



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

**WQA ADMINISTRATIVE/FINANCE COMMITTEE
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS
TO BE HELD ON TUESDAY, MAY 11, 2021 AT 10:00 A.M.
AT
1720 W. CAMERON AVE., SUITE 100 IN WEST COVINA, CA**

To attend the meeting please register at:

https://zoom.us/webinar/register/WN_5TPQoyDXQ-qEZBFoNmPkKw

A confirmation email will be sent to you with instructions to join the meeting

*In light of the Governor's Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 17, 2020 (collectively, the "Executive Order") issued in response to the Covid-19 outbreak, the WQA Board Has Suspended Application of Certain Public Meeting Requirements otherwise required under Brown Act during the term of the Executive Order, Including Restrictions and Noticing Requirements Relating to the Conduct of Teleconferenced Board Meetings .Due to the essential nature of the WQA Board Meetings in conducting Authority business, the WQA Board meeting will take place via online and teleconference. Copies of Executive Order will be made available to members of the public upon request.
Public Comments can be emailed prior to the meeting to Stephanie@wqa.com*

**The Administrative/Finance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board that are not assigned to the Administrative/Finance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Administrative/Finance Committee will not vote on matters before the Committee*

DRAFT AGENDA

Committee Members: Mike Whitehead, Lynda Noriega and Mark Paulson

Liaison Member: Dave Michalko

- I. Call to Order
- II. Public Comment
- III. Discussion Regarding Proposition 68 Subrecipient Grant Agreement Template [enc]
- IV. Update on Budget Draft for FY 21/22 v1[enc]
- V. Executive Director's Report
- VI. Adjournment



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AGENDA SUBMITTAL

To: WQA Admin/Finance Committee
From: Randy Schoellerman, Executive Director
Date: May 11, 2021
Subject: **Proposition 68 Subrecipient Grant Agreement Template**

Summary

WQA's Proposition 68 Operations and Maintenance Grants-San Gabriel Basin Regional Groundwater Remediation Program will require individual agreements with grant subrecipients. The Subrecipient Grant Agreement will outline the process in which subrecipients are reimbursed for eligible costs under the WQA's Proposition 68 grants. To facilitate and streamline the required subrecipient grants between WQA and subrecipient, staff and WQA legal counsel have developed the attached Proposition 68 Subrecipient Grant Agreement template for use with each of the nine subrecipients. Staff is recommending approval of the agreement template and authorization for the Executive Director to execute the required agreements with each subrecipient subject to final legal counsel review.

Recommendation / Proposed Action

Approve Proposition 68 Subrecipient Grant Agreement template and authorize Executive Director to execute required agreements subject to final legal counsel review.

Attachment:

Proposition 68 Subrecipient Grant Agreement Template

San Gabriel Basin Water Quality Authority
PROPOSITION 68 SUBRECIPIENT GRANT AGREEMENT
(Subaward Recipient: _____)

THIS PROPOSITION 68 SUBRECIPIENT GRANT AGREEMENT (the “Agreement”) is dated this ____ day of _____ 2021, between the San Gabriel Basin Water Quality Authority, an agency of the State of California (“WQA”), on one hand, and the _____, on the other hand (“Subrecipient”). (WQA and Subrecipient are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”)

RECITALS

WHEREAS, the California State Water Resources Control Board (“State Water Board”) is authorized, and implements its authority, to provide financial assistance pursuant to Section 80141 of the Public Resources Code, and Resolution No. 2019-0041; and

WHEREAS, the State Water Board Division of Financial Assistance has awarded the WQA approximately \$_____ in Proposition 68 Grant Funds for its San Gabriel Basin Regional Groundwater Remediation Program application (“Application”) so that the WQA may undertake work required for groundwater clean-up and monitoring operations within the WQA’s jurisdiction]; and

WHEREAS, Subrecipient provided cost estimates of their eligible project operations and activities \or inclusion into the Application; and

WHEREAS, under the terms of the State Water Board Division of Financial Assistance Proposition 68 Grant program, the WQA has executed a grant funding agreement with the State Water Board entitled “Operations and Maintenance Grant”, Agreement No. _____. dated _____ (the “Master Agreement”)]; and

WHEREAS, the WQA desires to pass through the proceeds of the Proposition 68 grant to provide financial assistance based on the Subrecipient’s eligible estimated costs contained in the Application.

