

**SPECIAL CITY COUNCIL MEETING
CITY HALL, 291 N. MAIN STREET
PORTERVILLE, CALIFORNIA
JUNE 21, 2016, 8:30 PM**

Call to Order
Roll Call

ORAL COMMUNICATIONS

This is the opportunity to address the City Council on any matter scheduled for consideration. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

SCHEDULED MATTERS

1. **Consideration of Memorandum of Understanding Regarding the Provisions of Emergency Water Supplies to East Porterville**
Re: Consideration of the draft Memorandum of Understanding regarding the provisions of emergency water supplies to East Porterville.

CITY COUNCIL CLOSED SESSION:

A. Closed Session Pursuant to:

1 - Government Code Section 54956.8 - Conference with Real Property Negotiators/Property: APNs: 302-390-015 and 302-390-024. Agency Negotiators: John Lollis and Jenni Byers. Negotiating Parties: City of Porterville and GreenPower Motor Company, Inc. Under Negotiation: Terms and Price.

2 - Government Code Section 54956.8 - Conference with Real Property Negotiators/Property: Portions of the old East Side Atchison, Topeka & Santa Fe Rail Line, generally described as a collection of 15 individual slots beginning at the northern terminus of the Rails to Trails Parkway on East Mulberry Avenue, across Lime Street in a northeasterly direction, on towards North G Street, and culminating at the center line of West Reid Avenue. Agency Negotiator: John Lollis. Negotiating Parties: City of Porterville and Greg Shelton. Under Negotiation: Terms and Price.

3 - Government Code Section 54956.9(d)(3) -- Conference with Legal Counsel -- Anticipated Litigation -- Significant Exposure to Litigation: Two cases in which facts are not known to potential plaintiff.

4 - Government Code Section 54956.9(d)(4) -- Conference with Legal Counsel -- Anticipated Litigation -- Initiation of Litigation: Two cases.

RECONVENE OPEN SESSION AND REPORT ON REPORTABLE ACTION TAKEN IN CLOSED SESSION

ADJOURNMENT - to the meeting of July 5, 2016.

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City's website at www.ci.porterville.ca.us.



CITY COUNCIL AGENDA – JUNE 21, 2016

SUBJECT: Consideration of Memorandum of Understanding Regarding the Provisions of Emergency Water Supplies to East Porterville

SOURCE: City Manager's Office

COMMENT: On June 20, 2016, City staff received the draft Memorandum of Understanding (MOU) regarding the provisions of emergency water supplies to East Porterville by the California Department of Water Resources (DWR), California Office of Emergency Services (CalOES), State Water Resources Control Board (SWRCB), County of Tulare, and City of Porterville. The MOU is intended to serve as a preliminary agreement toward seeking emergency and long-term solutions to the lack of adequate household water supply for the residents of East Porterville and the E. Vandalia area. Staff has reviewed the draft MOU and found it to be consistent with the emergency and long-term projects that are being considered by the parties. Upon approval of the MOU by the City, the State would like to proceed with the permanent connection of the approximate forty (40) properties in the East Porterville area with dry wells that are situated along existing City water mains.

RECOMMENDATION: That the City Council consider approval of the draft Memorandum of Understanding regarding the provisions of emergency water supplies to East Porterville.

ATTACHMENTS:

1. Draft Memorandum of Understanding
2. Exhibit 2 - SWRCB Agreement
3. Exhibit 3 - City/County Well Agreement
4. Exhibit 4 - East Porterville Map
5. Exhibit 5 - Installation Diagram
6. Exhibit 6 - Cost Estimate
7. Exhibit 7 - Extraterritorial Service Agreement
8. Exhibit 8 - Connection Agreement
9. Exhibit 9 - Feasibility Study

Appropriated/Funded:

Review By:

Department Director:

Final Approver: John Lollis, City Manager

Discussion Draft

Subject to Additional Review and Modification by the Parties

Porterville MOU
Draft 2
June 15, 2016
PortervilleEmergencyMOU061516



Memorandum of Understanding (MOU)

Regarding the Provisions of Emergency Water Supplies to East Porterville

by the California Department of Water Resources (DWR), California Office of Emergency

Service (OES), the State Water Resources Control Board (SWRCB),

the County of Tulare (County), and City of Porterville (Porterville),

which are collectively known as the “Parties”

Recitals

Whereas, some residents living in an unincorporated area of Tulare County, commonly known as “East Porterville,” have experienced loss of adequate water supply to their homes and properties as a result of severe drought conditions, which has caused significant hardship for the residents;

Whereas, Governor Edmund G. Brown Junior has directed all State agencies to assist these residents who are in need of water supplies with emergency and long-term assistance;

Whereas, Governor Edmund G. Brown Junior signed Assembly Bill 685 in 2012, adding Water Code section 106.3, which recognizes that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes, and which requires all relevant state agencies to consider this right when revising, adopting, or establishing pertinent policies, regulations, and grant criteria;

Whereas, the Parties have provided emergency water supplies to some residents of East Porterville that are without an adequate household water supply;

Whereas, the Parties to this MOU seek an emergency and long-term solution to the lack of adequate household water supply by developing and providing continuous water supplies to these residents;

Whereas, East Porterville is located east and adjacent to Porterville, which has an existing municipal water system that serves residents within the incorporated area of Porterville;

Whereas, some of the residents of East Porterville without an adequate household water supply could be connected to Porterville's municipal water system provided certain arrangements and projects are carried out by the Parties;

Whereas, Vandalia is a neighborhood located within Porterville, and some Vandalia residents lack adequate household water supply and these households could be connected to Porterville's municipal water system;

Whereas, the Parties have met and have discussed alternative plans and projects that would provide an emergency water supply from Porterville to some residents of East Porterville and Vandalia in an expeditious manner;

Whereas, to advance these projects, DWR has provided funding, as reflected in the agreement between DWR and Tulare attached as Exhibit 1, for a municipal well designated as "Well C1" located in Tulare County that ultimately could be used to supply water to these residents of East Porterville;

Whereas, the SWRCB has also provided funding for Well C1, as reflected in the agreement between the SWRCB and the County attached as Exhibit 2;

Whereas, the County and Porterville intend to execute an agreement, a draft of which is attached as Exhibit 3, that will connect Well C1 to Porterville's municipal water system and that will provide for an adequate household water supply for some residents of East Porterville; and

Whereas, the Parties have reached an understanding on how best to implement the project alternative that will provide an adequate household water supply to some residents of East Porterville and Vandalia, and alleviate the hardships in an expeditious, cost-effective manner.

Understanding

A. Description of Emergency Project and Long-Term Plan

1. The purpose of this MOU is to set forth in writing the intentions of the Parties of how best to move forward with plans to complete an emergency water supply project (Project) to some residents in the East Porterville and Vandalia areas, which are represented in Exhibit 4. (Map showing East Porterville and Porterville). The goal of the Project is to provide an adequate household water supply to some of the residents and properties in these areas that do not have one presently, and to end the need of the Parties to provide temporary water supplies to those residents through tanks and bottles.

2. The Parties intend to develop the Project in two phases. Phase 1 will make municipal water connections to the properties in East Porterville that have dry wells and are adjacent to Porterville's existing municipal water distribution system. It is estimated that this phase will serve 40 properties with dry wells that are currently receiving temporary household water supplies.

3. The Parties intend that Phase 2 of the Project will provide municipal water supply to approximately 500 properties in East Porterville and in Vandalia that have dry wells or otherwise lack an adequate source of water and have not been connected by Phase 1. In order to complete Phase 2, the residents of these properties will likewise need to connect to Porterville's municipal water system.

4. As soon as possible, Porterville and DWR will undertake Phase 1 of the Project and connect the properties in East Porterville that are adjacent to Porterville's existing municipal water distribution system. These connections will be accomplished as described in Water Installation Diagram attached as Exhibit 5 and based on the cost estimate, which is attached as Exhibit 6. In order to make these connections, a property owner desiring to receive public water supply will need to execute the Extraterritorial Service Agreement, a sample of which is attached as Exhibit 7, and the SWRCB's Water Connection Agreement, a sample of which is attached as Exhibit 8. Necessary signatures and agreements with property owners will be sought through SWRCB's outreach carried out with the assistance of all Parties to this MOU.

5. The Parties intend that Well C1 will be used to provide the emergency water supply in Phase 2 to about 500 properties without adequate household water supplies. The Parties presently understand that there are about 423 properties in East Porterville and approximately 80 properties in Vandalia where connections may be needed to provide emergency water supplies.

6. The Parties have created a Technical Workgroup consisting of engineers and planners, which work cooperatively on the technical issues described in this MOU. Based on recommendations of the Technical Workgroup, the Parties intend to provide the emergency water supply contemplated by this MOU.

7. The Parties intend to develop a Long-Term Water System Plan (Long-Term Plan) for the East Porterville area, which will serve other residents in the area besides those served by the Project. The Parties intend that the Project will be designed consistent with the Long-Term Plan to ensure that all water facilities constructed as part of the Project will be incorporated into the facilities ultimately developed through the Long-Term Plan. The first work product produced by the Technical Workgroup will be a Feasibility Study for the Long-Term Plan. The outline of the Feasibility Study is attached as Exhibit 9.

8. The Parties intend to use best efforts to complete both phases of the Project by December 31, 2016. The completion date of the Long-Term Plan is dependent on the completion of the Feasibility Study carried out by Technical Workgroup and on Porterville and/or the County applying for and securing sufficient funding from the SWRCB or from other sources. The Parties desire to complete the Long-Term Plan as expeditiously as possible.

B. Project Contributions of the Parties

9. Working in cooperation with the other Parties and the Technical Workgroup, DWR will prepare all environmental compliance for the Project, and design and construct the Project, both Phases 1 and 2. DWR will provide funding for Phases 1 and 2 of the Project through Emergency Drought Funding. DWR intends to serve as California Environmental Quality Act (CEQA) lead agency for the Long-Term Plan and will prepare any necessary CEQA documentation and any other necessary environmental review documents, unless the Feasibility Study recommends another lead agency.

10. SWRCB will provide the community outreach to assist in obtaining necessary property owner acceptance before proceeding with Project. SWRCB will also work with Porterville and/or County to secure funding of the Long-Term Plan. SWRCB will provide certain reviews and approvals for the permitting of the Project and the Long-Term Plan.

11. OES will coordinate all of the State's efforts under the Governor's Drought Task Force in the Project area and will be provided at no cost by Porterville up to 3,000,000 gallons of emergency water per month as needed as a result of this MOU and the agreement that Porterville and the County are in the process of considering for execution, a draft of which is attached as Exhibit 3, with regard to the Well C1.

12. Porterville will provide the needed water service to the residents of East Porterville without an adequate household water supply after they are connected to Porterville's municipal water system as described in the Project. The water service will be accomplished per the Extraterritorial Service Agreement, which requires that property owners served pay the monthly water bill. DWR is funding the residents' connection to the Project, and as a result, some of the normal connection fees will be waived provided that connection is made during Phase 1 or Phase 2. Porterville will install the water meters for each connection, which will be paid for by DWR.

13. The County intends to execute an agreement with Porterville that is consistent with this MOU and Exhibit 3, which will allow Well C1 to serve as a water supply for the Project. The County will inspect the work of the Project and the property connections at no cost to the residents.

14. The Parties to the MOU will cause the removal of all temporary water tanks from the properties upon completion of the Project and the appurtenances necessary for the receipt of municipal water service. The work for removing the water tanks will be carried out by the County under an agreement between the County and OES.

C. General Provisions

15. The Parties intend to use their best efforts to carry out this MOU. This MOU is not a binding agreement, and is not intended to create contractual rights and remedies among the Parties. However, the Parties have entered into and intend to enter into certain binding agreements in the future necessary to develop and complete the Project and the Long-Term Plan.

16. This MOU will become effective upon the signature of the all Parties. The MOU will terminate on December 31, 2016, unless extended by all of the Parties in writing.

