

RESOLUTION NO. 4282

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
AUTHORIZING THE CITY MANAGER TO EXECUTE  
A FINANCIAL AGREEMENT WITH STATE REVOLVING FUND  
FOR THE CONSTRUCTION OF THE WASTEWATER  
TREATMENT PLANT, 5.5 MGD UPGRADE AND EXPANSION IN THE AMOUNT  
NOT TO EXCEED SIXTY MILLION DOLLARS (\$60,000,000)**

**WHEREAS**, the City Long Term Wastewater Treatment Plant Plan includes the upgrading and expansion of the existing City Wastewater Treatment Plant ("WWTP"); and

**WHEREAS**, on April 2, 2008, the City Council approved the amendment of Resolution 3993 that authorizes the submittal of an amended loan application for approximately \$60,000,000 with State Revolving Fund (SRF); and

**WHEREAS**, on January 16, 2008, the City Council approved the plans and specifications and authorized staff to advertise the Project for bids, and on July 16, 2008, the City Council awarded the contract to Shimmick Construction Company in the amount of \$49,389, 620.00; and

**WHEREAS**, on July 16, 2008, the City Council adopted a new wastewater rate that will provide the necessary funding to make the SRF Financial Agreement payments.

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Soledad that:

**Section 1.** The City Council hereby authorizes the City Manager to execute a financial agreement with State Revolving Fund (SRF) in a form to be approved by the City Manager, Public Works Director and City Attorney.

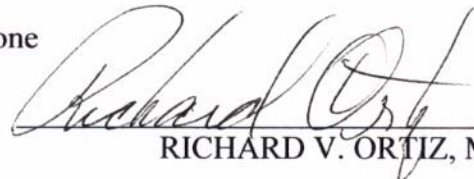
**PASSED AND ADOPTED** by the City Council of the City of Soledad at a regular meeting duly held on the 3rd day of September 2008, by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Patricia Stephens, Mayor Richard Ortiz

NOES, Councilmembers: None

ABSENT, Councilmembers: Juan Saavedra, Mayor Pro Tem Christopher Bourke

ABSTAIN, Councilmembers: None

  
RICHARD V. ORTIZ, Mayor

ATTEST:

  
ADELA P. GONZALEZ, City Clerk

<b>AGREEMENT NUMBER</b>
<b>PROJECT NUMBER:</b>
<b>REGISTRATION NUMBER:</b>

1. This Agreement is entered into between the State Agency and the Contractor named below:  
 STATE AGENCY'S NAME (Hereafter referred to as "SWRCB")

State Water Resources Control Board  
 CONTRACTOR'S NAME (Hereafter referred to as "Agency" or "Contractor")

2. The term of this Agreement is: \_\_\_\_\_ through \_\_\_\_\_

3. The maximum amount \$ \_\_\_\_\_ of this Agreement is:

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

- |   |         |
|---|---------|
| Exhibit A – Scope Of Work   | page(s) |
| Exhibit B – Budget Detail And Payment Provisions  | page(s) |
| Exhibit C – General Terms And Conditions _____  | page(s) |
| Exhibit D – Special Conditions  | page(s) |
| Exhibit E – Approval To Award Letter(s)   | page(s) |
| Exhibit F – Applicable Effluent Limitations And Approved Final Plans And Specifications | page(s) |
| Exhibit G – Final Plans And Specifications Approval Letter                              | page(s) |
| Exhibit H – Facility or Facilities Plan Approval Letter(s)                              | page(s) |
| Exhibit I – SRF Installment Sale Agreement Payment Schedule                             | page(s) |
| Exhibit J – Schedule Of System Obligations  | page(s) |
| Exhibit K – Tax Covenants   | page(s) |
| Exhibit L – N/A or Agency Reimbursement Resolution                                      | page(s) |
| Exhibit M – SWRCB Special Terms And Conditions  | page(s) |

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>CONTRACTOR</b>	
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)	
BY (Authorized Signature)	DATE SIGNED (Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING	
ADDRESS	

<b>STATE OF CALIFORNIA</b>	
AGENCY NAME	
State Water Resources Control Board	
BY (Authorized Signature)	DATE SIGNED (Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING	
Barbara L. Evoy, Deputy Director, Division of Financial Assistance	
ADDRESS	
1001 I Street, Sacramento, CA 95814	

