AGENDA

Finance Committee Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting; or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Robert Maynard, Chairperson of the Finance Committee at least five working days before the meeting at (650) 344-8592. Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

Public records that relate to any item on the open session agenda for a Finance Committee meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all Finance Committee members. The Finance Committee of the Board has designated the office of the San Mateo County Mosquito and Vector Control District, located at 1351 Rollins Road, Burlingame, for the purpose of making those public records available for inspection.

1. CALL TO ORDER.

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL.

- Chairperson Robert Maynard, MBA, will take roll.
- Rick Wykoff, City of Foster City
- Robert Riechel, City of San Bruno
- Jason Seifer, County-at-Large
- Mason Brutschy, Town of Atherton
- Joe Galligan, City of Burlingame
- Ray Williams, Town of Portola Valley
- Muhammad Baluom, City of Millbrae
4. PUBLIC COMMENTS AND ANNOUNCEMENTS.

A. This time is reserved for members of the public to address the Finance Committee of the Board relative to matters of the Committee not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

5. REGULAR AGENDA

A. Changes in Purchase of Medical Insurance for Active Employees - Proposed Board Resolution for the District to join Fire Districts of California Employment Benefits Authority (FDAC EBA) in order to purchase health insurance for employees.
   • Presentation by Patrick Clark

B. Setting up a Health Reimbursement Arrangement (HRA) – authorize District Manager to sign documents necessary to set up HRA’s for active employees and for retirees through MidAmerica
   • Presentation by Patrick Clark

C. Review salary and benefit proposal from negotiating committee

D. Review Recommended Amendment to the Budget for Fiscal year 2016-17

E. Contract with the City of San Carlos for Control of Roof Rats along Waterways – Assistant Manager Brian Weber

F. Master Agreement Between California Wildlife Foundation and SMCMVCD for Control of Invasive Cordgrass (Spartina) - Assistant Manager Brian Weber

G. Update on the Audit of Fiscal Year 2015-16 - Finance Director David Randall

H. Review Monthly Financial Statements

I. Discussion of the use of Key Performance Indicators in the Budgeting process – Committee Member Ray Williams

6. ADJOURNMENT
REGULAR AGENDA

SUBJECT: Joining the Fire Districts Association of California Employment Benefits Authority for the purpose of purchasing Health Insurance for the District’s Active Employees

RECOMMENDATION

Recommend the Board pass the resolution to join FDAC EBA for the purchase of Health Insurance for Active Employees

BACKGROUND AND STATUS

The District is ready to begin purchasing of Health Insurance from the Employment Benefits Authority of the Fire Districts Association of California (FDAC EBA).

Last December, the board agreed to designate Keenan Associates as our Broker for Employee Benefits. Keenan has been able to get the FDAC EBA to agree to let us join their insurance buying pool. At the May Board meeting, Patrick Clark gave a presentation on this subject.

The Board of Trustees and the Staff have both agreed to purchase insurance through Keenan, which will be substantially less expensive than purchasing health insurance through either CalPERS Health or the independent broker we have been using previously.

In order to begin purchasing insurance at these lower rates, the Board will need to need to pass a resolution to join the FDAC EBA.

REFERENCE MATERIALS ATTACHED

1. FDAC EBA Joint Powers Authority Agreement
2. Exhibit A – Bylaws of the FDAC EBA
This Joint Powers Agreement (the “Agreement”) is made and entered into in the County of Sacramento, State of California, by and among various public agencies, hereafter collectively referred to as “Agencies” and individually as “Agency” who have or may hereafter execute this Joint Powers Agreement pursuant to the authority conferred by Government Code Section 6500 et seq.

RECITALS

WHEREAS, each of the Agencies who have executed this Agreement is a “public agency” as that term is defined in Section 6500 of the California Government Code; and

WHEREAS, California Government Code Section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Sections 5300, 53201(a), 53202, 53202.2, 65205, 53205.1, 53206, and Health and Safety Code Section 13800 et seq. provides that a local public agency may provide for any health and welfare benefits for the benefit of its existing and retired officers, employees, and members of its legislative body, which health and welfare benefits include, but are not limited to hospital, medical, surgical, disability, legal expense, dental, vision, life, and income protection insurance or benefits, whether provided on an insurance basis, self funded basis, or some combination of insurance and self funding; and

WHEREAS, Government Code Section 53202 states that in providing such health and welfare benefits, a public agency may approve self funded plans or may contract with one or more admitted insurers, health service organizations or legal service organizations for such plans of health and welfare benefits as the public agency determines to be in the best interest of the public agency and its existing and retired officers, employees and legislative body; and

WHEREAS, Government Code Section 53202.2 provides that a public agency may prescribe such rules, regulations and procedures as are necessary to properly implement a system to administer the provision of such health and welfare benefits; and

