



PARADISE IRRIGATION DISTRICT

"Paradise Irrigation District (PID) is dedicated to the business of producing and delivering a safe, dependable supply of quality water in an efficient, cost effective manner with service that meets or exceeds the expectation of our customers."

Please consider how this agenda item relates to our mission.

TO: Board of Directors

**FROM: Kevin Phillips, Interim District Manager
Jim Passanisi, Treatment Superintendent**

DATE: February 21, 2018 (Board of Directors Meeting)

**RE: Drinking Water State Revolving Fund Project
Amendment No. 1 - Planning Loan Funding Agreement (D16-02038)
Reservoir "B" Replacement**

The District submitted an application to the California State Water Resources Control Board (State Board), Drinking Water State Revolving Fund for a loan (DWSRF) to do planning for the Reservoir "B" replacement project. On May 20, 2015 the Board approved resolutions regarding authorization of the Funding Agreement. Once fully executed, the amended funding agreement will include the semi-annual repayment schedule at 1.6% interest over five years until July 1, 2023. The scope of work in the agreement includes the following:

- Hydrogeological & Geotechnical Investigation and Site Surveying;
- Evaluation and Pre-Design Engineering;
- Engineering Report;
- CEQA; and
- Plans and Specifications.

Amendment No. 1 (see attachment) includes the following:

- Increases the original funding (loan) amount from \$500,000 to \$800,000. This was necessary due to additional scope of work regarding the A Zone pipeline and pump station to correct system-wide hydraulic deficiencies and constraints relative to the operation of the existing Reservoir "B"; and
- Extends the Planning Schedule time in the original agreement by 6 months. This was requested in case the project schedule slips due to unknown or differing conditions. The project is currently on schedule based on the original schedule.

The District's legal counsel reviewed the amendment and may have comments to make at the Board meeting.

The following motion is recommended:

"I move approval of the State Board's Drinking Water State Revolving Fund Agreement Amendment No.1 for the Reservoir "B" Replacement Project, and authorize the Interim District Manager to execute the amendment document.



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

February 7, 2018

Paradise Irrigation District
Attn: Kevin Phillips
6332 Clark Road
Paradise, CA 95969

Agreement Number: D16-02038
Project Number: 0410007-001P

Enclosed is your amended Funding Agreement for your approval and signature. This Agreement cannot be considered binding by either party until executed by the State Water Resources Control Board ("State Water Board").

If in agreement with all terms and conditions of the Agreement, please have the Authorized Representative, as noted in the executed resolution, sign and return two (2) signature pages **no later than thirty (30) calendar days from the date of this letter to:**

US Mail

Maria Nanca
State Water Resources Control Board
Division of Financial Assistance
P.O. Box 944212
Sacramento, CA 94244-2120

Overnight Mail

Maria Nanca
State Water Resources Control Board
Division of Financial Assistance
1001 I Street, 16th Floor
Sacramento, CA 95814

Ms. Nanca may be contacted at (916) 319-0806 or maria.nanca@waterboards.ca.gov

Once the Agreement is signed by both parties, we will forward an executed copy to you for your entity's records.

Enclosures

FELICIA MARCUS, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov





PARADISE IRRIGATION DISTRICT
AND
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



PLANNING LOAN
PUBLIC WATER SYSTEM IMPROVEMENT PLANNING
RESERVOIR "B" REPLACEMENT
DRINKING WATER STATE REVOLVING FUND PROJECT NO. 0410007-001P
AGREEMENT NO. D16-02038

AMENDMENT NO. 1

AMOUNT: ~~\$500,000.00~~ **800,000.00**

ELIGIBLE START DATE: January 1, 2015
WORK COMPLETION DATE: ~~May 1, 2018~~ **October 31, 2018**
FINAL DISBURSEMENT REQUEST DATE: ~~November 1, 2018~~ **April 30, 2019**
END DATE: ~~January 1, 2023~~ **July 1, 2023**

The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement, originally executed on December 16, 2016, and incorporated herein:

Changes made in this amendment are shown as follows in the attached Exhibits:

- Exhibit A – Scope of Work (3 pages)*
- Exhibit B – Funding Provisions (6 pages)*
- Exhibit B.RS – Loan Repayment Schedule (2 pages)***

*Text additions are displayed in bold and underline. Except as otherwise noted, text deletions are displayed as strike through text (i.e., strike out)

**Entire Exhibit added

***Updated Pages

All other terms and conditions shall remain the same.

