **RETENTION:** Except for funds deposited into a State-approved escrow account, the State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is

approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.

- A.37. **RIGHTS IN DATA:** 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 Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. 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. The State shall have the right to use any data described in this paragraph for any public purpose.
- A.38. **SEVERABILITY:** Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- A.39. **SUSPENSION OF PAYMENTS:** This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
 - A. Grantee, its contractors, or subcontractors have made a false certification, or
 - B. Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- A.40. **SUCCESSORS AND ASSIGNS:** This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the 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.
- A.41. **TERMINATION BY GRANTEE:** Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- A.42. **TERMINATION FOR CAUSE:** Subject to the right to cure under Section 11, the State may terminate this Funding Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Section 11.
- A.43. **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- A.44. **THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- A.45. **TIMELINESS:** Time is of the essence in this Funding Agreement.
- A.46. **TRAVEL:** Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts

that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

- A.47. UNION ORGANIZING: Grantee, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Grantee, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - B. Grantee shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- A.48. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- A.49. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

MIDDLE CREEK FLOOD DAMAGE REDUCTION
AND ECOSYSTEM RESTORATION PROJECT
FLOOD PROTECTION CORRIDOR PROGRAM
ACQUISITION STATUS - APRIL 1, 2017

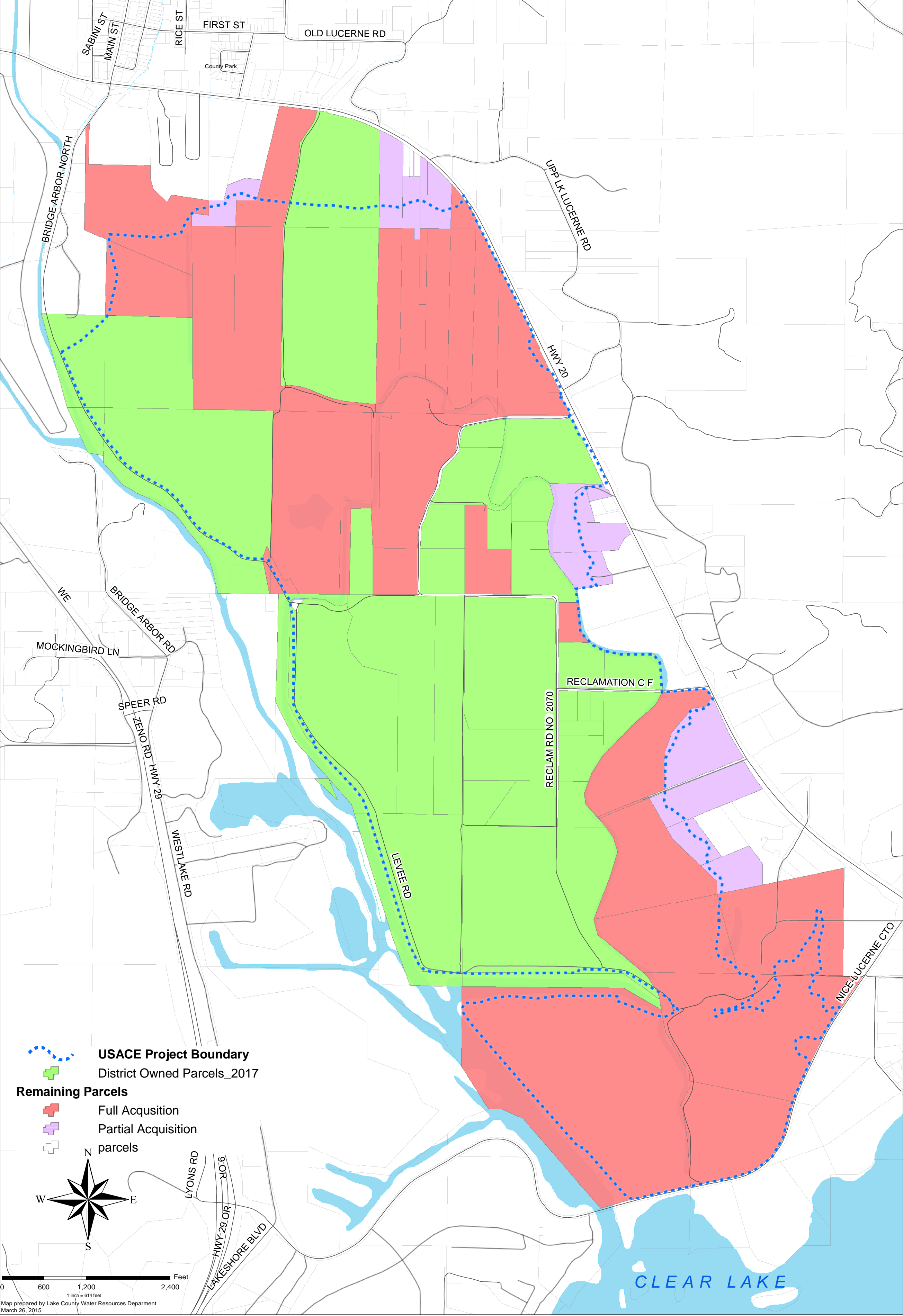


EXHIBIT C
SCOPE OF WORK
MIDDLE CREEK FLOOD DAMAGE REDUCTION AND
ECOSYSTEM RESTORATION PROJECT

LAKE COUNTY WATERSHED PROTECTION DISTRICT

The Middle Creek Flood Damage Reduction and Ecosystem Restoration Project (Project) is one step in the process of restoring damaged habitat and the water quality of the Clear Lake watershed. Reconnection of the large previously reclaimed area of Middle Creek, as a functional wetland, is anticipated to have a significant effect on the watershed health and the water quality of Clear Lake. The Project will also eliminate flood risk to 3 additional residential structures, numerous outbuildings and approximately 840 acres of agricultural land. Fifty-six (56) parcels require acquisition in fee, purchase of overflow easements, or need hydraulic mitigation. After the properties are acquired, improvements, such as homes, outbuildings and associated infrastructure will be removed and/or abandoned on site. Parcels will be rezoned as Open Space and no future building will be permitted on the properties.

Task 1: Administration