WHEREAS, Government Code Section 53205 provides that the legislative body of a public agency may expend public agency funds for the premiums, dues or other charges for health and welfare benefits of its existing and retired officers, employees, and members of its legislative body; and
WHEREAS, Government Code Section 53206 provides that a public agency may pay the premiums, charges or other costs of health and welfare benefits from amounts derived from either employer contributions, employee payroll deductions, or both, directly to the contracting insurers or service organizations providing such health and welfare benefits; and

WHEREAS, each of the parties hereto has the power to establish, administer, operate, manage and pay for health and welfare benefits for their respective existing and retired officers, employees, and members of its legislative body, in addition to other powers which are common to each of them; and

WHEREAS, each of the Agencies which are parties to this Agreement desire to join together with other Agencies in order to collectively establish, operate, manage, and administer health and welfare benefits for their existing and retired officers, employees, and members of its legislative body, either through collectively self funding the cost of such health and welfare benefits, jointly purchasing insurance programs, benefits and services to provide such health and welfare benefits, or some combination thereof; and

WHEREAS, each of the Agencies which are parties to this Agreement find it to be to its mutual advantage and in the public benefit to utilize any power common to them, and all those powers available to a Joint Powers Authority pursuant to the Joint Powers Act at Government Code Section 6500 et seq., to coordinate the organization, management, administration and operation of health and welfare benefit programs for the benefit of its existing and retired officers, employees and members of its legislative body; and

WHEREAS, the Fire Districts Association of California is a non-profit public benefit corporation organized and existing to assist and promote the interests of its member Agencies which are public agencies in California providing one or more of the following services to the public: (1) fire suppression services; (2) emergency medical services; (3) hazardous material response services; (4) medical transport and ambulance services; (5) rescue services; and

WHEREAS, it is the desire of the Agencies which have executed this Agreement and which are members of the Fire Districts Association of California to enter into this Agreement to better define the existence, functions, and operations of this Joint Powers Authority and to specify a continuing working relationship between the Authority and the Fire Districts Association of California for the benefit of member Agencies of the Fire Districts Association of California; and

WHEREAS, it is to the mutual advantage of and in the best interest of the parties to this Joint Powers Agreement to establish this Joint Powers Authority for the purposes stated.

NOW THEREFORE, for and in consideration of the execution of this Agreement by other Agencies, each of the parties hereto does hereby agree as follows:
SECTION 1: PURPOSE

It is the purpose of this Agreement to establish, pursuant to the Joint Exercise of Powers Act, an authority to be known as the FIRE DISTRICTS ASSOCIATION OF CALIFORNIA EMPLOYMENT BENEFITS AUTHORITY (FDAC Employment Benefits Authority)(the “Authority”) for and with the purpose of establishing, operating, managing, and administering health and welfare benefit programs for existing and retired employees, officers, and members of legislative body of Agencies who execute this Agreement. This Agreement is entered into by Agencies in order to jointly fund and develop programs to provide health and welfare benefits for participating member Agencies either through a program of collective self insurance, the purchase of insurance coverages and/or programs, or a combination thereof. It is the further purpose of this Agreement to make more efficient use of the common powers of participating member Agencies to design, establish, acquire, purchase, fund, operate and administer health and welfare benefit programs for the benefit of existing and retired officers, employees, and members of the legislative body of participating member Agencies to increase the efficiency and decrease the cost of such health and welfare programs. To achieve such purposes, the Authority and its participating member Agencies who have executed this Agreement are hereby granted the authority to enter into agreements with themselves and third parties that specifically govern and define their respective rights, obligations, duties and entitlements related to the establishment, operation and administration of particular health and welfare benefit programs including, but not limited to hospital insurance, medical insurance, surgical insurance, long term and short term disability insurance, legal expense insurance, dental insurance, vision insurance, life insurance, and income protection insurance or benefits. These purposes shall be accomplished through a joint exercise of powers by said Agencies pursuant to the terms of this Agreement and the creation of a separate Joint Powers Authority.

SECTION 2: CREATION OF JOINT POWERS AUTHORITY

Pursuant to Section 6500 et seq. of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Fire Districts Association of California Employment Benefits Authority (FDAC Employment Benefits Authority). A notice of this Agreement shall be filed with the Secretary of State within 30 days after the effective date as required by Government Code Section 6503.5.

SECTION 3: MEMBERSHIP

Each Agency which is a party to this Agreement must be a public agency which is duly organized and existing under the laws of the State of California with the power to provide at least one of the following services: (1) fire suppression services, (2) emergency medical services, (3) hazardous material response services (4) medical transport and/or ambulance services; (5) rescue services. Each Agency must be a member of the Fire Districts Association of California and must be approved for participation in the Authority in the manner provided in the Bylaws of the Authority.
SECTION 4: PARTIES TO AGREEMENT

Each Agency which has signed this Agreement certifies that it intends to and does contract with the Authority, and with all other Agencies who have signed this Agreement, and, in addition, with each Agency which may later be added as a party to and may sign this Agreement. Each Agency which has or may hereafter sign this Agreement also certifies that the deletion of any Agency from this Agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this Agreement nor each Agencies intent to contract as described above with the then remaining Agencies.

