



MWWDPROG



1999066679

A

STATE REVOLVING FUND LOCAL MATCH LOAN PROGRAM CONTRACT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD
AND
CITY OF SAN DIEGO

CONTRACT NO. 7-807-550-0
LOCAL MATCH LOAN NO. C-06-4383-110

This Local Match loan contract is made this 17th day of July, 1997, between the State of California, acting by and through the State Water Resources Control Board, hereafter referred to as the "SWRCB", and City of San Diego, a municipality of the State of California, hereafter referred to as the "Agency".

WHEREAS:

1. The federal Clean Water Act (33 U.S.C.A. §1251 et seq.) and state law (Division 7, Chapter 6.5, California Water Code) authorize the SWRCB to enter into contracts with municipalities and other public agencies for financial assistance for construction of publicly owned treatment works; and
2. The Agency has made application for a Local Match loan related to construction of the Project hereafter described, and said Project has been determined by the SWRCB to be eligible for a Local Match loan pursuant to applicable federal and state laws, rules, regulations and guidance; and
3. The SWRCB has authorized Local Match loan funding for the Project hereafter described. (See SWRCB Resolution No. 97-079, approved on September 18, 1997).

NOW, THEREFORE, It is Agreed as Follows:

SECTION 1. PROJECT DESCRIPTION.

The Project, commonly known as Point Loma Digesters 7 and 8, and Gas System Upgrade, generally consists of two new anaerobic digesters at the City of San Diego Point Loma Wastewater Treatment Plant to expand the existing plant digestion capacity. The gas recovery and heating systems will also be expanded and upgraded, as more particularly described in the Local Match loan application of the Agency and the approved plans and specifications for the Project.

SECTION 2. INCORPORATION OF DOCUMENTS; ORDER OF PRECEDENCE;
GENERAL AGENCY COMMITMENTS.

This contract incorporates herein, or by reference, the documents listed below. In the event of any inconsistency in the contract documents, except as otherwise specifically provided, the inconsistency shall be resolved by giving precedence in the following order:

- (1) The provisions of this Local Match loan contract document; (2) the Local Match loan Contract Special Conditions (Exhibit A); (3) the Approval to Award letter (Exhibit B); (4) the Approved Plans and Specifications and Applicable Effluent Limitations (Exhibit C); (5) the Plans and Specifications Approval letters (Exhibit D); (6) the Facilities Plan Approval letter (Exhibit E); (7) the Preliminary Local Match loan Repayment Schedule and any amendments thereto (Exhibit F); and (8) the Local Match loan Contract Standard Conditions (Exhibit G).

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STATE WATER RESOURCES CONTROL BOARD
AND
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The Agency accepts and agrees to comply with all terms, provisions, conditions, and commitments of this contract, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Agency in its application, accompanying documents, and communications filed in support of its request for Local Match loan.

SECTION 3. STATE MATCH ACCOUNT.

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

SECTION 4. ESTIMATED COST OF PROJECT.

The estimated reasonable cost of the Project at the time of SWRCB Approval, including associated planning and design costs, is ten million nine hundred thousand dollars (\$10,900,000) to the Agency.

SECTION 5. MAXIMUM LOCAL MATCH LOAN AMOUNT.

Subject to all of the terms, provisions, and condition of this contract, and subject to the availability of federal funds, the SWRCB will make a Local Match loan from the State Revolving Fund loan, created by Water Code Section 13477, in an amount not to exceed the maximum sum of twelve million seven hundred twenty seven thousand one hundred four dollars (\$12,727,104) to the Agency. This amount is based on the Approval to Award letter from the SWRCB dated November 13, 1997 (Exhibit B), and includes ten million six hundred five thousand eight hundred seventy-eight dollars (\$10,605,878) from the Federal Revolving Fund Loan Account and two million one hundred twenty one thousand two hundred twenty-six dollars (\$2,121,226) from the Agency local state match account described in Section 3.

Although the actual loan amount is higher than the Board Approved amount, it is within the approved amount in the ATA letter and consistent with SRF Policy, Section XV.D, allowing the loan to be issued for up to one hundred fifty percent (150%) of the Board Approved amount.

SECTION 6. INTEREST RATE.

The Local Match loan interest rate shall be set at zero percent per annum.

SECTION 7. COMPLETION OF PROJECT.

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

SECTION 8. PROJECT CERTIFICATION.

One year after Project completion, the Agency shall certify to the SWRCB whether or not the Project, as of that date, meets applicable design specifications and effluent limitations. If the Agency cannot certify that the Project meets such specifications and limitations at that time, the Agency will, at its own expense and in a timely manner, expeditiously make all needed corrections and perform all additional work necessary to allow affirmative certification for the Project.

Failure to submit an affirmative certification within 15 months, or a negative certification with a corrective action report that meets the above requirements and is satisfactory to the Division within 15 months, of the project completion date will result in an interest penalty of 0.1 percent per day being assessed on the outstanding Local Match loan balance due. The interest penalty will begin on the first day after expiration of the appropriate deadline.

SECTION 9. DISBURSEMENT.

Local Match loan funds will be disbursed in accordance with the disbursement provisions of Exhibit G attached hereto.

SECTION 10. REPAYMENT OF LOCAL MATCH LOAN.

Local Match loan funds, including the state match described in Section 3, shall be repaid in accordance with the provisions of Exhibit G, attached hereto, and as indicated in appropriate Local Match loan Repayment Schedules in Exhibit F, also attached hereto.

SECTION 11. DEDICATED SOURCE OF REVENUE.

The Agency shall adopt an ordinance or resolution designating a source of revenue for repayment of this Local Match loan. The dedicated source of revenue shall comply with the requirements of the federal Clean Water Act and any applicable federal and state laws, rules and regulations and shall have received SWRCB approval.

The Agency shall at all times maintain sufficient revenue to provide reasonable assurance of repayment of this Local Match loan.

SECTION 12. SUBORDINATION AND FUTURE LOCAL DEBT.

- A. The obligation of the Agency to make all payments required by this contract to the SWRCB solely from Net System Revenues is subordinate in right of payment to Parity Obligations existing on the date of execution of this contract and additional Parity Obligations incurred pursuant to Section 11 (B) below.
- B. The Agency may incur additional Parity Obligations (the payments of which are senior or prior in right to the payment by the Agency of its obligations required by this contract (and all other contracts between the Agency and the SWRCB that, by their terms, expressly provide therefore)) provided that:
 - 1. All Parity Obligations (including the Parity Obligations proposed to be incurred) shall have an "A" rating (without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise) or better by at least two nationally recognized rating agencies.
 - 2. The Agency fixes, prescribes and collects rates and charges for the Wastewater Service which will be sufficient to ensure that Net System Revenues to pay the obligations required by this contract are at least 1.1 times the current year's debt service on the obligations required by this contract.

- C. For purposes of this Section and Article 15, Paragraph (D) of Exhibit G the capitalized terms "Net System Revenues" and "Parity Obligations" and "Wastewater Service" shall have the meanings given to such terms in the certain Master Installment Purchase Agreement, dated as of September 1, 1993, between the Agency and the Public Facilities Financing Authority of the City of San Diego, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions thereof.

SECTION 13. FINANCIAL MANAGEMENT SYSTEM AND STANDARDS.

The Agency agrees to comply with federal standards for financial management systems. The Agency agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracing of Local Match loan funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this contract. To the extent applicable, the Agency agrees to be bound by and to comply with the provisions and requirements of the federal Single Audit Act of 1984 (Pub. L. 98-502) and Office of Management and Budget (OMB) Circular No. A-128.

SECTION 14. ACCOUNTING STANDARDS.

The Agency will maintain separate Project accounts in accordance with generally accepted government accounting standards including those contained in the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" promulgated by the U.S. General Accounting Office.

SECTION 15. PROHIBITED CONTRACT.

The Agency agrees that it will preclude its contractors and subcontractors from contracting with any party which is debarred, suspended, or otherwise excluded from or ineligible for, participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension".

SECTION 16. COPYRIGHTS.

The Agency agrees that the U.S. Environmental Protection Agency shall have a royalty-free, nonexclusive and irrevocable license to reproduce, publish, otherwise use, and to authorize others to use, for federal government purposes: (a) the copyright in any work developed under this Local Match loan contract and (b) any rights of copyright which the Agency may purchase where costs of such purchase are reimbursed with Local Match loan funds.

SECTION 17. USER CHARGE SYSTEM.

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

SECTION 18. OPERATION AND MAINTENANCE.

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

SECTION 19. USEFUL LIFE OF PROJECT.

For purposes of this contract, the parties agree that the useful life of the Project is 20 years from and after Project completion.

SECTION 20. ASSIGNABILITY.

To the extent permitted by federal and state laws, rules, and regulations, the SWRCB may, assign, grant a security interest in, or otherwise encumber this contract and any right, or rights hereunder, including any payment or payments to be received hereunder.

SECTION 21. STATE REVIEWS AND INDEMNIFICATION.

