

*The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.*



**BOARD OF DIRECTORS  
REGULAR MEETING**

**September 6, 2023**

**8:00 a.m.**

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1021 E. Miramar Avenue | Claremont, California 91711-2052

909.621.5568 | [www.threevalleys.com](http://www.threevalleys.com)



# THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING AGENDA

1021 E. Miramar Avenue, Claremont, CA 91711

September 6, 2023 – 8:00 AM

*The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region’s needs in a reliable and cost-effective manner.*

## NOTICE OF VIDEOCONFERENCE/TELECONFERENCE ACCESSIBILITY

Three Valleys MWD will hold this meeting of its Board of Directors on the date and time, and at the location set forth above. The public may participate in the meeting by physical attendance at the meeting or by videoconference or teleconference utilizing the following links:

**Link to join webinar:** <https://tvmwd.zoom.us/j/87894187174>

OR

**Dial in:** (669) 444-9171, Webinar ID: 878 9418 7174

Any member of the public wishing to participate in public comment may do so in any of the following manners: (1) by using the “Raise Hand” feature on the Zoom platform and when prompted by the Board President during the public comment period, (2) by filling out the electronic speaker’s card at the following link <https://arcg.is/0z5GqO> prior to the close of public comment, (3) by sending an email to [PublicComment@tvmwd.com](mailto:PublicComment@tvmwd.com) prior to the close of public comment, or (4) those attending the meeting in person may complete a speaker’s card and provide it to the Executive Assistant prior to the close of public comment.

- |   |         |
|---|---------|
| 1. CALL TO ORDER  | ROBERTO |
| 2. ROLL CALL  | AGUIRRE |
| Jody Roberto, President<br>Mike Ti, Vice-President<br>Carlos Goytia, Secretary<br>Bob Kuhn, Treasurer<br>David De Jesus, Director<br>Jeff Hanlon, Director<br>Danielle Soto, Director |         |
| 3. FLAG SALUTE  | ROBERTO |
| 4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449 [Government Code Section 54953(f)]   | ROBERTO |
| A. NOTIFICATION DUE TO JUST CAUSE   |         |
| B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES   |         |

## BOARD ACTION REQUIRED ITEM 4.B

Staff Recommendation: None

5. AGENDA REORDER/ADDITIONS [Government Code Section 54954.2(b)(2)] ROBERTO

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. The Board shall call for public comment prior to voting to add any item to the agenda after posting.

6. PUBLIC COMMENT (Government Code Section 54954.3) ROBERTO

Opportunity for members of the public to directly address the Board on items of public interest that is within the subject matter jurisdiction of TVMWD. The public may also address the Board on items being considered on this agenda.

We request that remarks be limited to three minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

7. PRESENTATIONS LITCHFIELD

A. NEW TVMWD TEAM MEMBER INTRODUCTION LITCHFIELD

Mr. Jose Velasquez, Chief Finance Officer

8. ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the agenda so that the Board may discuss and take action on the item if the Board is so inclined.

A. RESOLUTION NO. 23-09-974 JOINT TAX TRANSFER CITY OF LA VERNE REORGANIZATION NO. 2019-04 LITCHFIELD

Approval of Resolution No. 23-09-974 signifies acceptance of a joint tax transfer.

**BOARD ACTION REQUIRED 8.A**

Staff Recommendation: Approve as Presented

B. RESOLUTION NO. 23-09-975 AUTHORIZING AN UPDATE TO THE SIGNATORIES FOR LOCAL AGENCY INVESTMENT FUND (LAIF) COHN

The Board will consider approval of Resolution No. 23-09-975 to update signatories of the LAIF account, and direct staff to file the necessary documentation.

**BOARD ACTION REQUIRED 8.B**

Staff Recommendation: Approve as Presented

ITEM 8 CONTINUED

- C. RESOLUTION NO. 23-09-976 AUTHORIZING AN UPDATE TO THE SIGNATORIES FOR CITIZENS BUSINESS BANK COHN

The Board will consider approval of Resolution No. 23-09-976 to update the signatories for Citizens Business Bank accounts and direct staff to file the necessary documentation.

**BOARD ACTION REQUIRED 8.C**

Staff Recommendation: Approve as Presented

- D. RESOLUTION NO. 23-09-977 AUTHORIZING AN UPDATE TO THE SIGNATORIES FOR US BANK COHN

The Board will consider approval of Resolution No. 23-09-977 to update the signatories for US Bank accounts and direct staff to file the necessary documentation.

**BOARD ACTION REQUIRED 8.D**

Staff Recommendation: Approve as Presented

9. GENERAL MANAGER'S REPORT LITCHFIELD

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

- A. TVMWD LOGO AND BRAND REFRESH LITCHFIELD

The new TVMWD logo and brand refresh will be presented.

- B. EMPLOYEE HEALTH CARE COSTS CY 2024 ROBLES

The Board will review CY 2024 employee health care costs.

- C. MIRAMAR MAIN SWITCHGEAR UPGRADES PROJECT BUDGET AMENDMENT PANZER

The Board will be briefed on a budget amendment for the Miramar Main Switchgear Upgrades project.

- D. DWR FUNDING RESOLUTION FOR GROUNDWATER RELIABILITY PROJECT LEE

The Board will review the draft resolution to authorize the General Manager to enter into a funding agreement with the State of California Department of Water Resources for a Groundwater Reliability Project.

- E. WATER RESOURCES UPDATE LEE

An oral update of water resources planning efforts will be provided.

- |   |            |
|---|------------|
| 10. DIRECTORS'/GENERAL MANAGER'S ORAL REPORTS   | ROBERTO    |
| Directors may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD and on other areas of interest. |            |
| A. METROPOLITAN WATER DISTRICT  | DE JESUS   |
| B. CHINO BASIN WATERMASTER  | KUHN       |
| C. SAN GABRIEL BASIN WATER QUALITY AUTHORITY  | KUHN       |
| D. MAIN SAN GABRIEL BASIN WATERMASTER   | TI         |
| E. SIX BASINS WATERMASTER   | ROBERTO    |
| F. ADDITIONAL BOARD MEMBER REPORTS/COMMENTS   | ALL        |
| G. GENERAL MANAGER'S COMMENTS   | LITCHFIELD |
| 11. CLOSED SESSION  | ROBERTO    |
| A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION<br>[Government Code Section 54956.9(d)(1)]   |            |
| Name of Case: Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV RS 51010                         |            |
| B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION   |            |
| Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)  |            |
| <ul style="list-style-type: none"> <li>▪ One potential case</li> </ul>  |            |
| 12. FUTURE AGENDA ITEMS   | ROBERTO    |
| 13. ADJOURNMENT AND NEXT MEETING  | ROBERTO    |
| The Board will adjourn to a regular Board Meeting on September 20, 2023 at 8:00 AM.   |            |

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Executive Assistant at (909) 621-5568 at least 24 hours prior to the meeting.


Pursuant to Government Code Section 54957.5, materials related to an item on this agenda submitted after distribution of the agenda packet will be posted on the TVMWD website at [www.threevalleys.com](http://www.threevalleys.com).

Three Valleys MWD Board meeting packets and agendas are available for review at [www.threevalleys.com](http://www.threevalleys.com).



**BOARD ACTION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **Resolution No. 23-09-974 Joint Tax Transfer City of La Verne Reorganization No. 2019-04**

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**Funds Budgeted:** \$

**Fiscal Impact:** \$

### **Requested Action**

Approve the following:

1. TVMWD Resolution No. 23-09-974 for joint tax transfer city of La Verne Reorganization No. 2019-04; and
2. Direct staff to return the documents back to the County of Los Angeles with proper documentation.

### **Discussion**

The joint resolution approves and accepts the negotiated exchange of property tax revenue resulting from the annexation of territory know as reorganization 2019-04 to the city of La Verne and detachment from County Road District No. 5 and the Consolidated Fire Protection District. The tax transfer is a single parcel that is annexing from a county unincorporated area to the city of La Verne.

Upon execution and receipt of the documents, fully conformed copies will be provided back to TVMWD.