SECTION 5: TERM OF AGREEMENT

After becoming effective upon the execution of the initial signatory Agencies who have been admitted to membership in the Authority, this Agreement shall continue thereafter until terminated as provided herein. This Agreement shall become effective as to each initial signatory Agency of the Authority upon the date of its execution by such Agencies; and shall become effective as to Agencies who later execute this Agreement upon approval of the Agencies membership by the Board of Directors of the Authority, execution of this Agreement by the Agency and by the Authority, and by payment by the Agency of its initial contribution for participation in one or more health and welfare benefit programs offered by the Authority.

SECTION 6: POWERS OF THE AUTHORITY

The Authority shall have all the powers common to its participating Agencies and all additional powers set forth in the Joint Powers Authority Act relating to the creation, establishment, financing, use, operation, and administration of health and welfare benefit programs for the benefit of existing and retired officers, employees, and members of the body of participating member Agencies. This Joint Powers Authority hereby is authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

(a) to make and enter into contracts;
(b) to employ agents and employees and/or to contract for services from third party consultants;
(c) to incur debts, liabilities and obligations;
(d) to acquire property by gift, grant, exchange, devise, or purchase;
(e) to hold, lease, convey, sell, encumber, or dispose of property;
(f) to sue and to be sued in its own name;
(g) to receive contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations, and other governmental entities;
(h) to issue or caused to be issue bonded and other indebtedness, and pledge any property or revenues as security to the extent permitted by law by Articles 2 and 4, Chapter 5, Division 7, Title 1 of the Government Code or
otherwise including, but not limited to, bonds or other evidences of indebtedness issued on behalf of the Authority or its member Agencies;

(i) obtain in its own name all necessary permits, licenses, opinions and rulings;

(j) whenever necessary to facilitate the exercise of its powers, to form and administer nonprofit corporations to perform one or more of the functions which the Authority is empowered to perform, or to perform any other proper corporate function, and to enter into agreements with such nonprofit corporations;

(k) exercise all powers necessary and proper to carry out the terms and provisions of this Agreement or otherwise authorized by law.

SECTION 7: **BOARD OF DIRECTORS**

All powers of the Authority shall be exercised by and through its Board of Directors. Said Board of Directors is hereby designated as the agency to administer and execute this Agreement pursuant to Government Code Section 6506. The Board of Directors shall be composed of five members appointed by the Board of Directors of the Fire Districts Association of California, all of which shall also concurrently be members of the Benefits Committee of the Board of Directors of the Fire Districts Association of California. Each member of the Board of Directors shall have one vote. The Board of Directors shall have the authority to conduct all business and govern all affairs of this Joint Powers Authority under the provisions hereof and pursuant to law and shall have such powers and functions as are provided for herein, in the Bylaws, or by law.

SECTION 8: **POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers:

(a) Exercise all powers and conduct all business of this Joint Powers Authority.

(b) Determine the details of and select health and welfare benefit programs including, but not limited to, hospital insurance, medical insurance, surgical insurance, long term and short term disability insurance, legal expense insurance, dental insurance, vision insurance, life insurance, and income protection insurance or benefits to be offered by this Joint Powers Authority to existing and retired officers, employees, and members of the legislative body of participating member Agencies.

(c) Contract for or develop various services for the Authority including, but not limited to, insurance consulting and brokerage services; claims adjustment services, loss control and risk management services; accountancy, auditing and actuarial services; and legal and legislative advocacy services.
(d) Appoint committees, appoint staff, and employ such persons as the Board of Directors deems necessary for the administration of this Joint Powers Authority.

(e) Determine and purchase all necessary insurance coverage to carry out the programs offered by the Authority.

(f) Fix and collect contributions from participating member Agencies in consideration for participation in the health and welfare benefit programs offered by the Authority to such participating member Agencies.

(g) Deposit all funds received in separate bank accounts in the name of FDAC Employment Benefit Authority.

(h) Invest funds on hand in any manner authorized by law for the investment of funds of a public agency.

(i) Direct the payment, adjustment, and defense of all claims for health and welfare benefits which are the liability of participating member Agencies during their period of membership in and participation in this Authority.

(j) Expend funds of the Authority only for the purpose of carrying out the provisions of the Joint Powers Agreement and the Bylaws as they now exist or may hereafter be amended.

(k) Provide administrative services, consulting services, claims management services, financial services, accountancy and actuarial services, legal representation and other services necessary or proper to carry out the purposes of the Authority either through its own employees or by contract with one or more third parties.