This task includes administration of the grant and coordination of activities associated with acquisition of the properties.

1. Grant management
 - a. Report preparation
 - b. Invoice submittal
 - c. Coordinate parcel fee purchase, easement purchase, hydraulic mitigation activities
2. Parcel acquisition management
 - a. Engage the services of (contract with) a real estate broker to assist with the acquisition of remaining parcels in the Middle Creek Flood Protection Corridor and Ecosystem Restoration area.
 - b. Begin contacting remaining parcel owners.
 - c. Review each acquisition for accordance. All properties will be acquired according to Local, State and Federal laws and regulations, including the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (42 U.S.C. § 4601, et seq.), and the Uniform Regulations contained in Code of Federal Regulations, title 49, Part 24.
 - d. Obtain legal descriptions of parcels or surveyed descriptions for partial purposes.

Task 2: Acquisition Costs

Acquisition costs include all costs associated with purchase, including working with the real estate agent, relocation agent, property owners, and appraiser to acquire properties and relocate residents as necessary. Staff time associated with negotiations is included within Task 1: Administration.

1. Negotiate property purchases and purchase prices. Make offers at not less than fair market value as provided in the appraisal.
2. Provide purchase agreement to the Program
3. Obtain appraisals for the acreage and estate
4. Obtain State approval of the appraised amount
5. Complete inspections
6. Conduct Phase 1 Environmental Site Assessments (ESA)
7. Phase 1 ESA review by DWR
8. Open escrow
9. Close escrow and pay closing costs.
10. Provide State with closing statements and copy of the recorded deeds.
11. Return excess funds

Task 3: Relocation, Demolition and Cleanup

Because this is part of a larger federal project, federal requirements will apply to land purchase under the Flood Protection Corridor Program (FPCP). Federal law (42 U.S.C., § 4601 et seq.) requires relocation assistance be provided for residents that are displaced by Federal projects. Expenses, including relocating residents, demolishing structures, and cleaning up the sites to prepare them to function as a wetland, or as agricultural or recreational open lands, prior to completion of the project are included under this task. Because the primary emphasis of this scope-of-work is to acquire flood-prone homes and the associated property, the structures and associated utilities will be removed and/or abandoned in place. Residential structures and accessory structures will be completely removed from the property. Paved sidewalks and driveways will also be removed. Unpaved areas will be revegetated as required. Revegetation is temporary until the full project is implemented. Items such as septic systems and water wells will be abandoned in accordance with local and state laws. All other utilities will be removed from the purchased parcels. Fencing to prevent trespass may be installed along the perimeter of the parcels to prevent trespass and off road vehicular use. Fencing will only be installed if trespass and off road vehicular activity becomes a problem.