### **Environmental Impact**

None

### **Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

**Attachment(s)**

Exhibit A – Resolution No. 23-09-974

**Meeting History**

None

NA/ML

TVMWD RESOLUTION NO. 23-09-974

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS, AS THE GOVERNING BODY OF THE COUNTY OF LOS ANGELES, THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, AND THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT,  
AND THE  
CITY COUNCIL OF THE CITY OF LA VERNE, THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY AND THREE VALLEYS MUNICIPAL WATER DISTRICT, APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE RESULTING FROM THE ANNEXATION OF TERRITORY KNOWN AS REORGANIZATION 2019-04 TO THE CITY OF LA VERNE AND DETACHMENT FROM COUNTY ROAD DISTRICT NO. 5 AND THE CONSOLIDATED FIRE PROTECTION DISTRICT**

**WHEREAS**, the applicant initiated proceedings with the Local Agency Formation Commission for Los Angeles County (LAFCO) for the annexation of territory identified as Reorganization 2019-04 to the City of La Verne (City);

**WHEREAS**, pursuant to Section 99 of the California Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies;

**WHEREAS**, the area proposed for annexation is identified as Reorganization 2019-04 and approximately 19.44± acres of uninhabited territory will annex to the City of La Verne and County Sanitation District No. 21 of Los Angeles County and detach from the Consolidated Fire Protection District of Los Angeles County; and affected territory is located north of the intersection of Baseline Road and Japonica Avenue;

**WHEREAS**, the County and City subsequently determined that the boundary of the proposed annexation area should be extended to the center of Baseline Road to ensure the efficient and reliable provision of services to the annexation area; and

**WHEREAS**, the Board of Supervisors of the County of Los Angeles (County), as governing body of the County, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, and on behalf of Road District No. 5, and the LA County Library; the City Council of the City; and the governing bodies of the Three Valleys Municipal Water District and the County Sanitation District No. 21 of Los Angeles County, have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of the unincorporated territory identified as Reorganization 2019-04, detachment from County Road District No. 5 and the Consolidated Fire Protection District, is as set forth below:

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenue between the County and the City, resulting from Reorganization 2019-04 is approved and accepted for the reorganization of territory to the City of La Verne in Tax Rate Area 05111.



2. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2019-04 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, property tax revenue received by County Road District No. 5, attributable to Reorganization 2019-04, shall be transferred to the County, and the County Road District No. 5 share in the annexation area shall be reduced to zero.

3. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2019-04 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, a base of One Thousand, One Hundred, and Fifty-two Dollars (\$1,152) in base property tax revenue attributable to Reorganization 2019-04, and 0.215063832 of annual property tax increment attributable to Reorganization 2019-04 shall be transferred from the County of Los Angeles to the City of La Verne.

4. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2019-04 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, 0.183257162 of annual property tax increment attributable to Reorganization 2019-04 shall be transferred from the Consolidated Fire Protection District to the County, and the Consolidated Fire Protection District share shall be reduced to zero.

5. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2019-04 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, 0.004578855 of annual property tax increment attributable to Reorganization 2019-04 shall be transferred from various agencies to the County Sanitation District No. 21 of Los Angeles County, and the various agencies share shall be reduced accordingly.

6. The City and County agree that the boundary of the area to be annexed into the City pursuant to Reorganization 2019-04 shall extend to the centerline of Baseline Road and the City shall take all actions necessary, and submit any information or documentation required, to effectuate such extension of the annexation.

















PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_,  
2023 by the following vote:

AYES:

ABSENT:

NOES:

ABSTAIN:

County Sanitation District No. 21  
of Los Angeles County

\_\_\_\_\_  
Signature

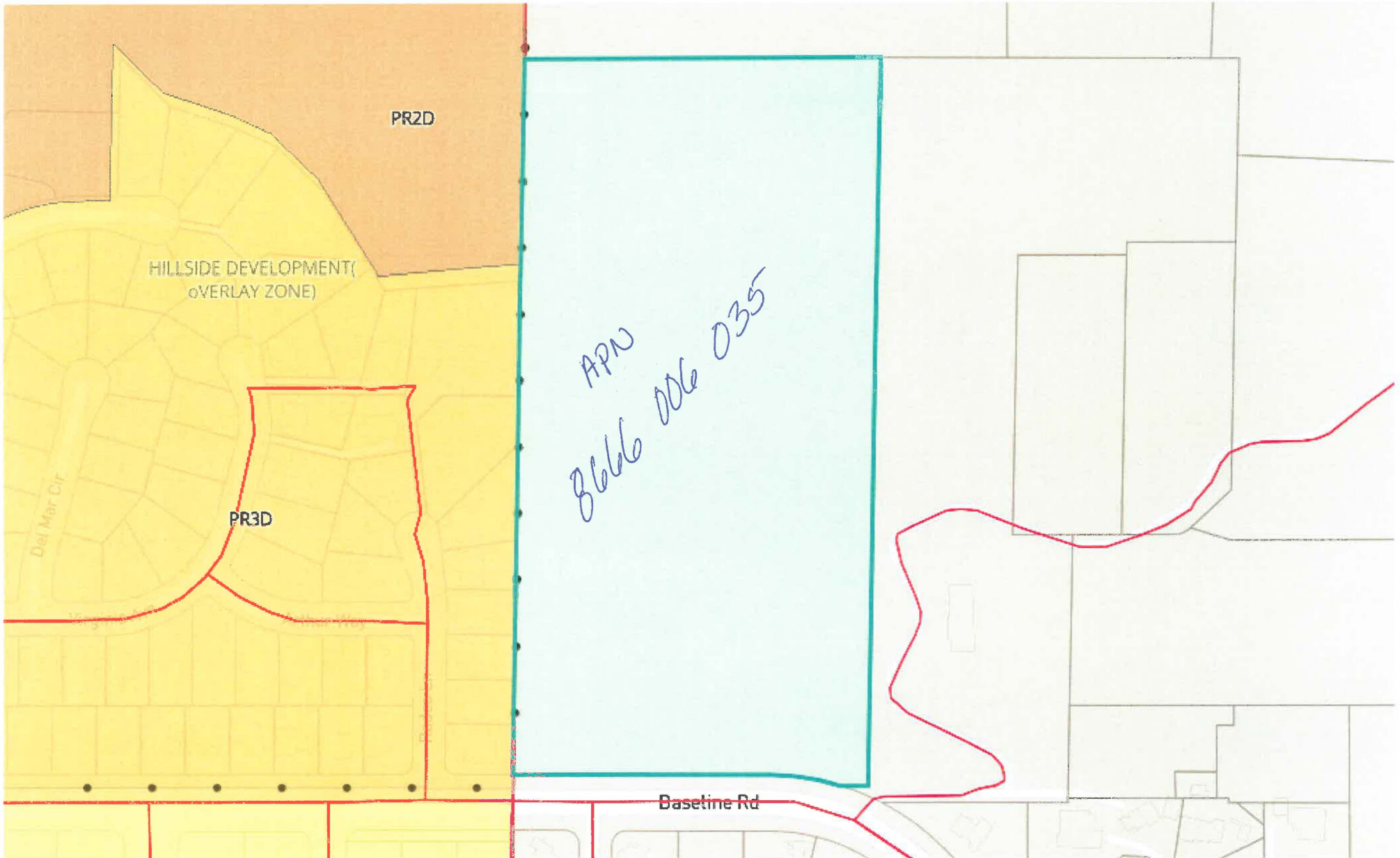
\_\_\_\_\_  
Print Name and Title

ATTEST:

\_\_\_\_\_  
Secretary

/

(Signed in Counterpart)



1" = 298 ft	City of La Verne Baseline Annexation	10/25/2021	
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This map may represents a visual display of related geographic information. Data provided here on is not guarantee of acutual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

**EXHIBIT "A"**

**Annexation No. 2019-04**

**To City of La Verne**

(21-768)

**LEGAL DESCRIPTION**

THE LAND SURVEYED HEREIN IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THE WEST 20 AC OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 8 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL ON JULY 28, 1865.


EXCEPT THE SOUTH 30 FEET THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES FOR ROAD PURPOSES.

ALSO EXCEPTING THEREFROM CONDEMNED TO THE STATE OF CALIFORNIA IN FEE SIMPLE ABSOLUTE FOR STATE HIGHWAY PURPOSES IN THE FINAL ORDER OF CONDEMNATION RECORDED OCTOBER 28, 2010 AS INSTRUMENT NO. 10-1551187 OFFICIAL RECORDS.



**BOARD ACTION**

**BOARD OF DIRECTORS  
STAFF REPORT**

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **Resolution No. 23-09-975 Authorizing an Update to the Signatories for Local Agency Investment Fund (LAIF)**

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**Funds Budgeted:** \$  **Fiscal Impact:** \$

**Staff Recommendation**

**Staff is recommending approval of Resolution No. 23-09-975, updating the signatories authorized to order the deposit or withdrawal of funds in TVMWD’s LAIF account.**

**Discussion**

TVMWD has an account with LAIF to earn a greater return on funds over a short-term basis, as opposed to funds kept with Chandler Asset Management that mature from 0-5 years.

LAIF requires a current resolution approved by the Board that reflects each person authorized to perform day-to-day business transactions pertaining to TVMWD’s LAIF. The attached resolution, if approved, updates the employees authorized to perform these actions as follows: Jose Velasquez, Chief Finance Officer – added (effective August 31, 2023), Matthew H. Litchfield, General Manager, Liz Cohn, Finance Manager.