AGREEMENT

- A. TERM. This Agreement shall commence upon the date it is executed by all of the Parties (“Effective Date”) and shall expire upon the expiration date of the Master Agreement.
- B. ELIGIBLE WORK START DATE. No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement. For purposes of this Agreement the term “Eligible Work Start Date” means July 1, 2018.
- C. WORK COMPLETION DATE. No costs incurred after the Work Completion Date are eligible for reimbursement. For the purposes of this Agreement the term “Work Completion Date” means February 28, 2023.
- D. SCOPE OF WORK. The funds disbursed under this Agreement (“Project Funds”) may be used only for those eligible operation and maintenance costs and expenses for the projects attached hereto as Exhibit “A”. Neither the WQA nor the State Water Board shall be under any obligation to disburse funds for purposes other than those set forth in Exhibit A.
- E. FUNDING AMOUNTS AND DISBURSEMENTS. If the Master Agreement’s funding for any Fiscal Year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the WQA has the option, in its sole

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and absolute discretion, to either cancel this Agreement with no liability accruing to the WQA, or offer an amendment to the Subrecipient to reflect the reduced amount.

F. BUDGETED COSTS. Budgeted costs are contained in Table 1 below:

LINE ITEM	PROJECT FUNDS
Direct Project Administration Costs	\$
Planning/Design/Engineering/Environmental	\$
Construction/Implementation	\$
Monitoring/Performance	\$
Education/Outreach	\$
TOTAL	\$

1. The budgeted costs contained in Table 1 were based on project cost estimates provided to WQA by the Subrecipient in December 2019 and were subsequently submitted by WQA as part of the Application in January 2020. Since the State Water Board awarded the funding based on these project cost estimates, the budgeted costs contained in Table 1 represent the maximum amount of Project Funds available in each cost subcategory under this Agreement.
2. In the event the Subrecipient does not submit requests for Project Funds (“Reimbursement Requests”) for all funds encumbered under this Agreement by March 31, 2023, the Final Reimbursement Request Date, any remaining funds revert to the State Water Board as provided under the Master Agreement. The WQA may notify the Subrecipient that the project file is closed, and any remaining balance will be disencumbered and unavailable for further use under the Agreement.

G. CONTINGENT DISBURSEMENT.

1. The WQA’s disbursement of funds hereunder is contingent on the Subrecipient’s compliance with the terms and conditions of this Agreement.
2. Reimbursement Requests may not include the Subrecipient’s Indirect Costs. For purposes of this Agreement, the term “Indirect Costs” means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project).
3. Any Reimbursement Request submitted that includes Indirect Costs or other ineligible costs may cause that Reimbursement Request, in its entirety, to be disputed and will not be paid until the dispute is resolved.

4. The WQA’s obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason including, but not limited to, failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the WQA shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the WQA to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Subrecipient with a right of priority for disbursement over any other entity. If any disbursements due the Subrecipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the WQA that such disbursement will be made to the Subrecipient when sufficient funds do become available, but this intention is not binding.
5. Failure to proceed according to the timelines set forth in this Agreement may require the Subrecipient to repay to the WQA all disbursed Project Funds.

H. REIMBURSEMENT PROCEDURE. Except as may be otherwise provided in this Agreement, reimbursement of Project Funds will be made as follows:

1. Upon execution and delivery of this Agreement, the Subrecipient may submit a Reimbursement Request for eligible Project Costs as specified in this Agreement to the WQA using the Reimbursement Request forms provided by the WQA.

Reimbursement Requests must be itemized based on the line items specified in Table 1 of Section F this Agreement. Reimbursement Requests must be complete, signed by the Subrecipient’s authorized representative or his/her designee, and addressed to the WQA. Reimbursement Requests submitted in any other format than the one provided herein will cause a Reimbursement Request to be disputed. In the event of such a dispute, the WQA will notify the Subrecipient. Payment will not be made until the dispute is resolved. As a condition to any such dispute resolution WQA reserves the right to request a corrected Reimbursement Request.