[Signatures on following page]

This MOU has been executed by:

California Department of Water Resources

State Water Resources Control Board

California Office of Emergency Services

County of Tulare

City of Porterville

List of Exhibits

1. DWR and Tulare County Executed Well C1 Agreement
2. SWRCB and County Executed Well C1 Agreement (Water Board Grant #D-15-11-902)
3. County and Porterville Draft Well Agreement
4. Map of East Porterville
5. Household Water Service Installation Diagram
6. Household Water Service Cost Estimate
7. Sample Extraterritorial Service Agreement
8. Sample SWRCB Water Connection Agreement
9. Draft Emergency Project Feasibility Study



**CLEANUP AND ABATEMENT ACCOUNT
GRANT AGREEMENT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD, hereinafter called "State" or "State Water Board"
AND**

COUNTY OF TULARE, hereinafter called "Grantee"

**INSTALLATION OF A NEW WELL AND ASSOCIATED INFRASTRUCTURE FOR EAST
PORTERVILLE,
hereinafter called "Project"**

AGREEMENT NO. D15-11-902 [C/A 902]

WHEREAS:

1. The following provision(s) authorize the State Water Board to enter into this type of Grant Agreement:

Water Code, § 13440 et seq.

2. The Grantee has applied for funding from the State Water Pollution Cleanup and Abatement Account (CAA) and has been determined by the State Water Board to be eligible for funding pursuant to California Water Code, Division 7, Chapter 6, Article 3, Section 13440 et seq. This funding shall be used to clean up a waste, abate the effects of a waste on waters of the state, or address an urgent drinking water need. The Grantee may obtain funding for reasonable and necessary Project costs incurred on or after July 6, 2015, with all work to be completed by June 30, 2016; and

- A. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Agreement will be:

State Water Board, Division of Financial Assistance	Grantee: County of Tulare
Name: James Maughan, Grant Manager	Name: Michael Spata, Project Director
Address: 1001 "I" Street, 16th Floor	Address: 5961 S. Mooney Blvd.
City, Zip: Sacramento, CA 95814	City, Zip: Visalia, CA 93277
Phone: (916) 341-5694	Phone: (559) 624-7000
Fax:	Fax: (559) 730-2653
e-mail: james.maughan@waterboards.ca.gov	e-mail: mspata@co.tulare.ca.us

- B. Direct all inquiries to:

State Water Board, Division of Financial Assistance	Grantee: County of Tulare
Attention: Patty Eid, Program Analyst	Name: Eric Coyne, Project Manager
Address: 1001 "I" Street, 17th Floor	Address: 5961 S. Mooney Blvd.
City, Zip: Sacramento, CA 95814	City, Zip: Visalia, CA 93277
Phone: (916) 341-5724	Phone: (559) 624-7187
Fax: (916) 341-5296	Fax:
e-mail: patty.eid@waterboards.ca.gov	e-mail: ecoyne@co.tulare.ca.us
State Water Board, Division of Drinking Water	
Name: Chad Fischer, Grant Technical Contact	
Address: 265 West Bullard Avenue, Ste. 101	
City, Zip: Fresno, CA 93704	
Phone: (559) 447-3300	
Fax:	
e-mail: chad.fischer@waterboards.ca.gov	

The Grant Technical Contact will review and approve all technical work and technical work products and be the contact for technical matters.

The Program Analyst will review and approve non-technical work products and be the contact for grant administrative matters.

- C. Either party may make changes to the information above by giving written notice to the other party. Said changes should not require an amendment to this Grant agreement.
- D. The maximum amount payable under this agreement shall not exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000).
- E. In the event the Grantee receives or will receive funds from other sources for work completed under this Grant Agreement, the State Water Board reserves the right to request repayment of funds.

STANDARD PROVISIONS. The following exhibits are attached and made a part of this Agreement by this reference:

Exhibit A SCOPE OF WORK

Exhibit B INVOICING, BUDGET DETAIL AND REPORTING PROVISIONS

Exhibit C GENERAL CONDITIONS

GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable laws, policies and regulations.

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

By:


Grantee Signature

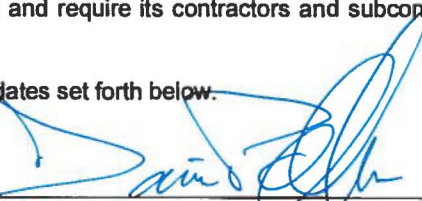
MIKE ENNIS

Grantee Typed/Printed Name

CHAIRMAN, BOARD OF SUPERVISORS, 1/11/16

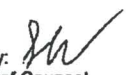
Title and Date

By:


Darrin Polhemus, Deputy Director
State Water Resources Control Board,
Division of Financial Assistance

Date

1/21/2016

Reviewed by: 
Office of Chief Counsel

Date: 12/17/15

APPROVED AS TO FORM:

COUNTY COUNSEL

BY:


DEPUTY 20151902

1/5/16

EXHIBIT A
SCOPE OF WORK

BACKGROUND:

The Project will build a new well and the necessary infrastructure that will serve as a safe supply of fresh drinking water that will be used to supply household tanks placed in qualified low income home sites in the disadvantaged community of East Porterville. The Project is estimated to provide sufficient water supply for approximately 1,500 people. The Project is co-funded by the Department of Water Resources (DWR) and U.S. Department of Agriculture (USDA) to address the immediate water supply needs of residents of East Porterville who are severely impacted by the drought. The Project is also anticipated to provide a long-term water source that is intended to facilitate permanent drinking water solutions for the East Porterville community and the City of Porterville.

The funding from the Cleanup and Abatement Account will be used for work related to equipping the new well and constructing the necessary infrastructure that will allow the safe operation of the well. The infrastructure includes pumps, pressure tanks, chlorination system, a water filling station for supplying hauled water, and other essential equipment and electrical connections. At a later time, this well and infrastructure may be modified so as to connect to a water system.

A. WORK TO BE PERFORMED BY GRANTEE

The project to be performed shall include the following:

1. Submit final plans and specifications for the new well and associated infrastructure to the State Water Board Division of Drinking Water Tulare District Office (Tulare District Office) for review and approval prior to bid advertisement.
2. Submit final well permit and domestic water supply permit for the addition of a new groundwater source to the Tulare District Office. Water from the new source shall not be delivered until receipt of a domestic water supply permit amendment from the Tulare District Office.
3. Perform water quality sampling and submit results to Tulare District Office along with the final well casing design for review and approval.
4. Conduct bid process for the well equipping and infrastructure work. Submit bid documentation to the Tulare District Office.
5. Notify stakeholders of the installation of the new well and associated infrastructure and submit proof to Tulare District Office.
6. Notify the Tulare District Office two weeks prior to beginning construction of the new well and installation of equipment.
7. Construct the well and associated infrastructures. Arrange an inspection of all project components by the Tulare District Office and obtain District Office approval before the facilities are put into service.
8. Prior to changing or transferring ownership or operation of the Project, or assigning any portion of this Grant Agreement, Grantee must obtain written approval from the Deputy Director of the State Water Board's Division of Financial Assistance. The Deputy Director's approval may be subject to additional conditions and may require the Grantee and/or any subsequent assignee to enter into a new or amended agreement with the State Water Board. (See also Exhibit C, especially sections 3 and 7.)

TABLE OF ITEMS FOR REVIEW

Item	DESCRIPTION	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
A.	WORK TO BE PERFORMED BY GRANTEE		
1.	Final plans and specifications for the new well and associated infrastructure.		Final Well Plans: June 19, 2015 Final Infrastructure Plans September 30, 2015
2.	Permits for the new well, including a drinking water permit amendment application.		August 30, 2015
3	Water Quality Sampling Results and Final Well Casing Design		September 30, 2015
4.	Bid documentation for Well equipping and Infrastructure Work		November 30, 2015
5.	Proof of Stakeholder Notification		December 31, 2015
6.	Notification of construction		Well Drilling: August 15, 2015 Well Equipping: December 31, 2015
7.	Inspection approval letter from District Office		February 28, 2016
EXHIBIT B – INVOICING, BUDGET DETAIL, AND REPORTING PROVISIONS			
A.	INVOICE PACKAGES		
1.	Invoices		Quarterly
E.	REPORTS		
1.	Progress Reports with DWR and USDA update		Quarterly
2.	Draft Project Report	March 31, 2016	
3.	Final Project Report	June 30, 2016	

EXHIBIT B
INVOICING, BUDGET DETAIL AND REPORTING PROVISIONS

A. INVOICE PACKAGES

1. No disbursement under this Grant Agreement will be made except upon receipt of an acceptable Standard Form Payment Request duly executed by or on behalf of the Grantee. The Grantee's duly authorized representative, who has been approved by the State Water Board, must execute all Payment Request forms. A Payment Request form must accompany all invoice packages. The original invoice packages shall be submitted to the State Water Board's Program Analyst and Grant Manager on a quarterly basis consistent with the reporting schedule in Line E (1) of this exhibit. The address for submittal is:

Patty Eid, Program Analyst
State Water Resources Control Board
Division of Financial Assistance
P. O. Box 944212
Sacramento, CA 94244-2120
2. Payment of any invoice shall be made only after receipt of a complete, adequately supported, properly documented and accurately addressed invoice. Invoices received by the State Water Board that are not consistent with the approved format will be cause for an invoice to be disputed. In the event of an invoice dispute, the State Water Board's Program Analyst will notify the Grantee by initiating an "Invoice Dispute Notification" form. Payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided above may result in return of the invoice to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. All invoices must be approved by the State Water Board's Grant Manager.
3. Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on state bonds, pursuant to any Federal statute or regulation.
4. Grantee shall provide proof of payment to the consultant or contractor for each invoice submitted for payment under this Grant. If the grantee is not able to demonstrate proof of payment, the State Water Board, at its discretion, may issue two-party checks for the payment of costs identified in Exhibit B, Budget. The two-party checks will require the endorsement of both Grantee and the company providing the services.
5. Notwithstanding any other provision of this Agreement, the Grantee agrees that the State Water Board may retain ten percent (10%) of the grant amount specified in this Agreement until "Notice of Completion/Final Inspection" from local regulatory agency of the Project is received.
6. The invoice shall contain the following information:
 - a. The word "INVOICE" and a sequential invoice number should appear in a prominent location at the top of the page(s);
 - b. The date of the invoice and the time period covered by the invoice, i.e., the term "from" and "to";
 - c. Printed name of the consultant or contractor;
 - d. Business address of the consultant or contractor, including P.O. Box, City, State, and Zip Code;
 - e. Printed name of the Grantee;
 - f. The number of the Agreement upon which the invoice is based;
 - g. The site address (location) where the work was performed.

- h. All subcontractor(s) invoices must be listed on the invoice; a copy of the subcontractor invoice should be attached to the consultant/contractors invoice. All subcontractor(s) must have current and active professional licenses, as applicable.
 - i. Original signature and date (in ink) of Grantee or its authorized representative.
 - j. An itemized account of the work for which the Grantee is seeking payment:
 - A brief description of the work performed, including dates of performance and the name or initials of the person performing the work;
 - The method of computing the amount due. On cost reimbursable agreements, invoices must be itemized based on the tasks specified in the Budget.
 - The total amount due; this should be in a prominent location in the lower right-hand portion of the last page and clearly distinguished from other figures or computations appearing on the invoice; the total amount due shall include all costs incurred by the Grantee under the terms of this Agreement; and
7. Final invoice shall be clearly marked "FINAL INVOICE" and submitted NO LATER THAN JULY 31, 2016.
8. Remaining Balance. In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State Water Board will mail a Notice of Project Completion letter to the Grantee stating that the project file is closed, the final invoice is being processed for payment, and any remaining balance will be disencumbered and unavailable for further use under the Grant Agreement.

B. BUDGET CONTINGENCY CLAUSE

The maximum amount to be encumbered under this Agreement for the 2015-16 fiscal year ending June 30, 2016 shall not exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000).

If the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If this Agreement's funding for any fiscal year is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Grantee to reflect the reduced amount.

C. LINE ITEM BUDGET

CONSTRUCTION	\$500,000
TOTAL	\$500,000

D. BUDGET LINE ITEM FLEXIBILITY

1. Line Item Adjustment(s). Subject to the prior review and approval of the State Water Board's Grant Manager, adjustments between existing line item(s) may be used to defray allowable direct costs up to fifteen percent (15%) of the total grant amount including any amendment(s) thereto. Line item adjustments in excess of fifteen percent (15%) shall require a formal Agreement amendment. If the Line

Item Budget includes an amount for Personnel Services, that amount is based on the hours, classifications, and rates submitted by the Grantee in its application. Any changes to the hours, classifications, and rates must be approved, in advance and in writing, by the Grant Manager.

