

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 · 562.663.6850 phone 562.634.8216 fax · www.gatewayirwmp.org

AGENDA

**Regular Meeting of the Board of Directors
Thursday, January 8, 2015 at 12:00 Noon
Progress Park Plaza, 15500 Downey Avenue, Paramount, CA**

- 1. Roll Call**
- 2. Determination of a Quorum**
- 3. Additions to Agenda (Govt. Code Sec. 54954.2(b))**
- 4. Oral Communications to the Board**
This is an opportunity for members of the public to address the Board on any item under the jurisdiction of the agency. Depending upon the subject matter, the Board may be unable to respond until the item can be posted on the agenda at a future meeting in accordance with provisions of the Brown Act.
- 5. Consent Calendar: (Acted as one item unless withdrawn by request)**
 - a. Minutes of the Board Meeting of December 11, 2014 **(Enclosure)**
 - b. Warrant Register Report and List of Warrants for December 2014 **(Enclosures)**
- 6. Presentation - Proposed Sanitation District Legislation Regarding Stormwater (Enclosure)**
- 7. Presentation/Discussion Regarding Watershed Implementation Allocation of Costs**
- 8. Discussion/Action Regarding Approval of Subrecipient Agreement Between GWMA and the Cities of Bell Gardens, Downey, Lynwood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier for the State Water Resources Control Board Grant Agreement of the Low Impact Development ("LID") Best Management Practices ("BMPs") Program Relating to the Los Angeles River, San Gabriel River and Los Cerritos Channel, and their Tributaries (Enclosure)**
 - a. Provide Direction on the Notice Inviting Bids and Contract for the LID BMP Work and administering payment of invoices and the collection/reimbursement of monies;
 - b. Provide direction on the various issues relating to the Subrecipient Agreement outlined in this Board letter;
 - c. Approve the Subrecipient Agreement Template;

Christopher Cash, Board Chair · Adriana Figueroa, Vice-Chair · Charlie Honeycutt, Secretary/Treasurer · Kevin Wattier, Chair Emeritus

Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia · Bell · Bell Gardens · Bellflower · Central Basin Municipal Water District · Cerritos · Commerce · Cudahy · Downey · Hawaiian Gardens · Huntington Park · La Mirada · Lakewood · Long Beach · Long Beach Water Department · Lynwood · Maywood · Montebello · Norwalk · Paramount · Pico Rivera · Santa Fe Springs · Signal Hill · South Gate · Vernon · Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 · 562.663.6850 phone 562.634.8216 fax · www.gatewayirwmp.org

- d. Authorize Executive Officer to Sign and Execute Individual Subrecipient Agreements with Each Subrecipient;
- e. Authorize Executive Officer to make Non-Material Changes to the Subrecipient Agreement Template in Consultation with the Chair and GWMA's Legal Counsel

9. Gateway Region Watershed Management Plans (WMPs) and MOU and/or Amendment Activities

- a. Lower Los Angeles River Upper Reach 2 Watershed Group
- b. Lower Los Angeles River Watershed Group
- c. Los Cerritos Channel Watershed Group
- d. Lower San Gabriel River Watershed Group

10. City Managers' Steering Committee Report

11. Executive Officer's Report

12. Directors' Comments/Reports

13. Adjournment – Next Meeting Date: Board Meeting on Thursday, February 12, 2015 at noon.

Christopher Cash, Board Chair · Adriana Figueroa, Vice-Chair · Charlie Honeycutt, Secretary/Treasurer · Kevin Wattier, Chair Emeritus

Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia · Bell · Bell Gardens · Bellflower · Central Basin Municipal Water District · Cerritos · Commerce · Cudahy · Downey · Hawaiian Gardens · Huntington Park · La Mirada · Lakewood · Long Beach · Long Beach Water Department · Lynwood · Maywood · Montebello · Norwalk · Paramount · Pico Rivera · Santa Fe Springs · Signal Hill · South Gate · Vernon · Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

AGENDA ITEM NO. 5A

MINUTES OF THE GATEWAY WATER MANAGEMENT AUTHORITY LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY BOARD AT PARAMOUNT, CALIFORNIA THURSDAY, DECEMBER 11, 2014

A regular meeting of the Board of Directors of the Gateway Water Management Authority was held on Thursday, December 11, 2014 at Noon at the Progress Park Plaza, 15500 Downey Avenue, Paramount, CA 90723.

Vice-Chair Adriana Figueroa called the meeting to order at 12:17 p.m. Roll was called by Ms. Penn and a quorum of the Board was declared.

BOARD MEMBERS PRESENT:

| | |
|----------------------------|------------------------|
| Okina Dor | Artesia |
| Al Cablay (alternate) | Bell |
| Chau Vu (alternate) | Bell Gardens |
| Joseph Legaspi (alternate) | Central Basin MWD |
| Gina Nila | Commerce |
| Mohammad Mostahkami | Downey |
| Desi Alvarez (alternate) | Huntington Park |
| Marlin Munoz (alternate) | La Mirada |
| Jim Glancy (proxy) | Lakewood |
| Kevin Wattier | Long Beach Water Dept. |
| Adriana Figueroa | Norwalk |
| Gladis Deras (alternate) | Pico Rivera |
| Frank Beach | Santa Fe Springs |
| Charlie Honeycutt | Signal Hill |
| Scott Rigg (alternate) | Vernon |
| David Pelser | Whittier |

STAFF AND GUESTS ON SIGN-IN SHEET:

| | |
|----------------|-------------------------------------|
| Grace Kast | Executive Officer |
| Toni Penn | Administrative/Accounting Assistant |
| Candice Lee | General Counsel |
| Russ Bryden | LACFCD |
| Ken Farfsing | Signal Hill |
| Enrique Huerta | Outreach Consultant |
| Kevin Hunt | Central Basin MWD |
| Ester Rojas | WRD |
| Bill Minasian | Downey |

ITEM 3 - ADDITIONS TO THE AGENDA

Director Figueroa reported that an item arose after the posting of the agenda. She indicated that a joint letter was written by the Mayors of Los Angeles and San Diego to MWD in strong opposition to adding the Central Basin Groundwater Replenishment Allocation to WMD's Water Supply Allocation Plan.

Director Wattier moved to add Discussion/Action Regarding Central Basin Groundwater Replenishment to the Agenda as Item No. 6. The motion was seconded by Director Glancy and approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

ITEM 4 – ORAL COMMUNICATIONS TO THE BOARD

Mr. Russ Bryden from the Los Angeles County Flood Control District advised that the next meeting of the Greater LA IRWM's Leadership Committee would be held on December 9, 2014 at 9:30 a.m. He also stated that the Greater LA IRWM's Lower Los Angeles/Lower San Gabriel Subregion would not be meeting this month.

Mr. Ken Hunt, General Manager of Central Basin MWD, thanked the Board for sending a letter to MWD regarding water replenishment.

ITEM 5 - CONSENT CALENDAR

Director Nila moved the approval of the consent calendar. The motion was seconded by Director Mostahkami and was approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

ITEM 6 – DISCUSSION/ACTION REGARDING CENTRAL BASIN GROUNDWATER REPLENISHMENT

Mr. Farfsing indicated that the essence of the letter from the mayors was to prevent the cities in the Central Basin from having access to approximately 20,000 acre-feet of replenishment water. He stated that if

MWD honored their request, it would prevent the blending of recycled water in the Montebello Forebay, which served to replenish the majority of GWMA's members.