(l) Purchase liability insurance, directors and officers liability insurance, and such other insurance as the Board of Directors may deem necessary or proper in order to protect the Authority, its employees and the participating member Agencies.

(m) Obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds of the Authority.

(n) Acquire property by gift, grant, exchange, devise, or purchase; or hold, lease, convey, sell, encumber, or dispose of all property necessary or appropriate to carry out the powers and operations of the Authority.

(o) Establish policies and procedures for the operation of the Authority.

(p) Enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of the Authority.

**SECTION 9:  RESTRICTIONS ON POWER**

Such powers enumerated in Section 6 hereof are subject to the restrictions upon the manner of exercising power by a Fire Protection District formed and operating pursuant to the provisions of Health and Safety Code Section 13800 et seq. or its successor, pursuant to California Government Code Section 6509.
SECTION 10:  ADMINISTRATIVE SERVICES

Pursuant to California Government Code Section 6506, the Fire Districts Association of California, a California non-profit public benefit corporation, shall provide all administrative services to the Authority under the direction of the Board of Directors of the Authority on a continuing basis. In consideration for such services the Fire District Association of California may charge the Authority an annual administrative fee as may be agreed upon from time to time by the Board of Directors of the Authority and the Board of Directors of the Fire District Association of California, as set forth in the Bylaws of the Authority.

SECTION 11:  BYLAWS

The Bylaws of the FDAC Employment Benefits Authority, a copy of which is attached hereto and marked Exhibit A, are hereby incorporated into this Agreement and made a part hereof. Each party to this Agreement by the execution hereof agrees to be bound by and to comply with all the terms and conditions of this Agreement and of said Bylaws as they now exist or may hereafter be amended. The FDAC Employment Benefits Authority shall operate and conduct its business and affairs pursuant to the terms of this Agreement and said Bylaws.

SECTION 12:  WITHDRAWAL OR INVOLUNTARY TERMINATION

Any Agency, after completing three fiscal years as a participating member Agency, may voluntarily withdraw from membership as provided in the Bylaws; or an Agency may be involuntarily terminated as a provided in the Bylaws. Such withdrawal or involuntary termination by any participating member Agency shall not terminate this Agreement as to the remaining participating member Agencies or the existence of the Authority. Said withdrawing or terminated Agency shall remain subject to any and all outstanding obligations arising out of any benefit program agreement to which said withdrawn or terminated Agency is a signatory.

SECTION 13:  TERMINATION OF FDAC EMPLOYMENT BENEFITS AUTHORITY

The FDAC Employment Benefits Authority may be terminated at any time upon the Agreement of two-thirds of the then participating member Agencies, provided, however, that the Authority shall continue to exist for the purpose of disposing of all claims, distribution of all assets, and all other functions necessary to wind up the affairs of the Authority. Upon termination, and after making proper provisions for the winding up of the affairs of the Authority, the Authority shall pay to the then participating member Agencies their pro rata share of the net assets of the Authority pursuant to the provisions of the Bylaws.

SECTION 14:  AMENDMENTS

This Joint Powers Agreement may be amended by an amendment in writing signed by two-thirds of the Agencies then parties to this Agreement. Upon signature of any amendment by two-thirds of the then participating member Agencies, any member Agency failing or refusing to
sign such amendment may be involuntarily terminated as a party to this Agreement as provided in the Bylaws.

SECTION 15: ENFORCEMENT

The FDAC Employment Benefits Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any Agency which has signed this Agreement, the Agency agrees to pay such sums as the court may fix as attorney fees and costs in said action.

SECTION 16: NON-LIABILITY OF MEMBER AGENCIES AND THE FIRE DISTRICTS ASSOCIATION OF CALIFORNIA

Nothing in the Joint Powers Agreement or in the Bylaws adopted pursuant thereto shall be construed as imposing liability upon any Agency, or any officer, employee or member of the legislative body thereof, or upon the Fire Districts Association of California, a non profit corporation, or any of its employees, officers, or directors, for the payment of any benefits claimed pursuant to the health and welfare benefit programs offered by the Authority to its participating member Agencies, the sole recourse of claimants being against funds of those insurance programs and/or self funded programs administered by the Authority for the payment of such benefits. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the FDAC Employment Benefits Authority shall not be the debts, liabilities or obligations of the Districts which are parties to the Joint Powers Agreement or of the Fire Districts Association of California, unless assumed in a particular case by resolution of the legislative body of a participating member Agency pursuant to specific benefit program agreements that the participating member Agency anticipates entering into in accomplishing the purposes of the Authority.