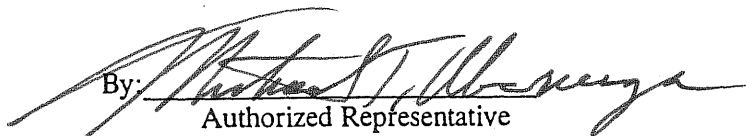
The parties agree that review or approval of Project plans and specifications by the SWRCB is for administrative purposes only and does not relieve the Agency of its responsibility to properly plan, design, construct, operate, and maintain the Project. As between the SWRCB and the Agency, the Agency agrees that it has sole responsibility for proper planning, design, construction, operation, and maintenance of the Project, and the Agency agrees to indemnify the SWRCB, the State of California and their officers, agents, and employees against and to hold the same free and harmless from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to planning, design, construction, operation, or maintenance of the Project.

SECTION 22. TERM.

This contract shall take effect upon Department of General Services' approval of the contract, and the contract shall remain in effect for the useful life of the Project or until the date of final Local Match loan repayment, whichever period is longer, unless sooner terminated pursuant to the provisions hereof.

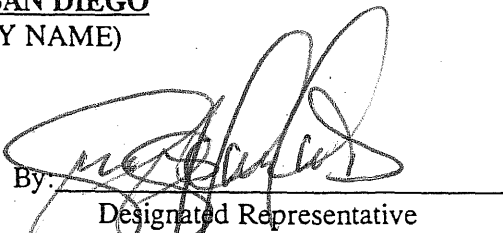
IN WITNESS THEREOF, the parties have executed this contract on the dates set forth below.

CITY OF SAN DIEGO
(AGENCY NAME)

By: 
Authorized Representative

Michael T. Uberuaga
Typed Name

City Manager
Title

By: 
Designated Representative

George I. Loveland
Typed Name

Deputy City Manager
Title

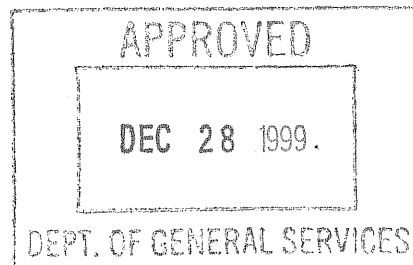
Dated: 11/28/99

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES

By:  ^{for} Chief
Division of Administrative Services

Dated: 12/21/99





(STAMP)



EXHIBIT A

LOCAL MATCH LOAN CONTRACT SPECIAL CONDITIONS

☒ None at this time.

EXHIBIT B

APPROVAL TO AWARD LETTER

See Approval to Award letter dated November 13, 1997. This letter shows how the maximum Local Match loan amount, as described in Section 4, was determined.



Cal/EPA

State Water
Resources
Control Board

Division of
Clean Water
Programs

Mailing Address:
P.O. Box 944212
Sacramento, CA
94244-2120

2014 T Street,
Suite 130
Sacramento, CA
95814
(916) 227-4355
FAX (916) 227-4349

NOV. 13 1997

CERTIFIED MAIL NO. P 215 812 995
Return Receipt Requested

Mr. F.D. Schlesinger, Director
Metropolitan Wastewater Department
City of San Diego
600 B Street, Suite 600
San Diego, CA 92101-4587



Pete Wilson
Governor

Dear Mr. Schlesinger:

APPROVAL TO AWARD (ATA) -- CITY OF SAN DIEGO, POINT LOMA DIGESTERS 7 & 8 AND
GAS SYSTEM UPGRADE, STATE REVOLVING FUND (SRF) LOAN PROGRAM NO.
C-06-4383-110.

We have reviewed the ATA request package submitted with the SRF ATA Form 555-1 executed
by you on September 8, 1997. The California State Water Resources Control Board hereby
approves the ATA request as follows:

| CONTRACTOR | AMOUNT BID | APPROVED |
|------------------------|--------------|--------------|
| Kiewit Pacific Company | \$19,910,100 | \$10,462,174 |

The Division of Clean Water Programs (Division) established the SRF ATA budget as follows:

| | REQUESTED | APPROVED |
|----------------------|---------------------|---------------------|
| A. Construction | \$9,151,313 | \$10,462,174 |
| B. Allowances | \$1,632,474 | |
| 1. Planning | | \$ 400,093 |
| 2. Design | | \$ 815,098 |
| 3. Construction | | \$ 928,064 |
| 4. Administration | | \$ 94,160 |
| 5. Prime Engineering | | \$ 27,515 |
| TOTAL | \$10,783,787 | \$12,727,104 |

Please refer to the enclosed construction eligibility calculations and Memorandum dated
November 12, 1997.

The eligibility decisions contained herein are considered staff decisions. If you are **IN
AGREEMENT** with these decisions, please state in writing within thirty (30) days from the date of
this letter to:

Jim Putman, Chief
Division of Clean Water Programs
Loans and Grants Branch
P.O. Box 944212
Sacramento, CA 94244-2120

If you are **NOT IN AGREEMENT** with these decisions, then you should request a meeting with
and/or a final staff decision from Mr. Putman. If you have not contacted Mr. Putman within thirty
(30) days from the date of this letter, we will have no choice but to issue a final staff decision.

NOV. 13 1997

DISBURSEMENT SCHEDULE

1. Within thirty (30) days, please submit to Ms. Ame Mathies at the above address, a preliminary disbursement schedule (see enclosed format) which shows the estimated monthly amounts to be requested during the construction period. The total should equal the approved SRF ATA budget amount. This is needed to establish a preliminary disbursement schedule for your proposed loan contract.
2. You should allow about two weeks following your (a) **agreement** on the SRF ATA budget, and (b) **submittal** of the preliminary disbursement schedule for the Division to complete preparation of the loan contract, provided all the other prerequisites have been completed. The binding loan commitment takes, on the average, three months to process.
3. Please be reminded that the disbursement(s) for costs incurred prior to the binding loan commitment may be subject to the refinance rules in the SRF Policy.

CONSTRUCTION CONTRACT REQUIREMENTS

1. The enclosed "Notification of Labor Unions or Other Organizations of Workers" must be reproduced in the quantity desired, completed by the contractor, and distributed to all unions and organizations that might represent workers on the job.
2. Mail the following documents to the Construction Administration Unit as soon as they become available:
 - A. One copy of the executed construction contract.
 - B. One copy of the form (see enclosed format) entitled "Certification of Bond and Insurance Coverage", and
 - C. One copy of the Notice to Proceed.
3. Recipients of SRF loan assistance are required to report MBE/WBE utilization to the Division. Form MBE/WBE UR334, and the associated instructions are enclosed. If you have any questions, please contact Mr. Bruce Seno at (916) 227-4488.

Sincerely,

ORIGINAL SIGNED BY

Richard Wasser, Chief
Construction Administration Unit

Enclosures

bcc: Jim Putman, DCWP
Bruce Seno, DCWP
Daniel Little, PM, DCWP
Ame Mathies, DCWP
Fred Johansen, Payments, DCWP

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STATE REVOLVING FUND PROJECT NUMBER C-06-4383-110

CITY OF SAN DIEGO

PT. LOMA WASTEWATER TREATMENT PLANT
DIGESTERS 7 / 8 AND GAS SYSTEM UPGRADES

KIEWIT PACIFIC CO.

BID SCHEDULE 1 AND ESTIMATE NO. 12

| Item No. | Descript | Quantity | Unit | Unit Price | Amount | Eligible Percent | Eligible Construction | Pre. 7/17/97 | Total Remaining | Eligible Amount |
|----------|-----------|----------|------|------------|--------------|------------------|-----------------------|--------------|-----------------|-----------------|
| 1 | General | LS | N/A | N/A | \$17,845,200 | 93% | \$16,632,761 | \$6,770,205 | \$11,074,995 | \$10,322,538 |
| 2 | S,S & B | LS | N/A | N/A | \$500,000 | 100% | \$500,000 | \$500,000 | \$0 | \$0 |
| 3 | Reveg | LS | N/A | N/A | \$120,000 | 100% | \$120,000 | \$2,000 | \$118,000 | \$118,000 |
| 4 | Off Site | 2,000 | CY | \$55.00 | \$110,000 | 100% | \$110,000 | \$110,000 | \$0 | \$0 |
| 5 | Excav | 80,000 | CY | \$1.70 | \$136,000 | 100% | \$136,000 | \$136,000 | \$0 | \$0 |
| 6 | Rock | 2,000 | CY | \$16.00 | \$32,000 | 100% | \$32,000 | \$22,752 | \$9,248 | \$9,248 |
| 7 | Rem/Dis | 8,000 | CY | \$12.00 | \$96,000 | 100% | \$96,000 | \$96,000 | \$0 | \$0 |
| 8 | Fill | 152,000 | CY | \$1.20 | \$182,400 | 100% | \$182,400 | \$182,400 | \$0 | \$0 |
| 9 | Drains | 800 | LF | \$20.00 | \$16,000 | 100% | \$16,000 | \$16,000 | \$0 | \$0 |
| 10 | SOPA | 30 | DAY | \$300.00 | \$9,000 | 0% | \$0 | \$0 | \$9,000 | \$0 |
| 11 | Paleo | 30 | DAY | \$300.00 | \$9,000 | 0% | \$0 | \$4,200 | \$4,800 | \$0 |
| 12 | Str Con | 100 | CY | \$450.00 | \$45,000 | 0% | \$0 | \$0 | \$45,000 | \$0 |
| 13 | A. C. | 23,000 | SE | \$1.50 | \$34,500 | 0% | \$0 | \$0 | \$34,500 | \$0 |
| 14 | Part | LS | N/A | N/A | \$20,000 | 100% | \$20,000 | \$7,612 | \$12,388 | \$12,388 |
| 15 | Field Ord | LS | N/A | N/A | \$650,000 | 0% | \$0 | \$263,892 | \$386,108 | \$0 |
| 16 | Unk Util | LS | N/A | N/A | \$50,000 | 0% | \$0 | \$6,920 | \$43,080 | \$0 |
| 17 | Maint | LS | N/A | N/A | \$20,000 | 0% | \$0 | \$822 | \$19,178 | \$0 |
| 18 | Viewp | LS | N/A | N/A | \$35,000 | 0% | \$0 | \$0 | \$35,000 | \$0 |
| TOTALS | | | | | \$19,910,100 | | \$17,845,161 | \$8,118,803 | \$11,791,297 | \$10,462,174 |