<i>California Department of General Services Use Only</i>	
<b>Approved as to form by the Office of Chief Counsel</b>	
Date:	
Initials:	
<input type="checkbox"/>	Exempt per: _____

**EXHIBIT A — SCOPE OF WORK**

**SECTION 1. PROJECT DESCRIPTION.**

The Project, commonly known as the **Project Name** generally consists of **Project Description**, as more particularly described in the financial assistance application of the Agency and the approved plans and specifications (see **Exhibits F and G**) for the Project.

**SECTION 2. OFFICIAL REPRESENTATIVES.**

- (1) The SWRCB Assistance Coordinator shall be the Deputy Director of the Division of Financial Assistance.
- (2) The SWRCB Assistance Coordinator shall be the SWRCB's representative for administration of the Agreement and shall have authority to make determinations and findings with respect to any controversy arising under or in connection with interpretation of this Agreement.
- (3) The Agency's Authorized Representative shall be the **Title** or his/her designee, who shall administer the Agreement and who shall have full authority to act on behalf of the Agency, including authority to execute disbursement requests. All communications given to the Agency representative shall be as binding as if given to the Agency.
- (3) Either party may change its official representative upon written notice to the other party.

**SECTION 3. DEFINITIONS.**

"Additional Payments" means the Additional Payments described in **Exhibit B** Section **2.3(C)** of this Agreement.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Authorized Representative" means the Mayor of a City, the Chairperson of the County Board of Supervisors, the Chairperson of the Board of Directors of the Agency, or another duly appointed representative. For all authorized representatives, a certified original copy of the authorizing resolution that designates the authorized representative, by title, must accompany any contract, the first payment request, and any other documents or requests required or allowed under this Agreement.

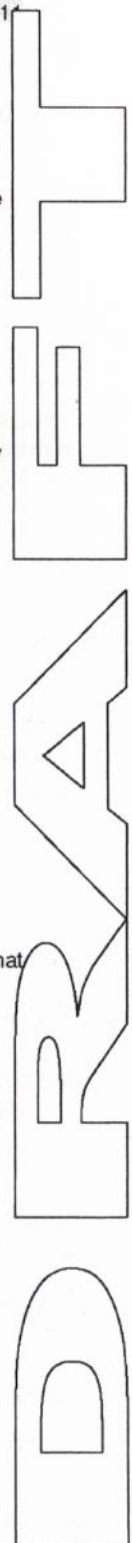
"Bank" means the California Infrastructure and Economic Development Bank.

"Bonds" means any series of bonds issued by the Bank all or a portion of the proceeds of which may be applied to fund the Project in whole or in part or that are secured in whole or in part by Installment Payments paid hereunder.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Agency, that the work of building and erection of the Project is substantially complete.

"CWSRF" means Clean Water State Revolving Fund.



**EXHIBIT A — SCOPE OF WORK**

"Division" means the Division of Financial Assistance of the SWRCB, or any other segment of the SWRCB authorized to administer the CWSRF.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period hereafter selected and designated by the Agency as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Agency's own employees or equipment for construction of the Project.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Installment Payments" means Installment Payments due and payable by the Agency to the Board under this Agreement to repay the Project Costs, the amounts of which are set forth as **Exhibit I** hereto.

"Net Revenues" means, for any Fiscal Year, so long as there may be outstanding System Obligations, as such term is defined under the authorizing instruments for such System Obligations, and thereafter all Revenues received by the Agency less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation owed by the Agency to make Installment Payments and Additional Payments as provided herein, as evidenced by the execution of this Agreement, to be used to fund the Project as specified in the Project Description attached hereto as **Exhibits F and G**.