SECTION 17: NON-LIABILITY OF DIRECTORS, OFFICERS, ADMINISTRATOR, AGENTS AND EMPLOYEES

The Authority and its directors, officers, administrator, agents, and employees shall not be liable to the Authority, to any participating member Agency, or to any other person for any actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or admitted by any director, officer, administrator, agent, or employee, for loss incurred through the investment or failure to invest funds; or loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer, administrator, agent, or employee. No director, officer, administrator, agent, or employee shall be liable for any action taken or omitted by any other director, officer, administrator, agent, or employee.
SECTION 18: INDEMNIFICATION OF BOARD OF DIRECTORS, OFFICERS, ADMINISTRATOR, AGENTS, AND EMPLOYEES

As a public entity, the Authority shall defend and shall indemnify and hold harmless its directors, officers, administrator, agents, and employees against any claim or action arising out of any act or omission occurring within the scope of employment pursuant to the provisions of Division 3.6, Title 1, of the California Government Code, commencing at Government Code Section 810. The Authority may purchase insurance to provide coverage for acts or omissions of its directors, officers, administrator, agents and employees.

SECTION 19: MISCELLANEOUS PROVISIONS

(a) This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of the Authority and to the successors in interest of each participating member Agency in the same manner as if such parties had been expressly named herein.

(b) This Agreement shall be governed by the law of the state of California. This Agreement together with the documents incorporated into the Agreement by reference constitute the entire Agreement between the parties regarding its subject matter. If any provisions in this Agreement are held by any court to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall nevertheless continue in full force and effect.

SECTION 20: EXECUTION IN COUNTERPARTS

This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

(Name of Public Agency)

By: ______________________________
    President

By: ______________________________
    Secretary
EXECUTION BY FDAC EMPLOYMENT BENEFITS AUTHORITY

The FDAC Employment Benefits Authority (the Joint Powers Authority created by this Joint Powers Agreement), hereby executes this Agreement and accepts the Agency named above as a member Agency in FDAC Employment Benefits Authority subject to all the terms and conditions set forth in this Joint Powers Agreement and in the Bylaws, effective on ______________, 200__. 

FDAC EMPLOYMENT BENEFITS AUTHORITY

By: ______________________________________

Chairman of the Board of Directors

By: ______________________________________

Secretary of the Board of Directors
BYLAWS
OF
FIRE DISTRICT ASSOCIATION OF CALIFORNIA
EMPLOYMENT BENEFITS AUTHORITY

THESE BYLAWS shall govern the operation and conduct of the business and affairs of
the Fire District Association of California Employment Benefits Authority (hereinafter “FDAC
Employment Benefits Authority” or the “Authority”).

ARTICLE I
MEMBERSHIP

A. Eligibility

Any public agency organized under the laws of the State of California with the
power to provide at least one of the following services: (1) fire suppression services, (2)
emergency medical services, (3) hazardous material response services, (4) medical transport
and/or ambulance services, (5) rescue services, and which is a member of the Fire Districts
Association of California, is eligible for membership in FDAC Employment Benefits Authority
subject to approval of its membership by the FDAC Employment Benefits Authority Board of
Directors.

B. Participating Member

A “participating member agency” or “Member”, as that phrase is used herein is
any eligible public agency in the State of California whose participation in FDAC Employment
Benefits Authority has been approved by the members of its legislative body and the Board of
Directors of FDAC Employment Benefits Authority; which is a member of the Fire District
Association of California; which has executed the Joint Powers Agreement of which these
Bylaws are a part; which maintains compliance with the Underwriting Criteria of the Authority
throughout the term of its membership, as determined by the Board of Directors, and which has
paid all contributions and fees required for those health and welfare benefit programs offered by
FDAC Employment Benefits Authority in which the participating member agency is enrolled.

C. Successor Members

Should any participating member agency reorganize in accordance with the
statutes of the State of California, the successor in interest, or successors in interest, if a member
of the Fire Districts Association of California, may be substituted as a participating member
subject to approval by the members of its legislative body and the Board of Directors of FDAC Employment Benefits Authority.

D. Authority of Members

All participating member agencies shall have the right to vote, as set forth in these Bylaws, on the election of participating member agencies to select a director to serve on the Board of Directors of the FDAC Employment Benefits Authority, on the disposition of all or substantially all of the assets of FDAC Employment Benefits Authority, on any merger and its principal terms and any amendments of those terms, and on any election to terminate FDAC Employment Benefits Authority. Only participating member agencies in good standing are entitled to cast one vote on each such matter submitted to a vote of the Members. Participating member agencies who have maintained compliance with the Authority’s Underwriting Criteria, as determined by the Board of Directors, who have timely paid the required contributions, fees and assessments in accordance with these Bylaws and the policies and procedures of FDAC Employment Benefits Authority, and who are not suspended as members, shall be members in good standing.

E. Admission Fee

Any agency approved for participation in FDAC Employment Benefits Authority after the effective date of the Joint Powers Agreement and these Bylaws may be required to pay an admission fee in such amount as may be established by the members of the Board of Directors of FDAC Employment Benefits Authority.