Cal/EPA

State Water
Resources
Control Board

2014 T Street,
Suite 130
Sacramento, CA
95814
Mail Code G-8
(916) xxx-xxxx
FAX (916) xxx-xxxx

MEMORANDUM



Pete Wilson
Governor

TO: Bruce Seno

Dan Little

FROM: Dan Little
DIVISION OF CLEAN WATER PROGRAMS

DATE: November 12, 1997

SUBJECT: ELIGIBLE PROJECT COSTS: POINT LOMA DIGESTERS 7 AND 8 AND
GAS SYSTEM UPGRADE PROJECT, CITY OF SAN DIEGO, SRF LOAN
NO. C-06-4383-110

Dick Wasser asked about the "San Diego Material Allowances and Installation Allowances" costs. These are ineligible costs as stated in the eligibility determination letter because they are considered pre-priced change orders.

The only way to determine what these costs were and how to apply them was to remove them from the final engineer's estimate, determine the eligibility percentage thusly, and apply it to Bid Item 1 for General Construction. To do this, the subtotals (prior to adding the allowances and sales tax and contractors overhead) for each of the ten bid items in the engineer's estimate were multiplied by the contractors overhead of 15 percent, and then the sales tax added back in. Since Bid Item 1 is 100 percent eligible, this method gives us the cost for construction including sales tax and the appropriate contractors overhead.

Applying this method, the eligible construction cost is \$21,606,964. The eligible percentage is:

$$\frac{21,606,964}{23,181,998} = 0.932058$$

This percentage should be applied to the General Construction Bid Item.

As for the SRF allowances, planning and design allowances should be based on the eligible construction cost had the project not been retroactively funded. Planning and design allowances are not construction costs, and only construction or construction related costs incurred prior to the date of Final P&S Approval (July 17, 1997) are ineligible. The SRF allowances for construction management, administration, and prime engineering should be based on the eligible construction costs (those incurred after July 17, 1997).

According to the calculations we ran today, the ATA budget for the project should reflect a total eligible project cost of \$12,727,104.

Please call if you have any questions.
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Our mission is to preserve and enhance the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.

EXHIBIT C

APPLICABLE EFFLUENT LIMITATIONS

Incorporated by reference are the following supporting documents:

SEE WASTE DISCHARGE REQUIREMENTS, ORDER NO. 95-106, AND NPDES PERMIT NO. CA 0107409, ADOPTED BY THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION, AND THE ENVIRONMENTAL PROTECTION AGENCY, REGION 9, ON NOVEMBER 9, 1995.

APPROVED PLANS AND SPECIFICATIONS

Incorporated by reference are the Plans and Specifications approved by the Division on July 17, 1997, which are the basis for the construction contract to be awarded by the City of San Diego to the Kiewit Pacific Company following competitive advertising.

EXHIBIT D

PLANS AND SPECIFICATIONS APPROVAL LETTER

See the Plans and Specifications approval letter dated July 17, 1997, for the Point Loma Digesters 7 and 8, and Gas System Upgrade Project.



JUL 17 1997



Pete Wilson
Governor

State Water
Resources
Control Board

Division of
Clean Water
Programs

Mailing Address:
P.O. Box 944212
Sacramento, CA
94244-2120

2014 T Street,
Suite 130
Sacramento, CA
95814
(916) 227-4575
FAX (916) 227-4595

Mr. F. D. Schlesinger, Director
Metropolitan Wastewater Department
600 B Street, Suite 500
San Diego, CA 92101-4587

Dear Mr. Schlesinger:

FINAL PLANS AND SPECIFICATIONS (P&S) APPROVAL; CITY OF SAN DIEGO
(CITY) POINT LOMA DIGESTERS 7 & 8 AND GAS SYSTEM UPGRADE PROJECT;
STATE REVOLVING FUND (SRF) LOAN NO. C-06-4383-110

The Division of Clean Water Programs (Division) has received the signed P&S Approval forms and Project Performance Certification Standards for the Point Loma Digesters 7 & 8 and Gas System Upgrade project by FAX July 10, 1997.

Pursuant to your concurrence with the eligibility determinations identified on the P&S Approval forms, and with the requirements contained in the Project Performance Certification Standards, the Division hereby approves the P&S.

Your project is tentatively scheduled for the State Water Resources Control Board's (SWRCB) Workshop agenda for September 3-4, 1997. At that time, the SWRCB will consider your project for an SRF loan funding commitment. If the SWRCB approves the project, a Resolution will be adopted committing funds at the September 18, 1997, SWRCB Meeting. After adoption, the Division can then begin the process of final execution of an SRF loan contract for your project.

These P&S are conditionally approved provided that the City satisfactorily complies with any and all conditions noted herein, as well as on the enclosed approval form, and in the SRF contract documents.

This Final P&S approval assumes that the City has obtained the necessary approval(s), permit(s), or exemption(s) from other regulatory agencies, and has implemented any mitigation measures necessary where construction activities might affect public health or water quality. This approval does not supersede any Regional Water Quality Control Board or local health department orders or requirements.

Enclosed in an Approval-to-Award (ATA) form entitled "SWRCB Approval-to-Award". Submit this form as soon as possible to our Contracts Administration (CA) Unit. You may also contact Mr. Bruce Seno of the CA Unit at (916) 227-4488 for assistance or specific questions regarding processing the ATA for this project.



Mameli

where

Our mission is to preserve and enhance the quality of California's water resources and

mail

JUL 17 1997

If you have any questions regarding this letter or the enclosed P&S Approval forms, please call Mr. Dan Little, your Design Reviewer, at (916) 227-4575.

Sincerely,

ORIGINAL SIGNED BY

Farouk T. Ismail, Ph.D., P.E.
Chief, Planning & Design Section

Enclosures

cc: Mr. Jim Wageman, Senior Engineer
Mr. Richard J. Enriquez, Grants Administrator
Metropolitan Wastewater Department
600 B Street, Suite 500
San Diego, CA 92101-4587

DLITTLE/PTLOMA2/16 JUL 97/ANNE

**CLEAN WATER PROGRAMS
PLANS AND SPECIFICATIONS APPROVAL FORM**

| | | | |
|---------------------|--|----------|---|
| Project No. | C-06-4383-110 | Date: | July 10, 1997 |
| Applicant | City of San Diego | | |
| Address | 600 B Street, Suite 500, San Diego, CA 92101-4587 | | |
| Auth. Rep. | F. D. Schlesinger | Engineer | Jim Wageman, City of San Diego |
| Address | 600 B Street, Suite 500 San Diego, CA 92101-4587 | Address | 600 B Street, Suite 500 San Diego, CA 92101-4587 |
| Phone | (619) 533-4200 | Phone | (619) 533-5212 |
| Project Description | Point Loma Digesters 7 & 8 And The Gas System Upgrade. | | |

ELIGIBILITY DETERMINATION AGREEMENT

The eligibility determination identified below is based on the review of the contract documents received by the Division May 8, 1997, the Facility Plan Approval letter dated July 8, 1997, the supplemental information dated May 19, 1997, and the Bid Schedule submitted July 9, 1997.

| | |
|--------------------------|--|
| Bid Item No 1: | Lump Sum bid for General Construction; this item is partially eligible - see conditions below. |
| Bid Items 2 - 9: | These bid items are 100 percent eligible. |
| Bid Item Nos. 10 and 11: | SOPA Certified Archaeological Monitoring and Paleontology Monitoring; these items are not eligible - see conditions below. |
| Bid Item No. 12: | Additional Concrete; this item is not eligible - see conditions below. |
| Bid Item No. 13: | This item is not legible on the submitted bid schedule and is therefore ineligible. |
| Bid Item No. 14: | 100 percent eligible. |
| Bid Item Nos. 15 - 17: | Allowances for Field Orders, Unknown Utilities, and Site Maintenance; these items are not eligible - see conditions below. |
| Bid Item No. 18: | Viewports; this item is not eligible - see conditions below. |

**PLANS AND SPECIFICATIONS FOR YOUR PROJECT ARE APPROVED WITH THE
FOLLOWING CONDITIONS AND EXPLANATIONS**

I. Conditions on Bid Item No. 1:

APPROVAL BY STATE

| | | |
|-----------------|----------------------------------|--|
| Date 7/14/92 | Signature <i>Harold Hamid</i> | Name and Title for Daniel J. Little, P.E., Associate WRC Engineer |
|-----------------|----------------------------------|--|

1005 1.03

PLANS AND SPECIFICATIONS APPROVAL FORM
(CONTINUATION SHEET)

Project No.