2. **Procedure to Request an Adjustment.** Grantee may submit a request for an adjustment in writing to the State Water Board. Such adjustment may not increase or decrease the total grant amount allocated per fiscal year. The Grantee shall submit a copy of the original Agreement Budget sheet reflecting the requested changes. Changes shall be noted by striking the original amount(s) followed with revised change(s) in bold and underlined. Budget adjustments deleting a budget line item or adding a new budget line item requires a formal amendment and are not permissible under this provision. The State Water Board may also propose adjustments to the budget.
3. **Remaining Balance.** In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State Water Board will mail a Notice of Project Completion letter to the Grantee stating that the Project file is closed, the final invoice is being processed for payment, and any remaining balance will be disencumbered and unavailable for further use under the Grant Agreement.

E. REPORTS

1. **PROGRESS REPORT.** Grantee shall submit quarterly progress reports to the State Water Board's Grant Manager by the twentieth (20th) of the month following the end of the calendar quarter (March, June, September, and December).
 - a. The progress reports shall provide a brief description of the work performed, accomplishments during the quarter, milestones achieved, monitoring results (if applicable), and any problems encountered in the performance of the work under this Agreement. Grantee shall document all contractor activities and expenditures in progress reports. The progress reports shall also provide a description of work that was paid by DWR and USDA during the quarter.
 - b. The invoice should accompany the progress report. The invoice should reflect charges for the work completed during the reporting period covered by progress report. The invoice cannot be paid prior to submission of a progress report covering the invoice reporting period.
2. **DRAFT PROJECT REPORT.** Prepare and submit to the Grant Manager a draft Project Report for review and comment.
3. **FINAL PROJECT REPORT.** Prepare a final Project Report that addresses, to the extent feasible, comments made by the Grant Manager on the draft final Project Report. Submit one (1) reproducible master, and an electronic copy of the final.
4. The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Agreement, such reports, data, information, and certifications that may be reasonably required by the State Water Board.

F. PAYMENT OF PROJECT COSTS

The Grantee agrees that it will provide for payment of its full share of Project costs and that all costs connected with the Project will be paid by the Grantee on a timely basis.

G. AUDIT DISALLOWANCES

The Grantee agrees it shall return any audit disallowances to the State Water Board.

H. FRAUD AND MISUSE OF PUBLIC FUNDS

All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division of Financial Assistance may request an audit pursuant to Exhibit C, paragraph 4 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§1572-1573; Pen. Code, §§470, 489-490.)

EXHIBIT C
THE STATE WATER BOARD GENERAL CONDITIONS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The Grantee will not proceed with any work on the Project until authorized in writing by the State Water Board.
3. **ASSIGNMENT:** The Grantee may assign its rights and responsibilities under this Grant Agreement, either in whole or in part, with the prior written consent of the Deputy Director of the State Water Board's Division of Financial Assistance. The Deputy Director's approval of assignment may be subject to additional conditions and may require the Grantee and/or any subsequent assignee to enter into a new or amended agreement with the State Water Board.
4. **AUDIT:** Grantee agrees that the State Water Board, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the use of grant funds or performance of this Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement.
5. **CHILD SUPPORT COMPLIANCE ACT:** Grantee acknowledges that it recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code. Grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
6. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee 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. This includes, but is not limited to, compliance with any applicable requirements contained in directives or orders issued pursuant to Division 7 of the Water Code.
7. **CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT:** The Grantee agrees that, except as provided in the Agreement, 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 Deputy Director of the Division of Financial Assistance. Such approval may be conditioned as determined to be appropriate by the Deputy Director of the Division of Financial Assistance, including a condition requiring repayment of all grant funds or any portion of all remaining grant funds covered by this Agreement together with accrued interest and any penalty assessments which may be due. The provisions of this section shall survive the term of this Agreement.
8. **RIGHTS IN DATA:** The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
9. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

10. **CONFLICT OF INTEREST:** Grantee certifies that it is in compliance with applicable state and/or federal conflict of interest laws.
11. **DISPUTES:** The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Grantee shall submit to the Deputy Director of the DFA a written demand for a final decision. The decision of the Division, or his or her authorized representative, shall be reduced to writing and a copy thereof furnished to the Grantee and to the State Water Board's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days of the date of the Division decision, the State Water Board's Executive Director receives a written appeal. The Grantee's written appeal shall be fully supported by any factual information Grantee desires to be considered in the decision. The Executive Director's decision 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. Pending final decision of a dispute hereunder, the Grantee shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
12. **DRUG-FREE WORKPLACE REQUIREMENTS:** Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (commencing with Section 8350 of the Government Code) and will provide a drug-free workplace by taking the following actions:
 - a. 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.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace,
 - 2) the organization's policy of maintaining a drug-free workplace,
 - 3) any available counseling, rehabilitation, and employee assistance programs, and
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed project will:
 - 1) receive a copy of the organization's drug-free workplace policy statement, and
 - 2) agree to abide by the terms of the statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments or termination of the grant or both, and Grantee may be ineligible for award of any future state grants if it is determined that any of the following has occurred: the Grantee has made false certification, or violated the certification by failing to carry out the requirements as noted above.
13. **DROUGHT EMERGENCY WATER CONSERVATION:** The Grantee agrees to comply with the State Water Board's Drought Emergency Water Conservation regulations in Article 22.5 of Chapter 2 of Division 3 of Title 23 of the California Code of Regulations. The Grantee agrees to include a discussion of progress and compliance in reports submitted pursuant to this Agreement.
14. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
15. **GOVERNING LAW:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California.

16. **GRANT MODIFICATIONS:** The State Water Board may, at any time, without notice to any sureties, by written order designated or indicated to be a "grant modification", make any change in Exhibit A, for the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner, or time of performance of work. If the Grantee intends to dispute the change, the Grantee must, within ten (10) days after receipt of a written "grant modification", submit to the State Water Board a written statement setting forth the disagreement with the change.
17. **GRANTEE'S RESPONSIBILITIES FOR WORK:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
18. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.
19. **INDEPENDENT ACTOR:** The Grantee, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of the State Water Board.
20. **INSPECTION:** Throughout the useful life of the Project, the State Water Board shall have the right to inspect the project area to ascertain compliance with this Agreement. The provisions of this section shall survive the term of this Agreement.
21. **INSURANCE:** Throughout the useful life of the Project, the Grantee shall provide and maintain insurance against fire, vandalism and other loss, damage, or destruction of the facilities or structures constructed pursuant to this Agreement, if any. This insurance shall be issued by a company or companies admitted to transact business in the State of California. The insurance policy shall contain an endorsement specifying that the policy will not be cancelled or reduced in coverage without thirty days' prior written notice to the State Water Board. In the event of any damage to or destruction of the Project or any larger system of which it is a part, the net proceeds of insurance shall be applied to the reconstruction, repair or replacement of the damaged or destroyed parts of the Project or its larger system. The Grantee shall begin such reconstruction, repair, or replacement as expeditiously as possible and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the larger system shall be free of all claims and liens. The provisions of this section shall survive the term of this Agreement.
22. **NONDISCRIMINATION:** During the performance of this Project, the Grantee and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, religion, color, national origin, ancestry, religious creed, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40) marital status, or denial of family-care leave. Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 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 agreement by reference and made a part hereof as if set forth in full.

Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work at this Project.

23. **NO THIRD PARTY RIGHTS:** The parties to this grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
24. **NOTICE:** The Grantee shall promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Grantee 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 State Water Board, and the State Water Board has given written approval for such change. The Grantee shall notify the State Water Board at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by the State Water Board's representatives. The Grantee shall promptly notify the State Water Board in writing of completion of work on the Project.
25. **OPERATIONS & MAINTENANCE:** The Grantee shall maintain and operate the facility and structures constructed or improved as part of the project throughout the useful life of the Project, consistent with the purposes for which this Grant was made. The Grantee assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation. The provisions of this section shall survive the term of this Agreement.
26. **PAYEE DATA RECORD FORM (Std. 204).** The Grantee must complete the Payee Data Record Form.
27. **PERMITS, CONTRACTING, WAIVER, REMEDIES AND DEBARMENT:** The Grantee shall procure all permits and licenses necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Any contractors, outside associates, or consultants required by the Grantee in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by the State Water Board's Grant Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Grant Manager. Any waiver of rights with respect to a default or other matter arising under the Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Agreement are in addition to any other rights and remedies provided by law. The Grantee shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The Grantee shall not contract with any individual or organization on USEPA's List of Violating Facilities. (40 CFR, Part 31.35; Gov. Code § 4477.) The Grantee certifies to the best of its knowledge and belief, that it and its principals:
- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or grantee;
 - b. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification.
28. **PREVAILING WAGES AND LABOR COMPLIANCE:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Agreement to assure that the prevailing wage provisions of State Labor Code are being met.
29. **RELATED LITIGATION:** Under no circumstances may a Grantee use funds from any disbursement under this Grant Agreement to pay costs associated with any litigation the Grantee pursues against the State Water

Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Grantee agrees to complete the Project funded by this Agreement or to repay all of the grant funds plus interest.

30. **STATE REVIEWS AND INDEMNIFICATION:** The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State Water Board is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State Water Board and the State against any loss or liability arising out of any claim or action brought against the State Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Grantee agrees to pay and discharge any judgment or award entered or made against the State Water Board and/or the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.
31. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the State Water Board, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.
32. **TIMELINESS:** Time is of the essence in this Agreement. The Grantee shall proceed with and complete the Project in an expeditious manner.
33. **TRAVEL AND PER DIEM:** Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Grant Manager.
34. **URBAN WATER MANAGEMENT:** The Grantee certifies that this Project complies with the Urban Water Management Planning Act (Water Code, § 10610 et seq.). This shall constitute a condition precedent to this Agreement.
35. **USEFUL LIFE OF PROJECT:** For the purpose of this Agreement, the useful life of any constructed portions of this Project begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else.

36. **WATER CONSERVATION AND EFFICIENCY PROGRAMS:** The Grantee acknowledges that it has appropriate water conservation and efficiency programs in place, and that this provision constitutes a condition of the grant award. A web link with examples of water conservation and efficiency programs is available at: http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/conservation.shtml.
37. **WATER RIGHTS:** The Grantee certifies that it is in compliance with part 5.1 of division 2 of the Water Code and, if applicable, that it has filed and will continue to file its required Statements of Diversion and Use with the State Water Board in accordance with sections 5101 and 5103 of the Water Code.
38. **WITHHOLDING OF GRANT DISBURSEMENTS:** The State Water Board may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project.

TULARE COUNTY – CITY OF PORTERVILLE WELL AGREEMENT

THIS AGREEMENT is entered into this day of, _____ 2016, between the COUNTY OF TULARE, referred to as COUNTY, and the CITY OF PORTERVILLE, referred to as CITY, with reference to the following:

- A. WHEREAS, East Porterville/Doyle Colony area properties within the COUNTY's jurisdiction and within the CITY's Urban Development Boundary are experiencing serious water shortages due to the historical drought conditions. Attached hereto as Exhibit 'A' is a map defining the East Porterville/Doyle Colony and Vandalia areas; and
- B. WHEREAS, CITY and COUNTY have been and are collaborating to jointly develop a new municipal water well; and
- C. WHEREAS, COUNTY shall secure complete funding for a new well to be solely owned, operated and maintained by the CITY for the purpose of providing long-term capacity to enable permanent water connections to properties that comply with CITY'S Annexation and Extension of Municipal Services policy, with certain exceptions for specific properties in excess of the maximum lot size. These procedures are defined by two Resolutions, 74-2014 and 19-2016, which are attached hereto as Exhibit 'B'; and
- D. WHEREAS, the COUNTY owns a parcel at the southeast corner of the Tule River and Olive Avenue (APN 240-120-017), represented in Exhibit 'C', and has drilled a municipal supply well, and will equip said well utilizing CITY standards, after which the COUNTY shall convey the land to CITY at a cost of \$1; and
- E. WHEREAS, CITY operates an existing municipal water system, with limited infrastructure already established in the East Porterville/Doyle Colony and Vandalia areas, and has experience and qualifications necessary to provide such services; and
- F. WHEREAS, CITY and COUNTY mutually agree that a regional, collaborative solution to leverage and expand CITY'S municipal water system into the East Porterville/Doyle Colony and Vandalia areas is the most feasible means to address the area's water needs; and
- G. WHEREAS, CITY is willing to enter into this Agreement with COUNTY upon terms and conditions set forth herein; and
- H. WHEREAS, CITY and COUNTY mutually understand that due to the limited resources of the CITY's municipal water system, all future connections must comply with the CITY's Annexation and Extension of Municipal Services policies, with certain exceptions for specific properties in excess of the maximum lot size, attached hereto and made a part thereof as Exhibit 'B'.