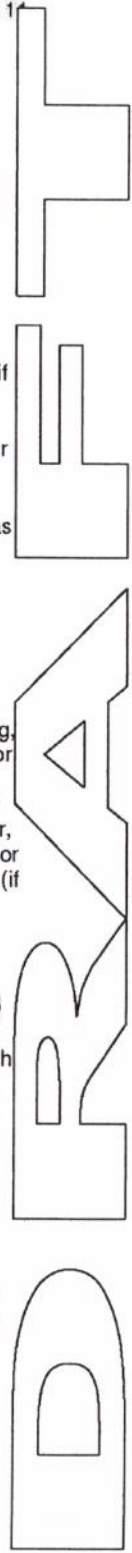
"Operations and Maintenance Costs" means, so long as outstanding System Obligations are outstanding, the definition of such term as defined therein, and thereafter, the reasonable and necessary costs paid or incurred by the Agency for maintaining and operating the System, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Agency that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses and charges to operate the System and insurance premiums; but excluding, in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

"Pledged Revenues" means and include (**Note: Select the one that is applicable, delete the others.**) **1. user fees and charges, 2. special assessments (ad valorem assessments on taxable land) or special taxes, 3. Standby or availability charges**, or other sources of income which are consistent with federal requirements.

"Policy" means the Board's "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities," adopted on February 16, 1995, as amended.

"Project" means the Project as described in **Exhibit A**, Section 1 and **Exhibits F and G**.

"Project Completion" means the date, as determined by the Division after consultation with the Agency, that operation of the Project is initiated or is capable of being initiated, whichever comes first. This date shall be synonymous with the date specified in the "Initiation of Operation" form submitted as part of the ATA package.



### EXHIBIT A — SCOPE OF WORK

"Project Costs" means the incurred costs of the Agency which are eligible for financial assistance from the CWSRF under the Statute, which are allowable costs as defined under the Policy and which are reasonable, necessary and allocable by the Agency to the Project under generally accepted accounting principles plus capitalized interest.

"Project Funds" mean the proceeds provided to the Agency by the SWRCB from the CWSRF for the purposes set forth in this Agreement.

"Revenue Program" means a system of charges, fees, or other means of income production adopted by the Agency which provides for recovery of appropriate capital costs of the Project, generates adequate income to reasonably assure repayment of the Obligation under this Agreement, generates adequate income to provide for reasonable operation and maintenance of the Project, and provides adequate income for reasonable future expansion and improvement of the Project.

"Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Agency from the ownership or operation of the System, determined in accordance with generally accepted accounting principles, including all rates, fees and charges (including connection fees and charges) as received by the Agency for the services of the System, and all other income and revenue howsoever derived by the Agency from the ownership or operation of the System or arising from the System, and also including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.

"State" means State of California

"System" means all wastewater collection, transport, treatment, storage and disposal facilities, including land and easements thereof, owned by the Agency, including the Project, and all other properties, structures or works hereafter acquired and constructed by the Agency and determined to be a part of the System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed.

"System Obligations" means all senior, parity and subordinate obligations of the Agency payable from Revenues as identified as of the date of this Agreement in **Exhibit J** and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations.

#### SECTION 4. GENERAL AGENCY COMMITMENTS.

The Agency accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Agency in its application, accompanying documents, and communications filed in support of its request for financing assistance.

#### SECTION 5. STATE MATCH ACCOUNT.

The Agency will establish a local state match account. The Agency will deposit sufficient funds in the account to make payments to its contractor(s) in an amount equal to the percentage of federal contributions required by the Federal Clean Water Act to be matched with state funds currently sixteen and six hundred sixty seven thousandths percent (16.667%) and will include the required state match amount in all payments made to the contractor(s).

**EXHIBIT A — SCOPE OF WORK**

**SECTION 6. COMPLETION OF PROJECT.**

The Agency agrees to expeditiously proceed with and complete construction of the Project in substantial accordance with Project plans and specifications approved by the SWRCB.

**SECTION 7. PROJECT CERTIFICATION.**

One (1) year after initiation of operation, the Agency shall certify to the SWRCB whether or not the Project, as of that date, meets applicable design specifications and effluent limitations. If the Agency cannot certify that the Project meets such specifications and limitations at that time, the Agency shall submit a corrective action report. The corrective action report shall include an estimate of the nature, scope, and cost of the corrective action, and a time schedule to expeditiously make all needed corrections, at the Agency's expense, to allow affirmative certification for the Project.