C-06-4383-110

Applicant

City of San Diego

1. In accordance with the Policy for Implementing The State Revolving Fund For Construction of Wastewater Treatment Facilities Section VI.B, the portion of the project not under construction at the time the plans and specifications are approved is eligible for funding. Therefore construction costs incurred prior to July 1997, approximately, are not eligible for SRF funding. According to the Estimated Cost Schedule submitted June 13, 1997, the best estimated construction cost remaining is \$10,120,000. This number is based on expenses incurred thus far (\$10,550,000) minus change orders (\$760,000), and then subtracted from the low bid of \$19,910,000. Therefore, \$9,790,000 is not eligible for loans because expenses were incurred prior to July 1997. This corresponds approximately to the anticipated construction schedule contained in the Proposed Phased Funding Schedule of May 10, 1996, based on Kiewit Pacific's Pro-Award Schedule.
2. Mobilization and demobilization are based on the eligible part of the projects' construction low bid. The computation of eligibility for mobilization costs is:

$$\text{percent eligible} = \frac{\text{total bid} - (\text{mobilization} + \text{ineligible amount})}{\text{total bid} - \text{mobilization}}$$
3. San Diego Material Allowances and Installation Allowances are ineligible as they are considered pre-priced change orders. The SRF Policy does not allow funding for pre-priced change orders.

II. Conditions on Bid Item Nos. 10 and 11:

Archaeological and paleontological monitoring is considered environmental mitigation and is not eligible unless described as a necessary program by the EIR/EIS, and is Federal or State mandated. Locally required environmental mitigation measures are not eligible for SRF loans.

III. Condition on Bid Item No. 12:

Additional Concrete is undefined and is not shown on the plans and is therefore ineligible.

APPROVAL BY STATE

Date

Signature

Name and Title

7/14/97

Howard Nandi for

Daniel J. Little, P.E., Associate WRC Engineer

PLANS AND SPECIFICATIONS APPROVAL FORM
(CONTINUATION SHEET)

Project No.

C-06-4383-110

Applicant

City of San Diego

IV. Conditions on Bid Items 15 - 17:

Field Orders are ineligible as they are considered change orders.

Unknown Utilities is undefined and considered pre-priced changes and are therefore ineligible.

Site Maintenance is undefined and therefore ineligible.

V. Condition on Bid Item No. 18:

Viewports are undefined and not shown on the plans and are therefore ineligible.

CONDITIONS OF APPROVAL

The Plans and Specifications Approval does not become final until the loan applicant's authorized representative has signed and returned this form indicating agreement with the eligibility decisions and conditions contained herein, along with a signed copy of the attached Project Performance Certification Standards.

APPROVAL BY STATE

Date

7/14/97

Signature

Grand Man-di

Name and Title

Daniel J. Little, P.E., Associate WRC Engineer

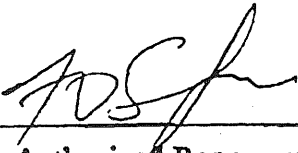
PLANS AND SPECIFICATIONS APPROVAL FORM
(CONTINUATION SHEET)

Project No.

C-06-4383-110

Applicant

City of San Diego



Authorized Representative

F. D. Schlesinger



Date

APPROVAL BY STATE

Date

Signature

Name and Title

Daniel J. Little, P.E., Associate WRC Engineer

CLEAN WATER PROGRAMS
PROJECT PERFORMANCE CERTIFICATION STANDARDS

I, F. D. Schlesinger, as the authorized representative for the City of San Diego hereby agree to the following project performance standards for the Point Loma Digesters 7 & 8 and The Gas System Upgrade Project, State Revolving Fund (SRF) Loan Number C-06-4383-110:

1. All components of the project shall meet the material, workmanship, and performance standards identified in the contract plans and specifications, Final Value Engineering Report dated June 1994, and the Point Loma Wastewater Treatment Plant Master Plan dated August 1994, and will be operational at the time of project performance certification.
2. Each mechanical component and process unit shall be tested to determine that the performance objectives stated in the specifications and design criteria can be met under full load conditions.

The City shall include this information in the project performance certification report due one (1) year after initiation of operation (See Item 7 below). The report shall include a description of the test conditions and the attained performance of each major item of equipment and process unit.

3. The additional and existing anaerobic digesters (total of eight), shall be capable of providing adequate digestion for 1.2 MGD of sludge flow at a solids detention time of twenty (20) days, a volatile solids destruction of fifty (50) percent or greater, an operating temperature between 92 - 98 degrees F, and a solids loading feed rate of 0.12 lbs. VSS/cu. ft.-day for the design year 2008.
4. The existing operation and maintenance tracking system must be updated to include all new mechanical and electrical equipment, spare parts, and a record of preventive and corrective maintenance tasks scheduled and performed.
5. A log of the operation and maintenance of each mechanical component shall be maintained for the life of the project. At minimum, this log must include:
 - a. Information required to complete the discharger's monthly self-monitoring reports submitted to the Regional Water Quality Control Board;
 - b. Digester loading rate (hydraulic and solids);
 - c. Sludge solids concentration (raw and digested);
 - d. Sludge detention time;
 - e. Digester operating temperature and pH;
 - f. Alkalinity and volatile acids concentration;
 - g. Total suspended solids and total volatile suspended solids content of the raw and digested sludge;
 - h. Quantity and composition, i.e. CO₂ and CH₄ of digester gas;
 - i. Decanting frequencies and quantities; and
 - j. Record of any type and quantity of chemical addition.


Project No. SRF Loan No. C-06-4383-110

A licant City of San Diego

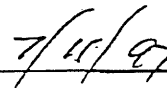
CLEAN WATER PROGRAMS
PROJECT PERFORMANCE CERTIFICATION STANDARDS

6. The following information should be collected for the duration of the one-year project performance certification period:
 - a. Calibration records of major mechanical equipment and systems; and
 - b. Results of equipment performance tests for pumps, heat exchangers, etc. when required by the specification documents.
7. At the end of the one year project performance period, the prime engineer shall prepare a project performance certification report analyzing the ability of the SRF funded facilities to meet above criteria. A Project Performance Certification Report and Certification of Performance shall be submitted to the Division of Clean Water Programs (Division) for review. The report shall, at minimum, contain a summary and discussion of the following items:
 - a. Information listed in Items 6 and 7 above;
 - b. Supernatant quantity and quality, i.e. BOD, COD, and suspended solids;
 - c. Percent volatile solids destruction;
 - d. Records and discussions of any preventative and corrective maintenance tasks performed; and
 - e. If necessary, a plan of action for correction of any failure to meet the project performance established herein.
8. If any correction is necessary, the City shall correct performance problems identified in the prime engineer's report at other than State expense.
9. The City of San Diego shall comply with the Waste Discharge Requirements, NPDES Permit No. CA0107409, and EPA 40 CFR Part 503 Regulations for Class B biosolids pathogen reduction.

I agree with the project performance standards established above.



Mr. F. D. Schiesinger
Authorized Representative



Date

Project No. SRF Loan No. C-06-4383-110

A licant City of San Diego

State Revolving Fund Approval To Award (ATA) Request

NOTE: The construction contract(s) SHALL NOT be awarded until the ATA has been APPROVED by the State Water Resources Control Board. Therefore, the applicant should submit this form and the required attachments as soon as possible after bids are opened. The ATA package should include all information necessary to indicate fulfillment of all State and Federal requirements.

I. Applicant and Contract Information

Agency Name: _____

Address: _____

Authorized Representative (Name/Title/Phone): _____

State Assigned Project No: _____

Date the contract must be awarded, as indicated in the contract specifications: _____

Have any protests regarding award of the contract been received? (circle one) Yes No

If yes, date protest(s) was resolved: _____ ATTACH copies of the protest(s) and resolution(s)

II. Project Cost Summary

| | Total Project | Eligible Project |
|--|---------------|------------------|
| A. Construction Contract (name and number) | | |
| 1. | \$ | \$ |
| 2. | | |
| SUBTOTAL | \$ | \$ |
| B. Allowance - Table 1 or 2 - Engineering and Administration | | |
| C. Other - identify | | |
| D. Contingency - 5% of A+B+C - Ineligible for SRF | | |
| E. TOTAL | \$ | \$ |

| Funds available for construction of the "Total Project" | Amount |
|--|--------|
| A. Cash on hand | \$ |
| B. General obligation or revenue bonds | |
| C. Short term loans or notes | |
| D. Other funds - identify | |
| E. Total applicant funds available - A + B + C + D | \$ |
| F. SRF loan amount "Eligible Project" total | |
| G. Total amount required "Total Project" cost | |
| H. Applicant's amount required - G minus (E plus F) (If this amount does not equal 0, provide Att. G) \$ | |

V. Also, attach the following information:

- A legal description of the site on which the project is to be constructed and an opinion signed by competent title counsel describing the interest the applicant has in the site, including information as to any easements and rights-of-way, and certifying that the estate or interest is legal and valid. The opinion should also include information as to whether or not:
 - The applicant (or the present owner if fee simple title has not been or is not to be acquired) has good and valid title to the entire site (excluding easements and rights-of-way) free and clear of any pre-existing mortgages, deeds of trust, liens, or other encumbrances, which would affect the value or usefulness of the site for the purpose intended;
 - Any deeds or documents required to be recorded in order to protect the title of the owner and the interest of the applicant have been duly recorded or filed for record whenever necessary; and
 - The applicant has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601).
 - Tabulation of all bids received and the engineer's estimate.
 - The bid proposal(s) the applicant wishes to accept.
 - Evidence of advertising.
 - MBE, WBE documentation, Contract Provision Atts.: A, B, Positive Effort Cert. and record of positive efforts if needed.
 - Dedicated source of revenue (ordinance or resolution).
- A cash flow projection showing source and expected time of receipt of funds needed to meet project cash requirements.