After detailed discussions, Director Wattier moved to send a letter of response to the Mayors of Los Angeles and San Diego outlining its concerns. The motion was seconded by Director Glancy and was approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

ITEM 7 – APPROVE THE FIRST AMENDMENT TO THE MOU WITH LOWER LOS ANGELES RIVER UPPER REACH 2 WATERSHED GROUP

Ms. Kast reported that over the course of the past two months, GWMA had been facilitating and assisting the LAR UR2 in the development of a First Amendment to their existing Memorandum of Understanding. She stated that this Amendment would add implementation of the Plans to the scope and purpose of the MOU and to provide a separate cost-sharing formula for the implementation of the Plans, subject to annual budget review. In closing, Ms. Kast reported that the cost of GWMA administrative and legal services were included in the cost-sharing formula paid by the group resulting in no fiscal impact to GWMA.

Director Nila moved to approve the First Amendment to the MOU and authorize the Chair to execute the MOU Amendment. The motion was seconded by Director Cablay and approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

ITEM 8 – APPROVE RELEASE OF RFQ FOR GENERAL ON-CALL PROFESSIONAL GENERAL, TECHNICAL AND/OR ENGINEERING SERVICES

Ms. Kast reported that at its October 9th Board meeting, the Board directed staff to develop a RFQ for general on-call professional general, technical and/or engineering services in preparation for future grant application development. She stated that this request for RFQs does not obligate GWMA to accept any proposals, negotiate with any firm, and award a contract or to proceed with the development of any project proposed in response to this RFQ. She indicated that the awarding of any contract would be brought before the

Board for consideration and approval. In closing, Ms. Kast also recommended that the Board appoint an Ad Hoc Committee to evaluate each Statement of Qualifications received to ensure that all requirements had been met and to make recommendations to the Board based on their evaluations.

Director Mostahkami moved to approve the release of the RFQ for general on-call professional, general, technical and/or engineering services. The motion was seconded by Director Nila and approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

Director Wattier moved to appoint Directors Cablay, Nila, Chau, Honeycutt, and Deras to the Ad Hoc Committee. The motion was seconded by Director Glancy and approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

ITEM 9 – DISCUSSION/ACTION REGARDING APPROVAL OF SUBRECIPIENT AGREEMENT

Ms. Kast reported that earlier this year, GWMA was awarded a grant under the \$1M dollar category in the WaterSMART Program administered by the US Bureau of Reclamation. She stated that GWMA would help facilitate the receipt, processing, and reimbursement of the Reclamation Grant Agreement Funding and, as part of this process, GWMA was required to enter into subrecipient agreements with each of the GWMA members participating in the Project to ensure that the Reclamation Grant Agreement's provisions were met.

Ms. Kast recommended that the Board approve the Subrecipient Agreement template, authorize the Executive Officer to sign and execute individual Subrecipient Agreements with each subrecipient, and to authorize the Executive Officer to make non-material changes to the Subrecipient Agreement template in consultation with the Chair and GWMA's legal counsel, if needed.

Director Wattier moved to:

1. Approve the Subrecipient Agreement;
2. Authorize the Executive Officer to sign and execute individual Subrecipient Agreements with each subrecipient; and
3. Authorize the Executive Officer to make non-material changes to the Subrecipient Agreement template in consultation with the Chair and GWMA's legal counsel if needed.

The motion was seconded by Director Cablay and approved by the following voice votes:

AYES: Dor, Cablay, Vu, Legaspi, Nila, Mostahkami, Alvarez, Munoz, Glancy, Wattier, Figueroa, Deras, Beach, Honeycutt, Rigg, Pelser

NOES: None.

ABSTAIN: None.

ITEM 10 – GATEWAY REGION WATERSHED MANAGEMENT PLANS (WMPS) ACTIVITIES

Lower Los Angeles River Upper Reach 2 Watershed Group

Director Nila updated the Board on the current status of the Lower Los Angeles River Upper Reach 2 Watershed Group. She stated that the watershed group was currently reviewing and preparing a response to RWQCB's comments on the WMP.

Lower Los Angeles River Watershed Group

Director Myrter updated the Board on the current status of the Lower Los Angeles River Watershed Group. He indicated that the group was currently reviewing comments received from the RWQCB on the WMP and would be meeting in early January to prepare a response.

Los Cerritos Channel River Watershed Group

Director Myrter updated the Board on the current status of the Los Cerritos Channel River Watershed Group. He indicated that the group was currently reviewing comments received from the RWQCB on the WMP.

Lower San Gabriel River Watershed Group

Director Figueroa updated the Board on the current status of the Lower San Gabriel River Watershed Group and indicated that the group was also currently review comments received from the RWQCB.

ITEM 11 – CITY MANAGERS STEERING COMMITTEE REPORT

Mr. Ken Farfsing reported on SWRCB's recent ruling on the MS4 permit, which ignored the economic concerns of the cities. He indicated that the SWRCB would be holding a workshop on December 16th to discuss their ruling and that all written comments must be submitted by January 21st. He also reported that a Joint City managers Meeting would be held on January 21st at noon and would be held at the Monterey Hills Restaurant. He indicated that GWMA's Executive Officer, Ms. Grace Kast would be providing testimony to the SWRCB at the workshop describing the local economic hardship.

ITEM 12 - EXECUTIVE OFFICER'S REPORT

None.

ITEM 13 – DIRECTORS' COMMENTS/REPORTS

Director Mostahkami discussed the Gateway Cities Council of Governments organizational chart that was included in the agenda packet under Item No. 5c

Director Wattier thanked the City of Paramount for hosting GWMA's Board meetings at Progress Park Plaza.

The meeting was adjourned at 1:10 p.m. to a Meeting of the Board on January 8, 2015 at the Progress Park Plaza in Paramount.

Charlie Honeycutt, Secretary/Treasurer

Date

AGENDA ITEM NO. 5B

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • www.gatewayirwmp.org

January 8, 2015

SECTION NO. 5(b) Warrant Register Dated January 8, 2015

SUMMARY:

The Warrant Register is a listing of general checks issued since the prior warrant register and warrants to be released by the City of Signal Hill, serving as Treasurer of the Gateway Water Management Authority, upon Board approval.

DISCUSSION:

The Warrant Register for expenditures dated January 8, 2015 in the amount of \$118,747.56 is submitted for approval. Invoices and supporting documentation are available for review at the City of Signal Hill Department of Finance.

FISCAL IMPACT:

The Warrant Register totals \$121,197.98. Funds to cover payment are available in the Gateway Authority budget.

RECOMMENDATION:

Approve the Warrant Register as presented.

Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

AGENDA ITEM NO. 5B

WARRANT REGISTER

Distribution Journal

January 8, 2014

| Invoice Date | Vendor | Invoice Number | Description | Amount |
|-----------------|-------------------------|-------------------|----------------------------------|---------------|
| 11/25/2014 | Grace J. Kast | 14-GJK-GA-11 | Executive Director | \$ 13,333.33 |
| 11/25/2014 | Toni M. Penn | 14-11-30 | Admin/Acct. Services | \$ 6,750.00 |
| 12/29/2014 | Grace J. Kast | 14-GJK-GA-12 | Executive Director | \$ 13,333.33 |
| 12/29/2014 | Toni M. Penn | 14/12/31 | Admin/Acct. Services | \$ 6,750.00 |
| 12/17/2014 | Joe A. Gonsalves & Son | 24972 | Legislative Advocacy Service | \$ 4,000.00 |
| 11/20/2014 | GEI Consultants | 714305 | Watersmart Grant Application | \$ 2,024.00 |
| 11/20/2014 | GEI Consultants | 714306 | Watersmart Grant Admin | \$ 1,472.00 |
| 12/4/2014 | GEI Consultants | 714351 | Watersmart Grant Admin | \$ 6,111.00 |
| 12/4/2014 | GEI Consultants | 714362 | Gateway IRWM Plan | \$ 332.50 |
| 11/30/2014 | Richards Watson Gershon | 199117 | Legal Services-General | \$ 4,027.50 |
| 11/30/2014 | Richards Watson Gershon | 119118 | MS4 Permit MOU | \$ 1,282.50 |
| 12/22/2014 | Richards Watson Gershon | 199543 | Legal Services-General | \$ 2,450.42 |
| 12/22/2014 | Richards Watson Gershon | 199544 | MS4 Permit MOU | \$ 1,102.50 |
| 12/22/2014 | Richards Watson Gershon | 199567 | Legal Services-Project Specific | \$ 1,125.00 |
| 12/1/2014 | City of Paramount | 3057 | Rent Payment | \$ 322.50 |
| 12/1/2014 | City of Paramount | 3084 | Meeting Supplies | \$ 286.40 |
| 11/18/2014 | John L. Hunter & Assoc. | GANPLA1014 | LLAR WMP Development | \$ 15,713.75 |
| 11/18/2014 | John L. Hunter & Assoc. | GAGRANT1014 | Prop 84 Rnd 2 CEQA Documentation | \$ 202.50 |
| 11/18/2014 | John L. Hunter & Assoc. | GANPSG1014 | LSGR WMP Development | \$ 40,001.25 |
| 11/18/2014 | John L. Hunter & Assoc. | GASTP1014 | Strategic Transportation Plan | \$ 577.50 |
| | | | Total Disbursements | \$ 121,197.98 |



2015 Legislative Proposal
Stormwater Management Authority for the Sanitation Districts of Los Angeles County

Summary: Allow the Sanitation Districts of Los Angeles County to assist local jurisdictions in Los Angeles County in stormwater and dry weather runoff management projects.

Current Law: The Sanitation Districts of Los Angeles County (Districts) are organized pursuant to the County Sanitation District Act, Health and Safety Code Section 4700 et seq, and are authorized under statute to manage wastewater and solid waste (Sections 4741 and 4741.1). Current law does not grant authority to the Districts to manage stormwater. The only County Sanitation District with authority to manage stormwater is the Orange County Sanitation District (H&S Code Section 4730.66).

Background and Rationale: The Districts are a group of 24 special districts created in the 1920s by statute for the express purpose of wastewater management. In 1957, the statute was amended to authorize solid waste management by county sanitation districts. Each district is governed by a board of directors comprised of the presiding officers of each jurisdiction in the service area. In Los Angeles County, all county sanitation districts share one staff, resulting in efficient, cost effective regional operations. The Districts are one of the largest producers of recycled water in the state.

Beginning in 1991, the Los Angeles Regional Water Quality Control Board imposed requirements via permit on local jurisdictions' municipal separate stormwater system ("MS4"). The requirements were gradually increased in several subsequent permit renewals, culminating in the most recent permit adopted in December 2012. Compliance with the MS4 permit requirements have been estimated to cost billions of dollars. The requirements not only address stormwater but also prohibit discharge of dry weather runoff (such as over-irrigation). While the Districts do have authority to accept dry weather runoff into the sewer system as "wastewater", the Districts are seeking to codify that authority and to obtain new authority to manage stormwater to cost effectively aid jurisdictions in complying with their stormwater-related regulatory requirements. Projects would be determined on a case-by-case basis in conjunction with local jurisdictions within our service area.

Benefits: Cost effective flexibility to achieve compliance with municipal stormwater requirements and potential increase in recycled water supplies through collaboration among existing local agencies in Los Angeles County.

Proposed Language: The proposed legislation would be specific to the Sanitation Districts of Los Angeles County and is similar to statutory language in Health and Safety Code Section 4730.66, chaptered in 2002, which only applies to the Orange County Sanitation District. The language would supplement the existing powers of the Districts and would allow each District to acquire, construct, operate, maintain, and furnish facilities for all or any of the following purposes:

- Diversion of stormwater and dry weather runoff from the stormwater drainage system;
- Management and treatment of stormwater and dry weather runoff;
- Discharge of the water to the stormwater drainage system or receiving waters; and
- The beneficial use of the water.

For more information, contact Sharon Green at sgreen@lacsdc.org or (562) 908-4288, x2503.

AGENDA ITEM NO. 8

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • www.gatewayirwmp.org

January 8, 2015

SECTION NO. 8 – Discussion/Action Regarding Subrecipient Agreement Between GWMA and the Cities of Bell Gardens, Downey, Lynwood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, and Whittier for the State Water Resources Control Board Grant Agreement of the Low Impact Development (“LID”) Best Management Practices (BMPs”) Program Relating to the Los Angeles River, San Gabriel River, and Los Cerritos Channel, and their Tributaries.

SUMMARY

Earlier this year, GWMA was awarded \$1.073 million in grant funds with a local match of \$270,220 for the Prop 84 Stormwater Grant Program Round 2 by the State Water Resources Control Board (SWRCB). GWMA will help facilitate the receipt, processing, and reimbursement of the SWRCB Grant Agreement funding. As part of this process, GWMA will enter into subrecipient agreements with each of the GWMA members participating in the Project to ensure that the SWRCB Grant Agreement’s provisions are met. However, several key points require board direction in order to finalize the draft.

DISCUSSION:

GWMA has entered into a Grant Agreement dated June 12, 2014 (“Grant Agreement”) with the State Water Resources Control Board, by which GWMA will receive \$1,073.820 for a multi-agency/multi-watershed project to incorporate Low Impact Development (LID) Best Management Practices (BMPs) into major transportation corridors. The purpose of this project is to decrease the loading of metals into the Los Angeles River, San Gabriel River, and Los Cerritos Channel and their tributaries.

Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

AGENDA ITEM NO. 8

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • www.gatewayirwmp.org

Participating cities are: Bell Gardens, Lynwood, Downey, Norwalk, Paramount, Pico Rivera, Signal Hill, South Gate, Santa Fe Springs, Vernon, and Whittier.

The project will include the installation of the following three types of LID BMPs:

1. Treebox LID BMPs;
2. Bioswale LID BMPs;
3. Bioretention Treebox LID BMPs

Each subrecipient has agreed to providing documentation, its respective cost share and meeting the requirements of the Grant Agreement. The subrecipient agreement will follow the outline GWMA's and recipient responsibilities to ensure a smooth implementation. It is recommended that the Executive Officer be given authority to execute the final Subrecipient agreement contingent upon Board guidance at today's board meeting and final approval by the Chair and Legal Counsel.