Failure to submit an affirmative certification, or a corrective action report that meets the above requirements and is satisfactory to the Division within fifteen (15) months of the Project Completion date will cause the State Water Resources Control Board to stop processing any pending or future applications for new loans or grants, withhold payments on any existing loans and grants, and begin administrative proceedings pursuant to sections 13267 and 13268 of the Water Code.

**SECTION 8. FEDERAL OR STATE ASSISTANCE.**

If federal or state funding for Project Costs is made available to the Agency from sources other than the CWSRF, the Agency may retain such funding up to an amount which equals the Agency's local share of Project Costs. To the extent allowed by requirements of other funding sources, any funding received in excess of the Agency's local share, not to exceed the total amount of the CWSRF financing assistance, shall be remitted to the SWRCB to be applied to Installment Payments due hereunder.

**SECTION 9. REVENUE PROGRAM.**

The Agency agrees to prepare and provide an acceptable final Revenue Program to the Division at the time of ninety percent (90%) disbursement of Project Costs. Further disbursements may be withheld until an acceptable final Revenue Program is submitted. The Agency further agrees to periodically review and modify the Revenue Program as necessary to assure reasonable adequacy of the Revenue Program. The final Revenue Program and all modifications thereof shall be consistent with applicable guidelines and shall be to the reasonable satisfaction of the Division. The Division may review the Agency's records to assure compliance with the approved Revenue Program at any time during the useful life of the Project.

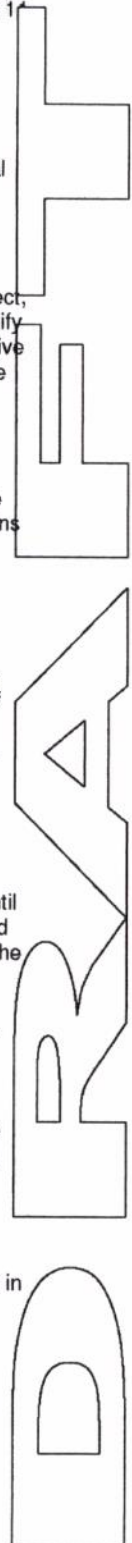
**SECTION 10. USER CHARGE SYSTEM.**

The Agency shall adopt and maintain in effect a user charge system which at all times complies with the requirements of Section 204(b)(1) of the federal Clean Water Act and applicable federal and state rules, regulations and guidelines.

**SECTION 11. OPERATION AND MAINTENANCE; INSURANCE.**

The Agency agrees to properly staff, operate and maintain all portions of the Project during its useful life in accordance with all applicable state and federal laws, rules and regulations.

The Agency will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with



### EXHIBIT A — SCOPE OF WORK

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

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Agency shall begin such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the System shall be free and clear of all claims and liens. If such net proceeds are insufficient to enable the Agency to pay all remaining unpaid principal portions of the Installment Payments, the Agency shall provide additional funds to restore or replace the damaged portions of the System.

#### SECTION 12. USEFUL LIFE OF PROJECT.

For purposes of this Agreement, the parties agree that the useful life of the Project is at least twenty (20) years from and after Project Completion.

#### SECTION 13. AWARD OF CONSTRUCTION CONTRACTS; NOTIFICATION OF AWARD AND INITIATION OF CONSTRUCTION.

- (A) The Agency agrees to award the prime construction contract within one hundred eighty (180) days after issuance of this Agreement. An extension may be granted by the Division.

**Note: Determine if "Without ATA" or "With ATA". Delete the option that does not apply.**

##### **Without ATA**

- (B) The Agency agrees to promptly notify the Division in writing both of the award of the prime construction contract for the Project and of Initiation of Construction of the Project. At the time Approval to Award is given by the Division, the Agency shall establish a reasonable Completion of Construction date. The Agency agrees to make all reasonable efforts to meet the date so established. Such date shall be binding upon the Agency unless modified in writing by the Division upon a showing of good cause by the Agency. The Agency shall deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date. The Division will not unreasonably deny such a timely request, but the Division will deny requests received after this time.