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

PARADISE IRRIGATION DISTRICT:

**STATE WATER RESOURCES CONTROL
BOARD:**

By: _____
Name: Kevin Phillips
Title: District Manager

By: _____
Name: Leslie Laudon
Title: Deputy Director
Division of Financial Assistance

Date: _____

Date: _____

EXHIBIT A – SCOPE OF WORK

A-1. Completion Dates.

The Work Completion Date is established as ~~May 1, 2018~~ **October 31, 2018**. The Planning Completion date is established as **October 31, 2018**. The Recipient shall deliver any request for extension of the Work Completion date no less than 90 days prior to the Work Completion date. The Division will not unreasonably deny such a timely request, but the Division may deny requests received after this time.

A-2. Purpose.

The planning funded by this agreement is related to the possible construction project known as the Reservoir "B" Replacement project. The Recipient's receipt of funding under this Agreement is not a commitment to and does not obligate the State Water Board to provide funding for any eventual construction project.

A-3. Scope of Work.

The Recipient agrees to do the following:

- | |
|---|
| <p>1. Hydrogeological/Geotechnical Investigation & Site Surveying</p> <ul style="list-style-type: none">a. Perform hydrological/geological investigation and site surveying by a California licensed geologist, engineer, and or hydrologist. The purpose of this work is to determine soil stability at the site options to evaluate any problems with a particular location. A report will be prepared for the site selected. Land surveying will be accomplished upon execution of a Financing Agreement.b. Test cores or bores will be drilled during the planning phase of the project to determine soil stability beneath and adjacent to the proposed tank site. The number of cores/bores needed and the locations will be determined during the hydrological/geological investigation; however, it is estimated that approximately 10- 3" diameter core samples extending to a depth of 25 feet will be needed. |
| <p>2. Project Evaluation & Pre-design Engineering</p> <ul style="list-style-type: none">a. The consultant selected to work for the Recipient will analyze all available alternatives to address the ranked problem and recommend the best option.b. Some preliminary engineering will be needed to analyze each alternative including an analysis of existing system-wide hydraulics and constraints to identify and analyze potential cost-effective system-wide improvements.c. The design issues that need to be evaluated as part of each alternative include the following:<ul style="list-style-type: none">1. Analyze system-wide hydraulics;2. Identify and analyze potential system-wide improvements;3. Tank materials;4. Construction methods;5. Tank locations;6. Inlet & Outlet, and short circuiting;7. Water quality issues;8. Tank coatings;9. Security;10. Tank appurtenances;11. Site availability; and12. Site considerations. |

d. Also required to complete the project is planning for the relocation of an existing 36-inch pipeline, and the installation of a temporary tank and pump station during construction. Various alternatives and design issues will be presented by the consultant to accomplish this part of the project.
3. Engineering Report <ul style="list-style-type: none">a. Prepare an Engineering Report (Preliminary Design Report) for the selected alternative.b. Includes reasons to select the preferred alternative, basis for design for reservoir, concept of design, and opinion of probable construction cost.c. Final selection of design issues addressed in the Alternatives Report.
4. CEQA (Environmental Documentation) <ul style="list-style-type: none">a. Once the project alternative has been selected, the CEQA documentation will proceed to ensure compliance with CEQA and other State and Federal environmental requirements. The documents will be completed prior to applying for construction funds. Review project for possible CEQA Exceptions.
5. Plans and Specifications <ul style="list-style-type: none">a. Pending approval based on the selection of the project, the final design plans and specifications shall include all field work, preparation of construction and bid documents, a detailed project cost breakdown and the submittal of necessary permits applications to the regulating agencies, including local and county jurisdictions, and agencies overseeing solid waste. These documents will be completed prior to applying for construction funds.

A-4. Disclosure.

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

"Funding has been provided in full or in part through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use."

A-5. Reporting.