The undersigned authorized representative of the applicant certifies that the information contained above and in any attached statements and materials in support thereof, is true and correct.

Signature of Authorized Representative _____ Name and Title (type or print) _____ Date signed _____

State Revolving Fund Approval To Award (ATA) Request

(OTE The construction contract(s) SHALL NOT be awarded until the ATA has been APPROVED by the State Water Resources Control Board. Therefore, the applicant should submit this form and the required attachments as soon as possible after bids are opened. The ATA package should include all information necessary to indicate fulfillment of all State and Federal requirements.

I. Applicant and Contract Information

Agency Name: _____

Address: _____

Authorized Representative (Name/Title/Phone): _____

State Assigned Project No: _____

Date the contract must be awarded, as indicated in the contract specifications: _____

Have any protests regarding award of the contract been received? (circle one) Yes No

If yes, date protest(s) was resolved: _____ ATTACH copies of the protest(s) and resolution(s)

II. Project Cost Summary

| | Total Project | Eligible Project |
|--|---------------|------------------|
| A. Construction Contract (name and number) | | |
| 1. | \$ | \$ |
| 2. | | |
| SUBTOTAL | \$ | \$ |
| B. Allowance - Table 1 or 2 - Engineering and Administration | | |
| C. Other - identify | | |
| D. Contingency - 5% of A + B + C - Ineligible for SRF | | |
| E. TOTAL | \$ | \$ |

| Funds available for construction of the "Total Project" | Amount |
|--|--------|
| A. Cash on hand | \$ |
| B. General obligation or revenue bonds | |
| C. Short term loans or notes | |
| D. Other funds - identify | |
| E. Total applicant funds available - A + B + C + D | \$ |
| F. SRF loan amount "Eligible Project" total | |
| G. Total amount required "Total Project" cost | |
| H. Applicant's amount required - G minus (E plus F) (if this amount does not equal 0, provide Att. G) = \$ | |

IV. Also, attach the following information:

- A legal description of the site on which the project is to be constructed and an opinion signed by competent title counsel describing the interest the applicant has in the site, including information as to any easements and rights-of-way, and certifying that the estate or interest is legal and valid. The opinion should also include information as to whether or not:
 - The applicant (or the present owner if fee simple title has not been or is not to be acquired) has good and valid title to the entire site (excluding easements and rights-of-way) free and clear of any pre-existing mortgages, deeds of trust, liens, or other encumbrances, which would affect the value or usefulness of the site for the purpose intended;
 - Any deeds or documents required to be recorded in order to protect the title of the owner and the interest of the applicant have been duly recorded or filed for record whenever necessary; and
 - The applicant has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601).
 - Tabulation of all bids received and the engineer's estimate.
 - The bid proposal(s) the applicant wishes to accept.
 - Evidence of advertising.
 - MBE/WBE documentation (Contract Provision Atts.: A, B, Positive Effort Cert and record of positive efforts if needed).
 - Dedicated source of revenue (ordinance or resolution).
- A cash flow projection showing source and expected time of receipt of funds needed to meet project cash requirements.

The undersigned authorized representative of the applicant certifies that the information contained above and in any attached statements and materials in support thereof, is true and correct.

Signature: _____ Authorized Representative

Name and Title (type or print)

Date signed

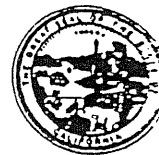
EXHIBIT E

FACILITIES PLAN APPROVAL LETTER

See the Facilities Plan Approval letter dated July 8, 1997.



CalFWRA



Pete Wilson
Governor

State Water
Resources
Control Board

CERTIFIED MAIL NO. Z 080 554 992

Return Receipt Requested

JUL 8 1997

Division of
Clean Water
Programs

Mr. F. D. Schlesinger, Director
Metropolitan Wastewater Department
600 B Street, Suite 500
San Diego, CA 92101-4587

Mailing Address:
P.O. Box 944212
Sacramento, CA
94244-2120

Dear Mr. Schlesinger:

2014 T Street,
Suite 130
Sacramento, CA
95814
(916) 227-4575
FAX (916) 227-4595

FACILITIES PLAN APPROVAL, CITY OF SAN DIEGO, POINT LOMA DIGESTERS 7 AND 8,
AND GAS SYSTEM UPGRADE, STATE REVOLVING FUND (SRF) LOAN NO. C-06-4383-110

In accordance with the State Water Resources Control Board's February 1995 Policy for Implementing the State Revolving Fund (SRF) for Construction of Wastewater Treatment Facilities (SRF Policy), amended January 1996, the Division of Clean Water Programs (Division) herewith approves the facilities plan for the subject project. Our approval is based on the following determinations:

1. Complete project report documentation including the "Point Loma Wastewater Treatment Plant Master Plan" dated August 1994, and correspondences dated May 7, 1997, May 16, 1997, May 27, 1997, and May 28, 1997, pertaining to facility planning information for the Point Loma projects has been submitted and complies with Section IX.A. of the SRF Policy;
2. The environmental documentation meets all of the environmental review requirements and the Division's Environmental Services Unit approved the documents on July 2, 1997;
3. A draft revenue program was approved by the Division; and
4. The City is a signatory to the State Water Coalition's Memorandum of Understanding Regarding Urban Water Conservation in California.

PROJECT DESCRIPTION

The proposed project is described in Chapter 4, Sections 4.1 - 4.5 of the "Point Loma Wastewater Treatment Plant Master Plan" dated August 1994, and supplemental documentation dated May 7, 1997, and May 16, 1997. The project is entitled in the contract documents and drawings as the "Point Loma Digesters 7 & 8 and Gas System Upgrade".

The Division has made the determination that the items listed below will be eligible for a SRF loan. Where applicable, eligible capacity will be adjusted at the time of approval to award the construction contract to account for any changes in the estimated date for final plans and specifications approval.

1. The following items will be eligible for a SRF loan:
 - A. Construction of additional anaerobic digestion capacity including all necessary appurtenances to provide capacity to process projected sludge flows and meet regulations for pathogen reduction through the design year 2008;
 - B. Construction of necessary process control systems;
 - C. Special equipment necessary to maintain the treatment plant, including one set of the manufacturer's list of spare parts;
 - D. Demolition of existing structures necessary to provide space for new structures or equipment;
 - E. Reasonable and necessary landscaping within the confines of the project; and
 - F. Allowances for planning, design, construction, prime engineering, and administration (see Appendix I of the SRF Policy).
2. The following items are not eligible for loans:
 - A. Construction contingencies;
 - B. Construction change orders and claims;
 - C. Facilities under construction (i.e. costs incurred for construction) prior to the issuance of Final Plans and Specifications Approval by the Division; and
 - D. All other items not included in the construction contract except allowances.
3. The eligible design parameters are:

| | |
|---|----------------------|
| Population | 1,971,000 |
| Average annual flow | 203 MGD |
| Influent TSS concentration | 301 mg/l |
| Peak 15-day influent TSS loading | 703,247 lbs./day |
| Peak VSS loading to digesters | 348,874 lbs./day |
| Average sludge flow | 1.20 MGD |
| Minimum detention time in digesters | 15 days |
| Average daily raw solids concentration fed to digesters | 5.5 percent |
| Minimum VSS feed rate | 0.12 lbs./cu.ft.-day |

Population based on SANDAG Series 8 projections for year 2008. The population shown here is for the service area tributary to the Point Loma plant for the design year taking into account the reduction in flows at Point Loma due to the startup of the North City Water Reclamation Plant. The design year is 12 years

JUL 8 1997

from the initiation of construction. Flow is based on average per capita flow of 103 gallons per day. Peaking factor for peak 15 day sustained loading is 1.38 from the 1994 Master Plan report. Influent organic loadings are from the City's information dated May 27, 1997. Detention time is the minimum requirement for meeting Section 503 Sludge Regulations for pathogen reduction for Class B biosolids. Raw solids concentration is from the design criteria contained in the 1994 Master Plan report. Volatile suspended solids feed rate is the most conservative value of typical feed range for single stage anaerobic digesters.

The construction cost of the project is estimated at \$21,200,000 based on the City's information contained in the completion schedule. The estimated loan eligible construction cost is \$11,745,027 including engineering and administration allowances. The estimated SRF loan eligible costs is based on the disbursement schedule submitted by the City on June 13, 1997. For the purpose of determining the estimated SRF loan eligible cost, the cost value of work remaining after July 1997 is considered in the Division's eligibility calculations since it is work for which costs have yet to be incurred.