**Environmental Impact**

None

**Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

**Attachment(s)**

Exhibit A – Resolution No. 23-09-975 Authorizing an Update to the Signatories for Local Agency Investment Fund

**Meeting History**

None

NA/LC

**RESOLUTION NO. 23-09-975**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AUTHORIZING AN UPDATE TO THE SIGNATORIES FOR  
LOCAL AGENCY INVESTMENT FUND**

**WHEREAS**, the Three Valleys Municipal Water District (“the District”), located at 1021 East Miramar Avenue, Claremont, California, is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

**WHEREAS**, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer.

**WHEREAS**, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the District.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes the deposit and withdrawal of District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

**BE IT FURTHER RESOLVED**, as follows:

Section 1. The following District officers holding the titles specified hereinbelow **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund Account Number ending 019 and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

MATTHEW H. LITCHFIELD General Manager	JOSE VELASQUEZ Chief Finance Officer	LIZ COHN Finance Manager
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Section 2. This resolution shall remain in full force and effect until rescinded by the Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

**ADOPTED and PASSED** at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 6th day of September 2023 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

\_\_\_\_\_  
Jody Roberto  
President, Board of Directors


ATTEST:

\_\_\_\_\_  
Carlos Goytia  
Secretary, Board of Directors

SEAL:

**BOARD ACTION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **Resolution No. 23-09-976 Authorizing an Update to the Signatories for Citizens Business Bank**

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**Funds Budgeted:** \$

**Fiscal Impact:** \$

### **Staff Recommendation**

**Staff is recommending approval of Resolution No. 23-09-976, updating the signatories authorized to order the deposit or withdrawal of funds in TVMWD's Citizens Business Bank accounts.**

### **Discussion**

TVMWD has a checking account and a sweep (interest bearing) account with Citizens Business Bank to serve as our primary account for day-to-day transactions.

Citizens Business Bank requires a current resolution approved by the Board that reflects each person who is authorized to perform day-to-day business transactions pertaining to TVMWD's Citizens Business Bank account. The attached resolution, if approved, updates the employees authorized to perform these actions as follows: Jose Velasquez, Chief Finance Officer – added (effective August 31, 2023), Robert G. Kuhn, Board Treasurer, Matthew H. Litchfield, General Manager, Kirk R. Howie, Chief Administrative Officer.

### **Environmental Impact**

None

### **Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

### **Attachment(s)**

Exhibit A – Resolution No. 23-09-976 Authorizing an Update to the Signatories for Citizens Business Bank

**Meeting History**

None

NA/LC

**RESOLUTION NO. 23-09-976**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AUTHORIZING AN UPDATE TO THE SIGNATORIES  
FOR CITIZENS BUSINESS BANK**

**WHEREAS**, the Three Valleys Municipal Water District (“the District”), located at 1021 East Miramar Avenue, Claremont, California, is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

**WHEREAS**, adoption of this resolution will supersede all previous resolutions passed by the Board of Directors with respect to account signatories for Citizens Business Bank Account Numbers ending in 7091 and 2233.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors does hereby authorize that all previously authorized signatories are removed, and the following District employees shall be authorized to order the deposit or withdrawal of monies in the Citizens Business Bank Account Numbers ending in 7091 and 2233:

MATTHEW H. LITCHFIELD General Manager	ROBERT G. KUHN Board Treasurer	KIRK R. HOWIE Chief Administrative Officer	JOSE VELASQUEZ Chief Finance Officer
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**ADOPTED and PASSED** at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 6th day of September 2023 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

\_\_\_\_\_  
Jody Roberto  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Carlos Goytia  
Secretary, Board of Directors


SEAL:





**BOARD ACTION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **Resolution No. 23-09-977 Authorizing an Update to the Signatories for US Bank**

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**Funds Budgeted:** \$  **Fiscal Impact:** \$

### **Staff Recommendation**

**Staff is recommending approval of Resolution No. 23-09-977, updating the signatories authorized to order the deposit or withdrawal of funds in TVMWD’s US Bank account.**

### **Discussion**

TVMWD has an account with US Bank to use in case of any issues with our primary checking account with Citizens Business Bank.

US Bank requires a current resolution approved by the Board that reflects each person who is authorized to perform day-to-day business transactions pertaining to TVMWD’s US Bank account. The attached resolution, if approved, updates the employees authorized to perform these actions as follows: Jose Velasquez, Chief Finance Officer – added (effective August 31, 2023), Robert G. Kuhn, Board Treasurer, Matthew H. Litchfield, General Manager.

### **Environmental Impact**

None

### **Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

### **Attachment(s)**

Exhibit A – Resolution No. 23-9-977 Authorizing an Update to the Signatories for US Bank

### **Meeting History**

None

NA/LC

**RESOLUTION NO. 23-09-977**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AUTHORIZING AN UPDATE TO THE SIGNATORIES FOR  
U.S. BANK**

**WHEREAS**, the Three Valleys Municipal Water District (“the District”), located at 1021 East Miramar Avenue, Claremont, California, is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

**WHEREAS**, adoption of this resolution will supersede all previous resolutions passed by the Board of Directors with respect to account signatories for U.S. Bank.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors does hereby authorize that all previously authorized signatories are removed, and the following District employees shall be authorized to order the deposit or withdrawal of monies in the U.S. Bank Account Number ending in 4062:

MATTHEW H. LITCHFIELD General Manager	ROBERT G. KUHN Board Treasurer	JOSE VELASQUEZ Chief Finance Officer
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**ADOPTED and PASSED** at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 6<sup>th</sup> day of September 2023 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

\_\_\_\_\_  
Jody Roberto  
President, Board of Directors


ATTEST:

\_\_\_\_\_  
Carlos Goytia  
Secretary, Board of Directors

SEAL:



## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** TVMWD Logo and Brand Refresh

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Funds Budgeted: \$ 27,000

Fiscal Impact: \$ 15,000

### **Staff Recommendation**

**No Action Necessary – Informational Item Only**

### **Discussion**

In Spring 2023, staff embarked on refreshing the current TVMWD logo and brand to develop a more modernized, clean look that will clearly distinguish TVMWD within the industry.

The new logo was a collaborative process with input and suggestions from staff and the board, culminating in the final product. Staff will be working with the consultant, Katz & Associates, to develop all of the necessary templates that will reshape the look of TVMWD, including, but not limited to, staff reports, letterhead, business cards, promotional materials, PowerPoint presentations, clothing, service pins, agency flag, to name a few. The official “go live” date for the new logo will be Monday, October 4, 2023.

### **Environmental Impact**

None

### **Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

### **Attachment(s)**

None

### **Meeting History**


None

NA/ML



**INFORMATION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **Employee Health Care Costs CY 2024**

**Funds Budgeted: \$ 4,000**                       **Fiscal Impact: \$ 42,300**

### Staff Recommendation

**No Action Necessary – Informational Item Only**

### Background

<b>Medical</b>	Employees pay 0- 10% of medical premiums for individual/couple/family.
<b>Dental</b>	Delta Dental PPO or DeltaCare HMO. Premiums are 100% paid by TVMWD.
<b>Vision</b>	Vision Service Plan (VSP). Premiums are 100% paid by TVMWD.
<b>EAP</b>	Anthem Employee Assistance Program. Premiums are 100% paid by TVMWD.
<b>Medical Opt Out</b>	Employees may opt themselves and/or family members out of medical coverage with proof of comparable alternative medical coverage. The employee receives 70% of the average plan cost. Cash back is not available for elected officials.

TVMWD will continue to provide \$400/EE or \$800/EE+I or family to the HSA plan of those that enroll in CDHP.

### Discussion:

The 2024 Employee Benefits Renewal has been finalized in partnership with ACWA JPIA. The premium renewal will generate a \$42,300 calendar year financial impact. A 1% increase was budgeted for 2024 benefit premiums cost.

**Summary of 2024 rate changes:**

- |                                     |                       |
|-------------------------------------|-----------------------|
| • Anthem PPOs                       | <b>12% increase</b>   |
| • Anthem HMOs                       | <b>5.48% increase</b> |
| • Kaiser                            | <b>9.94% increase</b> |
| • Employee Assistance Program (EAP) | <b>no change</b>      |
| • Delta Dental PPO and HMO          | <b>no change</b>      |
| • Vision Service Plan (VSP)         | <b>no change</b>      |

Health benefits claim expenses have been incredibly volatile as a result of delayed or foregone care and a rebound due to pent-up demand for care during the pandemic. More recently, inflation and increases in labor costs have added to higher costs for providers and health plans. Despite these factors, JPIA was able to have no premium changes to PPO rates in 2019, 2020, or 2021. Rates were reduced by 5% in 2022 and reduced again by 10% in 2023. Consequently, JPIA's 2023 self-funded PPO medical plan rates are 15% lower than they were in 2018.

Expenses have increased approximately 20% over the last year, coupled with a 10% decrease in rates. JPIA has been successful in returning large amounts of surplus funds to the members, returning approximately \$10 million to date. This also means the JPIA program has some catching up to do. The significant subsidies in 2022 and 2023 will require increases in rates to meet expenses over the following years. To increase premiums to match expenses, it is estimated that Anthem PPO rates will increase by double digits per year for the next couple of years.