- (a) Status Reports. The Recipient agrees to expeditiously provide progress reports pursuant to the schedule(s) in Exhibit A and/or Exhibit B and no less frequently than quarterly, starting with execution of this Agreement. Such reports shall accompany any disbursement request and shall be a condition precedent to any disbursement. At a minimum the reports will contain the following information: a summary of progress to date including a description of progress since the last report, percent complete, percent invoiced, and percent schedule elapsed; any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.
- (b) As Needed Information or Reports. The Recipient agrees to provide expeditiously, during the term of this Agreement, such reports, data, and information as may be reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

- (c) Federal Disadvantaged Business Enterprise (DBE) Reporting. The Recipient agrees to report DBE utilization to the Division on the DBE Utilization Report, State Water Board Form DBE UR334. The Recipient must submit such reports to the Division annually within ten (10) calendar days following October 1 until such time as the "Notice of Completion" is issued. The Recipient agrees to comply with 40 CFR § 33.301.

A-6. Planning Schedule

The dates in the "Estimated Due Date" column of this Schedule may be adjusted as necessary during the Disbursement Period with Project Manager approval. However, all work or submittals must be achieved with relevant submittals approved by the Division, and the final invoice submitted, prior to the Final Disbursement Request Date set forth in Exhibit B.

DESCRIPTION OF WORK OR SUBMITTAL	DRAFT ¹	FINAL
EXHIBIT A – SCOPE OF WORK		
Project Evaluation Report	N/A	April 3, 2017 <u>July 3, 2017</u>
Hydrogeological/geotechnical investigation Report	N/A	April 3, 2017 <u>November 3, 2017</u>
Final Engineering Reports	N/A	September 5, 2017 <u>December 5, 2017</u>
Final Plans and Specifications with detailed cost breakdown	February 1, 2018 <u>April 1, 2018</u>	May 1, 2018 <u>July 31, 2018</u>
CEQA Documents To Office of Planning and Research To State Water Resources Control Board		January 2, 2018 <u>June 1, 2018</u> May 1, 2018 <u>June 1, 2018</u>
Biological Report and Cultural Resources Report	N/A	May 1, 2018 <u>June 1, 2018</u>
Logos/Disclosures	N/A	As necessary
Status Reports	N/A	Quarterly
As Needed Reports	N/A	As necessary
EXHIBIT B – FUNDING PROVISIONS		
Final Disbursement Request	N/A	November 1, 2018 <u>April 30, 2019</u>

¹ These are estimated dates, which may be adjusted as necessary during the Disbursement Period with Project Manager approval. However, all work or submittals must be achieved with relevant submittals approved by the Division, and the final invoice submitted, prior to ~~November 1, 2018~~ **April 30, 2019**.

EXHIBIT B – FUNDING PROVISIONS

B-1. Planning Funding.

- (a) Subject to the terms of this Agreement, the State Water Board agrees to provide Planning Funds in the amount of up to ~~five~~ **eight** hundred thousand dollars and zero cents (~~\$500,000.00~~ **800,000.00**).
- (b) Of the amount set forth in paragraph (a), the estimated amount of principal that will be due to the State Water Board under this Agreement is ~~five~~ **eight** hundred thousand dollars and no cents (~~\$500,000.00~~ **800,000.00**).
- (c) The Recipient agrees to repay all Planning Funds according to the schedule in Exhibit B.RS at an interest rate of one point six percent (1.6%) per annum. The Recipient agrees to pay an Administrative Service Charge in lieu of interest as reflected in Exhibit B.RS. The Recipient agrees to pay a Drinking Water Small Community Emergency Grant Fund Charge in lieu of interest as reflected in Exhibit B.RS.

B-2. [Reserved]

B-3. Estimated Reasonable Planning Cost.

The estimated reasonable cost of the total Planning is ~~five~~ **eight** hundred thousand dollars and no cents (~~\$500,000.00~~ **800,000.00**).

B-4. Funding Dates.

- (a) The term of this agreement is from the Start Date on the cover page of this Agreement to the End Date of ~~January 1, 2023~~ **July 1, 2023**. THE RECIPIENT UNDERSTANDS THAT, REGARDLESS OF ANY INTENTION TO REFINANCE, THE TERMS OF THIS AGREEMENT, INCLUDING REPAYMENT OBLIGATIONS, SHALL BE ENFORCED UNLESS AND UNTIL THIS AGREEMENT IS AMENDED TO REFLECT ANY SUCH REFINANCING. It is the Recipient's intention to refinance this Agreement through SRF construction funding.
- (b) The Eligible Start Date is January 1, 2015. Otherwise eligible costs incurred prior to this date will not be reimbursed.
- (c) The Final Disbursement Request Date is ~~November 1, 2018~~ **April 30, 2019**. The Deputy Director of the Division may extend this date for good cause. Extensions may require an amendment to this Agreement. All disbursement requests must be submitted to the Division such that they are received prior to this date. Late disbursement requests will not be honored and remaining amounts will be deobligated.