2. Project Funds must be requested quarterly via Reimbursement Request for eligible costs incurred during the reporting period of the corresponding Progress Report, describing the activities and expenditures for which the reimbursement is being requested.
3. The Subrecipient agrees that it will not submit any Reimbursement Requests that include any Project Costs until such cost has been incurred and is currently due and payable by the Subrecipient, although the actual payment of such cost by the Subrecipient is not required as a condition of Reimbursement Request. Supporting documentation (e.g., receipts, laboratory invoices) must be submitted with each Reimbursement Request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Reimbursement Request.
4. The Subrecipient will not seek reimbursement of any Project Costs that have been reimbursed from other funding sources.
5. The Subrecipient shall use Project Funds within thirty (30) days of receipt to reimburse contractors, vendors, and other Project Costs. Any interest earned on Project Funds shall be reported to the WQA and will either be required to be returned to the WQA or deducted from future

reimbursements. In the event that the Subrecipient fails to disburse Project Funds to contractors or vendors within thirty (30) days from receipt of the Project Funds, the Subrecipient shall immediately return such Project Funds to the WQA. Interest shall accrue on such Project Funds from the date of reimbursement through the date of mailing of Project Funds to the WQA. If the Subrecipient held such Project Funds in interest-bearing accounts, any interest earned on the Project Funds shall also be due to the WQA.

6. The Subrecipient must submit its final Reimbursement Request no later than the Final Reimbursement Request Date in Section C. unless prior approval is granted by the WQA. If the Subrecipient fails to do so, then the undisbursed balance of this Agreement may be de-obligated.
7. The Subrecipient agrees that it will not request a reimbursement unless that cost is allowable, reasonable, and allocable.
8. Notwithstanding any other provision of this Agreement, no reimbursement shall be required at any time or in any manner that is in violation of or in conflict with federal or State laws, policies, or regulations.
9. The Subrecipient agrees that it shall not be entitled to interest earned on undisbursed Project Funds.
10. No work or travel outside the State of California is permitted under this Agreement unless the WQA provides prior written authorization. Failure to comply with this restriction may result in termination of this Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. as of the date costs are incurred by the Subrecipient.
11. The Subrecipient must include any other documents or requests required or allowed under this Agreement.

I. **WITHOLDING DISBURSEMENTS.** Notwithstanding any other provision of this Agreement, the WQA may withhold all or any portion of the Project Funding Amount upon the occurrence of any of the following events:

1. The Subrecipient's failure to maintain reasonable progress on the Project as determined by the WQA;
2. Commencement of litigation or a judicial or administrative proceeding related to the Project, that the WQA or State Water Board determines may impair the timely satisfaction of the Subrecipient's obligations under this Agreement;
3. Any investigation by State, local, or federal investigators or auditors, or a grand jury, relating to the Subrecipient's financial management, accounting procedures, or internal fiscal controls;
4. A material adverse change in the condition of the Subrecipient, or the Project, that the WQA determines would materially impair the Subrecipient's ability to satisfy its obligations under this Agreement, or any other event that the WQA determines would materially impair the Subrecipient's ability to satisfy its obligations under this Agreement;
5. The Subrecipient's material violation of, or threat to materially violate, any term of this Agreement;

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6. Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Subrecipient or its employees, or by its contractors or agents regarding the Project;
 7. An event requiring notice under this Agreement; or
 8. An Event of Default or an event that the WQA determines may become an Event of Default.
- J. **FRAUD AND MISUSE OF PUBLIC FUNDS.** All Reimbursement Requests submitted must be accurate and signed by the Subrecipient’s Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Subrecipient must not submit any Reimbursement Request containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any costs for which the Subrecipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, WQA or the State Water Board may request an audit and refer the matter to the Attorney General’s Office or the appropriate district attorney’s office for criminal prosecution or the imposition of civil liability.
- K. **SUBRECIPIENT’S PAYMENT OBLIGATION.** The Subrecipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the WQA.
- L. **COMPLIANCE WITH GENERAL AND PROGRAMMATIC TERMS OF GRANT FUNDING PROGRAM.** Subrecipient shall comply with all conditions, duties, requirements and restrictions imposed upon the WQA under the Proposition 68 “General and Programmatic Terms and Conditions” attached as Exhibit C to the Master Agreement.
- M. **INDEMNIFICATION.** To the fullest extent permitted by law, Subrecipient shall indemnify, hold harmless and defend the WQA and WQA’s officials, officers, employees and agents (collectively, the “WQA Indemnitees”) from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys’ fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with Subrecipient’s performance under this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the WQA Indemnitees.
- N. **EVENT OF DEFAULT; BREACH OF AGREEMENT.**
1. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, “Event of Default”) shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a “Default Notice”) which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.