**Environmental Impact**

None

**Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

**Attachment(s)**

Exhibit A – Health Care Cost Summary 2024

**Meeting History**

None

NA/VR

**Three Valleys Municipal Water District  
Health Care Cost 2024- Monthly**

Benefit-->	Medical				Dental		Vision
	Anthem Blue Cross			Kaiser	Delta		VSP
	PPO	CDHP	HMO	HMO	PPO	HMO	PPO
Total Premium							
single	807.67	646.13	994.49	770.97	33.72	29.19	17.21
two-party	1,615.34	1,292.26	1,988.98	1,541.94	69.09	45.36	17.21
family	2,140.33	1,712.24	2,635.40	2,143.30	122.90	64.72	17.21
<b>Status</b>							
Employee Cost							
EE	\$ 80.77	\$ -	\$ 99.45	\$ -	\$ -	\$ -	\$ -
EE+1	\$ 161.53	\$ -	\$ 198.90	\$ 154.19	\$ -	\$ -	\$ -
Family	\$ 214.03	\$ -	\$ 263.54	\$ 214.33	\$ -	\$ -	\$ -
TVMWD Cost							
EE	\$ 726.90	\$ 646.13	\$ 895.04	\$ 770.97	\$ 33.72	\$ 29.19	\$ 17.21
EE+1	\$ 1,453.81	\$ 1,292.26	\$ 1,790.08	\$ 1,387.75	\$ 69.09	\$ 45.36	\$ 17.21
Family	\$ 1,926.30	\$ 1,712.24	\$ 2,371.86	\$ 1,928.97	\$ 122.90	\$ 64.72	\$ 17.21
HSA/HRA Benefit	<b>HRA</b>	<b>HSA</b>	<b>HRA</b>	<b>HRA</b>	Full-time staff and elected officials provided \$1,000 each calendar year to HSA/HRA.		
EE	\$ 1,000.00	\$ 1,400.00	\$ 1,000.00	\$ 1,000.00			
EE+1	\$ 1,000.00	\$ 1,800.00	\$ 1,000.00	\$ 1,000.00			
Family	\$ 1,000.00	\$ 1,800.00	\$ 1,000.00	\$ 1,000.00			
Flex Benefit Option	<b>FSA</b>	<b>LFSA</b>	<b>FSA</b>	<b>FSA</b>	Employee tax-advantaged deduction		

**Employee Cost** - 10% of medical premium, with the following exceptions:

- Single employee enrolled in lowest cost medical plan (JPIA requirement).
- Employee in CDHP pays no premium and receives additional contribution to HSA (\$400 EE; \$800 EE+1 or Family)


**Medical Opt Out** - Employee may opt themselves and/or family members out of medical coverage during open enrollment with proof of comparable alternative medical coverage. The opt out amount is 70% of the average plan cost (based on status). JPIA requires medical coverage for 75% of TVMWD employees. Cash back is not available for elected officials.

Opt Out Cash Back

EE	\$ 563
EE+1	\$ 1,127
Family	\$ 1,510



## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **Miramar Main Switchgear Upgrades Project Budget Amendment**

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**Funds Budgeted: \$182,216**

**Fiscal Impact: \$45,000**

### **Staff Recommendation**

**No Action Necessary – Informational Item Only**

### **Background**

The total project budget for the Miramar Main Switchgear Upgrades Project (Project) is estimated at \$227,216. However, the Project was established with a budget of \$25,000 for FY 2022-23 and \$157,216 for FY 2023-24, with a total project budget of \$182,216. A budget amendment in the amount of \$45,000 is needed to complete the project.

### **Discussion**

In February of 2023, the Board approved to award the Miramar Main Switchgear Upgrades Project to Hi Point Construction for \$207, 853; The current estimated Project cost is \$227,216, which includes a contingency of 10 percent for unanticipated expenses.

When the Project budget was established for FY 2023-24, the budget was inadvertently set at an amount below the estimated total project cost. Therefore, a budget amendment in the amount of \$45,000 is being requested for the FY 2023-24 year to fund the remaining project activities. The monies will be transferred from the Emergency Electrical Upgrades Project which has residual funds available.

### **Environmental Impact**

None

### **Strategic Plan Objective(s)**

- 1.4 – Maintain reliable water infrastructure
- 1.5 – Be prepared for catastrophic events
- 2.2 – Maintain efficient and safe operations

**Attachment(s)**

Exhibit A – FY 22/23 Budget Amendment for Electrical Switchgear Upgrades

**Meeting History**

Board of Directors Meeting, October 19, 2022, Action Item

Board of Directors Meeting, February 15, 2023, Action Item

NA/KP





# BUDGET AMENDMENT

To: Finance Department

Fiscal Year: FY 22/23

From: Water Resources  
Department

Date: 08/08/23

Subject: Main Switchgear Upgrades

Please process this request and distribute the budget amendment as follows:

## Expenditure Amendment

Ref No.	Line Item Description	Account Number	FY Budget (\$)			Reserve Funds (\$)		
			Existing	Change (+/-)	Revised	Existing	Change (+/-)	Balance
1	Main Switchgear Upgrades	20.21.58178	182,216	45,000	227,216			0
2	Emergency Electrical Upgrades	20.21.58165	231,260	(45,000)	186,260			0
3					0			0
4					0			0
5					0			0
6					0			0
7					0			0
8					0			0
9					0			0
10					0			0
<b>NET CHANGE:</b>				\$0			\$0	

**Attach staff report, motion, committee and/or board minutes associated with this budget amendment**

	YES	NO	
Committee Review:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
Board Approval:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Date: <u>8-17-23</u>

- Amendment Procedure**
1. If required by District policy, General Manager requests Board approval of budget amendment. Request to amend budget must be included in the staff report.
  2. Upon Board approval, the Finance Department secures all necessary signatures to complete the Budget Amendment form. The staff report and board minutes, if any, should be attached to the form.
  3. Finance Department maintains all appropriate documentation and processes the budget entry.
  4. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

\_\_\_\_\_  
Chief Finance Officer Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
General Manager Signature

Date: \_\_\_\_\_

**Finance Dept Use Only**

Date Received	_____
Board Report Date	_____
Motion #	_____
Date Posted	_____
Posted By	_____



# PURCHASE ORDER

Item 9.C - Exhibit A

**PURCHASE ORDER NO. 10466**

**VENDOR:**

Eaton Corporation  
 13039 Crossroads Pkwy South  
 City of Industry, CA 91746  
 626-290-7183

**SHIP & BILL TO:**

Three Valleys Municipal Water District  
 1021 E. Miramar Avenue  
 Claremont, CA 91711-2052  
 Tel: 909-621-5568; Fax: 909-625-5470

P.O. DATE	DATE REQUIRED	SHIP VIA	FREIGHT TERMS	PAYMENT TERMS	BUYER
10/19/22	1/31/24		NO SHIPMENT INVOLVED	Net 30	Matthew Litchfield

QTY	UOM	DESCRIPTION	UNIT PRICE	AMOUNT
		Services to Retrofit Miramar Electrical Switchboard Breakers Per Proposal #LAK2-220503-01-AW-R1 dated 5/31/22		
1	ea	Required Initial Site Measurements by Eaton Engineering. Customer Approval Drawings will be provided. Outage Required.	14,618.00	14,618.00
2	ea	New Breakers, 2000A Magnum DS Draw-Out (D/O), Electrically Operated (E/O) with 520MC Trip Unit. LSIG (4W) and ARMS for #1 & 2 (Main & GEN) with Installation, including Site Acceptance Testing and Start-Up. Outage Required.	49,212.50	98,425.00
1	ea	New Breaker, 2000A Magnum DS Draw-Out (D/O), Electrically Operated (E/O) with 520MC Trip Unit. LSIG (4W) and ARMS for #3 (MCC) with Installation, including Site Acceptance Testing and Start-Up. Outage Required.	49,993.00	49,993.00
1	ea	SPARE: New Breaker, 2000A Magnum DS Draw-Out (D/O), Electrically Operated (E/O) with 520MC Trip Unit. LSIG (4W) & ARMS	17,243.00	17,243.00
1	ea	Breaker Coordination Study, only. Applicable to NEW Magnum DS Breakers	1,937.00	1,937.00
		District selected Eaton as single source vendor due to the higher value it provides and project savings.		

**Notes/Special Instructions**

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<b>SUBTOTAL</b>		\$ 182,216.00
<b>TAX</b>	9.50%	-
<b>S &amp; H</b>		-
<b>TOTAL</b>		\$ 182,216.00

**General Instructions**

Please furnish us with the items and/or services listed above in accordance with the terms and conditions specified on the face and the reverse of the Purchase Order including specifications, changes, and other attachments hereto. All invoices must reference purchase order number.

