



GP5 PROJECT COST-SHARE AGREEMENT

This Cost-Sharing Agreement for funding through the GP5 Program effective _____, is entered into by and between the City of Palo Alto, a California municipality (Palo Alto) and Santa Clara Valley Water District (Valley Water), a California special district.

RECITALS

WHEREAS, on October 17, 2017, the Valley Water Board voted to participate in the California WaterFix project (the predecessor to the Delta Conveyance Project (DCP)), the State's proposed plan to improve the infrastructure that carries water through the Sacramento-San Joaquin Delta; and

WHEREAS, Valley Water's involvement in the DCP is conditional, based on seven guiding principles, and focused participation with the State of California and water agency partners to support a lower-cost, scaled-down, and staged project that meets the needs of Silicon Valley; and

WHEREAS, on September 24, 2019, Valley Water's Board of Directors added to and revised those guiding principles, including providing clarification to Guiding Principle 5 (GP5) ("Equity and costs are important."), which provides certain communities and organizations ("Project Partners") access to funds for particular uses.

WHEREAS, on August 24, 2021, Valley Water's Board of Directors adopted a framework to implement GP5 that included GP5 program guidelines and implementation strategy and that contemplated cost-sharing agreements with Project Partners to obtain GP5 funding consistent with those guidelines (collectively, GP5 Program); and

WHEREAS, the GP5 Program guidelines estimate approximately \$11.28 million in available funds allocated to Palo Alto for use in GP5 projects; and

WHEREAS, Palo Alto is a Project Partner and submitted applications to Valley Water for funding under the GP5 Program for the following four (4) eligible projects: (1) Outfall Line Construction; (2) Headworks Facility; (3) 12KV Electrical Power Distribution Loop Improvements; and (4) Joint Intercepting Sewer Rehabilitation (hereinafter collectively referred to herein as "Project or Projects"); and

WHEREAS, the Parties desire to cooperate to support the GP5 Program and the Projects in accordance with the Board approved GP5 Program Guidelines.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.



AGREEMENT

ARTICLE A. Definitions

As used in this Agreement, the following terms have the following meanings.

- (a) Agreement: means this Cost-Sharing Agreement for funding through the GP5 Program.
- (b) CEQA: means the California Environmental Quality Act.
- (c) Designated Representatives: means employees or officials designated in writing by each of the respective Parties to serve as representatives for purposes of this Agreement. In the absence of such written notice, the Designated Representatives will be the Valley Water Chief Executive Officer and the Palo Alto General Manager.
- (d) Dispute Resolution Procedure: means the alternative dispute resolution process to be used for disputes arising out of this Agreement. The procedure is set forth in more detail in Section 11 below.
- (e) Effective Date: means _____, 2024 is the date this Agreement is effective.
- (f) GP5 Program Guidelines: means the GP5 Program Guidelines developed by Valley Water for the purpose of providing funding to the GP5 Project Partners (the cities of Mountain View and Palo Alto, the Purissima Hills Water District, and Stanford University) for water resources development at a dollar amount up to the SWP property taxes paid by property owners in the GP5 Project Partners' respective service areas, a copy of which is attached hereto as Exhibit A and which is expressly incorporated by reference.
- (g) Project or Projects: (1) Outfall Line Construction; (2) Headworks Facility; (3) 12KV Electrical Power Distribution Loop Improvements and (4) Joint Intercepting Sewer rehabilitation.
- (h) O&M: Operation and maintenance.
- (i) Party: Either of Valley Water or Palo Alto, as the context may indicate.
- (j) Parties: Valley Water and Palo Alto collectively.
- (k) Term: The total duration of the Agreement as described in Section 1 of this Agreement.



ARTICLE B - General Provisions

1. Term and Termination.

The term of this Agreement will commence on the Effective Date and continue through June 20, 2033. The term of this Agreement may be extended only in a writing signed by both Parties.

ARTICLE C - PALO ALTO OBLIGATIONS

2. Implementation of Projects

Palo Alto is solely responsible for conducting all planning, design, procurement, installation, testing, and O&M of the Projects. Palo Alto is solely responsible for obtaining all necessary permits, approvals, and rights-of-way for the Projects.

3. Infrastructure Ownership, Operation and Maintenance, and Location of Projects

Palo Alto will own the any infrastructure in connection with any of the Projects and be solely responsible for design, construction/installation, O&M, repair, and replacement. Palo Alto is solely responsible for obtaining any rights necessary to construct/install, operate, maintain, repair, and replace, any aspects of the Projects and to perform any related site restoration.