ACCORDINGLY, IT IS AGREED:

- 1. **TERM:** This agreement shall become effective as of the date the agreement is fully executed by both agencies.
- 2. **SERVICES TO BE PERFORMED & PAYMENT FOR SERVICES – EQUIPPING MUNICIPAL WELL FACILITY:** Refer to attached Exhibit 'D'.

3. **SERVICE TO BE PERFORMED IN PERPETUITY:** The services described below shall be performed in perpetuity upon completion of all tasks enumerated in Exhibit 'D' and upon COUNTY securing the funds for equipping the well to CITY standards and requirements:
- A. CITY shall provide to STATE and/or COUNTY, upon STATE and COUNTY's request, a maximum of three million (3,000,000) gallons of water per month upon integration of the well provided under this Agreement, for the purposes of meeting emergency water needs in COUNTY's jurisdiction. CITY shall not charge COUNTY or STATE for said water.
 - B. CITY shall utilize water produced by the well provided under this Agreement as source capacity for new service connections and agreements in East Porterville/Doyle Colony and Vandalia areas. CITY agrees to provide source water for up to four hundred twenty-three (423) new connections in the East Porterville/Doyle Colony area subject to the CITY'S Annexation and Extension of Municipal Services policies, with certain exceptions for specific properties in excess of the maximum lot size, and up to 80 new connections in the Vandalia area. The 423 new connections noted above are inclusive of those properties immediately adjacent to an existing water main, estimated at 40 parcels, which can be connected to the City's water system immediately upon execution of this agreement and the Memorandum(a) of Understanding between CITY, COUNTY, and STATE. Upon connection to CITY services, the listed properties will be exempt from payment of CITY water impact fees, but will be subject to standard fees, such as, but not limited to, water service and meter installation, unless otherwise financed by STATE or other funding sources, and associated monthly fees. This section shall not be construed to limit additional connections beyond the above referenced 503 properties provided for herein, where CITY provides consumption documentation that determines additional source capacity is available as a result of the connection of this well to CITY's system.
 - C. CITY expressly agrees to own, operate, maintain, repair and otherwise care for the well provided under this Agreement, in order to maintain it in proper working order and to the highest standard, for the duration of the well's useful life.
 - D. COUNTY shall grant the parcel on which the well is located to the CITY by Grant Deed at a cost of \$1 upon formal acceptance of the project. A 50-foot control zone around the well site is a requirement of the State Water Resources Control Board, Drinking Water Program, therefore establishing the minimum parcel size to be conveyed to the CITY. Existing COUNTY infrastructure may encroach through or conflict with the subject parcel and if so, ownership, maintenance, repair and replacement of these facilities shall transition to the City's responsibility by separate maintenance agreement upon acceptance of the project.
 - E. CITY shall not be entitled to compensation by COUNTY, or any State or Federal agency providing funding for the activities enumerated in Exhibit 'D', for any ongoing costs related to owning, operating, maintaining, repairing, or replacing this well. CITY and COUNTY expressly agree that CITY's ongoing compensation for such ongoing costs shall be the use of the well for CITY's use within its water system, unrestricted except as noted in "A"

above. No part of this paragraph shall be construed to limit or restrict in any way CITY's ability to seek any grant funding or collect rates and fees from users of CITY's water system.

- F. All recipients of water are subject to CITY water policies, such as, but not limited to, water conservation and watering schedules. Connections made as noted in "B" above may be subject to further water conservation thresholds as required by the STATE.

4. This Agreement represents the entire agreement between CITY and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

5. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY: County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare
Administrative Building
2800 W. Burrell Avenue
Visalia, CA 93291

(Fax No.: (559) 733-6318 / Phone No. (559) 636-5005)

CITY: City Manager
291 N. Main St.
Porterville, CA 93257

(Fax No.: (559) 715-4013/ Phone No. (559) 782-7466)

Notice delivered personally or sent by facsimile transmission is deemed to be received upon receipt. Notice sent by first class mail shall be deemed received on the fourth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph. —

6. This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.
7. Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.
8. This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. This Agreement is entered into and shall be performed in Tulare County, California. CITY waives the removal provisions of California Code of Civil Procedure Section 394.
9. The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party or either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.
10. The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

11. This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court of other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.
12. Each party agrees to execute any additional documents and to perform any further acts which may be reasonably required to affect the purposes of this Agreement.
13. CITY expressly agrees that it will not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.
14. Insurance
15. Permit
16. Dispute Resolution: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.
17. Indemnification: CITY shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CITY or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against COUNTY alleging civil rights violations by CITY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on COUNTY for CITY's failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

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THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

COUNTY OF TULARE

BY _____
Mike Ennis Chairman,
Board of Supervisors

ATTEST: Michael C. Spata,
County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare

By _____
Deputy Clerk

Approved as to Form
County Counsel

By _____
Deputy

CITY OF PORTERVILLE

BY _____
Milt Stowe, Mayor

ATTEST:
City Clerk of the City of Porterville

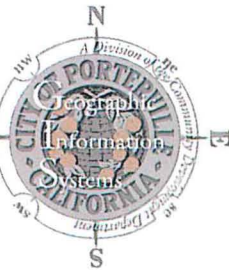
BY _____
John Lollis, City Manager

Approved as to Form

BY _____
City Attorney

EXHIBIT 'A'

East Porterville Project Boundary



-  East Porterville Project Boundary
 Parcels Within Project Boundary Area (1,776)
 City Limits
 UDB

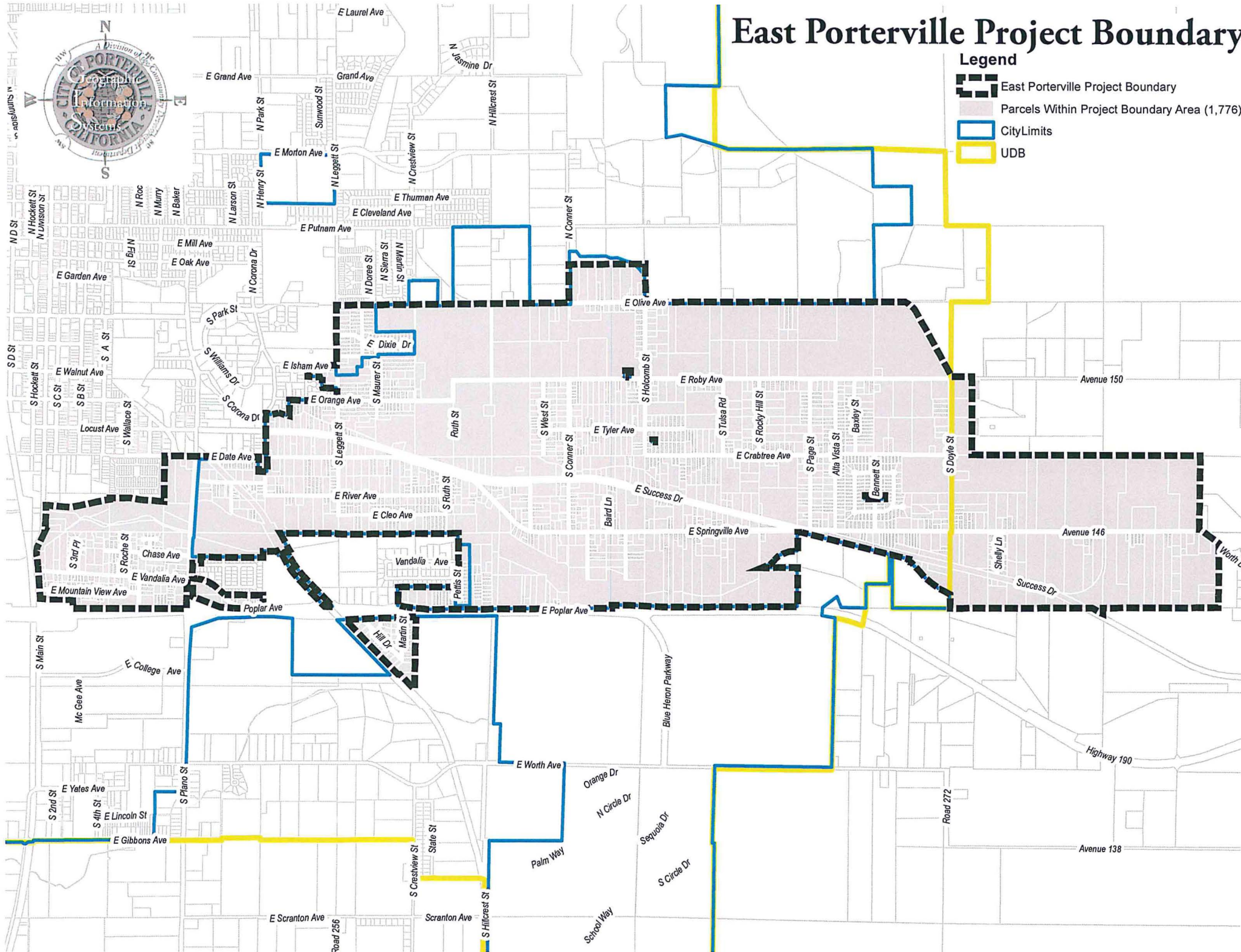


EXHIBIT 'B'

RESOLUTION NO. 74 -2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE DEFINING OBJECTIVES AND POLICIES FOR ANNEXATIONS AND MUNICIPAL SERVICES

WHEREAS: The City of Porterville established a policy concerning annexation and provision of municipal services in 1986, noting that “the City, in order to grow for reasons of economies of scale and quality of services must expand its boundaries within reason, generally encourages the owners of properties contiguous to the city of Porterville to annex to said City of Porterville”; and

WHEREAS: Since 1990, the population of the city of Porterville has increased 53% according to the California Department of Finance, and the land area of the city proper has increased by 38% according to City annexation records; and

WHEREAS: The City of Porterville accepts its responsibility to provide municipal services to those residents, businesses, and other land uses within the limits of the city. The City of Porterville has taken the position that the costs of all physical improvements within the city have been paid by property owners, and other taxes derived in the city, and, therefore, these same people should not be required to bear the expense of additional physical improvements needed to serve newly annexed areas.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Porterville does hereby define the following objectives related to annexations and municipal services:

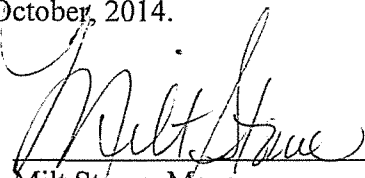
1. To promote orderly development while discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services.
2. To honor the City’s fundamental responsibility to provide efficient and sustainable public services to the inhabitants of the city, and where appropriate, to provide those services beyond the limits of the city within the Urban Development Boundary, and only in extreme cases to those properties beyond the Urban Development Boundary within the Urban Area Boundary.
3. To provide for land development and growth in a manner consistent with the General Plan, particularly as it relates to land use and circulation.
4. To consider an application upon its own merits, and identify what benefits would accrue to the City as an agency and service provider, to the residents of the city of Porterville, and to the applicant.
5. To identify the problems involved in any proposal considered for annexation or request for extra-territorial services and resolve them in the manner most beneficial to the properties within the city of Porterville.
6. To develop factual information to permit informed discussion between City representatives and property owners/residents of unincorporated territories.

BE IT FURTHER RESOLVED, that the City Council of the City of Porterville does hereby establish the following policies for consideration of annexations and municipal services:

1. It shall be the policy of the City of Porterville to consider annexation proposals only within the Urban Development Boundary, which is defined as the City of Porterville Annexation Boundary, as adopted by Tulare County Local Area Formation Commission (LAFCo).