Account/Project #


Requested by: Kevin Panzer Authorized by: \_\_\_\_\_ Date \_\_\_\_\_

## Terms and Conditions

1. **ACCEPTANCE/AGREEMENT:** This purchase order constitutes the Buyer's offer to the Seller. By accepting or filing this purchase order, Seller agrees to the terms and conditions herein which shall prevail over any inconsistent provision in any form or other paper submitted by Seller. All shipments or services performed shall be deemed to have been made pursuant hereto. No other terms are acceptable.
2. **DELIVERY:** The obligation of the Seller to meet the delivery dates, specifications, and quantities set forth herein is of the essence of this purchase order. Unless this purchase order states otherwise, no charge shall be made for packing, crating or other similar costs. Items shall be packed in accordance with prudent commercial practices to insure against damage from weather and/or transportation.
3. **INSPECTION AND ACCEPTANCE:** Items purchased hereunder are subject to final inspection and approval at the Buyer's facilities, notwithstanding any other inspection, unless otherwise specifically stated on this purchase order. Neither compliance by Seller with instructions or suggestions by any employee of the Buyer nor the Buyer's payment of Seller's invoice for any item prior to final inspection shall be deemed an acceptance of the item, or a waiver of the right of inspection, or any other right herein reserved, or relieve Seller of any obligation or liability under the terms and conditions of this purchase order. Defective, damaged and nonconforming materials or equipment may be returned for credit or refund at the Seller's expense.
4. **DISTRICT PROPERTY:** All designs, specification, tools, plans, patterns, drawings, information or equipment supplied by the Buyer, or if supplied by the Seller especially for this purchase order, the cost, or substantially all of the cost, of which is included in the price to be paid for items ordered hereunder, and relating to, or for use in the manufacture of items sold hereunder, shall remain the property of the Buyer, and Seller expressly agrees that the same will not be used in manufacture or design for the account of others, nor for the manufacture of larger quantities than called for in this purchase order, without first obtaining the consent of the Buyer in writing. All such property of the Buyer, together with spoiled and surplus materials, shall be returned to the Buyer, at termination, cancellation or completion of the purchase order, unless the Buyer shall otherwise direct. All material furnished by the Buyer under this purchase order (except that which becomes normal waste) shall be returned in the form of parts or unused material and Seller shall be responsible for the use of reasonable care in the safeguarding of all such materials until so returned. All information, designs, drawings and sources of supply shall be deemed confidential unless written release is furnished by the Buyer.
5. **WARRANTY:** Seller warrants that all material and work covered by this purchase order shall conform to the specifications, designs, drawings or other description furnished or specified by the Buyer, and will be of good material and workmanship, and free from defect. Seller further warrants that all material covered by this purchase order which is the product of Seller is in accordance with Seller's specifications or design shall be fit and sufficient for the purpose intended by the Buyer, as disclosed to Seller. All warranties shall run to the Buyer, its successors, assigns and customers, and to the users of its products.
6. **CHANGES:** The Buyer shall have the right at any time, by a written change order to the Seller, to make changes in the specifications, designs or drawings, samples or other description to which the items are to conform, in methods of shipment and packaging, or in the time or place of delivery of any items. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this purchase order, an equitable adjustment shall be made in the price or delivery schedule or both, and this purchase order modified in writing accordingly. Any claim by Seller for an adjustment must be made in writing, however, that the Buyer may, in its discretion, receive and act upon any such claim so made at any time prior to final payment under this purchase order. Nothing in this clause shall excuse Seller from proceeding without delay to perform this purchase order as changed.
7. **TERMINATION:** (a) The Buyer may terminate or cancel this purchase order, in whole or in part, without liability to the Buyer, if deliveries are not made at the time and in the quantities specified, or in the event of a substantial breach of any of the other terms or conditions hereof; (b) the Buyer may also terminate this purchase order, in whole or in part, even though Seller is not in default hereunder and no breach hereof has occurred, by notice in writing at any time. Such notice shall state the extent and effective date of termination and upon the receipt by Seller of such notice, Seller will, as and to the extent prescribed by the Buyer, stop work under the purchase order and placement of further purchase orders or subcontracts hereunder, terminate work under purchase order and subcontracts outstanding hereunder, and take any necessary action to protect property in the Seller's possession in which the Buyer, has or may acquire an interest.
8. **GENERAL:** All warranties shall be construed as conditions as well. Neither this purchase order nor performance hereof may be assigned without the written consent of the Buyer. No waiver of a breach or of any provision of this purchase order shall constitute a waiver of any other breach or of such provision. No modification or change in or departure from, the provisions of this purchase order shall be valid or binding on the Buyer unless approved by the Buyer in writing.
9. **INSOLVENCY AND BANKRUPTCY:** In the event Seller shall become insolvent or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any law relating to the relief of debtors, or in the event a receiver be appointed of Seller's property or business, the Buyer may, at its option, cancel this purchase order, in accordance with paragraph seven (7) above.
10. **INSURANCE:** If requested by the Buyer, the Seller shall provide the Buyer verification of general commercial liability, automobile liability, professional liability, worker's compensation and/or employers liability insurance. Failure to provide verification shall be considered a material breach of the terms and conditions of this purchase order.
11. **GOVERNING LAW:** To the extent applicable hereto, Seller shall in the performance of this purchase order comply with all federal, state and local laws, and regulations and purchase orders issued under any applicable law.
12. **EQUAL OPPORTUNITY CLAUSE:** Seller shall comply with all federal, state, and local laws prohibiting discrimination, including without limitation, laws prohibiting discrimination, because of race, color, national origin, religion, age, sex or handicap.
13. **SAFETY AND HEALTH:** Seller agrees that all items or equipment purchased hereunder shall comply with the requirements of the Federal Occupational Safety and Health Act of 1971, the California Occupational Safety and Health Act of 1973, and any amendments thereto and all other applicable laws regarding safety and health for the Buyer.
14. **FORCE MAJEURE:** The Buyer may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such materials, equipment, supplies, services and or installations at the direction of the Buyer and shall deliver them when the cause affecting the delay has been removed. The Buyer shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this purchase order at the Buyer's request. Seller shall also be excused if delivery is delayed by unforeseen events beyond its reasonable control, provided Seller notifies the Buyer as soon as they occur. The Buyer may cancel this purchase if such delay exceeds thirty (30) days from the original delivery date.
15. **INDEMNIFICATION:** Seller shall protect, defend, indemnify and hold the Buyer harmless against all damages, liability, claims, losses and expenses (including attorney's fees) arising out of, or resulting in any way from Seller's negligence in providing the goods or services purchased hereunder or from any act or omission of Seller, its agents, employees, or subcontractors.
16. **PUBLIC RECORD:** Pursuant to California Public Records Act (Government Code Section 6250 et seq.), all information pertaining to this purchase shall become a matter of public record.



## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** September 6, 2023  
**Subject:** **DWR Funding Resolution for Groundwater Reliability Project**

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Funds Budgeted: \$ 100,000

Fiscal Impact: \$ 100,000

### **Staff Recommendation**

**No Action Necessary – Informational Item Only**

### **Background**

Three Valleys Municipal Water District (Three Valleys) in partnership with the City of Glendora and the Puente Basin Water Agency are collaborating on the development of the Groundwater Reliability Project (Project). Parallel to the feasibility study development, Three Valleys has also been actively seeking funding opportunities to assist in project development and implementation. The draft resolution for the Groundwater Reliability Project will provide the mechanism to accept \$400,000 in funding from the Department of Water Resources for the Project.

### **Discussion**

The Project is intended to foster long-term resilience to drought and has the potential to benefit the entire Three Valleys service area. The proposed Project includes re-drilling of stranded City of Glendora wells (Nos. 3, 4 and 7) located in the cities of Covina and Azusa, equipping them with wellhead treatment, and constructing a potable water pipeline, with a production capacity of up to 9,400 AFY of local groundwater. This newly available potable water supply will be made available for normal operations as well as during supply shortages and drought conditions. This new, reliable, local supply will be augmented with wet year groundwater recharge utilizing existing facilities and will be stored in the basins naturally occurring groundwater basins. The newly constructed potable pipeline will create a distribution network with neighboring agencies, thereby providing the resilience to meet uncertain future conditions in water supply management and provide a means to share water supply sources during emergency conditions.

Staff has been actively seeking opportunities to pursue grant funding as it becomes available. On March 29, 2023, Three Valleys submitted a request to Assemblywoman Blanca Rubio to request State Budget for implementation of the Feasibility/Design phase of the Project. In August 2023, Three Valleys was informed that the request was approved, and the funding was placed as part of the State Budget in legislation for Fiscal Year 2023-24. Part of the conditions to receive the

funding is for the governing board to adopt a resolution providing authorization to the General Manager to receive the funding. The attached draft resolution was developed to accept the funding from the Department of Water Resources. The item will be presented to the Board of Directors meeting on September 20, 2023 for its consideration for adoption. Of the \$400,000 funding received, \$300,000 was requested for the GW Reliability Project and \$100,000 was requested for the City of Covina's Water Use Efficiency Program Outreach Program.

In August 2023, the San Gabriel Basin Water Quality Authority also awarded the Project \$500,000 from its Federal Funding Program Administration of Round X.