PROJECT MILESTONES

This approval is based on submittals according to the following schedule:

| | |
|---------------------------------------|-----------------------------|
| Advertise for bids | Completed November 30, 1995 |
| Open bids | Completed March 7, 1996 |
| Initiate construction | Completed July 12, 1996 |
| Value engineering report | Completed April 18, 1994 |
| Submit loan application | Completed May 8, 1997 |
| Submit final plans and specifications | Completed May 19, 1997 |
| Approve plans and specifications | July 10, 1997 |
| Approval to Award | July 28, 1997 |
| Execute loan contract | September 29, 1997 |
| Submit final revenue plan | October 15, 1998 |
| Complete construction | February 8, 1999 |
| Initiate facilities operation | March 8, 1999 |
| Performance certification | March 8, 2000 |

Special attention to the project milestones schedule is critical. Schedules must be compatible with requirements of any Regional Water Quality Control Board enforcement actions related to the planned facilities. Approval of a schedule not compatible with Regional Water Board requirements does not relieve the applicant of its responsibility to achieve compliance with said requirements.

CONDITIONS OF APPROVAL

1. This approval includes only that project described above and does not include any associated projects which may have been referred to in the Project Report. This approval does not guarantee that loan assistance will be awarded for this project.
2. This letter constitutes a Final Staff Decision. We will only request that the State Water Resources Control Board (SWRCB) make a preliminary loan commitment for this project's SRF loan **AFTER** an agreement in writing on the eligibility decisions, schedule, and other conditions in this letter has

JUL 8 1997

Mr. F. D. Schlesinger

4

been received from you. To expedite this process, please notify me immediately in writing if you agree with this letter as currently written, so I can start the process to procure the SWRCB approval for a SRF loan for your project.

If you are NOT in agreement, then you must request a Final Division Decision within sixty (60) days from the date of this letter. Your request should be specific on the items of disagreement, and suggest the exact changes with which you would be in agreement. Please send the request to:

Mr. Harry M. Schueller, Chief
Division of Clean Water Programs
P.O. Box 944212
Sacramento, CA 94244-2120

Again, we MUST reach agreement in writing before your proposed project can be scheduled for SWRCB approval of a preliminary funding commitment.

Please contact Mr. Dan Little at (916) 227-4575 if you have any questions or comments regarding this letter.

Sincerely,

ORIGINAL SIGNED BY

Jim Putman, Chief
Loans and Grants Branch

cc: Mr. Dat Quach, Area Engineer
California Regional Water Quality Control Board
9771 Clairemont Mesa Boulevard, Suite B
San Diego, CA 92124

bcc: Farouk Ismail, DCWP
Sandy Houck, DCWP
Howard Whitver, DCWP
Nick Kontos, DCWP
John Herren, DCWP
Ame Mathies, DCWP
Dick Wasser, DCWP
Wayne Hubbard, DCWP
Ron Blair, DCWP
Ilene Smith, DCWP

dan/pldig2.fpa/9706__/_wp/2 JUL 97/ANNE

EXHIBIT F

SRF LOCAL MATCH LOAN REPAYMENT SCHEDULE

See the attached Preliminary Local Match loan Repayment Schedule dated August 6, 1999. The actual Repayment Schedule will be forwarded to the Agency after all disbursements have been issued.

EXHIBIT "F"
STATE WATER RESOURCES CONTROL BOARD
STATE REVOLVING FUND LOCAL MATCH LOAN PRELIMINARY REPAYMENT SCHEDULE

Recipient **CITY OF SAN DIEGO - POINT (Digester 7 & 8 Facility and Gas System Upgrade)**
 Loan No **C-06-4383-110**
 Contract No **7-807-550-0**
 Repayment provision **One year after completion of construction**
 Construction completion date **December 1, 1999 (estimated)**
 Capitalization Grant Funding **FFY - 1996**

DATE: **06-Aug-99**
 LOAN AMOUNT: **\$12,727,104**
 -Federal Share **\$10,605,878** **83.333%**
 -State Share **\$2,121,226** **16.667%**
 INTEREST RATE :
 -Original **0.0%**

| Date | Disbursement/ Repayment | No | Total Eligible | Federal Disbursement | Local/State Match | Period Interest | Repayment | Interest | Principal | BALANCE | Comments |
|-----------|------------------------------|----|---------------------|-------------------------|----------------------|--------------------|------------------------|---------------|------------------------|------------------------|--|
| 01-Oct-99 | Disbursement* | 1 | \$9,415,956 | \$7,846,599 | \$1,569,357 | \$0.00 | | | | | At least the local/state match amount is to be paid to contractor prior to submitting each loan disbursement request |
| 01-Nov-99 | Disbursement* | 2 | 2,264,930 | \$1,887,434 | 377,496 | 0.00 | | | | | |
| 01-Dec-99 | Disbursement* | 3 | 1,046,218 | \$871,845 | 174,373 | 0.00 | | | | | |
| 01-Dec-00 | Principal Balance Due | | | | | | | | | \$12,727,104.00 | |
| 01-Dec-00 | Repayment* | 1 | | | | | \$636,355.20 | \$0.00 | \$636,355.20 | 12,090,748.80 | Total Local/State Match recipient contribution: \$2,121,226 |
| 01-Dec-01 | Repayment* | 2 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 11,454,393.60 | |
| 01-Dec-02 | Repayment* | 3 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 10,818,038.40 | |
| 01-Dec-03 | Repayment* | 4 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 10,181,683.20 | |
| 01-Dec-04 | Repayment* | 5 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 9,545,328.00 | |
| 01-Dec-05 | Repayment* | 6 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 8,908,972.80 | |
| 01-Dec-06 | Repayment* | 7 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 8,272,617.60 | |
| 01-Dec-07 | Repayment* | 8 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 7,636,262.40 | |
| 01-Dec-08 | Repayment* | 9 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 6,999,907.20 | |
| 01-Dec-09 | Repayment* | 10 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 6,363,552.00 | |
| 01-Dec-10 | Repayment* | 11 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 5,727,196.80 | |
| 01-Dec-11 | Repayment* | 12 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 5,090,841.60 | |
| 01-Dec-12 | Repayment* | 13 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 4,454,486.40 | |
| 01-Dec-13 | Repayment* | 14 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 3,818,131.20 | |
| 01-Dec-14 | Repayment* | 15 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 3,181,776.00 | |
| 01-Dec-15 | Repayment* | 16 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 2,545,420.80 | |
| 01-Dec-16 | Repayment* | 17 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 1,909,065.60 | |
| 01-Dec-17 | Repayment* | 18 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 1,272,710.40 | |
| 01-Dec-18 | Repayment* | 19 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 636,355.20 | |
| 01-Dec-19 | Repayment* | 20 | | | | | \$636,355.20 | 0.00 | 636,355.20 | 0.00 | |
| | | | | | | | | | | | |
| | | | \$12,727,104 | \$10,605,878 | \$2,121,226 | | \$12,727,104.00 | \$0.00 | \$12,727,104.00 | | |

* Projected disbursements and repayments are subject to recalculation based on actual disbursements.

EXHIBIT G

LOCAL MATCH LOAN CONTRACT STANDARD CONDITIONS

ARTICLE I. DEFINITIONS.

- (A) "Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.
- (B) "Authorized Representative" means the Mayor of a City, the Chairperson of the County Board of Supervisors, the Chairperson of the Board of Directors of the Agency, or another duly appointed representative. For all authorized representatives, a certified original copy of the authorizing resolution that designates the authorized representative, by title, must accompany any contract, the first disbursement request, and any other documents or requests required or allowed under this contract.
- (C) "Completion of construction" means the date, as determined by the Division after consultation with the Agency, that the work of building and erection of the Project is substantially complete.
- (D) "Dedicated source of revenue" means "Net System Revenues".
- (E) "Force Account" means the use of the Agency's own employees or equipment for construction of the Project.
- (F) "Division" means the Division of Clean Water Programs of the State Water Resources Control Board, or any other segment of the SWRCB authorized to administer the State Revolving Fund.
- (G) "Initiation of construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.
- (H) "Official Representatives"
 - (1) The SWRCB Local Match loan Coordinator shall be the Division Chief of the Division of Clean Water Programs.
 - (2) The SWRCB Local Match loan Coordinator shall be the SWRCB's representative for administration of the contract and shall have authority to make determinations and findings with respect to any controversy arising under or in connection with interpretation of the contract.
 - (3) The Agency's Authorized Representative shall be **Michael T. Uberuaga, City Manager**, or his designee, who shall administer the contract and who shall have full authority to act on behalf of the Agency, including authority to execute disbursement requests. All communications given to the Agency representative shall be as binding as if given to the Agency.
 - (4) Either party may change its Official Representative upon written notice to the other party.

- (I) "Project completion" means the date, as determined by the Division after consultation with the Agency, that operation of the Project is initiated or is capable of being initiated, whichever comes first.
- (J) "Revenue Program" means a dedicated source of revenue adopted by the Agency which provides for recovery of appropriate capital costs of the Project, generates adequate income to reasonably assure repayment of Local Match loan funds under this contract, generates adequate income to provide for reasonable operation and maintenance of the Project, and provides adequate income for reasonable future expansion and improvement of the Project.

ARTICLE 2. COMPLIANCE WITH LAW, REGULATIONS, ETC.

- (A) The Agency agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Agency agrees that, to the extent applicable, the Agency will:
 - (1) Comply with, the provisions of the adopted environmental mitigation plan for the term of the Local Match loan contract;
 - (2) Comply with, the SWRCB's "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities", August 18, 1988 (amended September 20, 1990, January 21, 1993, February, 1995, January 18, 1996 and June 18, 1998); and
 - (3) Comply with, and require its contractors and subcontractors on the Project to comply with federal and state minority and women business enterprise (MBE/WBE) requirements.