2. Subrecipient shall cure the following Events of Defaults within the following time periods:
 - i. Within three (3) business days of WQA’s issuance of a Default Notice for any failure of Subrecipient to timely provide WQA with any information and/or written reports, documentation or work product which Subrecipient is obligated to provide to WQA under this Agreement or applicable law. Prior to the expiration of the 3-day cure period, Subrecipient may submit a written request for additional time to cure the Event of Default upon a showing that Subrecipient has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, WQA shall be under no obligation to grant additional time for the cure of an Event of Default under this subsection N.2.i. that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or
 - ii. Within fourteen (14) calendar days of WQA’s issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, Subrecipient may submit a written request for additional time to cure the Event of Default upon a showing that Subrecipient has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, WQA shall be under no obligation to grant additional time for the cure of an Event of Default under this Section N.2.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of Subrecipient to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of Subrecipient shall include, but shall not be limited to the following: (i) Subrecipient’s refusal or failure to perform any of the services or tasks called for under the Scope of Work; (ii) Subrecipient’s failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) Subrecipient’s and/or its employees’ disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to Subrecipient, whether voluntary or involuntary; (v) Subrecipient’s refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) WQA’s discovery that a statement representation or warranty by Subrecipient relating to this Agreement is false, misleading or erroneous in any material respect.

3. WQA shall cure any Event of Default asserted by Subrecipient within sixty (60) calendar days of SUBRECIPIENT’s issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 60-day cure period. Prior to the expiration of the 60-day cure period, WQA may submit a written request for additional time to cure the Event of Default upon a showing that WQA has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 60-day cure period.
4. WQA, in its sole and absolute discretion, may also immediately suspend this Agreement pending Subrecipient’s cure of any Event of Default by giving Subrecipient written notice of WQA’s intent to suspend Subrecipient’s performance (hereinafter, a “Suspension Notice”). WQA may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, Subrecipient shall be compensated only for those services and tasks which have been rendered by Subrecipient to the reasonable satisfaction of WQA up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of WQA shall operate to prohibit or otherwise restrict WQA’s ability to suspend this Agreement as provided herein.

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5. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
6. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to WQA at law or under this Agreement in the event of any breach of this Agreement, WQA, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
 - i. Upon written notice to Subrecipient, the WQA may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to Subrecipient, the WQA may extend the time of performance;
 - iii. The WQA may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for Subrecipient breach of the Agreement or to terminate the Agreement; or
 - iv. The WQA may exercise any other available and lawful right or remedy.

Subrecipient shall be liable for all legal fees plus other costs and expenses that WQA incurs upon a breach of this Agreement or in the WQA's exercise of its remedies under this Agreement.

7. In the event WQA is in breach of this Agreement, Subrecipient's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to Subrecipient under this Agreement for completed services and tasks. WQA shall not be liable for consequential damage or any other damages or recovery.
8. No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

O. MISCELLANEOUS PROVISIONS.

1. Amendment. No amendment of this Agreement shall be binding upon the Parties unless it is in writing and executed by all Parties.
2. Integration. This Agreement sets forth all of the covenants, provisions, agreements, conditions and understandings with respect to the matters addressed in this Agreement and constitutes the final and complete agreement of the Parties with respect to such matters, and supersedes all previous negotiations between them and all drafts or other documents previously exchanged by them with respect to such matters. Each Party acknowledges that no other Party, or agent or attorney of any other Party has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the matters addressed in this Agreement, to induce it to authorize the execution of this Agreement and acknowledges that it has not authorized the execution of this Agreement in reliance upon any such promise, representation, or warranty not contained herein. Except for the specific references to the Second Cooperative

Agreement contained in this Agreement, the Second Cooperative Agreement is not part of this Agreement.

3. Further Action. The Parties agree to and shall take such further action and execute and deliver such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with the terms hereof.