The Feasibility Study for the Project is in progress and is expected to be completed by November. The results of the study will be presented to the Board of Directors at a future meeting. The project budget and phases of implementation will also be provided at the same meeting.

**Environmental Impact**

None

**Strategic Plan Objective(s)**

- 1.3 – Maintain diverse sources of reliable water supplies and storage
- 1.4 – Maintain reliable water infrastructure
- 1.5 – Be prepared for catastrophic events
- 2.1 – Maximize the most cost-effective water resources

**Attachment(s)**

- Exhibit A – Draft Resolution for the GW Reliability Project
- Exhibit B – Draft Funding Agreement between the State of California and Three Valleys

**Meeting History**

Board of Directors Meeting, April 20, 2022, Action Item

NA/SAL

**RESOLUTION NO. 2023-09-DRAFT**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE THREE VALLEYS MUNICIPAL WATER DISTRICT  
AUTHORIZING THE THREE VALLEYS MUNICIPAL  
WATER DISTRICT TO ENTER INTO AN AGREEMENT  
WITH THE STATE OF CALIFORNIA DEPARTMENT OF  
WATER RESOURCES TO RECEIVE FUNDS FOR THE  
GROUNDWATER RELIABILITY PROJECT AND  
AUTHORIZING THE GENERAL MANAGER TO EXECUTE  
THE AGREEMENT ON BEHALF OF THE THREE VALLEYS  
MUNICIPAL WATER DISTRICT**

**WHEREAS**, the September 2022 Assembly Bill 179 designated \$400,000 in funding to the Three Valleys Municipal Water District, for its Groundwater Reliability Project, a water supply reliability project in the eastern San Gabriel Valley; and

**WHEREAS**, the responsibility for the administration of the fund, including establishing the necessary procedures for disbursement of the fund, to the California Department of Water Resources (“CDWR”); and

**WHEREAS**, CDWR requires a resolution from the Three Valleys Municipal Water District authorizing the Three Valleys Municipal Water District to enter into an agreement with CDWR to receive funds and to authorize the General Manager to execute the agreement.

**NOW THEREFORE BE IT RESOLVED**, the Board of Directors of the Three Valleys Municipal Water District does hereby find as follows:

Authorizes the Three Valleys Municipal Water District to enter into an agreement with the State of California Department of Water Resources to receive \$400,000 in funding for its Groundwater Reliability Project and authorizes the General Manager/Chief Engineer, or designee to execute the agreement, any amendments thereto; and to submit any required documents, invoices, and reports required to obtain State funds.

**ADOPTED** and **PASSED** at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 20<sup>th</sup> day of September 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Jody Roberto  
President, Board of Directors

ATTEST:

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Carlos Goytia  
Secretary, Board of Directors

SEAL:

DRAFT

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA  
(DEPARTMENT OF WATER RESOURCES) AND  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AGREEMENT NUMBER 46000xxxxx**

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the Three Valleys Municipal Water District, a municipal water district in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Funding Recipient," which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide funding from the Budget Act of 2022 (Stats. 2022, ch. 249, § 207.) to Funding Recipient to assist in financing the Groundwater Reliability Project (Project).
2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by the State, through Final Project Completion Report plus three (3) years unless otherwise terminated or amended as provided in this Agreement.
3. **FUNDING AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$400,000.
4. **DISBURSEMENT OF FUNDS.** State will disburse to Funding Recipient the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations. Any and all money disbursed to Funding Recipient under this Funding Agreement shall be used solely to pay Eligible Project Costs.
5. **ELIGIBLE PROJECT COST.** Funding Recipient shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Costs that are not eligible for reimbursement or payment include but are not limited to the following items:
  - A. Purchase of equipment not an integral part of the Project.
  - B. Purchase of water supply not an integral part of the Project.
  - C. Replacement of existing funding sources for ongoing programs.
  - D. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies.
  - E. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
6. **METHOD OF PAYMENT.** State will disburse the whole of State funding to Funding Recipient. The Funding Recipient shall submit one or more certified invoices, transmitted via electronic/digital signature system (e.g., DocuSign) or, via U.S. mail or Express mail delivery of a "wet signature." State will notify Funding Recipient, in a timely manner, whenever, upon review of the Invoice(s), State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to State. Funding Recipient shall, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies).

Invoices submitted by Funding Recipient shall include the following information:



- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
- C. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
  - i. Invoices must contain the date of the invoice and the time period covered by the invoice.
  - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
  - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
  - iv. Each invoice shall clearly delineate those costs incurred during that time period.
  - v. Each invoice shall contain the signature and date via electronic/digital signature system (e.g., DocuSign) of Funding Recipient's Project Representative. The invoice shall be certified and transmitted via electronic/digital signature system (e.g., DocuSign) or, via U.S. mail or Express mail delivery to the State's Project Manager.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Funding Recipient shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources. Any eligible costs for which the Funding Recipient is seeking State funding pursuant to this Agreement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

7. DEFAULT PROVISIONS. Funding Recipient will be in default under this Funding Agreement if any of the following occur:
- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Funding Recipient and State evidencing or securing Funding Recipient's obligations;
  - B. Making any false warranty, representation, or statement with respect to this Funding Agreement;
  - C. Failure to operate or maintain Project in accordance with this Funding Agreement.
  - D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
  - E. Failure to submit timely progress reports.
  - F. Failure to routinely invoice State.
  - G. Failure to meet any of the requirements set forth in Paragraph 8, "Continuing Eligibility."

Should an event of default occur, State shall provide a notice of default to the Funding Recipient and shall give Funding Recipient at least ten (10) calendar days to cure the default from the date the notice is sent

via first-class mail to the Funding Recipient. If the Funding Recipient fails to cure the default within the time prescribed by the State, State may do any of the following:

- a. Declare the funding be immediately repaid at the time of the default.
- b. Terminate the Funding Agreement.
- c. Take any other action that it deems necessary to protect its interests.

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

8. CONTINUING ELIGIBILITY. Funding Recipient shall meet the following ongoing requirements (as applicable) to remain eligible to receive State funds:
  - A. An urban water supplier that receives state funds pursuant to this Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Water Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Water Code, § 10608 et seq.).
  - B. An agricultural water supplier receiving state funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code § 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR.
  - C. A surface water diverter receiving state funds shall maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
  - D. Funding Recipient shall maintain continuing eligibility with the current Sustainable Groundwater Management Act (SGMA, Water Code §10720 et seq.) requirements as they come into effect.
  - E. If Funding Recipient is designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, Funding Recipient shall maintain reporting compliance, as required by Water Code §10932 and the CASGEM Program.
  - F. Funding Recipient shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Water. Code, § 12405, et seq.) for data sharing, transparency, documentation, and quality control.
  - G. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Funding Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Funding Recipient advance written notice of such termination, allowing the Funding Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
9. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager, and shall be submitted via DWR's "Grants Review and Tracking System" (GRanTS) or via e-mail. If requested, Funding Recipient shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds.

- A. Annual Progress Reports: Funding Recipient shall submit Annual Progress Reports to meet the State's requirement for disbursement of funds. Annual Progress Reports shall be uploaded via GRanTS, and the State's Project Manager notified of upload, or or via e-mail to the State's Project Manager. Annual Progress Reports shall, at a minimum, provide a brief description of the work performed, Funding Recipients activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Annual Progress Report should be submitted to the State no later than one year after the execution of the Agreement with future reports then due on successive year increments based on the first Annual Progress Report submittal date, with the exception of the final Annual Progress Report which may also serve as the Project Completion Report and can extend beyond a year-long increment to account for Project closeout information.
  - B. Project Completion Report: Funding Recipient shall prepare and submit to State a Project Completion Report, either separately or as part of the final Annual Progress Report. Funding Recipient shall submit the Project Completion Report within ninety (90) calendar days of Project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, and copies of any final documents or reports generated or utilized during the Project.
10. NOTIFICATION OF STATE. Funding Recipient shall promptly notify State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Funding Recipient agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
  - B. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Funding Recipient agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Funding Recipient agrees to implement appropriate actions as directed by the State.
  - C. The initiation of any litigation or the threat of litigation against the Funding Recipient regarding the Project or that may affect the Project in any way.
11. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing.
- A. Notices may be transmitted by any of the following means:
    - i. By delivery in person.
    - ii. By certified U.S. mail, return receipt requested, postage prepaid.
    - iii. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
    - iv. By electronic means.
  - B. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

12. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

Department of Water Resources

Arthur Hinojosa  
Manager, Division of Regional Assistance  
P.O. Box 942836  
Sacramento, CA 94236-0001  
Phone: 916-902-6713  
Email: Arthur.Hinojosa@water.ca.gov

Three Valleys Municipal Water District

Matthew Litchfield  
General Manager/Chief Engineer  
1021 E. Miramar Avenue  
Claremont, CA 91711  
909-621-5568  
mlitchfield@tvmwd.com