ARTICLE 3. AWARD OF CONSTRUCTION CONTRACTS; NOTIFICATION OF AWARD AND INITIATION OF CONSTRUCTION.

- (A) The Agency agrees to award the prime construction contract within 180 days (six months) after issuance of the Local Match loan contract. An extension may be granted by the Division.
- (B) The Agency agrees to promptly notify the Division in writing both of the awards of the prime construction contract for the Project and of initiation of construction of the Project. The Agency shall include with the notice of initiation of construction a statement as to the anticipated date of completion of construction of the Project.

ARTICLE 4. CONSTRUCTION ACTIVITIES; NOTIFICATIONS; PROTECTION OF ARCHEOLOGICAL AND HISTORICAL RESOURCES.

- (A) The Agency agrees to promptly notify the Division in writing of:
 - (1) Any substantial change in scope of the Project. The Agency agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the Division and the Division has given written approval for such change;

- (2) Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of 30 days or more;
- (3) Any circumstance, combination of circumstances, or condition, which is expected to or does delay completion of construction for a period of 90 days or more beyond the estimated date of completion of construction previously provided to the Division;
- (4) Discovery of any potential archeological or historical resource. Should a potential archeological or historical resource be discovered during construction of the Project, the Agency agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Agency agrees to implement appropriate actions as directed by the Division; and
- (5) Completion of construction of the Project.

ARTICLE 5. PROJECT ACCESS.

- (A) The Agency agrees to ensure that the SWRCB, or any authorized representative thereof, will have suitable access to the Project site at all reasonable times during Project construction and thereafter for the useful life of the Project.

ARTICLE 6. MBE/WBE REPORTING.

- (A) The Agency agrees to report MBE/WBE utilization to the Division on the MBE/WBE Utilization Report, SWRCB Form MBE/WBE UR334. Reports must be submitted to the Division within ten (10) calendar days following the end of each fiscal year quarter until such time as the "Notice of Completion" is issued.

ARTICLE 7. PROJECT COMPLETION; INITIATION OF OPERATIONS.

- (A) Upon completion of construction of the Project, the Agency agrees to expeditiously initiate Project operations. At the time of completion of construction, the Division, after consultation with the Agency, will establish a reasonable estimated Project completion date, and the Agency agrees to make all reasonable efforts to meet the date so established. Such date shall be binding upon the Agency unless modified in writing by the Division upon a showing of good cause by the Agency. Extension of the Project completion date by the Division shall not be unreasonably withheld.

ARTICLE 8. REVENUE PROGRAM.

- (A) The Agency agrees to prepare and provide an acceptable final Revenue Program to the Division at the time of 90 percent disbursement of Local Match loan funds. Further Local Match loan disbursements may be withheld until an acceptable final Revenue Program is submitted. The Agency further agrees to periodically review and modify the Revenue Program as necessary to assure reasonable adequacy of the Revenue Program. The final Revenue Program and all modifications thereof shall be consistent with applicable guidelines and shall be to the reasonable satisfaction of the Division.

- (B) The Division may review the Agency's records to assure compliance with the approved Revenue Program at any time during the useful life of the Project.
- (C) The Agency agrees to establish and maintain a Wastewater Capital Reserve Fund (WCRF) for expansion, major repair, or replacement of the wastewater facilities and to maintain the WCRF for the term of the Local Match loan contract. The WCRF shall be maintained in compliance with the *"Policy For Implementing The State Revolving Fund For Construction Of Wastewater Treatment Facilities"* in effect at the time the Local Match loan contract is signed by the Authorized Representative of the Agency. The Agency agrees to submit a report on WCRF activities and status five (5) years after the date of the final revenue program approval by the Division. Updated WCRF reports will be submitted every five-(5) years thereafter until the Local Match loan has been fully discharged. Thereafter, the WCRF will no longer be subject to the requirements of this contract or the above referenced policy. Certification by legal counsel of unused bonding capability for the wastewater enterprise may be used to offset required cash deposits to the WCRF.

ARTICLE 9. CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT.

- (A) The Agency agrees that it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all or any portion of all remaining Local Match loan funds covered by this contract and any penalty assessments which may be due.

ARTICLE 10. REPORTS.

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

ARTICLE 11. LOCAL MATCH LOAN DISBURSEMENTS; AVAILABILITY OF FUNDS.

- (A) Except as may be otherwise provided in this contract, Local Match loan amounts will be disbursed as follows:
 - (1) Upon execution and return of this Local Match loan contract, the Agency may request immediate disbursement of any planning and design allowance included in the Local Match loan amount through submission of Disbursement Request Form 261, or any amendment thereto, duly completed and executed. The planning and design allowance amount due up to the allowance, will be disbursed promptly upon request after approval of this contract by the State Department of General Services;
 - (2) The Agency agrees to submit certification of incurred allowance costs with the allowance pay requests to the Division. The Division will then authorize the disbursement of the federal share of the eligible payment amount;

- (3) Additional Local Match loan funds will be promptly disbursed to the Agency for disbursement costs incurred by the Agency upon receipt of Disbursement Request Form 261, or any amendment thereto, duly completed and executed. Pursuant to 40 CFR 35.3160(b), Local Match loan funds for refinanced project costs (costs other than allowances incurred prior to the execution of the Local Match loan contract) or purchase of local debt must be disbursed at a rate no greater than equal amounts spread over the minimum number of quarters required by 40 CFR 35.3155(c);

Disbursement shall not be made more frequently than one a month. The Agency agrees that it will not request disbursement for any Project cost until such cost has been incurred and is due and payable to Project contractors, or before payment of the State Match portion of the eligible invoice amount has been paid to the Project contractors prior to submitting the progress payment request to the Division. Certification of payments must be submitted to the Division with each payment request. The Division will then authorize the disbursement of the federal share of the eligible payment amount;

- (4) Notwithstanding any other provision of this contract, 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.
- (B) The SWRCB's obligation to disburse any sum to the Agency under any provision of this contract is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. In the event that sufficient funds do not become available for reasons beyond the reasonable control of the SWRCB, such as failure of the federal or state government to appropriate funds necessary for disbursement of Local Match loan amounts, the SWRCB shall not be obligated to make any disbursements to the Agency under this contract. This provision shall be construed as a condition precedent to the obligation of the SWRCB to any disbursements under this contract. Nothing in this contract shall be construed to provide the Agency with a right of priority for disbursement over any other agency. If any disbursements, which are otherwise due to the Agency under this contract, are deferred because of unavailability of sufficient funds, such disbursements will promptly be made to the Agency when sufficient funds do become available.

ARTICLE 12. WITHHOLDING OF LOCAL MATCH LOAN DISBURSEMENTS.

- (A) The Division may withhold all or any portion of the Local Match loan funds provided for by this contract in the event that:
- (1) The Agency has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this contract;
 - (2) The Agency fails to maintain reasonable progress toward completion of the Project; or
 - (3) An acceptable Revenue Program is not submitted at the time of 90 percent disbursement of Local Match loan funds.

ARTICLE 13. RECORDS.

- (A) Without limitation of the requirement to maintain Project accounts in accordance with generally accepted government accounting standards, the Agency agrees to:
- (1) Establish an official file for the Project, which shall adequately document all significant actions relative to the Project;
 - (2) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all Local Match loan funds received under this contract;
 - (3) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to Local Match loan funds disbursed under this contract;
 - (4) Establish an accounting system, which will accurately depict final total costs of the Project, including both direct and indirect costs;
 - (5) Establish a Local State Match account prior to issuance of the Local Match loan contract from which the state match portion of the project is being paid. The Agency must deposit sufficient funds in the account as necessary to make payments to the contractor.
 - (6) Establish such accounts and maintain such records as may be necessary for the state to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
 - (7) If Force Account is used by the Agency for any phase of the Project, other than for planning, design and construction engineering, and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect force account costs may be paid with prior written approval by the Division of the Agency's indirect cost proposal.
- (B) The Agency agrees to require Project contractors and subcontractors to maintain books, records, and other material relative to the Project in accordance with generally accepted accounting standards, and to require such contractors and subcontractors to retain such books, records, and other material for a minimum of three years after Project completion. The Agency further agrees to require that such books, records, and other material shall be subject at all reasonable times to inspection, copying, and audit by the SWRCB and by the U.S. Environmental Protection Agency, or any authorized representatives thereof.
- (C) The Agency agrees to retain its Project records for a minimum of three years after Project completion, and for such longer period as may be required for the state to fulfill federal reporting requirements under federal tax statutes and regulations. All Agency records relative to the Project shall be subject at all reasonable times to inspection, copying and audit by the SWRCB and the U.S. Environmental Protection Agency, or any authorized representatives thereof.