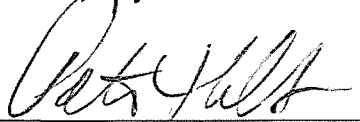
2. It shall be the policy of the City of Porterville to consider extra-territorial service requests primarily within the Urban Development Boundary, which is defined as the City of Porterville Annexation Boundary, as adopted by Tulare County LAFCo.
3. It shall be the policy of the City of Porterville, only where necessary in order to respond to an existing or impending threat to public health or safety of affected residents, to consider extra-territorial service requests within the Urban Area Boundary, as adopted by City Council and identified on the City of Porterville Zoning Map.
4. It shall be the policy of the City of Porterville to consider annexation proposals and extra-territorial service requests in a manner consistent with the policies and regulations adopted by the Tulare County LAFCo and the State of California, as applicable.
5. It shall be the policy of the City of Porterville to discourage single-family one (1) lot annexation proposals that may have an adverse fiscal impact on the City of Porterville.
6. It shall be the policy of the City Council that territory shall not be annexed to the city of Porterville, which as a result of such annexation, unincorporated territory is completely surrounded, or substantially surrounded by the city of Porterville.
7. It shall be the policy of the City of Porterville that annexation proposals shall be in conformance with the Cortese-Knox-Hertzberg Act of 2000, as amended.
8. It shall be the policy of the City Council to consider each petition/consent for annexation upon its relationship to what economic benefits will accrue to the City of Porterville, and to the area residents/property owners.
9. It shall be the policy of the City Council that the costs of all physical improvements will be borne by the property owners/resident or developer.
10. It shall be the policy of the City of Porterville to maintain the viability of agricultural productivity; i.e. protecting and conserving as much agricultural land as possible in the area surrounding the Porterville community.
11. It shall be the policy of the City of Porterville that the applicant for annexation present proposals to the Project Review Committee and explain the particulars of the area under consideration for possible annexation, including a plan for services.
12. It shall be the policy of the City of Porterville to consider any requests for annexation or extra-territorial services in a manner consistent with the procedures adopted by resolution of the City Council.

PASSED, APPROVED AND ADOPTED this 21st day of October, 2014.


Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

By: 
Patrice Hildreth, Chief Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 21st day of October, 2014.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X		X	X	X
NOES:		X			
ABSTAIN:					
ABSENT:					

JOHN D. LOLLIS, City Clerk


By: Luisa M. Zavala, Deputy City Clerk

RESOLUTION 19-2016

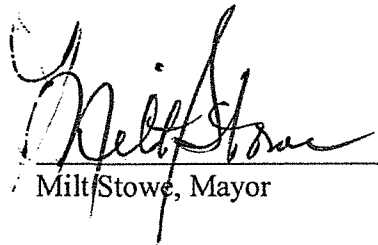
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
ESTABLISHING PROCEDURES FOR ANNEXATIONS AND EXTENSION OF
MUNICIPAL SERVICES

WHEREAS: On October 21, 2014, the City Council of the City of Porterville adopted two resolutions that defined objectives and policies, and established procedures for annexations and municipal services, respectively; and

WHEREAS: The on-going, severe drought of the past few years has created a situation where hundreds of parcels in the East Porterville area are experiencing dry wells, or wells of substandard water quality. State and regional agencies have come together with the City to identify and develop a long-term solution to this crisis, which will involve a significant infrastructure project to allow extension of municipal water services to the area. Not all parcels within the subject area meet the mandatory findings for extra-territorial service agreements as identified in the City's current procedures.

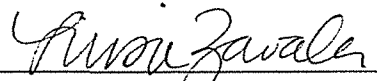
NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Porterville does hereby amend existing procedures to submit application for municipal services, and to have said application(s) processed as outlined in Exhibit "A", attached. The exemption identified for the East Porterville Feasibility Study Project Area will apply to the area represented in Exhibit "B".

PASSED, APPROVED AND ADOPTED this 19th day of April, 2016.


Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

BY 
Luisa Zavala, Deputy City Clerk

All properties requesting annexation or extraterritorial services are subject to the procedures established below unless otherwise stated. Compliance with City of Porterville procedures does not guarantee approval by LAFCo of annexations or extra-territorial service agreements. Upon request for an annexation or extraterritorial services request, staff will evaluate whether the applicant's property is within the City's Urban Development Boundary or Urban Area Boundary and explain the process.

ANNEXATION APPLICATION PROCEDURE

1. A complete annexation application packet includes: fees, an Irrevocable Agreement to Annex, information as needed to define a deed restriction specific to land use and zoning, Application for Annexation, and other materials as required with those applications respectively.
2. On receipt of an application as outlined above, all materials will be considered by the Project Review Committee, who will coordinate in a pre-consultation process with LAFCO staff and the County Public Works Department for review and recommendation.
3. During review by the Project Review Committee of the necessary application and data, staff will prepare a report and findings on all aspects of the proposed action(s).
4. An environmental document will be prepared pursuant to the California Environmental Quality Act (CEQA), reviewing the potential environmental effect of the proposed activities. The Zoning Administrator will make an initial determination of the level of environmental review required.
5. After proper noticing, a public hearing will be held for the City Council to hear comments related to the project at a regularly scheduled meeting. The Council will authorize staff to initiate the application with LAFCo. Documents will be filed in accordance with the Cortese-Knox-Hertzberg Act of 2000, as amended, and submitted to the Local Agency Formation Commission for its review, recommendation and action.
6. On consummation by the City Council, the City Clerk shall submit the necessary materials to the State Board of Equalization with the appropriate acreage fees, which are paid by the Applicant.
7. In the event the annexation fails, either by dissenting votes of the City Council or at hearing at LAFCo, the City Council may approve an extraterritorial service agreement within the Urban Development Boundary, subject to conditions identified in the deed restriction.

ANNEXATION EXEMPTION PROCEDURE

Where a certain property meets all of the following criteria, they may proceed with an Extraterritorial Service Agreement for water or storm-water drainage without first attempting annexation, subject to the conditions of Extraterritorial Service Agreements as defined below.

1. Previously developed single family residences on parcels 24,999 square feet or smaller, OR a school developed by a State funded school district.
2. The parcel requesting services must be immediately adjacent to a municipal main providing the requested service, or the property owner shall provide for the extension of the main line to City standards at their expense.

EXTRATERRITORIAL SERVICES APPLICATION PROCEDURE

Extraterritorial Service connections may be made subject to the following conditions. Note specific parameters and the required findings for connections in the Urban Development Boundary and the Urban Area Boundary.

1. Application: A complete extraterritorial services application packet includes: fees, an Irrevocable Agreement to Annex, information as needed to define a deed restriction specific to land use and zoning, and other materials as required with those applications respectively.
2. General Plan Consistency:
 - a. Proposed Uses and Improvements: Service connections are to be withheld from proposed uses and improvements that would not be consistent with the adopted Land Use Element of the Porterville Area General Plan and the City of Porterville General Plan.
 - b. Existing Uses and Improvements: Service connections to existing uses and improvements which are not consistent with the adopted Land Use Element of the Porterville Area General Plan and the City of Porterville General Plan shall be considered at the discretion of the City Council, and may be subject to other restrictions.
3. Agreements and covenants:
 - a. A deed restriction specific to land use and zoning must be approved by the property owner and the City Council, and recorded with the County of Tulare upon the property, at the applicant's cost.
 - b. An irrevocable agreement to annex must be signed by the property owner and recorded with the County of Tulare upon the property, at the applicant's cost.
4. Time limitations: The City Manager or his designee, or the City Council may condition the approval of applications for service connections by establishing a time frame within which connections must be made to avoid re-application.
5. Improvement Plans: Applications for service connections, which necessitate the extension of one or more municipal facilities to property in order to make such connections, shall be conditioned by the City Manager or his designee, or the City Council to require that Construction Drawings of the intended public improvements be submitted to the City Engineer for plan check and approval. Costs incurred for the preparation of improvement plans, and certain off-site construction and/or installation costs related to extending facilities, shall be the responsibility of the applicant.
6. Fees: Prior to the issuance of a Connection Permit, payment must be made to the City of Porterville of all fees pertinent to the respective service connection, or connections, approved by the City Manager or his designee, or the City Council.

Within the Urban Development Boundary:

For connection of water or storm-water facilities, the requesting party must fully fund the extension of infrastructure if it does not already exist in order to connect. The City of Porterville Wastewater Facility is a regional facility and as such, an extraterritorial service request cannot be denied; however, the requesting party must fund a fair share of the extension of infrastructure if it does not already exist in order to connect. Contract services for police, fire, or building inspection services shall be approved by resolution of the City Council.

For connection of water or storm-water facilities, the following findings must be made in order for the Council approve an extraterritorial service connection:

- That the subject property is a previously developed single family residence on a parcel 24,999 square feet or smaller, OR a school developed by a State funded school district.
- That failure to connect to municipal services would result in a threat to public health or safety of affected residents.
- That connection of the subject property would not result in a negative impact to the City of Porterville water and/or storm-water system.
- That the subject property is not within an island as defined by Tulare LAFCo.
- That an attempt to annex the subject site is not realistic given current city limit boundaries. Specifically, the parcel is too far removed from the city limit, and/or the number and valuation of adjacent parcels would result in a failed annexation effort.

Within the Urban Area Boundary:

For connection of water or storm-water facilities, the requesting party must fully fund the extension of infrastructure if it does not already exist in order to connect. The City of Porterville Wastewater Facility is a regional facility and as such, an extraterritorial service request cannot be denied; however, the requesting party must fund a fair share of the extension of infrastructure if it does not already exist in order to connect. Contract services for police, fire, or building inspection services shall be approved by resolution of the City Council.

For connection of water or storm-water facilities, the following findings must be made in order for the Council approve an extraterritorial service connection:

- That the subject property is a previously developed single family residence on a parcel 24,999 square feet or smaller, OR a school developed by a State funded school district.
- That failure to connect to municipal services would result in a threat to public health or safety of affected residents.
- That connection of the subject property would not result in a negative impact to the City of Porterville water and/or storm-water system.

EXEMPTIONS AND EXCEPTIONS

1. PVPUD: Connections to Porterville Regional Sewage Treatment Facilities serving uses and improvements to property within the boundaries and jurisdiction of the Porter Vista Public Utility District (PVPUD) are exempted from application to the City of Porterville. Interested parties should contact the PVPUD for information on connection requirements and fees pertaining