GWMA staff has recently been asked whether GWMA can handle the notice inviting bids for the LID BMP work and the contract for the LID BMP work. Therefore, in order to finalize the subrecipient agreement for execution, staff is requesting direction on how to coordinate the Notice Inviting Bids and the associated contract(s) along with the payment of invoices and the collection/reimbursement of monies.

Options regarding Notice Inviting Bids:

1. Each participating city handles its own notice inviting bids and contract; or
2. GWMA handles the notice inviting bids and contracts with the winning bidder. This option will require the participating cities to pay to GWMA a deposit for the full amount of the LID BMP work; or
3. GWMA handles the notice inviting bids, the winning bidder will enter into contracts with individual cities wishing to accept winning bidder's pricing and terms. The Gateway Authority will not be a Contracting Agency. This option will work only if

Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus

Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

AGENDA ITEM NO. 8

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • www.gatewayirwmp.org

the project is a unit price contract. John Hunter will provide additional detail for the Board's consideration at the Board meeting.

In addition, staff is seeking direction on the following questions regarding this subrecipient agreement. These questions will be relevant to future subrecipient agreements as well:

1. If one participating city fails to comply with the terms of the Grant Agreement, GWMA risks losing the entire \$1.073 million grant amount. This would put GWMA and the participating cities in good standing in a terrible situation, particularly if GWMA or the participating cities contract for the work to be completed and are unable to be reimbursed with the Grant funding because of one city does not comply with the Grant Agreement. Does the Board wish to include language in the subrecipient agreement that states if one city does not comply with the terms of the Grant Agreement, that non-complying city will indemnify GWMA and the non-complying City will be liable for whatever amount GWMA is liable for (which could be the entire \$1.073 million Grant Agreement amount)?
2. This Grant Agreement requires that the Grantee (GWMA) certify that it has a Labor Compliance Program in place or has contracted with a third party that has been approved by the Director of DIR to operate a Labor Compliance Program. Are the participating cities able to comply with this requirement?
3. How is GWMA determining how much each participating city is receiving under this Grant? Is it possible that certain BMPs will cost more in certain areas because of unique geographic circumstances? If so, how does the Board wish to account for those differences in dividing up the Grant funds among the participating cities?
4. What if the bids come back in excess of the Grant amount? Are the participating cities willing to move forward with the Project and pay the difference between the actual project amount and the Grant amount, in addition to their 20% cost share amounts?

Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

AGENDA ITEM NO. 8

GATEWAY WATER MANAGEMENT AUTHORITY

*Los Angeles Gateway Region
Integrated Regional Water Management
Joint Powers Authority*

16401 Paramount Blvd., Paramount, CA 90723 • 562.663.6850 phone 562-634-8216 fax • www.gatewayirwmp.org

FISCAL IMPACT:

GWMA is not expected to incur costs other than some administrative and consulting costs which will go towards the cost match. Depending on the Board's decision on the Notice Inviting Bids and related contracting, GWMA's administrative and legal costs may increase.

RECOMMENDATION:

1. Provide direction on the Notice Inviting Bids and contract for the LID BMP work and administering payment of invoices and the collection/reimbursement of monies;
2. Provide direction on the various issues relating to the Subrecipient Agreement outlined in this Board Letter;
3. Approve the Subrecipient Agreement Template;
4. Authorize the Executive Officer to sign and execute an individual Subrecipient Agreement with each Subrecipient;
5. Authorize Executive Officer to make non-material changes to the Subrecipient Agreement template in consultation with the Chair and GWMA's legal counsel, if needed.

Christopher Cash, Board Chair • Adriana Figueroa, Vice-Chair • Charlie Honeycutt, Secretary/Treasurer • Kevin Wattier, Chair Emeritus
Proudly serving Gateway cities and agencies in Southeastern Los Angeles County

Members: Artesia • Bell • Bell Gardens • Bellflower • Central Basin Municipal Water District • Cerritos • Commerce • Cudahy • Downey • Hawaiian Gardens • Huntington Park • La Mirada • Lakewood • Long Beach • Long Beach Water Department • Lynwood • Maywood • Montebello • Norwalk • Paramount • Pico Rivera • Santa Fe Springs • Signal Hill • South Gate • Vernon • Whittier

With Technical Support From The Sanitation Districts Of Los Angeles County

**SUBRECIPIENT AGREEMENT BETWEEN
THE CITY OF [REDACTED] AND THE LOS ANGELES
GATEWAY REGION INTEGRATED REGIONAL WATER
MANAGEMENT JOINT POWERS AUTHORITY**

This Subrecipient Agreement (“Agreement”) is dated [REDACTED], 2015 (“Effective Date”) and is between the City of [REDACTED], a California municipal corporation (“Subrecipient”) and the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority, a California Joint Powers Authority (“GWMA”).

RECITALS

A. GWMA has entered into that certain Proposition 84 Stormwater Grant Program Grant Agreement No. 14-443-550 dated December 4, 2014 (“Grant Agreement”) with the State Water Resources Control Board (“State Water Board”), attached hereto as Exhibit “A” and incorporated herein as though set forth in full, by which GWMA will receive One Million Seventy-Three Thousand Eight Hundred Twenty Dollars (\$1,073,820.00) for the Multi-Agency/Multi-Watershed Project to assist the Cities of Bell Gardens, Downey, Lynwood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon and Whittier (“GWMA Members”) in implementing Low Impact Development (“LID”) Best Management Practices (“BMPs”) that will decrease the loading of metals at multiple sites along the Los Angeles River, San Gabriel River and Los Cerritos Channel, and their tributaries, including the construction of twenty-two (22) tree box filters, twenty (20) bioretention tree wells and one thousand two hundred (1,200) linear feet of bioswale (the “Project”).

B. GWMA and Subrecipient desire to contract at a total cost of [REDACTED] Dollars (\$[REDACTED].00) (“Funds”) to implement Subrecipient’s share of the Project by constructing a total of [REDACTED] tree box filters, [REDACTED] bioretention tree wells and [REDACTED] linear feet of bioswale (collectively, “LID BMPs”) within its jurisdiction along the [the Los Angeles River, San Gabriel River and Los Cerritos Channel], and [their/its] [tributaries/tributary] (the “Sub-Project”).

C. Subrecipient understands and acknowledges that it is committing to install a specific number of LID BMPs to prevent and reduce metals pollution in stormwater and demonstrate desired environmental results in compliance with the Grant Agreement.

The parties therefore agree as follows:

1. SUBRECIPIENT OBLIGATIONS

1.1 Implementation of Sub-Project. Subrecipient shall construct the Sub-Project in accordance with the Scope of Work set forth in Exhibit A of the Grant Agreement. The parties, upon mutual written agreement, may amend the total number of LID BMPs required to be installed by Subrecipient during the term of this Agreement. Subrecipient shall immediately notify GWMA of events or proposed changes that could affect the scope, budget or work performed under this Agreement prior to the termination of this Agreement pursuant to Section 3.3. Subrecipient shall not undertake any substantial change in the scope of the Sub-Project until

Subrecipient has provided written notice of the proposed change to GWMA and the State Water Board has given written approval of the change.