##### **With ATA**

- (B) The Agency agrees to promptly notify the Division in writing both of the award of the prime construction contract for the Project and of Initiation of Construction of the Project. The Agency has established **Date** as the Completion of Construction date. The Agency agrees to make all reasonable efforts to complete construction in substantial conformance with the terms of the contract by this date. Such date shall be binding upon the Agency unless modified in writing by the Division upon a showing of good cause by the Agency. The Agency shall deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date. The Division will not unreasonably deny such a timely request, but the Division will deny requests received after this time.

**EXHIBIT A — SCOPE OF WORK**

**SECTION 14. CONSTRUCTION ACTIVITIES; NOTIFICATIONS; PROTECTION OF ARCHEOLOGICAL AND HISTORICAL RESOURCES; PROTECTION OF ENDANGERED AND THREATENED SPECIES.**

- (A) The Agency agrees to promptly notify the Division in writing of:
- (1) Any substantial change in scope of the Project. The Agency 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 Division and the Division has given written approval for such change;
  - (2) Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - (3) Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more beyond the date of Completion of Construction previously provided to the Division;
  - (4) Discovery of any potential archeological or historical resource. Should a potential archeological or historical resource be discovered during construction of the Project, the Agency agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Agency agrees to implement appropriate actions as directed by the Division;
  - (5) Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Agency agrees to promptly notify the Division. This notification is in addition to the Agency's obligations under the federal Endangered Species Act; and
  - (6) Completion of Construction of the Project, and actual Project Completion.

**SECTION 15. PROJECT ACCESS.**

The Agency agrees to insure that the SWRCB, or any authorized representative thereof, will have suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Obligation.

**SECTION 16. PROJECT COMPLETION; INITIATION OF OPERATIONS.**

**Note: Delete the option that does not apply**

**Without ATA**

Upon Completion of Construction of the Project, the Agency agrees to expeditiously initiate Project operations. At the time Approval to Award is given by the Division, the Agency will establish a reasonable estimated Project Completion date. The Agency agrees to make all reasonable efforts to meet the date so established. Such date shall be binding upon the Agency unless modified in writing by the Division upon a showing of good cause by the Agency. The Agency shall deliver any request for extension of the Project Completion date no less than 90 days prior to the Project Completion date. The Division will not unreasonably deny such a timely request, but the Division will deny requests received after this time.

**EXHIBIT A — SCOPE OF WORK**

**With ATA**

Upon Completion of Construction of the Project, the Agency agrees to expeditiously initiate Project operations. The Agency has established **Date** as the estimated Project Completion date. The Agency agrees to make all reasonable efforts to meet the date so established. Such date shall be binding upon the Agency unless modified in writing by the Division upon a showing of good cause by the Agency. The Agency shall deliver any request for extension of the Project Completion date no less than 90 days prior to the Project Completion date. The Division will not unreasonably deny such a timely request, but the Division will deny requests received after this time.

**SECTION 17. WASTEWATER CAPITAL RESERVE FUND.**

The Agency agrees to establish and maintain a Wastewater Capital Reserve Fund (WCRF) for expansion, major repair, or replacement of the wastewater facilities and to maintain the WCRF for the term of the Agreement. The WCRF shall be maintained in compliance with the "Policy For Implementing The State Revolving Fund For Construction Of Wastewater Treatment Facilities" in effect at the time the Agreement is signed by the Authorized Representative of the Agency. The Agency agrees to submit a report on WCRF activities and status five (5) years after the date of the final revenue program approval by the Division. Updated WCRF reports will be submitted every five (5) years thereafter until all Installment Payments and Additional Payments hereunder has been fully discharged. Thereafter, the WCRF will no longer be subject to the requirements of this Agreement or the above referenced policy. Certification by legal counsel of unused bonding capability for the wastewater enterprise may be used to offset required cash deposits to the WCRF.

**SECTION 18. CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT.**

The Agency agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments which may be due.

**SECTION 19. REPORTS.**

The Agency agrees to expeditiously provide, during construction of the Project and thereafter during the useful life of the Project, such reports, data, and information as may be reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the CWSRF Program or to fulfill any reporting requirements of the federal government.