Direct all inquiries to the Project Manager:

Department of Water Resources

Craig Cross  
Program Manager I  
P.O. Box 942836  
Sacramento, CA 94236-0001  
916-882-2762  
Craig.Cross@water.ca.gov

Three Valleys Municipal Water District

Sylvie Lee  
Chief Water Resources Officer  
1021 E. Miramar Avenue  
Claremont, CA 91711 909.293.7028  
slee@tvmwd.com

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

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

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution

Exhibit F – Report Formats and Requirements

Exhibit G – State Audit Document Requirements for Funding Recipients

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

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

THREE VALLEYS MUNICIPAL WATER DISTRICT

\_\_\_\_\_  
Arthur Hinojosa  
Manager, Division of Regional Assistance  
Date \_\_\_\_\_

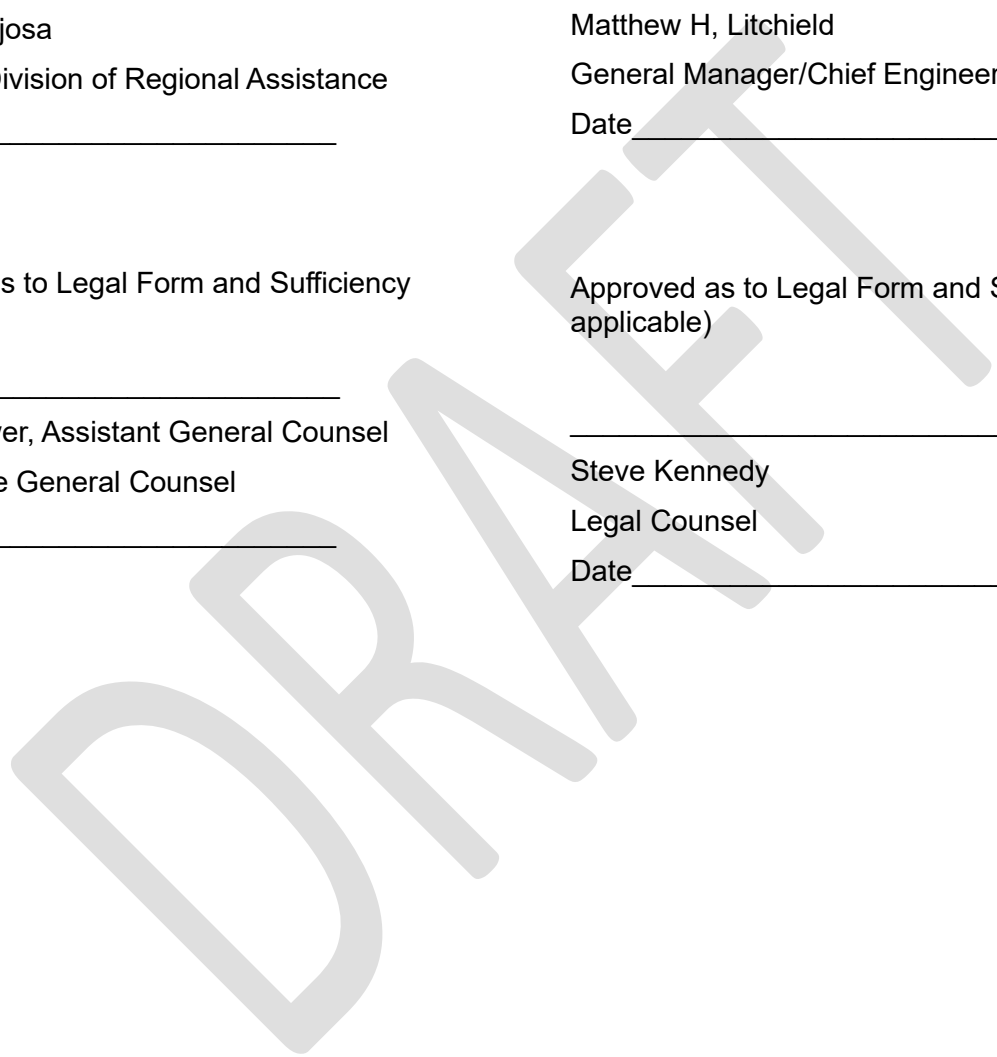
\_\_\_\_\_  
Matthew H, Litchfield  
General Manager/Chief Engineer  
Date \_\_\_\_\_

Approved as to Legal Form and Sufficiency

Approved as to Legal Form and Sufficiency (if applicable)

\_\_\_\_\_  
Robin Brewer, Assistant General Counsel  
Office of the General Counsel  
Date \_\_\_\_\_

\_\_\_\_\_  
Steve Kennedy  
Legal Counsel  
Date \_\_\_\_\_



**EXHIBIT A**  
**WORK PLAN**

**PROJECT: Groundwater Supply Reliability Project**

**IMPLEMENTING AGENCY: Three Valleys Municipal Water District**

**PROJECT DESCRIPTION:** Three Valleys, along with its partnering agencies of City of Glendora and the Puente Basin Water Agency, is developing the Feasibility Study and Preliminary Design Report for the Groundwater Reliability Project (Project) which will ultimately produce up to 9,400 acre-feet per year from stranded City of Glendora's groundwater wells in the Main San Gabriel Groundwater Basin and serve the Three Valleys' service area with a network of; the Project also includes preservation of groundwater supplies during drought conditions in the Main San Gabriel Basin, particularly in the City of Covina, by increasing outreach, communication and education of its public.

**Budget Category A: Administration**

**Task A.1: Agreement Administration**

The Funding Recipient will respond to DWR's reporting and compliance requirements associated with the agreement administration and will coordinate with the Project managers responsible for implementing the Project. The Funding Recipient will be responsible for compiling invoices for submittal to DWR.

**Deliverables**

- Annual Invoices and associated backup documentation

**Task A.2: Reporting**

The Funding Recipient will be responsible for compiling progress reports for submittal to DWR. The Funding Recipient may retain consultants as needed to prepare and submit progress reports and final project completion report, as well as the funding agreement completion report.

Reports will meet generally accepted professional standards for technical reporting and the requirements terms of the contract with DWR outlined in Exhibit F of this Agreement.

**Deliverables**

- Documentation (e.g., photo) of "Acknowledgment of Credit" per Standard Condition D.2
- Annual Progress Reports
- Final Funding Agreement Completion Report

**Budget Category B: Permitting and Environmental Documentation**

The Project will be analyzed for California Environmental Quality Act compliance.

**Deliverables**

- Memorandum identifying CEQA compliance and environmental permits for the Project.

**Budget Category C: Planning and Outreach**

Task C.1: Preliminary Design Engineering Services

Prepare preliminary water quality treatment needs and technology assessment, and detailed site study, including hydraulic analysis, consideration of alternative piping alignment, permitting requirements, infrastructure considerations, and cost analysis.

**Deliverables**

- Water Quality Treatment Needs and Assessment Report
- Preliminary Engineering Design Report

Task C.2: Outreach

Provide outreach, communication and education materials for the public with water conservation messages included in customer service trucks, electronic marquee, and use of staff time to investigate watering restriction compliance, education of offenders for compliance and enforce water restriction polices.

- Staff outreach to customers for water conservation policies
- Water conservation messages in trucks and marquees

**Budget Category D: Construction**

Not Applicable

DRAFT

**BUDGET**

**PROJECT: Groundwater Supply Reliability Project**

Budget Category	State Funds	Agency Cost	Total Project Cost
<b>A: Administration</b>	\$0	\$15,000	\$15,000
<b>B: Permitting and Environmental Documentation</b>	\$30,000	\$0	\$30,000
<b>C: Planning and Outreach</b>	\$370,000	\$42,000	\$412,000
<b>D: Construction</b>	N/A	N/A	N/A
<b>Total</b>	<b>\$400,000</b>	<b>\$57,000</b>	<b>\$457,000</b>

DRAFT



**EXHIBIT C**  
**SCHEDULE**

**PROJECT: Groundwater Supply Reliability Project**

<b>DESCRIPTION</b>	<b>START</b>	<b>FINISH</b>
<b>A: Administration</b>	02/2023	04/2026
<b>B: Permitting and Environmental Documentation</b>	09/2023	09/2024
<b>C: Planning and Outreach</b>	01/2025	01/2026
<b>D: Construction</b>	N/A	N/A

DRAFT

**EXHIBIT D**

**STANDARD CONDITIONS**

**D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** Funding Recipient shall account for the money disbursed pursuant to this Funding Agreement separately from all other Funding Recipient funds. Funding Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Funding Recipient shall keep complete and accurate records of all receipts, disbursements, and any interest earned on expenditures of such funds. Funding Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a separate account, administered, and accounted for pursuant to the provisions of applicable law.

**D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** Funding Recipient shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Funding Recipient's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the California State Budget Act of 2022 and through an agreement with the State Department of Water Resources." The Funding Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

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

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

**D.5. AUDITS:** State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Funding Recipient to conduct a final audit to State's specifications, at Funding Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 7 or take any other action it deems necessary to protect its interests. The Funding Recipient agrees it shall return any audit disallowances to the State.