4. CEQA Review and Compliance

- a. Palo Alto represents and warrants that it has complied with and or will comply with all applicable local, state, and federal environmental laws and regulations, including but not limited to CEQA and applicable permitting requirements in connection with the Projects. Palo Alto will provide documentation for its CEQA compliance, described in Section 4(c) below, to Valley Water.
- b. For any Projects that are subject to CEQA review, Valley Water has not committed to a definite course of action by executing this Agreement and is not limited in any way in exercising any discretion with respect to the Projects, including but not limited to (1) considering other feasible alternatives and mitigation measures to avoid or minimize project impacts, (2) requiring Palo Alto to make such modifications deemed necessary to reduce project impacts, or (3) determining not to proceed with one or more components of a project. The disbursement of funds for costs associated with the scope of a project subject to CEQA compliance is contingent upon Valley Water's completion of CEQA review. However, Valley Water may disburse funds for



work not subject to CEQA compliance, such as planning and design services, at any time after those costs are incurred by Palo Alto.

- c. The required CEQA documentation must include one of the following: a notice of exemption (if one was filed with the Santa Clara County Office of the Clerk/Recorder (Clerk)) in the case of an exempt project, or otherwise an environmental impact report, mitigated negative declaration or negative declaration along with a copy of the notice of determination filed with the County Clerk.
- d. Notwithstanding any other limitation in this Agreement, Palo Alto will fully defend, indemnify, protect, and hold harmless Valley Water and its officers, directors, employees, contractors, attorneys, agents, representatives, successors, and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, demands, directives, orders, forfeitures, losses, costs, or expenses (including reasonable attorney's, consultant's, and expert fees) arising from, related to, or in connection with any CEQA challenge of Valley Water's approval of this Agreement . Palo Alto's obligations as stated in this Article C, Section 4 will survive completion, suspension, termination, and expiration of this Agreement.

5. Insurance

Palo Alto must adhere to the insurance requirements that are specified in Exhibit B of this Agreement. Palo Alto may submit a letter of self-insurance to satisfy the insurance requirements of Exhibit B.

ARTICLE D - COST ALLOCATION

6. Projects' Capital Costs

- a. Valley Water's Not-to-Exceed Contribution. Valley Water's contribution to the Projects will be funded by the GP5 Reimbursement Program and will not exceed the amount of SWP property tax paid by property owners in Palo Alto's service area, plus interest, for FY2019-FY2024 (Valley Water's Contribution). Under the GP5 Program Guidelines, approximately \$11.8 million in GP5 Program funding is allocated to Palo Alto, the entire balance of which shall be appropriated for expenditure by Palo Alto for the Projects subject to the terms of this Agreement.
- b. Palo Alto's Contribution. Palo Alto's contribution will be the difference between the actual total cost of the Projects and Valley Water's Contribution.



- c. Benefits of Grant Funding. If Palo Alto is able to secure grant funding for any of their projects, that grant funding shall be applied to the respective project first, then the remaining project cost would be subject to reimbursement in accord with the GP5 Guidelines. In the event Palo Alto successfully secures grant funding for any of their projects, both Palo Alto and Valley Water agree that Valley Water is not and must not be subject to any grant funding requirements.
- d. Palo Alto's Funding Source. If Palo Alto is unable to identify a funding source to sufficiently cover the total cost for a Project, Palo Alto may request to meet and confer with Valley Water to potentially modify this Agreement. However, absent such a modification to the Agreement, Valley Water's contribution will not exceed the Valley Water Contribution defined in Section 6(a) above.
- e. In the Event of No Projects. If Palo Alto elects not to proceed with or complete the Projects within 2 years of the Effective Date, it must provide written notice to Valley Water within this 2-year period and it may still receive the applicable portion of Valley Water's contribution only if such funds are allocated and utilized consistent with the provisions of Section 6(f) immediately below.
- f. Time Frame for Expenditure of Funds and Project Completion. The time frame for any expenditure of funds for reimbursement pursuant to this Section 6 will extend from the Effective Date to June 30, 2033 (Reimbursement Term). Within this time frame, Palo Alto must present to Valley Water all invoices for expenditure of funds pursuant to this Section 6. Valley Water will not reimburse any invoices for costs incurred outside the Reimbursement Term. Palo Alto's failure to seek reimbursement within this timeframe will not extinguish or otherwise impact Palo Alto's obligations under in this Agreement. Palo Alto must complete the Projects by June 30, 2033.
- g. Invoicing and Payments. Palo Alto will submit invoices to Valley Water for costs incurred on GP5 Projects quarterly. Valley Water will reimburse valid project costs within thirty days of Valley Water's approval of the invoice, such approval not to be unreasonably withheld. Palo Alto must comply with all invoicing and reimbursement requirements in the GP5 Program Guidelines.

7. Reporting

Palo Alto must comply with the reporting requirements in the GP5 Guidelines in Exhibit A.

8. Leak-Detection Project Naming, Signage, and Tours



Palo Alto must comply with the provisions concerning project naming and signage in the GP5 Guidelines in Exhibit A. Palo Alto must reasonably accommodate Valley Water requests to tour or examine the Projects and corresponding infrastructure.