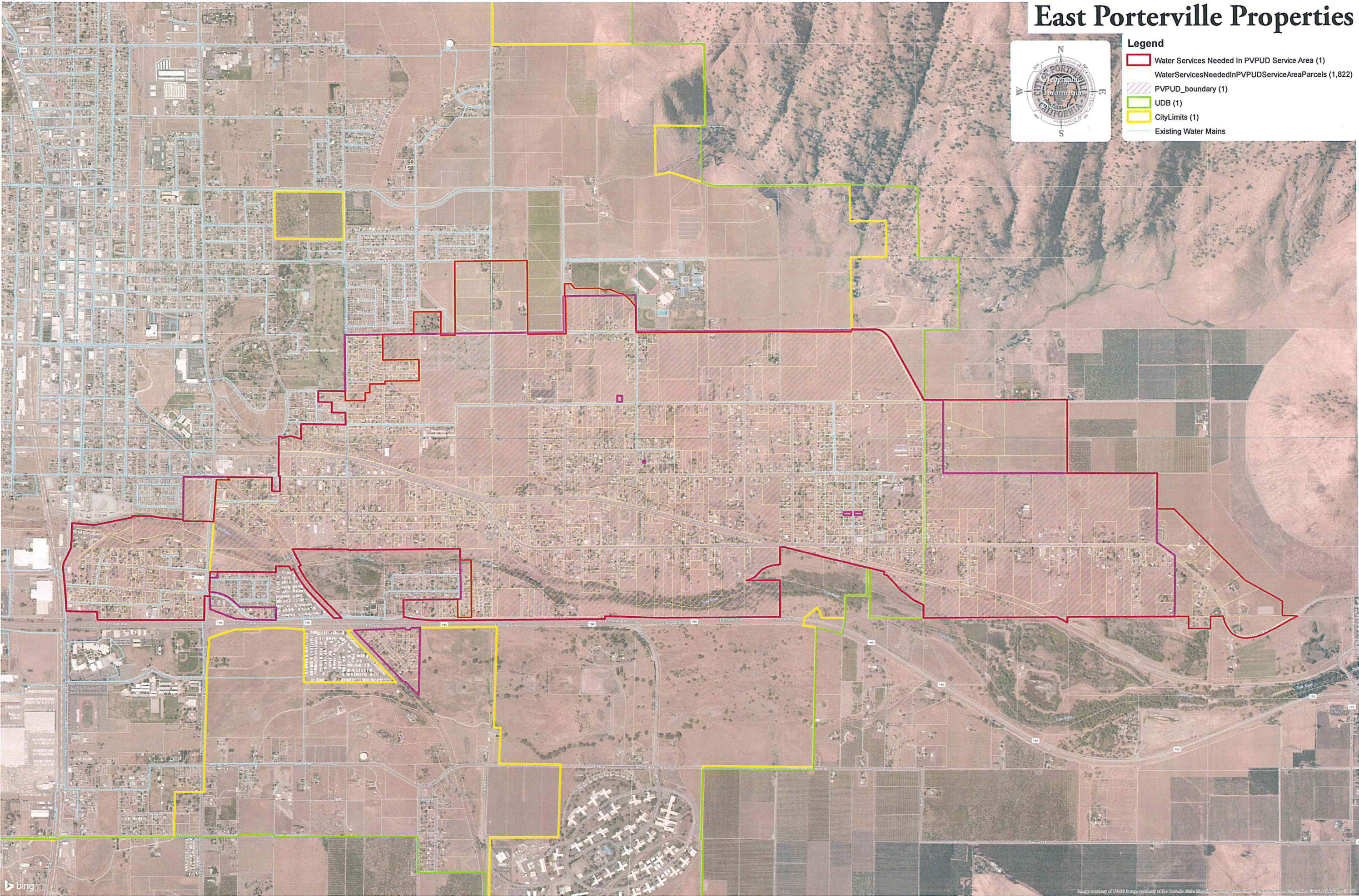
to sewer services. This exemption does not apply to requests for connection to Municipal Water and/or Master Storm Drain Facilities.

2. PRIOR APPROVALS: Porterville City Council approval of requests for connection to Regional Sewage Treatment, Municipal Water and/or Master Storm Drain Facilities as authorized prior to the adoption and effective date of the respective policies set forth herein shall remain valid and in force according to the terms and conditions initially specified at the time of approval, and re-application will not be required.

3. PROPERTIES WITHIN THE EAST PORTERVILLE FEASIBILITY STUDY PROJECT AREA: The California State Water Resources Control Board, in coordination with the Department of Water Resources Drought Task Force, is charged with preparing a feasibility study to define a long-term solution to the water related issues in East Porterville. Properties within that boundary would be permitted to apply for connection, whether in association with DWR, SWRCB, or at a later date, on their own. Such connections would be subject to the mandatory findings as outlined in this procedure, with the following exceptions:

- Rather than require that the subject property be a developed single-family residence on a parcel 24,999 square feet or smaller, neither the land use nor the parcel size would be restricted neither the land use nor the parcel size would be restricted for legal and legal non-conforming structures and land uses existing as of April 29, 2016.
- Further, properties within certain islands in the EPFS Project Area would not be required to annex prior to connection. This exception does not limit the City of Porterville's authority to pursue annexation in the future, but rather waives the requirement that annexation must be approved prior to connection.

East Porterville Properties



STATE OF CALIFORNIA)
CITY OF PORTERVILLE) SS
COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 19th day of April, 2016.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X	X	X	X	
NOES:					
ABSTAIN:					
ABSENT:					X

JOHN D. LOLLIS, City Clerk

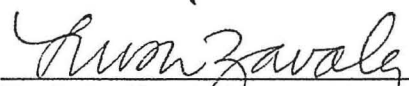

By: Luisa Zavala, Deputy City Clerk

EXHIBIT 'C'



EXHIBIT 'D'

Scope of Work

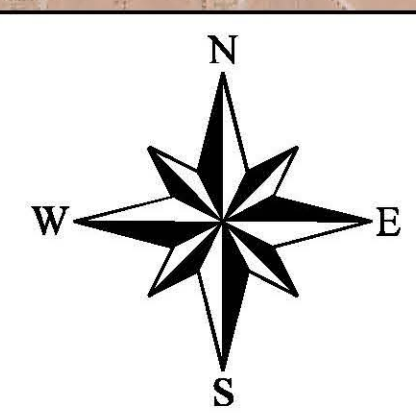
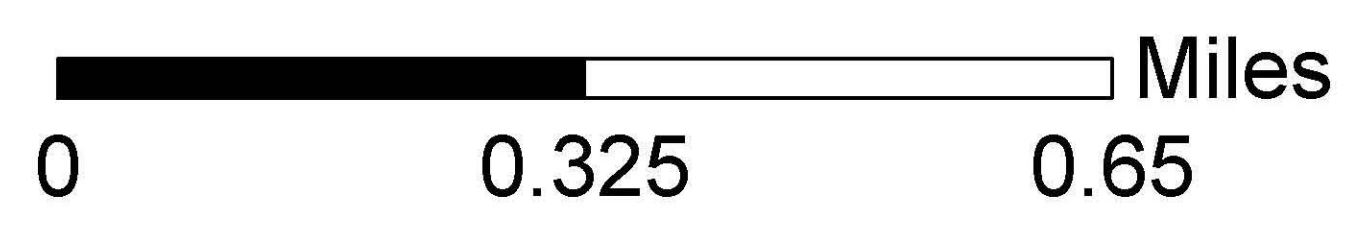
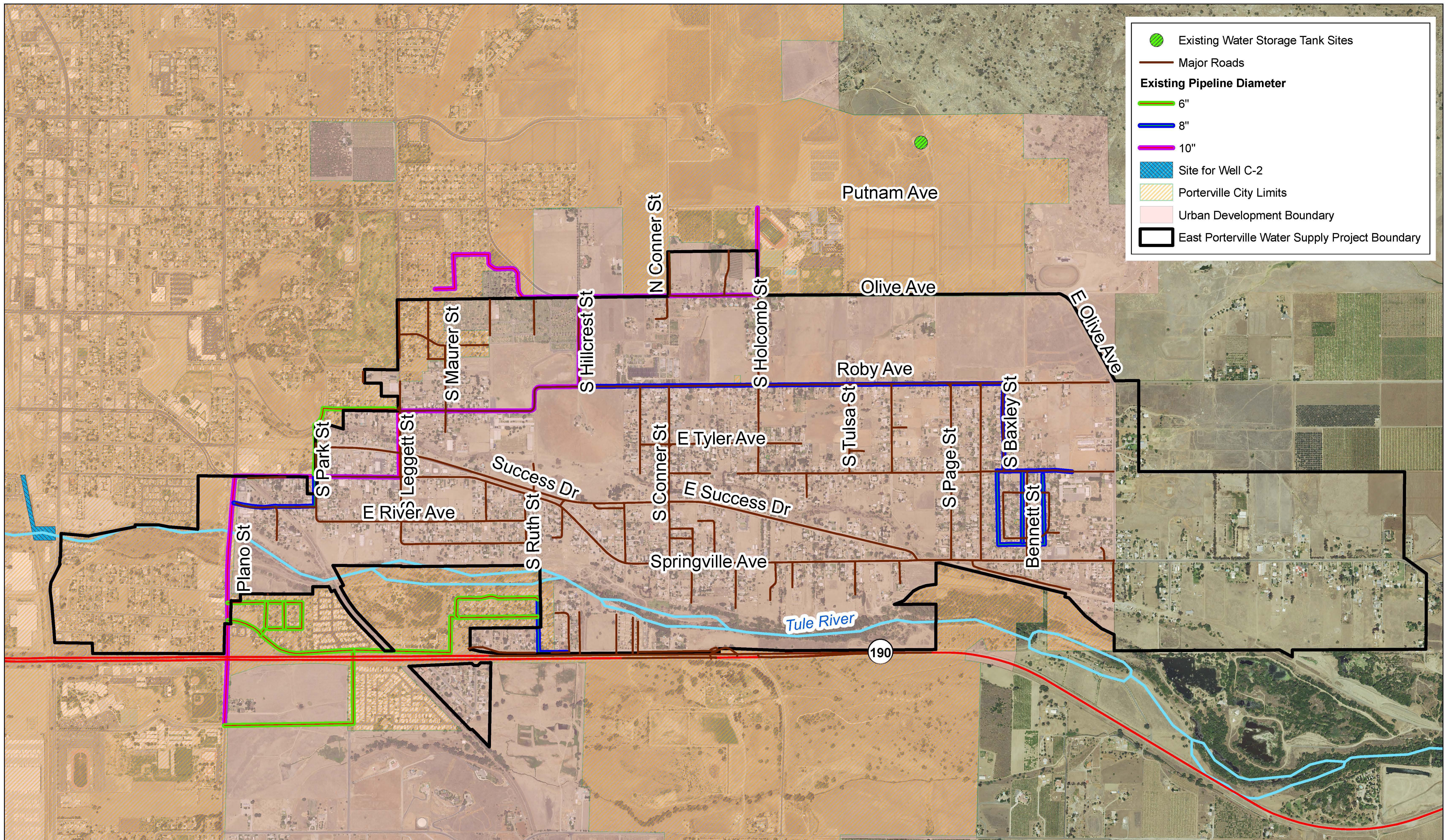
Task	Description	Cost
1.2	Prepare Well Drilling Plans, Specifications, and Estimates	\$468.00
3.2	Prepare Well Equipping Plans, Specifications, and Estimates	\$1,526.00
5	Ph. 1 Preconstruction Meeting	\$1,357.43
Total:		\$3,351.43

Consulting Engineering work will be reimbursed directly to Dee Jaspar & Associates under Tulare County Agreement No. 1276, including the following

Tasks:

Task 4.1	Project Evaluations and Field Surveying	\$58,326.00
Task 4.2	Prepare Well Equipping Plans, Specifications, and Estimates	\$30,000.00
Task 4.3	Prepare and Assist with SCE Application & Telephone Service	\$5,000.00
Task 4.4	SCE Costs	\$15,000.00
Total:		\$108,326.00