1.2 Permits, Contracting and Debarment. Subrecipient shall procure all permits and licenses necessary to accomplish the Sub-Project, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the Sub-Project work. Any contractors, outside associates or consultants required by Subrecipient in connection with the implementation of the Sub-Project shall be limited to such individuals or firms as were specifically indentified and agreed to during negotiations for the Grant Agreement, if any, or as are specifically authorized by the State Water Board's Grant Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates or consultants shall be subject to the Grant Manager's prior written approval. Subrecipient shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participate in federal assistance programs under Executive Order 12549, "Debarment and Suspension." Subrecipient shall not contract with any individual or organization on the United States Environmental Protection Agency's List of Violating Facilities (40 CFR, Part 31.35; Cal. Gov. Code, § 4477; <https://echo.epa.gov/trends/watch-list-reports>). Subrecipient certifies to the best of its knowledge and belief, that it and its principles:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal department, the California Department of Industrial Relations ("DIR") or Subrecipient;

(b) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in Subparagraph (b) of this Section 1.2; and

(d) Have not within a three-year period preceding this Sub-Project had one or more public transactions (federal, state or local) terminated for cause or default.

1.3 Professionals. Subrecipient shall only use licensed professional to perform services under this Agreement where such professional services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation or design, or other work requiring interpretation and proper application of engineering or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code Sections 6753, 7835 and 7835.1. To demonstrate compliance with Sections 415 and 3065 of Title 16 of the California Code of Regulations, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the

signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

1.4 Subrecipient's Responsibility for Sub-Project Work. Subrecipient shall be responsible for all Sub-Project work and for persons or entities engaged in work performed pursuant to this Agreement, including contractors, subcontractors, suppliers and providers of services. Subrecipient shall be responsible for any and all disputes arising out of its contracts for work on the Sub-Project, including payment disputes with contractors and subcontractors. The State Water Board will not mediate disputes between Subrecipient and any other entity concerning responsibility for performance of work.

1.5 Prevailing Wages and Labor Compliance. If applicable, Subrecipient shall 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. Subrecipient certifies that it has a Labor Compliance Program ("LCP") in place or has contracted with a third party that has been approved by the Director of DIR to operate an LCP.

1.6 Commitment to Cost-Share. Subrecipient shall invest a minimum of _____ Dollars (\$_____.00) of its own funds (the "Cost-Share Amount"), which constitutes at least twenty percent (20%) of the cost of the Sub-Project, to the Sub-Project, in accordance with the Grant Agreement. Subrecipient shall document and submit documentation reflecting the Subrecipient's internal costs and total Sub-Project costs to GWMA to demonstrate the Subrecipient's required cost share obligations under this Agreement prior to GWMA reimbursing the Subrecipient. If, upon completion of the Sub-Project, Subrecipient has provided its own funds in an amount less than the Cost-Share Amount, the State Water Board may proportionately reduce Subrecipient's allocated portion of the Funds or Subrecipient's funding amount, provided the reduced amount satisfies statutory requirements and the State Water Board's Guidelines.

1.7 Income Restrictions. Subrecipient shall pay to the State Water Board any refunds, rebates, credits or other amounts (including interest thereon) accruing to or received by Subrecipient, to the extent that they are properly allocable to costs for which Subrecipient has been reimbursed by GWMA under this Agreement.

1.8 Use of State Water Board Funds. Subrecipient shall use its allocated portion of the Funds solely for the construction of LID BMPs and the implementation of the Sub-Project pursuant to the terms and conditions of this Agreement and the applicable terms and conditions of the Grant Agreement. The Funds shall be used solely to reimburse actual direct costs incurred by Subrecipient that have been paid by or is due and payable by Subrecipient to implement the Sub-Project. Subrecipient shall not use the Funds for any "indirect costs," as defined in Exhibit B of the Grant Agreement. Subrecipient shall not use its allocated portion of the Funds for supplemental environmental projects required by Regional Water Boards.

1.9 Compliance with Grant Agreement. Subrecipient shall comply with all grantee responsibilities of the Grant Agreement and shall perform its respective obligations under and in accordance with the Grant Agreement. In the event that State Water Board determines

Subrecipient has breached the grantee obligations under the Grant Agreement, Subrecipient will be solely responsible for complying with any State Water Board demands, determinations, fines or other such actions or penalties initiated by State Water Board because of the breach. No non-breaching GWMA Member, non-participating GWMA Member, or GWMA as a whole shall be in any way responsible for satisfying any State Water Board demands made in response to a breach of the Grant Agreement by Subrecipient. If Subrecipient is found in breach of the Grant Agreement, it shall remain obligated under this Agreement and remain responsible to fulfill its obligations under this Agreement, including those obligations under Section 1.1. The State Water Board may withhold all or any portion of the Funds provided for by this Agreement in the event that Subrecipient has materially violated, or threatens to materially violate, any term, provision, condition or commitment of the Grant Agreement; or Subrecipient fails to maintain reasonable progress toward completion of the Sub-Project.

1.10 Compliance with CEQA and/or NEPA. Subrecipient's activities supported by the Funds are projects under the California Environmental Quality Act ("CEQA"). Subrecipient shall comply with CEQA requirements in the implementation of the Sub-Project. Subrecipient's work on the Sub-Project shall not commence until the State Water Board has reviewed and given environmental clearance to Subrecipient's CEQA documentation submitted by Subrecipient to GWMA in accordance with the provisions of Exhibits A and C of the Grant Agreement. If the Sub-Project is conducted on federal land, Subrecipient shall comply with the National Environmental Policy Act ("NEPA") requirements in the implementation of the Sub-Project in accordance with the provisions of Exhibits A and C of the Grant Agreement. Subrecipient's commencement of Sub-Project work that is subject to CEQA and NEPA without environmental clearance by the State Water Board shall constitute a breach of a material provision of this Agreement.

1.11 Approvals, Entitlements and Permits. If public agency approvals, entitlements or permits are required for implementation of the Sub-Project, Subrecipient shall obtain such approvals, entitlements and permits and submit signed copies of the same to GWMA prior to commencement of Sub-Project work. If the Sub-Project is carried out on lands not owned by Subrecipient, Subrecipient shall obtain adequate rights-of-way for the useful life of the Sub-Project. For purposes of this Agreement, the "useful life" of any constructed portions of the Sub-Project begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else. Review or approval of Sub-Project applications, documents, permits, plans and specifications or other Sub-Project information by the State Water Board is for administrative purposes only and does not relieve Subrecipient of its responsibility to properly plan, design, construct, operate, maintain, implement and otherwise carry out the Sub-Project.

1.12 Compliance with Laws, Regulations, Etc. Subrecipient shall, at all times, comply with, and require its contractors and subcontractors to comply with, all applicable federal and state laws, rules, guidelines, regulations and requirements, including, if applicable, Water Code Section 5103(e). Without limiting the foregoing, Subrecipient shall, to the extent possible, comply with the provisions of the adopted environmental mitigation plan for the term of this Agreement, or the useful life of the Sub-Project, whichever is later. Subrecipient certifies that it is not required to file a Statement of Diversion and Use pursuant to Water Code Section 5101.