B-5. Funding Conditions and Exclusions.

- (a) This Agreement reflects Planning funding only. If the Recipient desires implementation/construction funding, the Recipient must complete the planning process, apply for implementation/construction funding, and execute an implementation/construction funding agreement. Costs associated with the implementation/construction phase of the possible eventual implementation/construction project are not eligible for reimbursement under this Agreement.
- (b) The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

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- (c) A draft copy of the Planning documents acceptable to the Division shall be submitted to the Division prior to disbursement beyond 70% of the Planning Funds. Final Planning documents shall be submitted, acceptable to the Division, prior to disbursement beyond 90% of the Planning Funds.

B-6. Budget Summary

TYPE OF WORK	TOTAL COSTS
Hydrogeological/Geological Investigation and Site Survey	\$60,000.00 <u>62,000.00</u>
Project Evaluation and Pre-design Engineer	\$270,000.00 <u>181,000.00</u>
Engineering Report	\$70,000.00 <u>85,000.00</u>
CEQA	\$500.00
Plans and Specification	\$70,000.00 <u>418,500.00</u>
Contingency (CEQA)	\$29,500.00 <u>53,000.00</u>
TOTAL	\$500,000.00 <u>800,000.00</u>

B-7. Budget Flexibility.

Funds may be shifted between line items as approved by the Project Manager. The sum of adjusted line items shall not exceed the total budget amount.

B-8. Amounts Payable by the Recipient.

- (a) Loan Repayments. Interest will accrue beginning with each disbursement. The Recipient shall repay interest semi-annually, by January 1 and July 1 of each year, until one year after Planning Completion. Beginning no later than one year after Planning Completion, Loan Repayments of the principal of the Planning Funds, together with all interest accruing thereon, shall be repaid semi-annually on January 1 and July 1, and shall be fully amortized by the date specified in Exhibit B-4(a).

The Loan Repayments are based on a standard fully amortized assistance amount with equal semi-annual payments. The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, less the Loan Repayment. Loan Repayment calculations will be made beginning one (1) year after Planning. Exhibit B.RS is a payment schedule based on the provisions of this article and an estimated disbursement schedule. Actual payments will be based on actual disbursements.

Upon Planning Completion and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement. The Division will prepare any necessary amendments to the payment schedule and send them to the Recipient.

The Recipient agrees to make each Loan Repayment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred to the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other costs incurred. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

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The Recipient as a whole is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by its constituents or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls or other charges ("Charges") levied or imposed by the Recipient. The Recipient shall provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from constituents or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

Each Loan Repayment shall be paid by check and in lawful money of the United States of America.

The Recipient agrees that it shall not be entitled to interest earned on undisbursed funds. Upon execution of this Agreement, the State Water Board shall encumber an amount equal to the Obligation. The Recipient hereby agrees to pay Loan Repayments and Additional Payments from Net Revenues and/or other amounts legally available to the Recipient therefor. Interest on any funds disbursed to the Recipient shall begin to accrue as of the date of each disbursement.

- (b) Planning Costs. The Recipient agrees to pay any and all costs connected with the Planning including, without limitation, any and all Planning Costs. If the Planning Funds are not sufficient to pay the Planning Costs in full, the Recipient shall nonetheless complete the Planning and pay that portion of the Planning Costs in excess of available Planning Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.
- (c) Additional Payments. In addition to the Loan Repayments required to be made by the Recipient, the Recipient shall also pay to the State Water Board the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, consultants, contractors, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

Additional Payments may be billed to the Recipient by the State Water Board from time to time, together with a statement executed by a duly authorized representative of the State Water Board, stating that the amounts billed pursuant to this section have been incurred by the State Water Board or its assignee for one or more of the above items and a copy of the invoice or statement for the amount so incurred or paid. Amounts so billed shall be paid by the Recipient within thirty (30) days after receipt of the bill by the Recipient.

- (d) The Recipient may without penalty prepay all or any portion of the outstanding principal amount of the Obligation provided that the Recipient shall also pay at the time of such prepayment all accrued interest on the principal amount prepaid through the date of prepayment.

B-9. Disbursement of Planning Funds; Availability of Planning Funds.