9. Precedence of GP5 Program Guidelines.

Palo Alto must comply with any requirements in the GP5 Program Guidelines that are not expressly stated elsewhere in this Agreement. In the event of a conflict between the GP5 Program Guidelines and any other language in this Agreement, the GP5 Program Guidelines will prevail.

10. Data derived from the Projects

Palo Alto will, upon Valley Water's request, provide to Valley Water any and all data derived from the Projects, including any intellectual property rights therein, at no additional cost to Valley Water.

ARTICLE E – OTHER PROVISIONS

11. Dispute Resolution Procedure

The process by which the Parties will attempt in good faith to resolve any dispute arising out of or relating to this Agreement, which will be undertaken promptly and initially by representatives of the Parties is as follows:

- a) If a dispute should arise, an authorized representative for each of the Parties will meet or teleconference within fourteen (14) calendar days of written notification of the dispute to resolve the dispute. Prior to such meeting or teleconference, the Party bringing the dispute will draft and submit to the other Party a written description, including any factual support, of the disputed matter. After receiving this written description, the other Party will provide a written response to such written description at least one (1) full business day before the meeting or teleconference required by this Section 11(a).
- b) If no resolution of the dispute occurs at the meeting or teleconference required by Section 11(a), the issue will be elevated to an executive-level manager of each Party (i.e. executive level manager for Valley Water and Operations Manager or higher-level executive for Palo Alto). Each Party's executive-level manager will meet or teleconference as soon as practical, but, in no event, later than twenty-one (21) calendar days after the matter has been referred to them, with the initial meeting to occur at a location to be selected by the Parties.



c) If the dispute remains unresolved after forty-five (45) calendar days from the initial notice of the matter required by Section 11(a), and either Party is unwilling to continue negotiations, the Parties agree to submit the dispute to mediation. Any statute of limitations will be tolled from the time the matter is submitted to mediation until the mediation process has concluded.

d) The Parties will meet and confer in good faith to select a mediator. If the Parties cannot agree to a mediator within fourteen (14) days, either Party may request the American Arbitration Association or other acceptable mediation service to nominate a mediator. The Parties will share the cost of the mediator equally.

e) In the event mediation is unsuccessful, any Party may pursue other remedies available at law or equity.

12. Audit.

Valley Water will have the right to conduct audits of Palo Alto to ensure that the funds paid by Valley Water under this Agreement are being used in accordance with this Agreement. Palo Alto will, at no cost to Valley Water, (a) cooperate with any such audit; and (b) provide records requested by Valley Water within a reasonable amount of time.

13. Mutual Benefits of this Agreement

Through execution of this Agreement, the Parties agree to commit funding and resources to advance the conservation of water and the equitable distribution of SWP tax funds within the county to the benefit of both Parties.

14. Notices and Grant Administration

Any notices allowed or required by this Agreement will be addressed as follows:

<p>To Valley Water:</p> <p>Rick Callender, Esq. Chief Executive Officer Santa Clara Valley Water District 5750 Almaden Expressway San José, CA 95118</p> <p>With a copy to</p> <p>J. Carlos Orellana</p>	<p>To Palo Alto:</p> <p>Ed Shikada City Manager City of Palo Alto 250 Hamilton Avenue Palo Alto, CA 94301</p> <p>With a copy to</p> <p>Molly Stump</p>
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District Counsel Santa Clara Valley Water District 5750 Almaden Expressway San José, CA 95118	City Attorney City of Palo Alto 250 Hamilton Avenue Palo Alto, CA 94301
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Each Party's primary representative for the administration of this Agreement is as follows:

Valley Water: David Tucker Associate Engineer Santa Clara Valley Water District 5750 Almaden Expressway San José, CA 95118 With a copy to Hossein Ashktorab Recycled and Purified Water Unit Manager Santa Clara Valley Water District 5750 Almaden Expressway San José, CA 95118	Palo Alto: Karin North Assistant Director, Public Works Environmental Service Division 250 Hamilton Avenue Palo Alto, CA 94301 karin.north@cityofpaloalto.org With a copy to Caio Arellano Chief Assistant City Attorney 250 Hamilton Avenue Palo Alto, CA 94301 caio.arellano@cityofpaloalto.org
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15. Choice of Law and Venue.

This Agreement will in all respects be interpreted, enforced, and governed by and under the laws of the State of California without giving effect to any provisions thereof that would result in the application of the law of another jurisdiction. The Parties agree that the venue of any action, proceeding, or counterclaim will be in the state or federal courts located in the County of Santa Clara, California.

16. Amendments.

This Agreement may be modified or amended only by a writing signed by both Parties.

17. Captions.

The captions in this Agreement are for reference only and in no way define or interpret any provision hereof.



18. Severability.

If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will not be affected thereby, and each provision of this Agreement will be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

19. Counterparts.

This Agreement may be executed in identical counterpart copies, each of which will be an original, but all of which taken together shall constitute one and the same agreement.

20. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior written or oral understandings.

21. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both Parties and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party will be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the cause shall apply to the interpretation or enforcement of this Agreement.

22. Time of the Essence.

Time is of the essence in respect to all provisions of this Agreement that specify a time for performance.

23. Waiver.

No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement (1) will be effective unless it is in writing and signed by the Party making the waiver; (2) will be deemed to be a waiver of, or consent, to any other breach, failure of a condition, or right or remedy, or (3) will be deemed to constitute a continuing waiver unless the writing expressly so states.

24. Indemnification.

a. Notwithstanding any provision in this Agreement to the contrary, Government Code sections 895 *et seq.* do not apply to this Agreement.

b. Palo Alto will defend, hold harmless, and indemnify Valley Water and its officers, agents and employees from, for and against any and all claims, injuries, losses, fines, liabilities, damages, costs, and expenses (including reasonable attorneys' fees and



costs) arising from or related to the Projects or this Agreement. This duty to indemnify excludes those claims, injuries, losses, fines, liabilities, damages, costs, and expenses directly caused by Valley Water's gross negligence or willful misconduct.

c. The provisions of this Section 24 will survive the termination or expiration of this Agreement.

25. Nondiscrimination.

A. Valley Water is an equal opportunity employer and requires Palo Alto to have and adhere to a policy of equal opportunity and non-discrimination. In the performance of the Agreement, Palo Alto will comply with all applicable federal, state, local laws and regulations, and will not discriminate against any subcontractor, employee, or applicant for employment in the recruitment, hiring, employment, utilization, promotion, classification or reclassification, transfer, recruitment advertising, evaluation, treatment emotion, layoff, termination, rates of pay or other forms of compensation, and selection for professional development training (including apprenticeship), or against any other person, on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth, or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices), political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

B. Palo Alto's policy must conform with applicable state and federal guidelines including the Federal Equal Opportunity Clause, "Section 60-1.4 of Title 41, Part 60 of the Code of Federal Regulations, "Title VII of the Civil Rights Act of 1964 as amended; the Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973 (§503 and §504); the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.); the California Fair Employment and Housing Act (Government Code §12900 et. seq.); and the California Labor Code §1101 and §1102.

C. Palo Alto must designate a specific position within its organization to be responsible for investigating allegations of non-compliance with the anti-discrimination and anti-harassment provisions of this Agreement. Palo Alto must conduct fair, prompt, and thorough investigation of all allegations directed to Palo Alto by Valley Water. In cases where such investigation results in a finding of discrimination, harassment, or hostile work environment, Palo Alto must take prompt, effective action against the offender.

26. No Third-Party Rights

The Parties do not intend to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established herein. This Agreement must not be construed as nor deemed to be an agreement for the benefit of any third party or parties, and no third party or parties will have any right of action herein for any cause whatsoever.



27. Authority to Execute

The persons executing this Agreement on behalf of their respective entities represent and warrant that they are duly authorized to execute and deliver this Agreement on the entity's behalf.

IN WITNESS WHEREOF, the Parties have executed this Agreement which will take effect on the Effective Date as stated above.

THE CITY OF PALO ALTO,

By: _____
Edward Shikada
City Manager

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Rick Callender, Esq.
Chief Executive Officer

EXHIBIT A
GP5 PROGRAM GUIDELINES

GP5 PROGRAM GUIDELINES



November 2022

GP5 PROGRAM GUIDELINES

1. SANTA CLARA VALLEY WATER DISTRICT

The Santa Clara Valley Water District (Valley Water) manages an integrated water resources system that includes the supply of clean, safe water, flood protection, and stewardship of streams on behalf of Santa Clara County's 1.9 million residents. Valley Water was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County. Valley Water's mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.

2. GP5 PROGRAM DESCRIPTION

On October 17, 2017, the Valley Water Board voted to participate financially in the California WaterFix project, the State's proposed plan to improve the infrastructure that carries water through the Sacramento-San Joaquin Delta. Valley Water's involvement was conditional, based on seven guiding principles, and focused participation with the State and water agency partners to support a lower-cost, scaled-down, and staged project that meets the needs of Silicon Valley. The Board approved these guiding principles in Resolution 17-68, which defined Valley Water's conditional support for California WaterFix and presented the Board's vision for each of the principles.