F. Annual Membership Meeting

An Annual Membership Meeting shall be held after the close of each fiscal year at such time, on such date, and at such place as shall be determined by the Board of Directors. The Secretary shall furnish to each participating member agency a written notice of the time, place and date of the annual meeting at least thirty (30) days before the date of the meeting. At each Annual Membership Meeting, the President shall submit a status report with respect to each of the health and welfare benefit programs offered by FDAC Employment Benefits Authority, a report of the claims experience within each such program, and an audited financial report for FDAC Employment Benefits Authority for the preceding year.
G. Membership Meeting Quorum Requirement

Fifty Percent plus one (50% plus one) of the total authorized number of participating member agencies shall constitute a quorum for the transaction of any item of business by the Members. If a quorum is present, the affirmative vote of a majority of the Members represented at the meeting entitled to vote and voting on any matter, shall be deemed an act of the Members. Each Member shall be entitled to one vote. No Member shall have the right to vote by means of a proxy.

H. Special Meetings

The Board, or the President of the Board, or five percent (5%) or more of the participating member agencies may call a special meeting of the Members for any lawful purpose at any time. Such a special meeting may be called by written request, specifying the general nature of the business proposed to be transacted and addressed to the attention of and submitted to the President of the Board. The President shall direct the Administrator to cause notice to be given promptly to the Members stating that a special meeting will be held at a specified time and date fixed by the Board. No business other than the business that was set forth in the notice of the special meeting may be transacted at a special meeting.

I. Notice of Meetings

Whenever member agencies are required or permitted to take any action at a meeting, written notice of the meeting shall be given to each Member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting and the means of electronic transmission by and to the Authority or electronic video screen communication, if any, by which Members may participate in the meeting. For the Annual Membership Meeting, the notice shall state the matters that the Board intends to present for action by the Members. For a special meeting the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

1. Notice Requirements. Written notice of any membership meeting shall be given at least ten (10) but no more than ninety (90) days before the meeting date either personally, by first class registered or certified mail, by electronic transmission, addressed to each Member entitled to vote at the address of that member agency's principal office.
2. **Electronic Notice.** Notice given by electronic transmission by the Authority shall be valid if delivered by either (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address for that member agency on record with the Authority; (b) posting on an electronic message board or network that the Authority has designated for such communications, together with a separate notice to each member agency of the posting; or (c) any other means of electronic communication. Such electronic communication must be directed to a recipient member agency which has provided an unrevoked consent to the use of electronic transmission for such communications; and which electronic communication creates a record that is capable of retention, retrieval and review by the Authority.

All such electronic communications shall include a written statement to the recipient member agency that such agency has the right to have the notice provided in non-electronic form and the recipient member agency may withdraw its consent to receive electronic communications in the place of written communications by providing written notice to the Authority of such withdrawal of consent.

Notice shall not be given by electronic transmission by the Authority if the Authority is unable to deliver two (2) consecutive notices to the member agency by that means, or otherwise becomes aware of the fact that the member agency cannot receive electronic communications.

### J. **Electronic Meetings**

Member agencies not physcially present in person at a meeting of members may, by electronic transmission by and to the Authority or by electronic video screen communication, participate in a meeting of members, either annual or special, and be deemed present in person and vote at such a meeting whether that meeting is to be held at a designated place, or in whole or in part by means of electronic transmission by and to the Authority or by electronic video screen communication with participating member agencies.

Annual and special meetings of the Members may be conducted in whole or in part by electronic transmission by and to the Authority or by electronic video screen communication if the following criteria are satisfied: (1) the Authority implements reasonable procedures to provide member agencies attending in person a reasonable opportunity to
participate in the meeting and to vote on matters submitted to the Members, including an opportunity to hear the proceedings of the meeting including comments of member agencies participating by means of electronic communication, substantially concurrently with such proceedings; and (2) if any member agency votes or takes other action at the meeting by means of electronic transmission to the Authority or electronic video screen communication, that a record of that vote or action is maintained by the Authority; and (3) in order to conduct electronic meetings the Authority must request Members to provide written consent to conduct meetings of Members by electronic transmission. Such request for consent shall include a notice that absent consent of the member agency such meeting shall be held at a physical location in accordance with the provisions of these Bylaws.

K. Solicitation of Written Ballots from Members

All solicitations of votes by written ballot, whether by means of electronic communication or first class mail, shall: (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the written ballot must be received by the Authority in order to be counted. Each written ballot so distributed shall: (1) set forth the proposed action; (2) give member agencies an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballots to the Authority either electronically or by first class mail.

L. Number of Votes Required for Approval

Approval by written ballot shall be valid only when (1) the number of votes cast by written ballot either by means of electronic communication or first class mail within the specified time equals or exceeds the quorum required to be present at a meeting authorizing the action; and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting of members, i.e. 50% plus one of those participating member agencies casting written ballots either electronically or by first class mail.