4. Notices.

a. Any notices or other writings required to be given to a Party pursuant to this Agreement shall be in writing addressed to the Party at the address of the Party set forth below or at such other address as subsequently may be specified by such Party in a written notice:

If to WQA:

Randy Schoellerman, Executive Director
San Gabriel Basin Water Quality Authority
1720 W. Cameron Ave, Suite 100
West Covina, California 91790
Facsimile: (626) 338-5775 Phone: (626) 338-5555
Email: randy@wqa.com

If to SUBRECIPIENT:

Facsimile:
Phone:
Email:

b. Unless otherwise provided in this Agreement, notices shall be given by personal delivery, by certified mail, return receipt requested, by United States mail, or by overnight courier that provides a written confirmation of delivery, by overnight courier that provides a written confirmation of delivery, by facsimile with printed notice of receipt, or by electronic mail. Notice given by personal delivery shall be deemed given and effective upon delivery. Notice given by certified mail, return receipt requested, or by United States mail shall be deemed given and effective two (2) business days following mailing. Notice given by overnight courier shall be deemed given and effective one (1) business day following mailing. Notice by facsimile and notice by electronic mail shall be deemed given upon transmission. It is each Party's obligation to notify the other Party of any change of address of those listed in this section of the Agreement.

5. No Assignment. No Party shall assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other Parties.

6. Joint Drafting and Negotiation. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and without regard to or aid of any statutory or similar judicial rule of construction. Each Party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement, and that it is fully aware of and understands all of its terms and the legal consequences thereof.

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7. Headings. Headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.
8. Third Party Beneficiaries. No third party shall be entitled to claim or enforce any rights under this Agreement.
9. Severability. In the event that any provision of this Agreement is determined by a court to be invalid, the court shall reform the provision in a manner that is both consistent with the terms of this Agreement taken as a whole and legally valid. The remainder of this Agreement shall not be affected thereby.
10. Successors and Permitted Assigns. All covenants and agreements contained in this Agreement by or on behalf of a Party shall bind and inure to the benefit of that Party's successors and permitted assigns, whether so expressed or not.

[INTENTIONALLY LEFT BLANK]

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11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Signatures sent by facsimile or electronic mail shall be deemed originals and treated in all respects as originals.

IN WITNESS WHEREOF, each Party has executed this Agreement on the date set forth below, said Agreement to be effective on the Effective Date.

Date: _____, 2021

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

By _____
Name _____
Its _____

Date: _____, 2021

SUBRECIPIENT

By _____
Name _____
Its _____



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: May 11, 2021
Subject: **Update on Budget Draft for FY 21/22 v1**

Summary

WQA staff presented the FY 21/22 Budget Draft v1 in two April 2021 workshops at the Administrative/Finance Committee and at the WQA Board Meeting. Staff has received no additional comments and no changes to the budget are recommended at this time. This agenda item provides another opportunity for review and to receive comments on the budget. If any comments or changes are requested after today's Committee meeting, they may be incorporated into the budget and presented to the Board at the regular WQA Board Meeting on May 19, 2021. Furthermore, staff anticipates that the budget will be adopted on May 19, 2021.

Discussion

As presented at the workshops, the budget projects the costs for the upcoming fiscal year and determines the revenues necessary to cover those costs. The WQA's budgeted costs are funded by assessments that the WQA charges on prescriptive pumping rights in the Main San Gabriel Basin. Funding also includes State Water Resources Control Board Division of Financial Assistance Proposition 1 and Proposition 68 grants, U.S. Bureau of Reclamation grants, the U.S. Environmental Protection Agency Cooperative Agreement, and Responsible Parties (also known as RPs, PRPs or CRs).

The WQA assessment is budgeted at \$12 per acre foot, for assessment funding of \$2,371,320 on a total of 197,610-acre feet of prescriptive pumping rights that are owned in the Basin.

The budget workshops included a discussion of assessments, an overview of the grant funding from SWRCB DFA Proposition 68, and the budget /assessment schedule.

The budget workshops also included a specific discussion of the recently adopted WQA Reserve Fund Policy and the effect that the FY 21/22 Budget has on the annual assessment level necessary to fund WQA's operations. The reserve policy mandates that an annual review of reserves be presented to the Board as a component of the annual budget process. The review was performed and presented to the Board at the April workshops. Based on staff analysis, funding levels are appropriate and aligned with board goals and objectives for FY 21/22.

To date, no comments have been received by staff since the April budget workshops.

Recommendations / Proposed Actions

- For information purposes only.

Attachments

FY 21/22 Draft Budget v1 Summary, dated 4/13/2021.