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

or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

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

- D.11. COMPUTER SOFTWARE: Funding Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.12. CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees**: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
  - B. **Former State Employees**: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
  - C. **Employees of the Funding Recipient**: Employees of the Funding Recipient shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
  - D. **Employees and Consultants to the Funding Recipient**: Individuals working on behalf of a Funding Recipient may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.13. DELIVERY OF INFORMATION, REPORTS, AND DATA: Funding Recipient agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. DISPOSITION OF EQUIPMENT: Funding Recipient shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory State shall provide Funding Recipient with a list of the items on the inventory that State will take title to. All other items shall become the property of Funding Recipient. State shall arrange for delivery from Funding Recipient of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Funding Recipient, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited

and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.

- B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
  - i. The dangers of drug abuse in the workplace,
  - ii. Funding Recipient's policy of maintaining a drug-free workplace,
  - iii. Any available counseling, rehabilitation, and employee assistance programs, and
  - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
  - i. Will receive a copy of Funding Recipient's drug-free policy statement, and
  - ii. Will agree to abide by terms of Funding Recipient's condition of employment, contract or subcontract.

- D.16. **EASEMENTS:** Where the Funding Recipient acquires property in fee title or funds improvements to real property already owned in fee by the Funding Recipient or improved using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Funding Recipient acquires an easement under this Agreement, the Funding Recipient agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State may result in termination of this Agreement.

- D.17. **FUNDING RECIPIENT'S RESPONSIBILITIES:** Funding Recipient and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).
  - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Funding Recipient in the application, documents, amendments, and communications filed in support of its request for funding.
  - C. Comply with all applicable California, federal, and local laws and regulations.
  - D. Implement the Project in accordance with applicable provisions of the law.
  - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
  - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Funding Recipient shall provide copies of permits and approvals to State.
  - G. Be solely responsible for design, construction, and operation and maintenance of the Project within the work plan. Review or approval of plans, specifications, bid documents, or other construction

documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Funding Recipient under this Agreement.

- H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Funding Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Funding Recipient and any other entity concerning responsibility for performance of work.
- D.18. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.19. INDEMNIFICATION: Funding Recipient shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Funding Recipient shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.20. INDEPENDENT CAPACITY: Funding Recipient, and the agents and employees of Funding Recipients, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.21. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Funding Recipient to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Funding Recipient or take any other action it deems necessary to protect its interests.
- D.22. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Funding Agreement. This right shall extend to any subcontracts, and Funding Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.23. LABOR CODE COMPLIANCE: The Funding Recipient agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to payment from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Funding Recipient affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Funding Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.24. MODIFICATION OF OVERALL WORK PLAN: At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the

Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.

- D.25. **NONDISCRIMINATION:** During the performance of this Funding Agreement, Funding Recipient and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medical and family care leave or pregnancy disability leave. Funding Recipient and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Funding Recipient and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. Funding Recipient and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- Funding Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.
- D.26. **OPINIONS AND DETERMINATIONS:** Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.27. **PERFORMANCE BOND:** Where contractors are used, the Funding Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Funding Recipient in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.28. **PRIORITY HIRING CONSIDERATIONS:** If this Funding Agreement includes services in excess of \$200,000, the Funding Recipient shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.29. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Funding Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Funding Recipient's service of water, without prior permission of State. Funding Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Funding Recipient meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.30. **PROJECT ACCESS:** The Funding Recipient shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.31. **REMAINING BALANCE:** In the event the Funding Recipient does not submit invoices requesting all of the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The

State will notify the Funding Recipient stating that the Project file is closed, and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.

- D.32. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.33. RIGHTS IN DATA: Funding Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Funding Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Funding Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.34. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.35. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Funding Recipient, its contractors, or subcontractors have made a false certification, or
  - B. Funding Recipient, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.36. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Funding Recipient shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.37. TERMINATION BY FUNDING RECIPIENT: Subject to State approval which may be reasonably withheld, Funding Recipient may terminate this Agreement and be relieved of contractual obligations. In doing so, Funding Recipient must provide a reason(s) for termination. Funding Recipient must submit all progress reports summarizing accomplishments up until termination date and repay all funds disbursed pursuant to this Agreement.
- D.38. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 7, the State may terminate this Funding Agreement and be relieved of any payments should Funding Recipient fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 7.
- D.39. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days advance written notice. The Funding Recipient shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.40. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.41. TIMELINESS: Time is of the essence in this Funding Agreement.



- D.42. UNION ORGANIZING: Funding Recipient, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Funding Recipient, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
  - B. Funding Recipient shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
  - C. Funding Recipient shall, where State funds are not designated as described in (B) above, allocate, on a pro rata basis, all disbursements that support the program.
  - D. If Funding Recipient makes expenditures to assist, promote, or deter union organizing, Funding Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Funding Recipient shall provide those records to the Attorney General upon request.
- D.43. VENUE: The State and the Funding Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Funding Recipient hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.44. WAIVER OF RIGHTS: None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

DRAFT

**EXHIBIT E**  
**AUTHORIZING RESOLUTION**  
RESOLUTION NO. 2023-09-\_\_\_\_\_

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT AUTHORIZING THE THREE VALLEYS MUNICIPAL WATER DISTRICT TO ENTER INTO AN AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES TO RECEIVE FUNDS FOR THE GROUNDWATER RELIABILITY PROJECT AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT

WHEREAS, the September 2022 Assembly Bill 179 designated \$400,000 in funding to the Three Valleys Municipal Water District, for its Groundwater Reliability Project, a water supply reliability project in the eastern San Gabriel Valley; and

WHEREAS, the responsibility for the administration of the fund, including establishing the necessary procedures for disbursement of the fund, to the California Department of Water Resources ("CDWR"); and

WHEREAS, the Water Authority agrees that the funds should be allocated by CDWR to the Three Valleys Municipal Water District; and

WHEREAS, CDWR requires a resolution from the Three Valleys Municipal Water District authorizing the Three Valleys Municipal Water District to enter into an agreement with CDWR to receive funds and to authorize the General Manager to execute the agreement.

NOW, THEREFORE, the Board of Directors of the Three Valleys Municipal Water District does hereby resolve and find as follows:

Authorizes the Three Valleys Municipal Water District to enter into an agreement with the State of California Department of Water Resources to receive \$400,000 in funding for its Groundwater Reliability Project and authorizes the General Manager/Chief Engineer, or designee to execute the agreement, any amendments thereto; and to submit any required documents, invoices, and reports required to obtain State funds.

PASSED, APPROVED, and ADOPTED this 20<sup>th</sup> day of September 2023 by the following vote:

AYES: Unless noted below all Directors voted aye.

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Jody Roberto, President

ATTEST:

\_\_\_\_\_  
Carlos Goytia, Secretary

I, <Authorizing Signatory>, Clerk of the Board of the Three Valleys Municipal Water District certify that the vote shown above is correct and this Resolution No. 2023-09-\_\_\_\_\_ was duly adopted at the meeting of the Board of Directors on the date stated above.

\_\_\_\_\_  
<Authorizing Signatory>

**EXHIBIT F**  
**REPORT FORMATS AND REQUIREMENTS**

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

**1. PROGRESS REPORTS**

Progress reports shall generally use the following format. In general, wherever possible please use bulleted format. This format may be modified as necessary to effectively communicate information.

PROJECT STATUS

Briefly describe the work performed during the time period covered by the report including but not limited to:

PROJECT INFORMATION (as applicable)

- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the reporting period (i.e. tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter
- Identify key issues that need to be resolved

COST INFORMATION (as applicable)

- Provide a list showing all project costs incurred during the time period covered by the report by the Funding Recipient and each contractor working on the Project and which of these costs are Eligible Project Costs
- A brief discussion on how the actual budget is progressing in comparison to the project budget included in the Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Work Plan

SCHEDULE INFORMATION (as applicable)

- A schedule showing actual progress verses planned progress
- A brief discussion on how the actual schedule is progressing in comparison to the original or last reported schedule

- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule

The Final Annual Report shall contain the following Project completion information and shall generally use the following format.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Funding Agreement

COSTS AND DISPOSITION OF FUNDS – A list of showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- Summary of project cost including the following items:
  - Accounting of the cost of project expenditure
  - Include all internal and external costs not previously disclosed
  - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

## EXHIBIT G

### STATE AUDIT DOCUMENT REQUIREMENTS FOR FUNDING RECIPIENTS

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

#### State Audit Document Requirements

##### Internal Controls

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

##### State Funding:

1. Original Funding Agreement, any amendment(s) and budget modification documents.
2. A listing of public funds received from the State.
3. A listing of all other funding sources for the Project.

##### Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Funding Recipient and other public agencies as related to the State funded Project.

##### Invoices:

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

##### Cash Documents:

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

Accounting Records:

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

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

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

Project Files:

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