1.13 Compliance with Urban Water Management Planning Act. Subrecipient certifies that the Sub-Project complies with the Urban Water Management Planning Act (Cal. Water Code, § 10610 *et seq.*).

1.14 Consistency with Watershed Management Plan. Subrecipient certifies that any watershed protection activity under taken as part of the Sub-Project will be consistent with the applicable adopted local watershed management plans and the applicable Water Quality Control Basin adopted by a Regional Water Board or the State Water Board, where such plans exist. Any such activity occurring in the San Gabriel and Los Angeles watersheds shall be consistent with the San Gabriel and Los Angeles River Watershed and Open Space Plan, as adopted by the San Gabriel and Lower Los Angeles Rivers and Mountain Conservancy and the Santa Monica Mountains Conservancy.

1.15 Water Conservation and Efficiency Programs. Subrecipient has appropriate water conservation and efficiency programs in place. Subrecipient shall comply with the State Water Board's Drought Emergency Water Conservation regulations in Sections 863-865 of Title 23 of the California Code of Regulations. If applicable, Subrecipient shall include a discussion of progress and compliance in its reports submitted pursuant to Section 6 of this Agreement.

1.16 State Water Board Disclosure Requirements. Subrecipient shall 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 of use.”

Further, Subrecipient shall post signage in a prominent location at Sub-Project sites or at Subrecipient's City Hall that includes the State Water Board's logo, available from GWMA, 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.”

1.17 Bonds. Subrecipient shall not authorize construction of the Sub-Project to begin until each contractor has furnished a performance bond in favor of Subrecipient in the following amounts: faithful performance – one hundred percent (100%) of contract value; and labor and materials – one hundred percent (100%) of contract value. This requirement shall not apply to any contract less than Twenty-Five Thousand Dollars (\$25,000.00).

1.18 Operations and Maintenance. Subrecipient shall maintain and operate the facility and structures constructed or improved as part of the Sub-Project throughout the useful life of the Sub-Project, consistent with the purposes for which the Grant Agreement was made. Subrecipient assumes all operations and maintenance costs of the facilities and structures; GWMA and the State Water Board shall not be liable for any cost of such maintenance, management or operation. Subrecipient may be excused from operations and maintenance only

upon the written approval of the Deputy Director of the Division of Financial Assistance (the "Division"). For purposes of this Section 1.18, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance and similar expenses. "Maintenance costs" include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.

1.19 Continuous Use of Sub-Project; Lease or Disposal of Sub-Project. Subrecipient, except as provided in this Agreement and the Grant Agreement, shall not abandon, substantially discontinue use of, lease or dispose of the Sub-Project, or any significant part or portion thereof during the useful life of the Sub-Project without the prior written approval of the Deputy Director of the Division. The Deputy Director may condition the approval, as determined to be appropriate by him or her, including a condition requiring repayment of all Funds or any portion of all remaining Funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

2. DISBURSEMENT OF FUNDS

2.1 Maximum Amount of Funds. Upon compliance with the requirements set forth in this Agreement, GWMA shall reimburse Subrecipient an amount not-to-exceed [REDACTED] Dollars (\$[REDACTED].00), which shall constitute GWMA's full obligation to Subrecipient, unless GWMA receives additional funds from the State Water Board for the completion of the Sub-Project or unless GWMA opts to shift the Funds currently allocated under the Grant Agreement from other GWMA Members' sub-projects to the Sub-Project. In such case, the parties shall amend the Agreement to reflect the additional sum and, if applicable, the additional LID BMPs Subrecipient shall construct. If the funds allocated to Subrecipient are insufficient to complete the Sub-Project, Subrecipient shall secure and provide such additional non-State Water Board grant funds necessary to complete the Sub-Project. Reimbursement, if any, by GWMA of Subrecipient's actual direct costs in implementing the Sub-Project in accordance with this Agreement is conditioned upon receipt of the Funds by GWMA from the State Water Board and obtaining all required approvals from the State Water Board, including environmental clearances. If the Funds are not forthcoming from the State Water Board, for any reason, GWMA shall not have any obligation to reimburse Subrecipient through any other source of GWMA funds. If the Funds are reduced by the State Water Board, for any reason, Subrecipient shall secure and provide such additional funds necessary to complete the Sub-Project and GWMA shall not have any obligation to reimburse Subrecipient for such additional funds through any other source of GWMA funds.

2.2 Cost Overruns. At no time shall GWMA or a non-participating GWMA Member be liable for any cost associated with the Project, including the Sub-Project. In the event that the Funds are not forthcoming from the State Water Board for any reason, or if the portion of the Funds allocated to Subrecipient are insufficient to cover costs for the Sub-Project in any way, GWMA and the GWMA Members that are not named as the Subrecipient under this Agreement shall not be held liable for any costs. Subrecipient shall be solely responsible for any costs associated with the Sub-Project in the event that the Funds are not forthcoming for any reason, or in the event that the portion of the Funds allocated to Subrecipient are insufficient to cover costs for the Sub-Project in any way.

2.3 Method of Payment. GWMA shall make reimbursements to Subrecipient upon Subrecipient's submittal of, and GWMA's approval of: (i) detailed invoices of completed Sub-Project work or fulfilled purchases that satisfy the invoicing requirements set forth in Exhibit B of the Grant Agreement; and (ii) the progress and project reports required in Paragraph G of Exhibit B of the Grant Agreement. Subrecipient may submit reimbursement requests to GWMA only a quarterly basis on or before the last business day in March, June, September and December in each year for the term of this Agreement. Subrecipient's final invoice shall be clearly marked "FINAL INVOICE" and submitted to GWMA no later than April 3, 2017. In the event Subrecipient does not submit invoices requesting its allocated portion of the Funds, any remaining portion of Subrecipient's allocation shall revert to the State Water Board. GWMA shall not make the final reimbursement payment to Subrecipient until Subrecipient has shown it has constructed all LID BMPs as set forth in Section 1.1 of this Agreement. To the extent the Funds actually have been received from the State Water Board, GWMA shall pay Subrecipient for all expenses stated on the invoice, which are approved by GWMA pursuant to this Agreement, no later than two (2) weeks after receipt of payment from the State Water Board, provided the progress and project reports are also timely submitted and approved. Notwithstanding any other provision of this Agreement, Subrecipient agrees that the State Water Board may retain an amount equal to ten percent (10%) of Subrecipient's allocated portion of the Funds until completion of the Sub-Project to the State Water Board's reasonable satisfaction.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. Subrecipient shall proceed with and complete the Sub-Project in an expeditious manner.

3.2 Schedule of Performance. Upon the State Water Board's written authorization of the Sub-Project, Subrecipient shall commence, prosecute and complete the Sub-Project as detailed under Section 1.1 of this Agreement within the time periods established in the "Table of Items for Review" in the Grant Agreement, unless extensions of such time periods have been approved in writing by GWMA. Subrecipient shall complete the Sub-Project no later than March 31, 2017.

3.3 Term. This Agreement shall commence on the Effective Date and shall continue through final payment to Subrecipient plus thirty-five (35) years, unless earlier terminated in accordance with Section 7.3 or amended.