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY
BUDGET SUMMARY
FOR FISCAL YEAR ENDING JUNE 30, 2022**

Draft v1 - 4/13/2021

LINE ITEMS	Other Projects	Baldwin Park Operable Unit	El Monte Area Operable Unit	So. El Monte Operable Unit	Puente Valley Operable Unit	Area Three Operable Unit	Administration	Total Project Budget
CAPITAL COSTS	(5 Projects)	(10 Projects)	(6 Projects)	(10 Projects)	(3 Projects)	(2 Projects)		
	\$2,427,400	\$869,280	\$83,100	\$147,600	\$44,600	\$52,500	\$0	\$3,624,480
WQA Salaries	0	0	0	0	6,000	0	0	6,000
WQA Benefits	0	0	0	0	2,000	0	0	2,000
WQA Overhead	0	0	0	0	3,000	0	0	3,000
Project Planning & Design	0	0	0	0	0	0	0	0
Design	0	0	0	0	0	0	0	0
Legal/Mediation	0	0	0	0	0	0	0	0
Government Relations	45,700	194,000	63,000	114,200	23,600	45,900	0	486,400
Community Relations	16,700	33,400	20,100	33,400	10,000	6,600	0	120,200
Postage/Supplies/Other	0	0	0	0	0	0	0	0
Project Construction	0	0	0	0	0	0	0	0
Contractors/Grants	2,365,000	641,880	0	0	0	0	0	3,006,880
Site Acquisition	0	0	0	0	0	0	0	0
OPERATING EXPENSES	\$6,256,667	\$18,285,221	\$3,739,010	\$12,363,263	\$280,467	\$4,948,730	\$1,101,500	\$46,974,857
WQA Salaries	5,000	117,500	35,500	62,500	25,000	7,500	412,800	665,800
Prop 68-WQA Salaries	33,000	46,200	26,400	52,800	6,600	13,200	0	178,200
WQA Benefits	12,667	54,178	21,625	38,417	10,533	6,830	140,750	285,000
WQA Overhead	19,000	81,850	29,850	57,650	15,800	10,400	547,950	762,500
Legal/Consultants	0	85,000	0	0	0	0	0	85,000
Utilities	0	0	0	20,000	0	0	0	20,000
Other (See attached pages)	0	12,000	1,000	0	4,000	0	0	17,000
Prop 68-Consultants	66,000	79,200	52,800	105,600	13,200	26,400	0	343,200
Prop 68-Treatment & Remediation	6,121,000	508,600	3,140,800	7,874,400	0	4,884,400	0	22,529,200
Treatment & Remediation Costs	0	17,300,693	431,035	4,151,896	205,333	0	0	22,088,957
TOTAL CAPITAL & OPERATING	\$8,684,067	\$19,154,501	\$3,822,110	\$12,510,863	\$325,067	\$5,001,230	\$1,101,500	\$50,599,337
REVENUES	\$8,684,067	\$19,154,501	\$3,822,110	\$12,510,863	\$325,067	\$5,001,230	\$1,101,500	\$50,599,337
Rest. Fund/Title XVI/PRPs/Producers								
Restoration Funds (RF)	0	0	0	0	0	0	0	0
Title XVI (XVI)	0	0	0	0	0	0	0	0
Potentially Responsible Parties	0	17,277,098	431,035	0	205,333	0	0	17,913,466
Water Producers (PROD)	0	1,002,440	0	1,700,000	0	0	0	2,702,440
State - SWRCB/Prop 84/Prop	2,365,000	0	0	1,571,342	0	0	0	3,936,342
SEMOU Cooperative Agreement	0	0	0	451,896	0	0	0	451,896
SEMOU Settlement Funding	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	30,000	30,000
SWRCB DFA Proposition 68	6,220,000	634,000	3,220,000	8,301,000	19,800	4,924,000	0	23,318,800
WQA Assessment	99,067	240,963	171,075	486,625	99,933	77,230	1,071,500	2,246,393
ASSESSMENT RESERVE								
<i>Reserve balance from FY 2019-20</i>								2,121,805
<i>Projected reserve increase from Assessments - FY 2020-21</i>								310,475
<i>Projected reserve balance for FY 2020-21</i>								2,432,280
<i>WQA Assessments Collected @ \$12 acre foot</i>								2,371,320
<i>WQA 21-22 Budgeted Costs Funded By Assessments</i>								(2,246,393)
<i>Projected Assessment Reserve for FY 21-22</i>								2,557,207
WQA ASSESSMENT SUMMARY - "See Annotation 33, page 52"								
WQA ASSESSMENT FOR FY 2021-22								\$2,371,320
WQA ASSESSMENT PER ACRE FOOT								\$12