- (a) The State Water Board's obligation to disburse Planning Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not

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available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Planning Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other recipient. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding. If this Agreement's funding for any fiscal year 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 Agreement with no liability occurring to the State, or offer an amendment to the Recipient to reflect the reduced amount.

- (b) Except as may be otherwise provided in this Agreement, disbursement of Planning Funds will be made as follows:
- (1) Upon execution and delivery of this Agreement, the Recipient may request disbursement for eligible Planning Costs as specified in this Exhibit from the Planning Funds through submission to the State Water Board of the Disbursement Request Form 260, or any amendment thereto, duly completed and executed.
 - (2) Requests must be complete and executed by the Recipient. Planning Costs incurred prior to the Eligible Start Date of this Agreement will not be funded. The Recipient must submit a disbursement request for costs incurred prior to the date the Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late disbursement requests may not be honored.
 - (3) Additional Planning Funds must be requested monthly and will be promptly disbursed to the Recipient upon receipt of Disbursement Request Form 260, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of status reports due. Late disbursement requests may not be honored.
 - (4) The Recipient agrees that it will not request disbursement for any Planning Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of disbursement request. Supporting documentation (e.g., receipts) must be submitted with each disbursement request as well as to support Match Funds claimed, if any. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Planning Funds will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed disbursement request.
 - (5) The Recipient will not seek reimbursement of any Planning Costs that have been reimbursed from other funding sources.
 - (6) Recipient shall spend Planning Funds within 30 days of receipt. Any interest earned on Planning Funds shall be reported to the State Water Board and will either be required to be returned to the State Water Board or deducted from future disbursements. In the event that the Recipient fails to disburse Planning Funds to contractors or vendors within thirty (30) days from receipt of the funds, the Recipient shall immediately return such funds to the State Water Board. Interest shall accrue on such funds from the date of disbursement through the date of mailing of funds to the State Water Board. If the Recipient held such funds in interest-

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bearing accounts, any interest earned on the funds shall also be due to the State Water Board.

- (7) Recipient shall request its final disbursement no later than the Final Disbursement Request Date specified herein unless prior approval is granted by the Division. If the Recipient fails to do so, then the undisbursed balance of this Agreement will be deobligated.
- (8) The Recipient agrees that it will not request a disbursement unless that cost is allowable, reasonable, and allocable.
- (9) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner that is in violation of or in conflict with federal or state laws, policies, or regulations.
- (10) The Recipient agrees that it shall not be entitled to interest earned on undisbursed planning funds.
- (11) The Recipient agrees that any costs of the Planning not funded through this Agreement shall be expended prior to disbursements under this Agreement, except where those costs are funded by other State or federal agencies, in which case funds may be drawn on a pro-rata basis.
- (12) Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Recipient. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Division.
- (13) The Recipient must include a certified original of the authorizing resolution designating the Authorized Representative by title with the first disbursement request, and any other documents or requests required or allowed under this Agreement.

B-10. Withholding of Disbursements and Material Violations.

- (a) Notwithstanding any other provision of this Agreement, the Recipient agrees that the State Water Board may retain an amount equal to ten percent (10%) of the Planning Funds until Planning Completion. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon Planning Completion.
- (b) The State Water Board may withhold all or any portion of the funds provided for by this Agreement in the event that:
 - (1) The Recipient has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or
 - (2) The Recipient fails to maintain reasonable progress toward Planning Completion.
- (c) For the purposes of this Agreement, the terms "material violation" or "threat of material violation" include, but are not limited to:
 - (1) Placement on the ballot of an initiative or referendum to reduce Revenues;
 - (2) Passage of such an initiative or referendum;

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- (3) Successful challenges by ratepayer(s) to the process used by Recipient to set, dedicate, or otherwise secure Revenues; or
- (1) Any other action or lack of action that may be construed by the Division as a material violation or threat thereof.

B-11. Remaining Balance.

In the event the Recipient does not request all of the funds encumbered under this Agreement, any remaining funds revert to the State.

B-12. Fraud and Misuse of Public Funds.

All requests for disbursement submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Recipient shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of Planning Funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit 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.)

EXHIBIT B.RS – LOAN REPAYMENT SCHEDULE

See the attached preliminary Loan Repayment Schedule ~~date~~. The final Loan Repayment Schedule will be forwarded to the Recipient after all disbursements have been paid and Planning has been complete

B.RS-1