1. Relocation
 - a. Implement relocation assistance including the payment of moving expenses according to Federal law.
2. Demolition
 - a. After properties are purchased, remove or abandon improvements, such as homes, outbuildings and associated infrastructure from parcels in accordance with Local, State, and Federal laws. Residential structures and accessory structures will be completely removed from the property.
 - b. Remove paved sidewalks and driveways.
 - c. Plant vegetation in unpaved areas as required. The vegetation is temporary until the full Project is implemented.
 - d. Items such as septic systems and water wells will be abandoned in place in accordance with local and state laws.
 - e. Remove all utilities from the purchased parcels.
 - f. Install Fencing along the perimeter of the parcels to prevent trespass, may be installed if necessary. Fencing will only be installed if trespass and off road vehicular activity becomes a problem.

Task 4: Hydraulic Mitigation of U.S. Trust properties

This task involves eight (8) parcels held by the United States in trust for the Robinson Rancheria which the Middle Creek Project will cause to flood. Once trust is transferred, arrange a contract to elevate the parking lot and obtain overflow easements. Proposed mitigation for this impact requires the County to

1. Develop engineered plans and specifications to elevate flood-prone facilities
2. Competitively bid the construction contract
3. Complete construction and the elevation of facilities in accordance with appropriate local, state, and federal regulations. construction contract, and construction of the improvements. All construction will be subject to the appropriate local, state and federal regulations.
4. Acquire overflow-conservation easements on parcels west of Highway 20.

Task 5: Property Maintenance

This task involves the creation of an endowment to fund maintenance on parcels acquired for the Project. Exhibit G describes the maintenance activities and costs associated with ownership of the properties within the proposed Middle Creek Project area. Twenty percent (20%) of the acquisition cost of each parcel will be deposited in an endowment to pay for the maintenance of the properties.

EXHIBIT D
BUDGET DETAIL
MIDDLE CREEK FLOOD DAMAGE REDUCTION AND
ECOSYSTEM RESTORATION PROJECT

LAKE COUNTY WATERSHED PROTECTION DISTRICT

Task 1:	Administration	Base Rate	Benefits	Total Rate	Hours	Totals
	Water Resources Director	\$41.20	\$32.55	\$73.75	402	\$ 29,647.50
	Water Resource Program Coordinator	\$26.56	\$20.98	\$47.54	751	\$ 35,702.54
	Water Resources Technician	\$27.21	\$21.60	\$48.81	751	\$ 36,656.31
	Water Resources Accounting Tech Senior	\$18.42	\$14.55	\$32.97	200	\$ 6,594.00
	Right of Way Agent	\$23.44	\$18.52	\$41.96	896	\$ 37,596.16
	Surveyor			\$150.00	448	\$ 67,200.00
	Relocation Agent			\$100.00	240	\$ 24,000.00
	Real Estate Agent (6% of Acquisition Cost)					\$ 534,150.00
	Appraisal Service					\$ 207,000.00
Task 1 Total						\$978,546.51
Task 2:	Groundwork					
	Relocation					\$822,000.00
	Demolition					\$592,000.00
	Clean-up					\$44,198.46
	Wells					\$78,500.00
Task 2 Total						\$1,536,698.46
Task 3:	Acquisition					\$8,902,500.00
Task 3 Total						\$8,902,500.00
Task 4:	Hydraulic mitigation of US trust lands					
	Elevate facilities					\$527,662.00
	Appraisal for overflow easement					\$2,121.75
	Title reports					\$2,121.75
	Overflow easement					\$86,594.50
Task 4 Total						\$618,500.00
Task 5:	Maintenance Trust Fund (20% of Acquisition Cost)					\$1,780,500.00
Task 5 Total						\$1,780,500.00
Subtotal						\$13,816,744.97
Contingency (Approx 9.83% of Tasks 1-4)						\$ 1,183,255.03
Grand Total State share						\$15,000,000.00

EXHIBIT E
FLOOD PROTECTION CORRIDOR PROJECT TIMELINE
MIDDLE CREEK FLOOD DAMAGE REDUCTION AND
ECOSYSTEM RESTORATION PROJECT

LAKE COUNTY WATERSHED PROTECTION DISTRICT

3/1/2019 – 3/31/2022

Task 1: Administration

Grant management, report preparation, coordination of activities. Begin contacting remaining parcel owners. Engage the services of (contract with) a real estate broker to assist with the acquisition of remaining parcels in the Middle Creek Flood Protection Corridor and Ecosystem Restoration area.