On September 24, 2019, the Board adopted revised principles to reflect transitioning from participation in California WaterFix to the Delta Conveyance Project. Resolution 19-69 included the following clarification of Guiding Principle #5 (GP5, Equity and Costs are Important) regarding the types of projects that may be evaluated for future funding opportunities:

Those communities and/or organizations that pay SWP property taxes (funds) and receive on average 85% of their water supply from sources other than Valley Water managed supplies will receive, directly or indirectly and not exceeding the amount of SWP property tax paid as estimated by Valley Water, those funds back in the form of additional, incremental, dedicated, segregated funds exclusively for water conservation programs, potable recycled water, non-potable recycled water (including salinity reductions), options to purchase wastewater, purified water, wastewater treatment plant environmental upgrades, Automatic Meter Infrastructure (AMI) updates, or dedicated environmental focused grants starting in FY 2019 until FY 2024. Upon Valley Water approval of award for a program within the FY 2019-2024 timeframe, the funds shall be reserved for the recipient, including interest earned, to reimburse eligible expenditures through FY 2033. To unlock these additional, incremental, dedicated funds, the communities and

organizations will be required to make at least a 20% match of Valley Water's contribution (with no match required for facilities where Valley Water would have a long-term water supply contract or option for such). If an eligible agency has not gained Valley Water approval for a program by 6/30/2024, the dedicated, segregated funds go back to Valley Water by FY 2026.

Valley Water has determined that communities and/ or organizations that pay State Water Project (SWP) property taxes but receive on average 85% of their water supply from sources other than Valley Water managed supplies are Project Partners. Project Partners include the cities of Mountain View and Palo Alto, the Purissima Hills Water District, and Stanford University.

Valley Water developed the GP5 Program as a limited-time program to provide Water Utility Enterprise funding to the Project Partners for water resources development at a dollar amount up to the SWP property taxes paid by property owners in their respective service areas.

3. PURPOSE, ELIGIBILITY, FUNDING

Project Partner projects authorized to receive GP5 funding (GP5 Project) will help protect the County's water supply and groundwater basins by focusing on projects that develop or conserve water supplies, protect groundwater from over pumping and other benefits. These projects are critical to respond to the current and future droughts, and threats of lowering groundwater levels.

GP5 funding may be available to Project Partners for projects such as water conservation, recycled and purified water development, wastewater purchase for water reuse, wastewater treatment upgrades supporting water reuse, Automatic Meter Infrastructure (AMI), or an environmentally focused activity approved by Valley Water. Valley Water has developed the following GP5 program principles (approved by the Board of Directors on August 24, 2021):

1. All proposed GP5 Projects must be submitted to Valley Water for review and approval. Only projects approved by Valley Water are deemed GP5 Projects, and therefore eligible for GP5 funding.
2. GP5 Projects may include water conservation programs, potable and non-potable recycled water, purified water, wastewater purchase options, wastewater treatment plant upgrades supporting reuse, AMI updates, or dedicated environmentally focused activities. This may include staffing for accelerating water recycling projects approved for GP5 funding.
3. Cost-sharing agreements are the preferred mechanism for funding of GP5 Projects.

4. Project Partner must provide a minimum 20% match of total GP5 Project cost, unless the Project Partner has a long-term water supply contract or has an option for a long-term water supply contract with Valley Water. Cost sharing may be made through cash or in-kind contributions for planning, design and/or construction by the Project Partner. The Project Partner share of GP5 Project costs must be expended at the same or larger share as the Valley Water share of GP5 Project costs.
5. Subject to the terms of a cost-sharing agreement in which GP5 funds are allocated, Valley Water will reimburse the costs of the GP5 Project approved by Valley Water to receive GP5 funding. Reimbursements of GP5 Project costs will be based on a sliding-scale tied to completion of project phases and mutually agreed upon milestones including the final completion report submitted to Valley Water. The latter would include Project Partner's certification that the report is true and correct.
6. Project Partners must meet Valley Water's insurance requirements as determined by Valley Water's risk manager.
7. Project Partner must agree to release and indemnify, defend and hold harmless, Valley Water for any liability associated with any GP5 Project receiving Valley Water funding.
8. Project Partner must document GP5 Project progress quarterly in a brief written report to Valley Water, including a discussion of the GP5 Project's accomplishments, financial accounting, unexpected challenges, schedule and timeline, and milestones.
9. Project Partner will formally acknowledge Valley Water's cost share, for example, signage for capital projects, joint press release, website, literature, etc.
10. Valley Water funding must provide an exclusive water supply benefit to Santa Clara County.
11. Multiple GP5 projects from a Project Partner that are awarded GP5 funding in the same award cycle may be packaged into a single cost-sharing agreement.
12. A project must be completed by FY 2032-33 to receive full GP5 funding.
13. Project Partner must allocate sufficient funding to complete the GP5 Project after taking into consideration the allocated GP5 funding.
14. At Valley Water's discretion, GP5 funds may be used to fund all or a portion of Valley Water's commitments in the December 2019 agreement between Valley Water, Palo Alto, and Mountain View.

15. Project Partner must submit a final project completion report describing how funding was used to meet the GP5 Program objectives.
16. The Valley Water CEO has authority to implement the GP5 Program and enter into cost-sharing agreements with Project Partners consistent with Board approved GP5 Program Guidelines.
17. Projects must comply with all applicable local, state, and federal environmental laws and regulations. Project Partner must certify compliance with all CEQA and permit requirements that are necessary before funding can be authorized.