Exhibit - 4

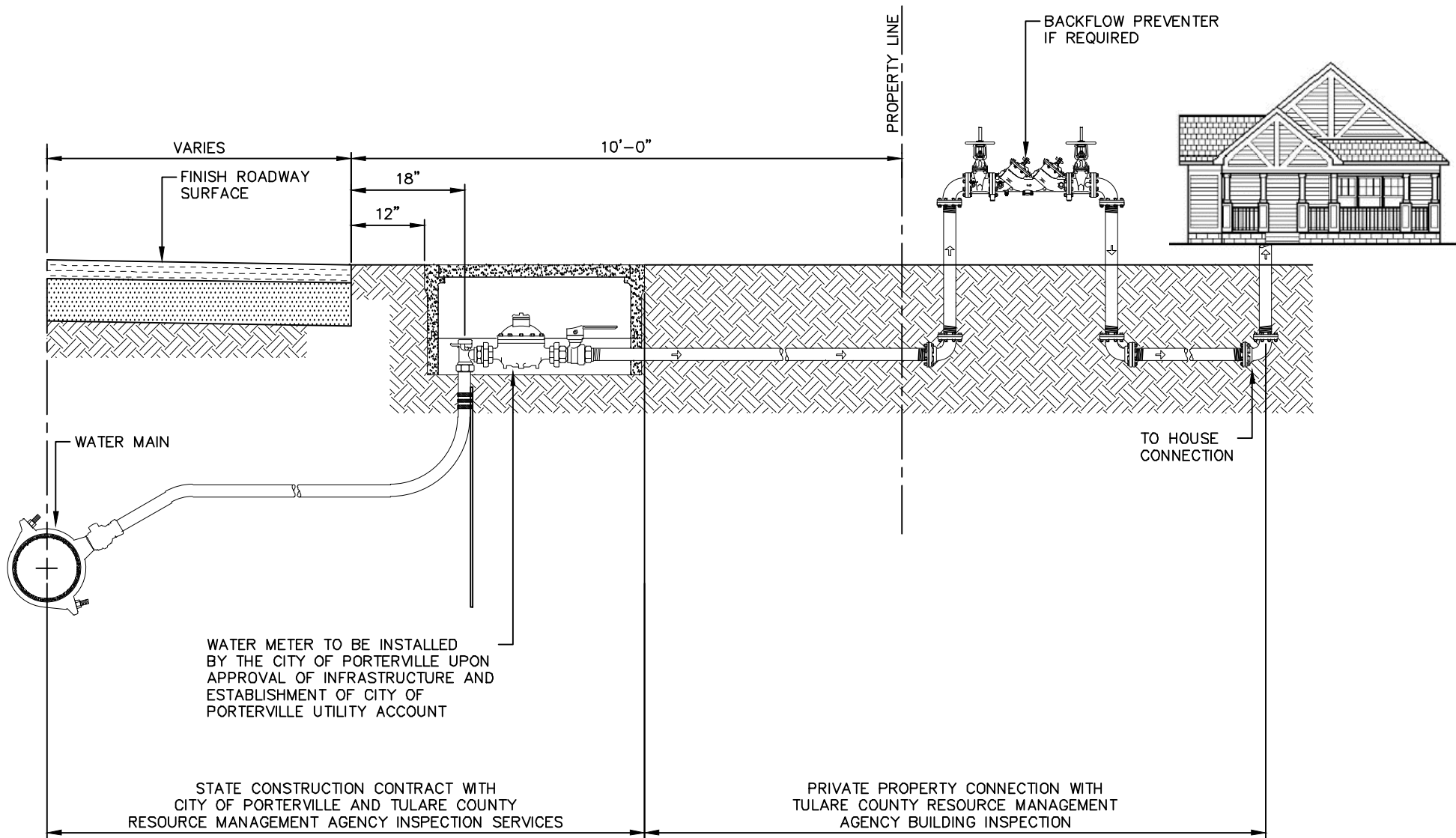


East Porterville
Emergency Tank Replacement Project
Department of Water Resources



April 2016

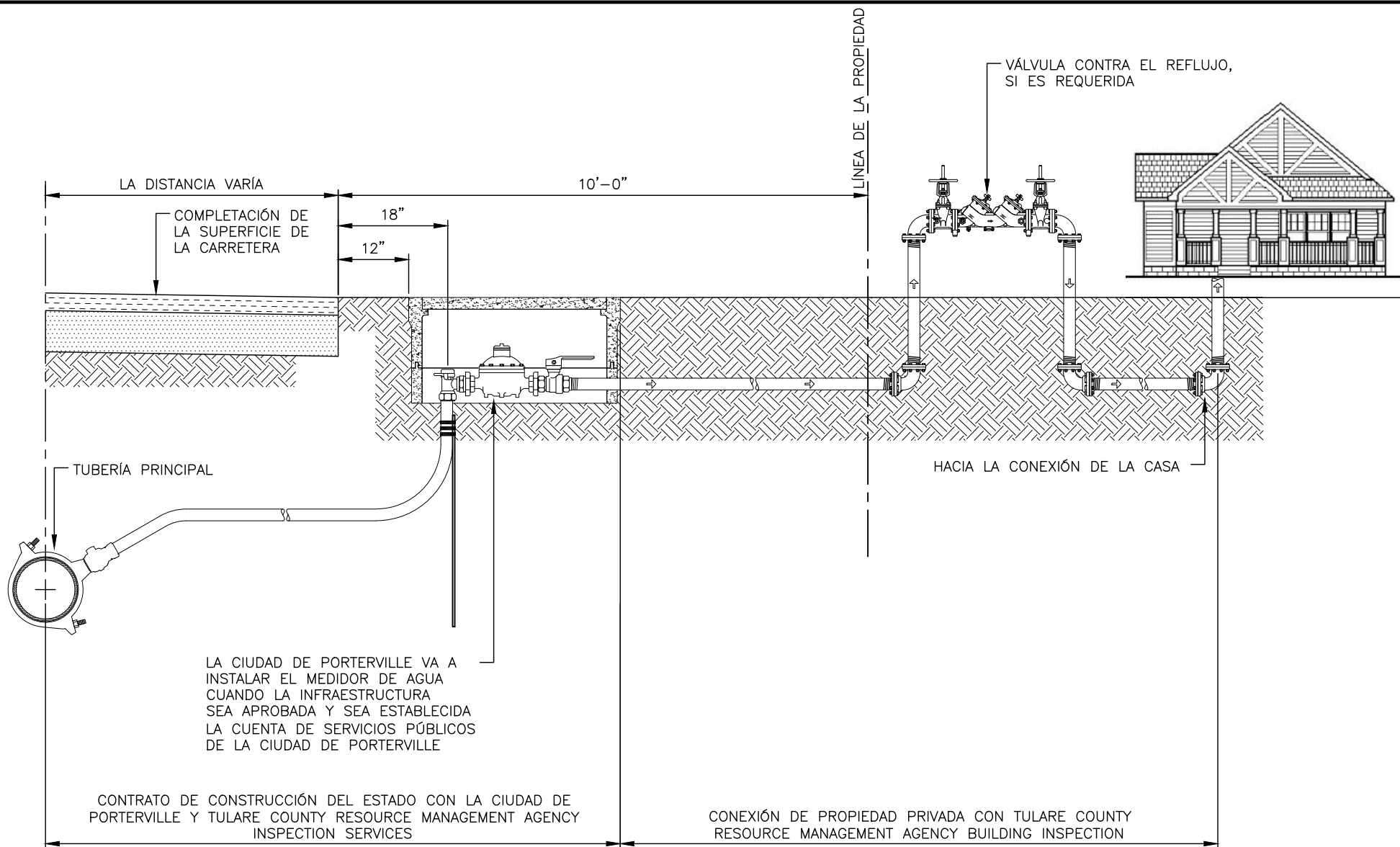
Exhibit - 5



EAST PORTERVILLE WATER
SUPPLY PROJECT
PORTERVILLE, CA.

WATER SERVICE INSTALLATION

EXHIBIT 5
APRIL, 2016



EAST PORTERVILLE WATER
SUPPLY PROJECT
PORTERVILLE, CA.

INSTALACIÓN DE SERVICIO DE AGUA

EXHIBICIÓN
5
ABRIL, 2016

Exhibit - 6

Task No.	Task Description	Quantity	Unit	Cost
1	Market Program and Coordinate Work Activities	1	LS	\$5,000
2	Public Right-Of-Way Portion of Work	40	EA	\$160,000
2.1	Review plans prepared by DWR for water service installations from water main to property lines. Provide estimated count of both short and long water services. Assist property owners in identifying most appropriate water meter locations to serve dwellings and communicate information to contractor.			\$6,000
2.2	Solicit and negotiate quote from general engineering contractor for work in public right of way. Contractor work will consist of labor and materials.			\$120,000
2.3	Work in public right of way will comply with California Prevailing Wage Requirements.			\$12,000
2.4	Secure with Contractor an encroachment permit from Tulare County Resource Management Agency.			\$1,000
2.5	Request inspections of work in public right of way from City and County.			\$3,000
2.6	Work with City to have them furnish and install meter to complete connections (after connection work on private property).			\$18,000
3	Private Property Portion of Work	40	EA	\$127,500
3.1	Conduct on-site pre-inspections to estimate the amount of materials and work required to complete the water connection.			\$6,500
3.2	Secure plumbing permits form Tulare County Resource Management Agency for each dwelling to be connected to City system.			\$12,000
3.3	Purchase necessary materials to make connection between dwelling and meter at property line and disconnect dwelling from old well and neighboring dwellings.			\$36,000
3.4	Subcontract with Community Services and Employment Training (CSET) to utilize Sequoia Youth Corps to install materials to implement water connection work on private property. This work shall include digging of trenches, connecting of plumbing, installation of tracer wire and backfilling of trenches to meet County permit requirements.			\$66,000
3.5	Monitor work by CSET and verify completion of work prior to payment.			\$7,000
4	General Provisions	1	LS	\$7,500
4.1	Make payment to contractor and CSET after inspections and approval of work.			\$3,000
4.2	Provide all necessary information and financial statements to DWR including reports on progress and performance in relation to agreement.			\$4,000
4.3	Prepare and retain pertinent records and documents sufficient to reflect all charges submitted.			\$500
TOTAL				\$300,000



CITY OF PORTERVILLE

APPLICATION FOR EXTRATERRITORIAL SERVICE AGREEMENT FOR EAST PORTERVILLE DWR EMERGENCY CONNECTIONS

PROJECT ADDRESS AND NEAREST CROSS STREETS:

NAME, MAILING ADDRESS AND TELEPHONE NUMBER OF PROPERTY OWNER(S):

NAME, MAILING ADDRESS AND TELEPHONE NUMBER OF APPLICANT /CONTACT PERSON:

This Agreement will be in place until the date a future annexation of the property into the City of Porterville becomes effective.

The applicant for an Extraterritorial Service Agreement shall provide a concise and complete recital of the existing state of the property requesting connection to municipal services. Such information may include

- a. Site plans and/or photographs representing the subject property and its immediate surroundings as it exists at the date of application;
 - b. Legal description of the parcel of land that will be the subject of Extraterritorial Service Agreement;
 - c. Any deed restrictions existing or being imposed upon the parcel(s) of land for development, and a description of any reservation or dedication of land for public purposes. The City of Porterville will assist in the phasing as needed. It is understood the deed restrictions may change based upon a change in circumstances; and
 - d. Any further information that the City may require because of the particular nature or location of the development.
-
-

STATE OF CALIFORNIA)
) **ss**
COUNTY OF TULARE)

2

REQUIREMENTS FOR FILING APPLICATION FOR EXTRATERRITORIAL SERVICE AGREEMENT

- 1. Extraterritorial Service Agreement Application Form**
- 2. Legal Description of Parcel**
- 3. List of any Deed Restrictions**
- 4. Irrevocable Agreement to Annex**
- 5. Plot Plan, Drawings and Photographs**
- 6. Filing fee as identified in Fee Schedule**

The Extraterritorial Service Agreement Application form must be filled out completely. The application must be signed by the owner or authorized agent under penalty of perjury in the space provided on Page 3.

Submit this information and the application to the City of Porterville Community Development Department, Planning Division, 291 N Main Street, Porterville, California. The application must be complete in every respect, with all questions answered completely, before the Zoning Administrator can receive and certify the petition.

This application is not a permit. A public hearing will be held on your application.



Submittal Requirements for Irrevocable Agreement for Annexation to the City of Porterville

The following items are to be submitted at the time of application. However, prior to actual filing, all applicants are encouraged to contact the Planning Division of the Community Development Department at (559) 782-7460 or planning@ci.porterville.ca.us to schedule a pre-filing meeting at which time a planner can provide assistance regarding form and content of review submittals as well as information regarding City codes and policies.

The following items are to be submitted with this application. Please see attached application for details.

1. Completed application form;
2. Filing fees;
3. Legal description of land parcel(s);
4. Copy of recorded Grand Deed(s).

City of Porterville

Application for Irrevocable Agreement for Annexation to the City of Porterville

IAA# _____ Submittal Date _____

Fee _____ PRC# _____

Property Owner _____

Phone _____

Mailing Address _____

Total Acreage of the Project (Gross/Net) _____

Assessor's Parcel Number(s) for Property _____

Address of Property _____

Existing County General Plan Designation _____ Zoning _____

Current City General Plan Designation _____ Zoning _____

Please complete the following:

I/We the undersigned owner(s) of the above described property hereby request that the City Manager of the City of Porterville review, approve, and sign the Irrevocable Agreement for Annexation to the City of Porterville for the property(ies) described herein.

Signature 1 Date Signature 2 Date

Street Address Street Address

City, State, Zip City, State, Zip

Signature 3 Date Signature 4 Date

Street Address Street Address

City, State, Zip City, State, Zip

Recording Requested by and

Upon Recordation return to:

City of Porterville

ATTN: Community Development Department

291 N Main Street

Porterville, CA 93257

IAA# _____

Irrevocable Agreement for annexation to the City of Porterville

This agreement is made this ____ day of _____, 20____, between _____ hereinafter referred to as "Owner", and the City of Porterville, hereinafter referred to as "City".