**Note: Use the below language if the P&S Date is after January 22, 2003 (The P&S date is the beginning term date of the contract).**

The Agency agrees to expeditiously provide, during construction of the Project, status reports on the construction of the project no less frequently than quarterly, starting with the issuance of the Notice To Proceed to the construction contractor. At a minimum the reports will contain the following information: a summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed; a listing of change orders including amount, description of work, and change in contract amount and schedule; any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions. During the useful life of the Project, the Agency agrees to expeditiously provide such reports, data, and information as may be reasonably required by the Division, including but not limited to material necessary or

**EXHIBIT A — SCOPE OF WORK**

appropriate for evaluation of the CWSRF Program or to fulfill any reporting requirements of the federal government.

**SECTION 20. RECORDS.**

(A) Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Agency agrees to:

- (1) Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
- (2) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;
- (3) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
- (4) Establish an accounting system which will accurately depict final total costs of the Project, including both direct and indirect costs;
- (5) Establish a local state match account prior to issuance of the Project Funds, from which the state match portion of the project shall be paid. The Agency must deposit sufficient funds in the account as necessary to make payments to the contractor.
- (6) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- (7) If Force Account is used by the Agency for any phase of the Project, other than for planning, design and construction engineering, and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect Force Account costs may be paid with prior written approval by the Division of the Agency's indirect cost proposal.

(B) Notwithstanding Exhibit C, the Agency shall be required to maintain books, records and other material relative to the Project in accordance with generally accepted accounting principles. The Agency shall also be required to retain such books, records, and other material for each subcontractor who performed work on this project for a minimum of thirty-six (36) years after Project Completion. The Agency shall require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the SWRCB and by the Bureau of State Audits and the Department of General Services, or any authorized representatives thereof, and shall allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Agency agrees to include a similar right regarding audit, interviews, and records retention in any subcontract related to the performance of this Agreement.

(C) Notwithstanding Exhibit C, the Agency agrees to retain its Project records for a minimum of thirty-six (36) years from the date of Project Completion, and for such longer period as may be required for the State to fulfill federal reporting requirements under federal tax statutes and regulations. All

**EXHIBIT A — SCOPE OF WORK**

Agency records relative to the Project shall be subject at all reasonable times to inspection, copying and audit by the SWRCB and the U.S. Environmental Protection Agency, or any authorized representatives thereof.

- (D) The Agency agrees to furnish the SWRCB with copies of cancelled checks paid to its contractors at least each quarter documenting payment of the state match amount.

**SECTION 21. FINAL PROJECT REPORTS; AUDIT.**

- (A) Within one hundred twenty (120) days after Project Completion, the Agency agrees to provide to the Division a final cost summary report on the Project. The summary shall include at a minimum, a statement of:

- (1) Total Project Costs;
- (2) Total Project Costs which are eligible for assistance under this Agreement;
- (3) The total amount of assistance funds received;
- (4) The amount of interest earned, if any, on funds before disbursement on account of incurred Project costs. If no interest has been earned, this fact shall be expressly stated.
- (5) The report shall be accompanied by such other financial information as may be reasonably required by the Division to verify Agency entitlement to assistance, to assure program integrity of the CWSRF Program, and to comply with any federal requirements. The report shall be certified as correct by a duly Authorized Representative of the Agency.

- (B) The Division, at its option, may call for an audit of financial information relative to the Project, where the Division determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal requirements. Where such an audit is called for, the audit shall be performed by a certified public accountant independent of the Agency and at the cost of the Agency. The audit shall be in the form required by the Division.

- (C) Audit disallowances will be returned to the SWRCB.

**SECTION 22. NO OBLIGATION OF THE STATE.**

Any obligation of the SWRCB herein contained shall not be an obligation, debt or liability of the State and any such obligation shall be payable solely out of the moneys in the CWSRF made available pursuant to this Agreement.

**SECTION 23. SIGNAGE**

The Agency shall place a sign at least four feet tall by eight feet wide made of 3/4 inch thick exterior grade plywood in a prominent location on the Project site. The sign shall include the State Water Board logo (available from the Program Analyst) and the following disclosure statement:

Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board.

**EXHIBIT A — SCOPE OF WORK**

The project sign may include another agency's required promotional information so long as the State Water Board's logo and disclosure statement are equally prominent on the sign. The sign shall be painted in a professional manner.

Include the following disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the State Water Resources Control Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code 7550, 40 CFR 31.20)