6/1/2019 – 3/31/2022

Task 2: Acquisition

Work with real estate agent, relocation agent, property owners and appraiser to acquire properties and relocate residents as necessary.

1. Obtain legal descriptions of parcels or surveyed descriptions for partial purposes.
2. Obtain an appraisal for the acreage and estate from an acceptable appraiser.
3. Obtain State approval of the appraised amount.
4. Make offers at not less than fair market value as provided in the appraisal.
5. Upon agreement of purchase price, enter escrow period, make appropriate inspections and close escrow.

7/1/2019 – 3/31/2022

Task 3: Relocation, Demolition and Cleanup

Relocate residents, demolish structures and clean up the sites to prepare them to function as a wetland, or as agricultural or recreational open lands prior to completion of the project.

6/1/2020 – 3/31/2022

Task 4: Hydraulic Mitigation of U.S. Trust properties

Once trust is transferred, arrange a contract to elevate the parking lot and obtain overflow easements.

- Elevation of the facilities will require development of engineered plans and specifications, competitive bidding for a construction contract, and construction of the improvements. All construction will be subject to the appropriate local, state and federal regulations.

- Overflow-conservation easements will be acquired utilizing the same procedure described in Task 3.

6/1/2019 – 3/31/2022

Task 5: Property Maintenance

Contribute to the endowment for post-grant maintenance of the properties prior to completion of the project.

EXHIBIT F
INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE
MIDDLE CREEK FLOOD DAMAGE REDUCTION AND
ECOSYSTEM RESTORATION PROJECT

LAKE COUNTY WATERSHED PROTECTION DISTRICT

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Names Insured on Title Insurance Policy
- Copy of Escrow Instruction in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

EXHIBIT G
PLANNED MAINTENANCE ACTIVITIES
MIDDLE CREEK FLOOD DAMAGE REDUCTION AND
ECOSYSTEM RESTORATION PROJECT

LAKE COUNTY WATERSHED PROTECTION DISTRICT

The Project consists of purchasing flood prone property for future implementation of the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project (Middle Creek Project). No facilities will be constructed as part of this Project that will require maintenance by the Lake County Flood Control and Water Conservation District (District). The District will own numerous properties in fee and will be responsible for their upkeep. As structures and improvements will be demolished, relocated and/or abandoned, and temporary erosion control measures will be implemented, maintenance is anticipated to be minimal. Maintenance activities proposed until full implementation of the Middle Creek Project include:

1. Properties will be controlled and inspected on an as needed basis to ensure damage is not done to the lands by illegal dumping, off-road vehicle use, etc. Fencing will be provided on an as needed basis.
2. Grass and weeds will be managed on the properties to prevent damage to neighboring properties. This may be by mowing or disking the perimeter of the property.
3. Payment of the Maintenance Area No. 17 (MA-17) annual assessment on the purchased properties.

All costs for maintenance will be paid from the maintenance fund. In the event the land is leased for agricultural purposes that are consistent with the goals of the Flood Protection Corridor Program, maintenance costs could be significantly reduced.

Costs are estimated as follows:

1. Regular inspections and cleanup as needed: \$1,000 per year, Barb wire fence construction: three (3) miles at \$5,000 per mile, O&M cost \$500 per year.
2. Area to be mowed annually is seven (7) acres. Estimated cost of \$1,000 per year.
3. Estimated cost of MA-17 assessments:
 - a. Eighteen (18) residential properties:
 - i. MA-17: \$19,017
 - ii. MA-17 Assessment calculated based on required revenues of \$132,124 (2004-required revenue) per year and a 6% (normal County) delinquency factor. This assumes essentially all property owners pay their assessments.
 - iii. Reclamation District 2070: \$3,354

1. Reclamation District 2070 assessment calculated based on 2002-2003 assessments.
- b. Potential agricultural properties:
 - i. MA-17: \$22,604.36
 1. These are the three properties south of the Highline Slough. MA-17 Assessment calculated based on required revenues of \$132,124 (2004 required revenue) per year and a six percent (normal County) delinquency factor. This assumes essentially that all property owners pay their assessments.