Whereas, Owner is the owner of the real property consisting of approximately _____ gross acres located at _____, Porterville, California, and is further described as follows: See attached legal description and site plan being further described as Assessor's Parcel Number _____.

Whereas, Owner requires use of the City Water system and the right to connect to the existing Water main which is contiguous to said property, or will be designed and installed by the State of California Department of Water Resources; and

Whereas, Owner is willing to permit the annexation of its property to the City of Porterville; and

Whereas, the City is willing to consent to the connection of said property to the Water main on the conditions that Owner permit said annexation to the City at the earliest possible time and record the attached deed restrictions to effectively limit changes in use or capacity of the site; and

Whereas, the City may proceed with the annexation of Owner's property plus other property, but said annexation will cause delay, which delay would create a substantial hardship for Owner.

Now, therefore, Owner does agree as follows:

1. Owner hereby gives its irrevocable consent to annexation of its property to the City at such time as the annexation may be properly approved through appropriate legal proceedings, and Owner does further agree to provide all reasonable cooperation and assistance to the City in the annexation proceedings. Said cooperation is contemplated to include signing any applications or consent prepared by the City and submitting any evidence reasonably within the control of Owner to the various hearings required for the annexation. Said cooperation does not include, however, any obligation on behalf of Owner to institute any litigation or judicial proceedings whatsoever to compel annexation to the City.
2. The City hereby agrees to authorize the connection of said property to the City's Water main located in _____.

3. Concurrent with connection to utilities, the State of California, on Owner's behalf, agrees to pay a fair share of annexation fees and other costs related to infrastructure as would ordinarily be charged on the annexation of property to the City, and as outlined in the fee schedule adopted by the City.
4. In addition to fees described above, the State of California, on Owner's behalf, shall pay all fees and charges and make all deposits required by City to connect to and use the Water. Those fees shall include, but not be limited to, the following:

- LAFCo fee: (\$121 per phase, paid separately)
- Extraterritorial Service Agreement fee (\$150 + \$0.0136 per s.f.) = \$_____

Said fees shall be valid for a period of one year from the date of execution of this Agreement and shall be paid prior to the issuance of a Water connection permit. Fees paid after one year of the date of execution of this Agreement shall be subject to the fee amount in effect at that time. Owner agrees to be bound by all City ordinances, rules, and regulations respecting the Water system.

5. This agreement shall be recorded.
6. Owner executes this agreement on behalf of itself, its successors and assigns, and said Agreement shall be irrevocable without the prior written consent of both parties hereto.

Executed this ____ day of _____, 20____

Owner: _____

By: _____

City: _____

The City Manager and Mayor of the City of Porterville have been authorized to execute this Agreement of behalf of the City of Porterville

City Manager of the City of Porterville

Mayor of the City of Porterville

Exhibit - 8

**PROPERTY OWNER'S STATEMENT OF UNDERSTANDING
AND CONSENT FOR CONNECTION TO CITY OF PORTERVILLE
WATER SYSTEM** rev.6.9.16



I, (*PRINT NAME*) _____, am the property owner of the property located at: _____, Porterville, CA, located within the unincorporated community referred to as East Porterville, in Tulare County.

Project Information:

The purpose of this project is to provide a permanent, safe and reliable water supply for household use to the community of East Porterville. This project will be constructed in many phases. The first phase is to help single-family residences that have emergency water tanks installed and are located close to the City of Porterville water main. All emergency tanks will be removed in the next several months. Property owners will have the choice to connect or not connect to the City of Porterville water system.

How does this affect me?

Your property qualifies for the first phase of this project. Your property can be connected to the City of Porterville water system and receive a safe and reliable water supply. You will be connected at no cost. However, there will be a monthly service charge from the City for water service.

If you are interested in connecting to the City of Porterville water system, please read and initial the statements below.

I agree to be connected to the City of Porterville Water System. I understand and consent to all of the following conditions:

- ____ (*initial*) I agree to connect to the City of Porterville water system for water service and become a customer of the City of Porterville water system.
- ____ (*initial*) I understand that an Extraterritorial Service Agreement between myself and the City of Porterville is required before being connecting to the City of Porterville water system.
- ____ (*initial*) I understand that my property will be annexed into the City of Porterville service area.
- ____ (*initial*) I understand that my private well must be permanently abandoned as a condition to connecting to the City of Porterville water system.
- ____ (*initial*) I understand that the emergency water tank will be removed from my property (*sometime between late 2016 and 2017*).
- ____ (*initial*) I understand that I will no longer receive emergency bottled water from the State (*sometime between late 2016 and 2017*).
- ____ (*initial*) By agreeing to connect to the City of Porterville water system at this time, I understand that I will not be responsible for the following costs: installation of a service lateral, meter,

**PROPERTY OWNER'S STATEMENT OF UNDERSTANDING
AND CONSENT FOR CONNECTION TO CITY OF PORTERVILLE
WATER SYSTEM** rev.6.9.16

connection fee, Local Agency Formation Commission (LAFCo) fee, Extraterritorial Service Agreement (ESA) fee and well abandonment.

_____ (initial) By agreeing to connect to the City of Porterville water system, I agree to permit the State and their contractors to enter my property and perform all work necessary to install the service lateral water connection between my home and the main water line.

_____ (initial) I understand that the City Staff, or their agent, will need to access my property for proper documentation of the existing land uses of the existing land uses.

What if I do not want to be connected to the City of Porterville Water System?

If you do not want to connect with the City of Porterville Water System, your emergency water tank and emergency bottled drinking water supply will no longer be provided by the State of California (*sometime between late 2016 and 2017*).

What if I decide to not connect now and change my mind at a later time?

If you decide to connect at a later time, the property owner will have to pay for well abandonment and all costs of related to connection.

I do not agree to be connected with the City of Porterville Water System. I understand and consent to the following:

_____ (initial) I do not want to be part of this project.

_____ (initial) I understand that the emergency water tank will be removed from my property (*sometime between late 2016 and 2017*).

_____ (initial) I understand that I will no longer receive emergency bottled water from the State (*sometime between late 2016 and 2017*).

_____ (initial) I understand that I be responsible for providing my own drinking water.

_____ (initial) I understand that I if I choose to connect at a later date, I will be responsible for all of the following costs: installation of a service lateral, meter connection fee, Local Agency Formation Commission (LAFCo) fee, Extraterritorial Service Agreement (ESA) fee and well abandonment.

Property Owner Signature: _____ Date: _____ Phone: _____

Name of Property Owner: _____

Address: _____, Porterville, CA _____

Mailing Address if different: _____

**DECLARACION DE ENTENDIMIENTO DEL
DUEÑO DE LA PROPIEDAD Y
CONSENTIMIENTO PARA CONEXIÓN
AL SISTEMA DE AGUA DE PORTERVILLE** rev.060916



YO, (USE LETRA DE MOLDE) _____, soy el dueño de la propiedad ubicada en: _____, Porterville, CA, ubicada dentro de la comunidad no incorporada referida como East Porterville, en Tulare County.

Información sobre el Proyecto:

El propósito de éste Proyecto es proveer para la comunidad de East Porterville un suministro permanente de agua confiable y seguro para uso en el hogar. Éste proyecto será construido en muchas fases. La primera fase es para ayudar a residencias unifamiliares que tienen tanques de agua de emergencia instalados y que están ubicadas cerca de la tubería principal de la Ciudad de Porterville. Todos los tanques de agua de emergencia serán removidos en los meses próximos. Los dueños de propiedad tendrán la opción de conectarse o no conectarse al sistema de agua de la Ciudad de Porterville.

¿Cómo me afecta esto a mí?

Su propiedad califica para la primera fase de éste proyecto. Su propiedad puede ser conectada al sistema de agua de la Ciudad de Porterville y recibir un suministro de agua confiable y seguro. Usted no tiene que pagar para ser conectado. No obstante, habrá una cuota mensual de la Ciudad por el servicio de agua.

Si le interesa conectarse al sistema de agua de la Ciudad de Porterville, lea y ponga sus iniciales a la derecha de las declaraciones que aparecen aquí abajo.

Yo estoy de acuerdo con ser conectado al Sistema de Agua de la Ciudad de Porterville. Yo entiendo y doy consentimiento a todas las siguientes condiciones:

____ (inicial) Estoy de acuerdo con ser conectado al sistema de agua de la Ciudad de Porterville para servicio de agua y con ser cliente del sistema de agua de la Ciudad de Porterville.

____ (inicial) Entiendo que antes de ser conectado al sistema de agua de la Ciudad de Porterville, es requerido un Acuerdo de Servicio Extraterritorial (Extraterritorial Service Agreement o ESA) entre yo y la Ciudad de Porterville.

____ (inicial) Entiendo que mi propiedad será anexada al área de servicio de la Ciudad de Porterville.

____ (inicial) Entiendo que es una condición que mi pozo privado esté abandonado permanentemente para poder ser conectado al sistema de agua de la Ciudad de Porterville.

____ (inicial) Entiendo que el tanque de agua de emergencia será removido de mi propiedad.
(aproximadamente entre finales del 2016 y del 2017).

____ (inicial) Entiendo que el Estado de CA ya no me proveerá agua embotellada de emergencia.
(aproximadamente entre finales del 2016 y del 2017).

____ (inicial) Al estar de acuerdo con conectarme al sistema de agua de la Ciudad de Porterville ahora, entiendo que yo no seré responsable por los siguientes costos: instalación de un lateral de servicio, cuota de conexión de medidor, cuota de LAFCo (Local Agency Formation

**DECLARACION DE ENTENDIMIENTO DEL
DUEÑO DE LA PROPIEDAD Y
CONSENTIMIENTO PARA CONEXIÓN
AL SISTEMA DE AGUA DE PORTERVILLE** rev.060916



Commission, cuota de Acuerdo de Servicio Extraterritorial (Extraterritorial Service Agreement o ESA) y abandono de pozo.

_____ (inicial) Yo entiendo que el Personal de la Ciudad, o su agente, necesitarán tener acceso a mi propiedad para documentar apropiadamente los existentes usos de la tierra.

_____ (inicial) Al estar de acuerdo con conectarme al sistema de agua de la Ciudad de Porterville, acuerdo permitir que el Estado y sus contratistas entren a mi propiedad y hagan todo el trabajo necesario para instalar el lateral de servicio de conexión de agua entre mi casa y la tubería principal de agua.

¿Qué pasa si no deseo ser conectado al Sistema de Agua de la Ciudad de Porterville?

Si usted no desea ser conectado con el sistema de agua de la Ciudad de Porterville, el Estado de CA ya no proveerá su tanque de agua de emergencia ni su suministro de agua potable embotellada de emergencia. *(aproximadamente entre finales del 2016 y del 2017).*

¿Qué pasa si decido no conectarme ahora pero después sí quiero cambiarme?

Si usted desea conectarse después, el dueño de la propiedad tendrá que pagar por el abandono del pozo y todos los costos relacionados a la conexión.

**No estoy de acuerdo con ser conectado con el Sistema de Agua de la Ciudad de Porterville.
Entiendo y doy consentimiento a lo siguiente:**

_____ (inicial) No deseo ser parte de éste proyecto.

_____ (inicial) Entiendo que el tanque de agua de emergencia será removido de mi propiedad. *(aproximadamente entre finales del 2016 y del 2017).*

_____ (inicial) Entiendo que el Estado de CA ya no me proveerá agua embotellada de emergencia. *(aproximadamente entre finales del 2016 y del 2017).*

_____ (inicial) Entiendo que yo seré responsable por proveer mi propia agua potable.

_____ (inicial) Entiendo que si elijo conectarme en el futuro, yo seré responsable por los siguientes costos: instalación de un lateral de servicio, cuota de conexión de medidor, cuota de LAFCo (Local Agency Formation Commission), cuota de Acuerdo de Servicio Extraterritorial (Extraterritorial Service Agreement o ESA) y abandono de pozo.

Fecha: _____ Número de Teléfono: _____

Nombre del dueño: _____ Firma del dueño de la propiedad: _____

Dirección: _____, Porterville, CA _____

Dirección postal si es diferente: _____

Exhibit - 9

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Appendix E: California Water Services July 2015 Rate Case Filing Executive Summary

Appendix F: Assessing Water Affordability in Tulare County

Appendix G: City of Porterville Ordinance on Well Abandonment