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

ARTICLE 14. FINAL PROJECT REPORTS; AUDIT

- (A) Within 90 days after Project completion, the Agency agrees to submit to the Division a final Project summary report which briefly describes the Project as completed, its features, estimated capacity, and apparent treatment capability. The report shall note any unusual operational problems that have been encountered and shall indicate whether the Agency expects to be able to certify that the Project meets applicable design specifications and effluent limitations one year after Project completion.
- (B) Within 120 days after Project completion, the Agency agrees to provide to the Division a final cost summary report on the Project. The summary shall include at a minimum, a statement of:
- (1) Total Project costs;
 - (2) Total Project costs which are eligible for Local Match loan funding under the SWRCB's Local Match loan program and this contract;
 - (3) The total amount of Local Match loan funds received;
 - (4) The amount of interest earned, if any, on Local Match loan funds before disbursement on account of incurred Project costs. If no interest has been earned, this fact shall be expressly stated.
- (C) The report shall be accompanied by such other financial information as may be reasonably required by the Division to verify Agency entitlement to Local Match loan funds, to assure program integrity of the State Revolving Fund Local Match loan Program, and to comply with any federal requirements. A duly authorized representative of the Agency shall certify the report as correct.
- (D) The Division, at its option, may call for an audit of financial information relative to the Project, where the Division determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal requirements. Where such an audit is called for, the audit shall be performed by a Certified Public Accountant independent of the Agency and at the cost of the Agency. The audit shall be in the form required by the Division.

ARTICLE 15. REPAYMENT; PENALTIES; AGENCY OBLIGATION.

- (A) The Local Match loan amount shall be repaid in full not later than 20 years after the completion of construction. Repayment shall be made in 20 annual installments, with the first repayment due one year after the completion of construction, with annual repayment installments due thereafter until the Local Match loan amount has been paid in full.
- (B) The repayment amount is based on a standard fully amortized Local Match loan with equal annual repayments. The remaining balance is the previous balance, plus the disbursements, less the repayment. Repayment calculations will be made beginning one year after completion of construction and continuing each year thereafter for 20 years. Exhibit F is a preliminary repayment schedule

based on the provisions of this article and an estimated disbursement schedule. The actual repayments will be based on actual disbursements.

The Agency shall have the right at any time or from time to time to prepay all or any part of the amounts due under this contract without penalty.

- (C) Upon completion of construction of the Project and submission of necessary reports, the Division will prepare an appropriate Local Match loan Repayment Schedule and supply the same to the Agency. The Local Match loan Repayment Schedule may be amended as necessary to accurately reflect amounts due under this contract. Any amended Local Match loan Repayment Schedule that is necessary will be prepared by the Division and furnished to the Agency.
- (D) The Agency agrees to make each Local Match loan repayment on or before the due date therefor. A ten-(10) day grace period will be allowed. A penalty in the amount of one-tenth of one percent (0.1%) per day of the amount due will be assessed for late repayment. If the repayment is not received by the end of the grace period, the penalty will be assessed from the repayment due date. For purposes of penalty assessment, repayment will be deemed to have been made if repayment 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 Local Match loan balance, but will be treated as a separate account and obligation of the Agency.
- (E) The Agency is obligated to make all payments required by this contract to the SWRCB solely from Net System Revenues, notwithstanding any individual default by its constituents or others in the payment to the Agency of rates and charges fixed and prescribed by the Agency for collection of New System Revenues for repayment of this contract. Subject to the foregoing limitation on source of payment, the Agency shall provide for the punctual payment to the SWRCB of all amounts which become due under this contract and which are received from constituents or others in payment to the Agency from Net System Revenues. In the event of failure, neglect or refusal of any officer of the Agency to fix, prescribe and collect, or cause to be fixed, prescribed and collected any rates and charges necessary to ensure that the Net System Revenues are sufficient to pay the amount due under this contract, including any additional amount required under Section 11 of this contract or to pay over to the SWRCB and such Net System Revenues necessary to satisfy any amount due under this contract, the SWRCB may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the fixing, prescribing and collecting of such rates and charges and the payment of such Net System Revenues to the SWRCB. Action taken pursuant hereto shall not deprive the SWRCB of, or limit the application of, any other remedy provided by law or by this contract.

ARTICLE 16. TERMINATION; IMMEDIATE REPAYMENT.

- (A) This contract may be terminated by written notice during construction of the Project, or thereafter at any time prior to complete repayment by the Agency, at the option of the SWRCB, upon violation by the Agency of any material provision of this Local Match loan contract after such violation has been called to the attention of the Agency and after failure of the Agency to bring itself into compliance with the provisions of this contract within a reasonable time as established by the Division.

- (B) In the event of such termination, the Agency agrees, upon demand, to immediately repay to the SWRCB an amount equal to the current balance due on the Local Match loan, and all penalty assessments due.

ARTICLE 17. DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS.

- (A) In the event that any breach of any of the provisions of this contract by the Agency shall result in the loss of tax exempt status for any state bonds, or if such breach shall result in an obligation on the part of the state to reimburse the federal government by reason of any arbitrage profits, the Agency shall immediately reimburse the state in an amount equal to any damages paid by or loss incurred by the state due to such breach.

ARTICLE 18. DISPUTES.

- (A) Any dispute arising under this contract which is not otherwise disposed of by agreement shall be decided by the Division Chief, or his authorized representative. The decision shall be reduced to writing and a copy thereof furnished to the Agency and to the SWRCB's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days after mailing of the Division decision to the Agency, the Agency mails or otherwise furnishes a written appeal of the decision to the SWRCB's Executive Director. The decision of the SWRCB's Executive Director shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal under this clause, the Agency shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Agency shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Local Match loan contract.
- (B) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the SWRCB, or any official or representative thereof, or any question of law.

ARTICLE 19. SWRCB ACTION; COSTS AND ATTORNEY FEES.

- (A) The Agency agrees that any remedy provided in this contract is in addition to and not in derogation of any other legal or equitable remedy available to the SWRCB as a result of breach of this contract by the Agency, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this contract by the SWRCB shall not preclude the SWRCB from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this contract, it is agreed that the prevailing party shall be entitled to such reasonable costs and/or attorney fees as may be ordered by the court entertaining such litigation.

ARTICLE 20. WAIVER.

- (A) The parties hereto may, from time to time, waive any rights under this contract unless such waiver is contrary to law, provided that any such waiver must be in writing and must be signed by the party making such waiver.

ARTICLE 21. DRUG-FREE WORKPLACE CERTIFICATION.

By signing this contract, the Agency hereby certifies under penalty of perjury under State laws, that the Agency will comply with the requirements of the Drug-Free Workplace Act of 1990, and will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - (2) Establish a Drug-Free Awareness Program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The person's Agency's policy of maintaining a drug-free workplace;
 - c. Any available counseling, rehabilitation and employee assistance programs, and,
 - d. Penalties that may be imposed upon employees for drug abuse violations.
 - (3) Provide, that every employee who works on the proposed Local Match loan contract will:
 - a. Will receive a copy of the Agency's drug-free policy statement; and,
 - b. Agree to abide by the terms of the Agency's statement as a condition of employment on the Local Match loan contract.
- (B) Failure to comply with these requirements may result in suspension of payments under the Local Match loan contract or termination of the Local Match loan contract or both, and the Agency may be ineligible for award of any future contracts if the Division determines that any of the following has occurred:
- (1) The Agency has made false certification; or
 - (2) Violated the certification by failing to carry out the requirements as noted above.

ARTICLE 22. PREVAILING WAGES.

- (A) The Agency agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. The Agency shall monitor all contracts subject to reimbursement from this Local Match loan contract to assure that the prevailing wage provisions of State Labor Code Section 1771 are being met.

ARTICLE 23. NONDISCRIMINATION CLAUSE.

- (A) During the performance of this agreement, the Agency shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, color, ancestry, religious creed, national origin, physical disability, (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. The Agency shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Agency shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and

the applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this contract by reference and made a part hereof as if set forth in full. The Agency shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

- (B) The Agency shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.
- (C) By signing this agreement, the Agency hereby certifies, unless specifically exempted, compliance with Government Code Section 12990(a-f) and California Code of Regulations, Title 2, Division 4, Chapter 5 in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program. The Agency agrees not to unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.
- (D) By executing this agreement, the signer of this agreement on behalf of Agency swears under penalty of perjury under the laws of the State of California that he/she is duly authorized to legally bind the Agency to the above-described certification.

ARTICLE 24. AMENDMENT.

- (A) This contract may be amended at any time by mutual written agreement of the parties.



State Water Resources Control Board



Gray Davis
Governor

Ninston H. Hickox
Secretary for
Environmental
Protection

Division of Administrative Services
901 P Street • Sacramento, California 95814 • (916) 657-1845 • FAX (916) 657-1386
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DEC 29 1999

Send

G.L. (Dave S.)
cc - Mary Vathauer

Mick Gannon

Michael T. Uberuaga
City of San Diego
202 C Street
San Diego, CA 92101

RE: AGREEMENT NO. 7-807-550-0

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Enclosed for your records is a fully executed copy of the above referenced agreement. Please take a few minutes to thoroughly read through it to be sure you understand all the terms and conditions.

Request for payment of services completed outside the term of this contract WILL NOT BE PAID. It is imperative that you notify your State Water Resources Control Board Contract Manager immediately, in writing, of any changes or delays that may impact the scope of work or term of this agreement.

If you have any questions about this agreement, please contact the State Water Resources Control Board Manager responsible for this agreement.

Contracts Section
Division of Administrative Services

Enclosure(s)

✓ Repayment 10/00
✓ MARCH 29, 2001
(916) 341-5915

P.L. Digules 748

SWRCB (Rev. 1/99)

California Environmental Protection Agency