4. COORDINATION OF WORK

4.1 Subrecipient Representative. The Subrecipient Representative for Subrecipient shall be the City Manager of [REDACTED] or such person as may be designated by the City Manager in writing. GWMA shall refer any decisions that must be made by Subrecipient to the Subrecipient Representative. Any approval by Subrecipient required under this Agreement shall mean the approval of the Subrecipient Representative, unless the Subrecipient Representative informs GWMA that the decision must be made by the [REDACTED] City Council.

4.2 GWMA Representative. The GWMA Representative shall be the Executive Director, or such person as may be designated by the Executive Director in writing. It shall be

Subrecipient's responsibility to ensure that the GWMA Representative is kept informed of the progress of the performance of the Sub-Project and Subrecipient shall refer any decisions that must be made by GWMA to the GWMA Representative. Any approval by GWMA required under this Agreement shall mean the approval of the GWMA Representative, unless the GWMA Representative informs Subrecipient that the decision must be made by the Board of Directors.

4.3 Independent Contractor. Subrecipient is, and shall at all times remain as to GWMA and to all GWMA Members not named as subrecipients under this Agreement, a wholly independent contractor. Subrecipient shall have no power to incur any debt, obligation or liability on GWMA's behalf or on behalf of any GWMA Member not named as a subrecipient under this Agreement. Neither GWMA nor any of its agents shall have control over the conduct of Subrecipient or any of Subrecipient's employees, except as set forth in this Agreement. Subrecipient shall fully comply with the worker's compensation laws regarding the Subrecipient and Subrecipient's employees. Subrecipient shall indemnify and hold GWMA and all GWMA Members not named as subrecipients under this Agreement harmless from any failure of Subrecipient to comply with applicable workers' compensation laws.

5. MANDATORY LIABILITY COVERAGE

5.1 Coverage. Throughout the useful life of the Sub-Project, Subrecipient shall provide and maintain insurance against fire, vandalism and other loss, damage or destruction of the LID BMPs constructed pursuant to this Agreement.

5.2 Memorandum of Coverage. Subrecipient shall file with GWMA upon the execution of this Agreement, a memorandum of coverage issued by the California Joint Powers Insurance Authority that shall provide that no cancellation, major change in coverage, expiration, or nonrenewal will be made during the term of this Agreement, without thirty (30) calendar days' written notice to GWMA and the State Water Board prior to the effective date of such cancellation or change in coverage.

5.3 Additional Insurance Requirements. The insurance coverage shall provide (i) that the coverage shall extend to GWMA, and each of its officers, agency, employees and volunteers and (ii) that the coverage shall operate as primary coverage.

5.4 Coverage Requirements. This insurance shall be issued by a company or companies admitted to transact business in the State of California. Subrecipient shall require each consultant or contractor retained by Subrecipient to implement the Sub-Project to obtain liability coverage at least as comprehensive as required under this Section 5 of this Agreement and shall require GWMA and its officers, agents, employees, and volunteers to be named as additional named insured on such coverage. Subrecipient shall also require each consultant and contractor to obtain workers' compensation coverage at not less than the minimum required under California law.

5.5 Use of Insurance Proceeds. In the event of any damage to or destruction of the Sub-Project or any larger system to which it is a part, the net proceeds of insurance shall be applied to the reconstruction, repair or replacement of the damaged or destroyed parts of the Sub-Project or its larger system. Subrecipient 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 larger system shall be free of all claims and liens.

6. REPORTS, AUDITS, RECORDS, INSPECTIONS AND REVIEWS

6.1 Reports. Subrecipient shall prepare and submit detailed invoices regarding the Sub-Project to GWMA on a quarterly basis. Subrecipient shall prepare and submit progress and project reports to GWMA as required under the Grant Agreement. GWMA shall prepare and submit regional progress and project reports to the State Water Board to fulfill the GWMA's reporting obligations under the Grant Agreement. Subrecipient shall comply with all other reporting requirements required of subrecipients and subgrantees under the Grant Agreement, including, if applicable, the reporting requirements specified in Paragraph G of Exhibit B of the Grant Agreement.

6.2 Audits and Records. GWMA, the State Water Board, the Bureau of State Audits, the Governor of the State, the Internal Revenue Service, or any authorized representative of the foregoing may review and copy any records and supporting documentation pertaining to the performance of this Agreement. The Division, at its option, may call for an audit of financial information relative to the Sub-Project, where the Deputy Director of 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 Subrecipient and at Subrecipient's cost. The audit shall be in the form required by the Division. Subrecipient shall maintain such records for a possible audit for a minimum of thirty-five (35) years after final payment, unless a longer period of records retention is stipulated. Subrecipient shall allow the auditor(s) access to such records during normal business hours and allow interviews of any employees who might reasonably have information related to such records. Further, Subrecipient shall include a similar right of GWMA and the State of California to audit records and interview staff in any contract related to performance of this Agreement.

6.3 Records. Without limiting the requirement in Section 9.3 of this Agreement to maintain Sub-Project accounts in accordance with generally accepted accounting principles, Subrecipient shall:

- (a) Establish an official file for the Sub-Project that adequately documents all significant actions relative to the Sub-Project;
- (b) Establish separate accounts that adequately and accurately depict all amounts received and expended on the Sub-Project, including all portions of Funds received under this Agreement;
- (c) Establish separate accounts that adequately depict all income received that is attributable to the Sub-Project, especially including any income attributable to portions of Funds disbursed under this Agreement;
- (d) Establish an accounting system that will adequately depict final total costs of the Sub-Project, including both direct and indirect costs;

(e) 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

(f) If a Force Account is used by Subrecipient for any phase of the Sub-Project, establish an account that documents all employee hours and associated tasks charged to the Sub-Project per employee.

6.4 Inspections. The State Water Board, the Bureau of State Audits, or any authorized representative of the foregoing, shall have suitable access to the Sub-Project sites at all reasonable times during Sub-Project implementation and thereafter for the useful life of the Sub-Project to ascertain compliance with the Grant Agreement and its goals.

7. ENFORCEMENT OF CONTRACT

7.1 Applicable Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California and the United States, as applicable. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of Los Angeles, State of California, the United States District, or any other appropriate court in Los Angeles County, and Subrecipient covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. Pending the resolution of disputes arising under this Agreement by the parties or a court of competent jurisdiction, Subrecipient shall continue to fulfill and comply with all the terms, provisions, commitments and requirements of this Agreement.

7.2 Assignment. Subrecipient shall not assign this Agreement, either in whole or in part, without GWMA's prior written consent.

7.3 Termination. GWMA may terminate this Agreement if GWMA receives notice from the State Water Board that the Grant Agreement has been terminated by giving written notice to Subrecipient. In the event of the State Water Board's termination of the Grant Agreement upon the violation by GWMA, Subrecipient or any other GWMA Member subrecipient of any material provision of the Grant Agreement, Subrecipient shall, upon demand, immediately repay to the State Water Board an amount equal to Subrecipient's allocated portion of the Funds distributed to Subrecipient prior to such termination. In the event of such termination, interest shall accrue on Subrecipient's amounts due at the highest legal rate from the date that notice of termination is mailed to GWMA from the State Water Board to the date Subrecipient's full repayment.