GP5 Program Funding Estimates

Project Partners will be eligible to seek, directly or indirectly, and not exceeding the amount of SWP property tax paid by property owners in their respective service area, funds exclusively for water resource program development and implementation.

Funding of \$6.6M is currently budgeted in the FY2021-22 GP5 Reimbursement Program. This represents funds equal to actual SWP tax revenue collected in the Project Partners’ service areas for FY 2018-19 and FY 2019-20 plus related interest earnings. The table below presents available and projected funding as of September 9, 2022:

GP5 Funds - City Allocations					
9/9/2022					
	FY22 Budget Available (FY19-FY21 Actual Tax Equivalent & Interest)	FY23 GP5 Available Funds Projection	FY24 GP5 Available Funds Projection	FY25 GP5 Available Funds Projection	TOTAL CURRENT ESTIMATE
Allocation					
Palo Alto	5,082,487	1,984,227	2,060,544	2,136,860	11,264,118
Mountain View	4,115,102	1,693,739	1,758,883	1,824,026	9,391,750
Stanford	903,500	345,423	336,996	349,477	1,935,396
Purissima Hills	733,077	281,591	292,422	303,252	1,610,342
Grand Total	10,834,166	4,304,980	4,448,845	4,613,615	24,201,606

The Program Administrator will provide each Project Partner with current and projected funds available for GP5 Program Implementation projects upon request.

4. APPLICATION PREPARATION & SUBMISSION

Online Application

Application Submissions – All GP5 Program applications must be submitted electronically to the Program Administrator (Luis Jaimes) at:

ljajmes@valleywater.org

Applications Deadline – Online application and all supporting documentation must be submitted by June 30, 2024.

Late Submittals – Valley Water will not accept funding applications after June 30, 2024. Further, Valley Water will not be responsible for slow and/or delayed application submissions regardless of whether it is caused by, but not limited to, the World Wide Web, Internet Service Provider, third-party system, Valley Water security system or infrastructure.

Valley Water Contact – All questions shall be directed to the Program Administrator (Luis Jaimes), ljajmes@valleywater.org, via email.

Content and Form of Application

The technical proposal and evaluation criteria section shall be limited to a maximum of 10 consecutively numbered pages. The font shall be at least 12 points in size and easily readable. Page size shall be 8½ by 11 inches with standard 1” margins, including charts, maps, and drawings.

The application must include the following sections to be considered complete:

- I. Title Page
- II. Table of Contents
- III. Technical Proposal
 - Executive Summary
 - Technical Project Description
- IV. Required Permits or Approvals, including any applicable CEQA documentation
- V. Project Budget
 - Funding Plan
 - Budget Proposal
 - Budget Narrative

Title Page - *Provide a brief, informative, and descriptive title for the proposed work that indicates the nature of the project. Include the name*

and address of the applicant, and the name and address, email address, and telephone number of the Project Manager.

Table of Contents - *List all major sections of the proposal in the table of contents.*

Technical Proposal - *The technical proposal (10 pages maximum) should include:*

Executive Summary - the executive summary should include (1) the date, applicant name, city, county, and state; (2) a project summary that specifies the work proposed, including how funds will be used to accomplish specific project activities and briefly identifies how the proposed project contributes to accomplishing the goals of this program; and (3) state the length of time and estimated completion date for the proposed project.

Technical Project Description - the technical project description should describe the work in detail, including specific activities that will be accomplished. This description should have sufficient detail to permit a comprehensive evaluation of the proposal. The technical project description should describe methods and/or the technologies that will be utilized as part of the project.

Required Permits or Approvals - *Applicants must state in the proposal whether any permits or approvals are required and explain the plan and timing for obtaining such permits or approvals. Also, to the extent the proposed project will likely result in a direct or indirect physical changes to the environment, applicant must demonstrate compliance with CEQA.*

Project Budget - *Budget proposals must not include costs that are incurred prior to the date of selection. Please note that costs for preparing an application are not eligible project costs and must not be included in the project budget. In addition, budget proposals must not include costs for the purchase of water or land, or to secure a permanent easement. The project budget should include:*

Funding Plan - describe how the non-Valley Water share of project costs will be provided. Project funding provided by a source other than the applicant shall be supported with letters of commitment from

these additional sources. Please include a table to summarize all funding sources for the project

SOURCE	AMOUNT
Costs to be reimbursed with the requested GP5 funding	\$
Costs to be paid by the applicant	\$
Value of third-party contributions	\$
TOTAL GP5 PROJECT COST	\$

Budget Proposal - the total GP5 Project cost is the sum of all allowable items of costs, including all required cost sharing and voluntary committed cost sharing, including third-party contributions, that are necessary to complete the GP5 Project. The budget proposal should include detailed information and clearly identify all the GP5 Project costs including those that will be contributed as cost share by the applicant, third-party in-kind contributions, and those that will be covered using GP5 funds requested from Valley Water. Please include a table to summarize all categorical budget sources (personnel, equipment, supplies and materials, contractual, etc.) for the GP5 Project

Budget Narrative - the budget narrative provides a discussion of, or explanation for, items included in the budget proposal. The types of information to describe in the narrative include, but are not limited to, the following:

Salaries and Wages - for all positions, indicate salaries and wages, estimated hours or percent of time, and rate of compensation. All labor estimates must be allocated to specific tasks as outlined in the applicant’s technical project description.