ARTICLE II
BOARD OF DIRECTORS

A. Powers

The business and affairs of FDAC Employment Benefits Authority shall be managed, and all powers of this Joint Powers Authority shall be exercised by or under the
direction of the Board of Directors. The specific powers of the Board of Directors in managing the affairs of this Joint Powers Authority are specified in the Joint Powers Agreement.

B. Election of Directors

The Board of Directors shall consist of five directors selected by those participating member agencies which are elected by those member agencies who have executed the Joint Powers Agreement and are participating in the FDAC Employment Benefits Authority. The election of participating member agencies shall take place by a written ballot in each odd-numbered year as specified below. At the election of participating member agencies designated to select individuals to serve as directors on the Board of Directors, each participating member agency shall have one vote for each Board position to be filled at that election among those participating member agencies nominated to be elected. Those participating member agencies receiving the greatest number of votes corresponding to the number of Board positions to be filled at such election shall each designate one individual to serve as a director on the Board of Directors.

When a participating member agency is elected and selects an individual to serve as a director on the Board of Directors, at that time, and at all times thereafter, that individual designated to serve as a director on the Board of Directors must be, and must continue to be during his/her entire term of office, either a member of the Board of Directors of the participating member agency or a management employee of that participating member agency. In each instance, the appointing participating member agency shall certify to the FDAC Employment Benefits Authority the person who has been appointed by that participating member agency to serve as a director on the Board of Directors of the FDAC Employment Benefits Authority. The appointing district may change its representative to serve as a director on the Board of Directors at any time by certifying to the FDAC Employment Benefits Authority the name and position of the new representative designated by that participating member agency to serve as a director on the Board of Directors, which designation shall be effective no earlier than five days after mailing of such a certificate. Only one director from any participating member agency may serve on the Board of Directors at the same time.

Each director shall serve for a term of four years which term shall commence January 1 of the year following written ballot election. The members of the Board of Directors
serve staggered 4-year terms. The written ballot of participating member agencies to elect districts to designate an individual to serve as a director on the Board of Directors shall take place every two years in order to maintain such staggered terms. A director may be selected or appointed to additional terms of office.

The following provisions shall apply to a written ballot procedure for election of districts to designate individuals to serve as directors on the Board of Directors:

1. Written notice of the use of a written ballot for election of participating member agencies to designate individuals to serve as directors on the Board of Directors in any odd-numbered year shall be sent either by registered mail or electronic mail to each participating member agency no later than 120 days prior to the date scheduled for such election. Said notice shall: (a) inform each participating member agency of the positions to be filled on the Board of Directors at such election; and (b) inform each participating member agency of its right to nominate participating member agencies to select an individual to serve in any director position to be filled at such election by filing with the Administrator of FDAC Employment Benefits Authority at least sixty (60) days prior to the date scheduled for such election, a letter making such nomination. A participating member agency can be nominated for only one position on the Board of Directors at each election.

When the nomination period for participating member agencies to select directors is closed, a written ballot specifying all member agencies nominated shall be distributed to each participating member agency in good standing as of that date. The form of written ballot and any related material may be sent by electronic transmission by the Authority, and completed ballots may be returned to the Authority by electronic transmission by participating member agencies that meet the requirements of Article I, sections G through L of these Bylaws. If a member agency does not consent to electronic communication their form of written ballot will be mailed to such participating member agency no later than 45 days prior to the date scheduled for such election. Said written ballot shall indicate that each participating member agency may return the ballot by electronic communication or first class mail to the principal business address of FDAC Employment Benefits Authority and that only those written ballots received either electronically or by mail prior to close of business on the date designated
for the election shall be valid and counted. Written ballots received after the specified date shall not be counted.

2. All solicitations of votes by written ballot shall: (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots for election of directors, that those nominees receiving the highest number of votes for each Board position subject to election will be certified as elected to that Board position.

Election of a nominee to a Board position shall be valid only when: (1) the number of votes cast by written ballot, transmitted either electronically or by first class mail, within the time specified, equals or exceeds the quorum required to be present at a meeting of Members authorizing such action, and (2) the number of written ballots approving the election of a nominee equals the number of votes that would be required for election of a nominee at a meeting of the member agencies.

3. In the event of a tie vote, a supplemental written ballot containing only the names of those participating member agencies receiving the same number of votes shall be forwarded either by electronic communication or first class mail to each participating member agency in accordance with the written ballot procedures specified in these Bylaws. Those supplemental ballots received either by means of electronic communication or first class mail from participating member agencies prior to the close of business on the date designated in the ballot as the election date shall be considered valid and counted. All supplemental written ballots received after the designated date for the election will be deemed invalid. The district receiving the highest number of votes is entitled to designate an individual to serve as a director on the Board of Directors. In the event that the supplemental written ballot also results in a tie vote, the successful participating member agency candidate will be chosen by drawing by lot.