7.4 Waiver. Waiver by any party of any of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement.

7.5 No Third Party Rights. The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation or undertaking established in this Agreement.

7.6 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default, or any other default by the other parties.

7.7 Legal Action. In addition to any other rights or remedies, any party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to complete specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

7.8 Attorneys' Fees. If any party to this Agreement is required to initiate or defend or is made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief that may be granted, whether legal or equitable, shall be entitled to actual attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal, and in addition a party entitled to attorneys' fees shall be entitled to all other costs for investigating such action, taking depositions and discovery and all other costs incurred in such litigation.

7.9 Damages for Breach Affecting Tax Exempt Status. In the event that any breach of any of the provisions of this Agreement by Subrecipient results in the loss of tax exempt status for any state bonds, or such breach results in an obligation on the part of the State to reimburse the federal government by reason of any arbitrage profits, Subrecipient shall immediately reimburse the State Water Board in an amount equal to any damages paid by or loss incurred by the State due to such breach.

7.10 Related Litigation. Under no circumstances may Subrecipient use any portion of Funds from any disbursements under this Agreement to pay costs associated with any litigation Subrecipient pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, Subrecipient agrees to complete the Sub-Project funded by this Agreement or to repay Subrecipient's entire allocated portion of the Funds, plus interest.

8. INDEMNIFICATION

8.1 Indemnification. Neither GWMA nor any officer or employee thereof, nor any member of GWMA that is not named as a subrecipient in this Agreement, shall be responsible for any damage or liability occurring by reason of anything done or committed to be done by Subrecipient, its officers, agents, employees, contractors and subcontractors under this Agreement. Subrecipient shall fully indemnify, defend and hold GWMA, the State Water Board and the State (collectively, the "Indemnitees") harmless from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever, arising out of, resulting from or in any way connected with (1) the Sub-Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction of the Sub-Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement and any related document; (3) any violation of any applicable law, rule or regulation, any environmental

law (including the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Waste Control Law, Section 13304 of California Water Code and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Sub-Project site(s); or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by Subrecipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, Subrecipient shall pay and discharge any judgment or award entered or made against the Indemnitees with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this Section 8.1 shall survive the expiration or termination of this Agreement.

9. MISCELLANEOUS PROVISIONS

9.1 Computer Software. Subrecipient certifies that it has appropriate systems and controls in place to ensure that Subrecipient's allocated portion of the Funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

9.2 Conflict of Interest. Subrecipient certifies that it is in compliance with applicable state and federal conflict of interest laws.

9.3 Fiscal Management Systems and Accounting Standards. Subrecipient agrees that, at a minimum, its fiscal control and accounting procedures shall be sufficient to permit tracing of the Funds to a level of expenditure adequate to establish that Subrecipient's allocated portion of the Funds have not been used in violation of state law, this Agreement or the Grant Agreement. Subrecipient shall maintain separate Sub-Project accounts in accordance with generally accepted accounting principles.

9.4 Nondiscrimination. During the performance of this Agreement, Subrecipient and its consultants and contractors shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status and denial of family care leave. Subrecipient and its consultants and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Subrecipient and its consultants and contractors shall comply with the provisions of the Fair Employment and Housing Act (Cal. Gov. Code, § 12990) and the applicable regulations promulgated thereunder (Cal. Regs., tit. 2, § 11000 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of regulations, are incorporated into this Agreement by this reference and made a part hereof as if set forth in full. Subrecipient and its consultants and contractors shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement, if any. Subrecipient shall include the

nondiscrimination and compliance provisions in this Section 9.4 in all subcontracts to perform Sub-Project work under this Agreement. Subrecipient's failure to carry out the requirements set forth in this Section 9.4 and applicable requirements in Part 33 of Title 40 of the Code of Federal Regulations is a breach of a material provision of this Agreement that may result in its termination.

9.5 Discovery of Potential Archeological or Historical Resources. Should potential archeological or historical resources be discovered during implementation of the Sub-Project, all Sub-Project work in the area shall cease until (1) a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resources and (2) the Deputy Director of the Division has determined what actions should be taken to protect and preserve the resource. Subrecipient shall implement appropriate actions as directed by the Division.

9.6 Discovery of Unexpected Endangered or Threatened Species. Should federal or state protected species, as defined in the federal and state Endangered Species Acts, be unexpectedly encountered during implementation of the Sub-Project, Subrecipient shall promptly notify GWMA. This notification is in addition to Subrecipient's obligations under the federal and state Endangered Species Acts.

9.7 Rights in Data. All data, plans, drawings, specifications, reports, computer programs, operating manuals, audio and video recordings, notes and other written or graphic work produced in the performance of this Agreement shall be in the public domain. Subrecipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Agreement, subject to appropriate acknowledgment of credit to the State Water Board for financial support. Subrecipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

9.8 Travel and Per Diem. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. Reimbursement shall be at the state travel and per diem amounts that are current as of the date costs are incurred by Subrecipient. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State Water Board's Grant Manager.

9.9 Notices.

(a) Subrecipient shall notify GWMA prior to conducting construction, monitoring, demonstration or other implementation activities such that GWMA, State Water Board or Regional Water Board staff may observe and document such activities.

(b) Subrecipient shall notify GWMA at least twenty (20) working days prior to any public or media event publicizing the accomplishments or results of this Agreement and provide the opportunity for attendance and participation by GWMA and State Water Board representatives.

(c) Subrecipient shall promptly notify GWMA in writing of completion of work on the Sub-Project.

(d) Subrecipient shall promptly notify GWMA in writing of any cessation of all major construction work on the Sub-Project where such cessation of work is expected to or does extend for a period of thirty (30) calendar days or more and of any circumstance, combination of circumstances, or condition, that is expected to or does delay completion of construction for a period of ninety (90) calendar days or more beyond the estimated date of completion of construction previously provided.

(e) Any notices, bills, invoices or reports required by this Agreement shall be given by first class U.S. mail or by personal service. Notices shall be deemed received on (i) the day of delivery if delivered by hand or overnight courier service during Subrecipient's and GWMA's regular business hours or by facsimile before or during regular business hours; or (ii) on the third business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this Section 9.3(e). All notices shall be delivered the parties at the following addresses:

To GWMA: Attn: Grace J. Kast, Executive Officer
Gateway Regional Water Management Authority
16401 Paramount Boulevard
Paramount, California 90723
Facsimile: 562-634-8216

To Subrecipient: Attn: [name], [title]
City of []
[address]
[city], California [zip code]
Facsimile: [number]

9.10 Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the parties to this Agreement.

9.11 Word Usage. Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

9.12 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.13 Integration; Amendment. It is understood that there are no oral agreements between the parties of this Agreement affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

9.14 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement, on behalf of said party; (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

9.15 Exhibits; Precedence. Exhibit A is incorporated into this Agreement by this reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit A, the provisions of this Agreement shall prevail, except that all state grant fund requirements contained in Exhibit A shall prevail over the provisions of this Agreement.

9.16 Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

The parties are signing this Agreement on the date stated in the introductory clause.

GWMA

Subrecipient

Los Angeles Gateway Region Integrated
Regional Water Management Joint Powers
Authority,
a California Joint Powers Authority

City of _____,
a California municipal corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
GRANT AGREEMENT
(Attached)