Fringe Benefits - identify the rates/amounts, what costs are included in this category, and the basis of the rate computations.

Equipment - itemize costs of all equipment having a value of over \$5,000 and include information as to the need for this equipment. If the value is less than \$5,000, the item should be included under materials and supplies.

Materials and Supplies - itemize supplies by major category, unit price, quantity, and purpose, such as whether the items are needed for office use, research, or construction.

Contractual - identify work that will be accomplished by

consultants or contractors, including a breakdown of tasks to be completed, and a detailed budget estimate that will be required for each task.

Third-Party In-Kind Contributions - identify work that will be accomplished by third-party contributors, including a breakdown of tasks to be completed, and a detailed budget estimate that will be required for each task.

Other Expenses - any other expenses not included in the above categories shall be listed here along with a description of the item and why it is necessary.

Total Costs - indicate total amount of project costs, including the Valley Water and applicant cost share amounts.

5. STANDARD PROVISIONS AND INSURANCE REQUIREMENTS

The following outlines key provisions in Valley Water's standard agreement.

General Provisions

Agreement should be signed and fully executed by the Project Partner and Valley Water within six months of GP5 funding awarded for the GP5 Project.

Project Partner should complete the GP5 Project and submit final documentation before the expiration of the Cost-Sharing Agreement.

Project Partner may submit reimbursements for work beginning upon execution of the Cost-Sharing Agreement by both Parties and no later than end of the expiration of the Cost-Sharing Agreement.

All funds not expended by Project Partner shall revert to Valley Water and be available for reallocation by Valley Water to other projects as deemed appropriate.

Project Partner must own the land or hold a lease or other long-term interest in the land that is the subject of the GP5 Project.

If the Project Partner does not own the land or hold a lease or other long-term interest in the land that is the subject of the GP5 Project, the Project Partner must obtain written permission from the property owner.

Project Partner is responsible for obtaining proper Valley Water encroachment permits to access and for proposed improvements on

Valley Water property prior to commencing of proposed work.

Funds are not available for expenditure until they are authorized by the CEO or Valley Water Board of Directors and appropriated via a contract (Cost-Sharing Agreement) that has been executed between Valley Water and Project Partner.

Project Partner may spend up to 20 percent of the authorized GP5 funding for non-implementation costs, including project administration, CEQA compliance, permits, plans, specifications, and design.

Benefit rates shall be limited to 20 percent of labor rates.

Overhead costs shall be limited to 10 percent of labor costs.

Insurance shall be required to be provided by Project Partner prior to contract negotiations, at the expense of the Project Partner as outlined in the Cost-Sharing Agreement.

Prior to beginning implementation of a GP5 Project, the Project Partner is responsible for procuring any permits associated with said project.

Prior to implementation and/or billing for eligible implementation related costs, the Project Partner must complete the CEQA process and provide documentation (where applicable).

Valley Water will consider CEQA complete when the lead agency has filed a Notice of Determination (NOD) with the Santa Clara County clerk, or upon adequate documentation that the project qualifies for an exemption.

Projects must have CEQA completed prior to the awarding of any funds (i.e. before any reimbursements are permitted). If CEQA is not complete, and upon execution of the GP5 agreement, project partner may work on and invoice Valley Water later for eligible costs related to planning and design. Up to 20 percent of the total award amount may be used for planning and design purposes, and the remaining 80 percent must be spent on implementation.

Project Partner shall comply with all federal, state, and local laws and regulations, and Valley Water policies, rules and regulations, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and disabled access laws.

All collateral materials associated with the Project Partner's GP5 Project,

including, but not limited to signage, educational and marketing materials, must contain Valley Water's logo that will be provided by staff. Where a Project Partner posts a funder's sign at the GP5 Project site, the sign shall contain acknowledgment of Valley Water's contribution.

Insurance Requirements

Project Partner shall adhere to the insurance requirements detailed in the Cost-Sharing Agreement's Insurance Requirements.

Final insurance requirements will be issued by Valley Water's risk manager on a case-by-case basis for each GP5 Project. Details will be included as part of the Cost-Sharing Agreement.

6. PROCESS

- a. Valley Water releases revised GP5 Program Guidelines on November 15, 2022.
- b. Project Partner submits GP5 applications and project proposals online before June 30, 2024 at 11:59 p.m. (PST).
- c. Valley Water evaluates GP5 applications and project proposals applications and approves applications/proposals eligible for GP5 funding.
- d. Valley Water and Project Partner execute a Cost-Sharing Agreement, which specifies the GP5 funding not-to-exceed amount.
- e. Project Partner submits quarterly reports and invoices during the term of the Cost-Sharing Agreement. Reports must include cost accounting review (including quarterly incurred costs eligible for reimbursement), interim deliverables, GP5 Project documents, and a brief description of GP5 Project status.
- f. Valley Water reimburses Project Partner for eligible costs on quarterly basis, subject to the terms and conditions of the Cost-Sharing Agreement.
- g. Project Partner completes the Project.
- h. Project Partner submits a draft of the final report no later than thirty (30) days before expiration of the Cost-Sharing Agreement. Project Partner shall revise all or part of the report, if needed, based on comments from Valley Water. The final report is due on or before the expiration of the Cost-Sharing Agreement unless otherwise approved by Valley Water in writing.

- i. Project Partner submits the final invoice for reimbursable unpaid eligible GP5 costs.
- j. Valley Water processes the final payment.
- k. Valley Water may perform an audit of the completed Project, including Project Partner's use of GP5 funds.

7. **ADMINISTRATIVE POST AWARD PROVISIONS**

Changes to GP5 Project Scope and Schedule

Valley Water will not approve changes in the GP5 Project scope and schedule included in the Cost-Sharing Agreement, unless the revision supports the original application/proposal approved by Valley Water. Revisions following execution of the Cost-Sharing Agreement require a written amendment executed by both parties. Changes do not allow for an increase in GP5 funds awarded.

Project Withdrawals

Project Partner may withdraw a GP5 Project with notification to Valley Water in writing. Any GP5 funds allocated to a withdrawn GP5 Project must be returned to Valley Water within 45 days of the withdrawal notification.

Payment Process

The GP5 program is operated on a reimbursement basis. Up to 100 percent of eligible costs incurred each quarter may be requested for reimbursement in the quarterly invoices, however Valley Water reserves the right to retain up to 10 percent as retention until project completion. Any retention amounts held will be payable within 30 days of Project Partner's completion of the GP5 Project.

Payment Request

Requests for payment are submitted quarterly (electronically) to the GP5 Program Administrator and must be accompanied by documentation to support charges (i.e., subcontractor invoices, receipts, photographs, etc.), and proof of accomplishments for those tasks being charged against.

GP5 Project Completion

GP5 Projects must be completed within the timeframe specified in the

executed Agreement. Upon completion of the GP5 Project, Project Partner submits the final payment request, final GP5 Project costs, and certification that GP5 Project is complete (i.e., Notice of Completion).

Payment Request Form

PROJECT PARTNER:	
AGREEMENT:	PROJECT
INVOICE NO.:	
GP5 PROJECT TITLE:	
1. TYPE OF PAYMENT: <input type="checkbox"/> Reimbursement <input type="checkbox"/> Final	
2. PAYMENT INFORMATION (Round all figures to the nearest dollar):	
a. GP5 Funding Amount	\$
b. GP5 Funds Received to Date	\$
c. GP5 Funds Available (a. minus b.)	\$
d. GP5 Funding Amount of This Request	\$ _____
e. Remaining GP5 Funds After This Payment (c. minus d.)	\$
3. SEND PAYMENT TO:	
<i>Project Partner Name</i>
<i>Street Address</i>
<i>City, State, Zip Code</i>
<i>Attention:</i>
4. <i>"I certify, under penalty of perjury under the laws of the State of California, that the Quarterly/Monthly Status Report and all attachments, signed on the date below, on behalf of Project Partner, were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the loss of the current and future funding from Valley Water."</i>	
TYPED OR PRINTED NAME OF PERSON AUTHORIZED BY AGREEMENT:	<i>Title</i>
5. SIGNATURE OF PERSON AUTHORIZED BY AGREEMENT:	<i>Date</i>
FOR SANTA CLARA VALLEY WATER DISTRICT USE ONLY	
PAYMENT APPROVAL SIGNATURE	<i>Date</i>

EXHIBIT B **INSURANCE**

Palo Alto represents and warrants that, at its sole cost and expense it will maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property that may arise from, or in connection with its (and its agents, representatives', employees' or contractors)' performance of the services and/or operations herein and the indemnity provisions of this Agreement.

(a) Types of Coverage and Minimum Limits

1. Commercial General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage; and
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident.

(b) Authority to Self-Insure

The requirements of this Exhibit B may be satisfied by the provision of similar coverage through a self-insurance program and such self-insurance shall be certified in writing.

(c) Contractors

All consultants and or contractors are subject to the same insurance requirements as stated in this Exhibit B, Paragraph A, above.