C. Vacancy

Upon the death, resignation or ineligibility of any member of the Board of Directors, or upon the withdrawal or involuntary termination of the membership of any participating member agency that designated an individual to serve as a director on the Board of Directors, a vacancy shall occur. A member of the Board of Directors will become ineligible to serve as a director if that director is no longer a member of the Board of Directors or a
management employee of a participating member agency in good standing with the FDAC Employment Benefits Authority. Such a vacancy in the Board of Directors shall be filled for the balance of the unexpired term by the appointment of an individual by the participating member agency that originally selected the deceased, resigned or ineligible director within thirty (30) days after the occurrence of the vacancy. However, in the event that a participating member agency is no longer a member of FDAC Employment Benefits Authority or remains a participating member agency but does not fill the vacancy within thirty (30) days after the vacancy occurs, the vacancy in the Board of Directors shall be filled by the remaining members of the Board of Directors of the FDAC Employment Benefits Authority by appointment of a participating member agency to select an individual to serve as a director on the Board of Directors.

In the event no nominations are received for a position to be filled on the Board of Directors at a written ballot election conducted either by electronic communication or first class mail, a vacancy in that position shall occur upon the expiration of the term of the current member agency occupying the position subject to such election. Such a vacancy shall be filled for the entire balance of the new term by the Board of Directors of FDAC Employment Benefits Authority by appointment of a participating member agency which, in turn, will select a Board member or management employee of that participating member agency to serve as a member of the Board of Directors of FDAC Employment Benefits Authority.

D. Meetings of the Board of Directors

An organizational meeting of the Board of Directors shall be held as soon as possible after the commencement of each calendar year. This business shall be for the purpose of election of officers and transaction of other business as required.

Regular meetings of the Board of Directors shall be held at any place within the State of California that has been designated by the Board in the notice of the meeting.

Special meetings of the Board of Directors, for any purpose, may be called at any time by the President. Notice of the time and place of special meeting shall be given to each Director by (a) personal delivery of written notice; or (b) first class mail, postage prepaid; or (c) telephone, including voicemail; or (d) facsimile; or (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to each Director’s last known address as shown on
the records of FDAC Employment Benefits Authority. Notice of the special meeting must be provided 24-hours in advance of the meeting to all members of the Board of Directors. The notice should indicate that the meeting called is a special meeting, and shall state the time, place and business to be transacted at the meeting. No other business shall be considered at the special meeting.

Notice of any regular or special meeting of the Board of Directors need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents and/or approvals shall be filed with the Secretary and made a part of the minutes of the meeting.

All meetings of the Board of Directors, including regular, adjourned, and special meetings shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code section 54956 et seq.).

E. Quorum and Required Vote

A quorum of at least three members of the Board of Directors must be present at any meeting before the business of the Board of Directors can be transacted. The vote of a majority of the authorized number of members of the Board of Directors shall be required for any act or decision of the Board of Directors.

F. Board Meetings by Telecommunication

Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this section shall constitute presence in person at the meeting if both of the following apply: (1) each Board member participating in the meeting can communicate concurrently with all other members; and (2) each member of the Board is provided the means of participating in all matters before the Board, including the capacity to propose or interpose an objection to, a specific action to be taken by the Authority.

G. Expenses

The members of the Board of Directors shall be reimbursed for all reasonable and necessary travel expenses when required and incurred in connection with attendance at a meeting of the Board of Directors or a committee thereof. Travel expenses shall include all charges for
transportation, meals, and lodging, other than first-class airfare. The cost of travel by private
automobile shall be at a rate per mile established by the Board of Directors, but reimbursement
for the cost of travel by automobile shall not exceed the applicable airfare charge.

ARTICLE III
OFFICERS

At the first meeting of the Board of Directors, and thereafter at the first meeting
following January 1 of each year, the Board of Directors shall elect a President, a Vice-President,
and a Secretary to serve for a one-year term or until a successor is elected. Such officers shall
serve at the pleasure of the Board of Directors. In the event the President, Vice-President, or
Secretary so elected ceases to be a member of the Board of Directors, the resulting vacancy in
office shall be filled at the next regular meeting of the Board of Directors after such vacancy
occurs.

The President shall preside at and conduct all meetings of the Board of Directors, and
shall carry out the resolutions and orders of the Board of Directors, and shall exercise such other
powers and perform such other duties as the Board of Directors shall prescribe. In his/her
absence, the Vice-President shall carry out the duties of the President. The Secretary shall record
the minutes of all meetings, prepare agendas, records and correspondence, attest documents
requiring the execution by authorized representatives of FDAC Employment Benefits Authority,
and to fulfill other duties normally required of the Secretary.

The Board of Directors shall appoint an Administrator who shall have general
administrative responsibility for the activities of this Joint Powers Authority, and shall be
responsible for all minutes, notices and records of meetings and shall perform such other duties
as may be assigned by the Board of Directors. The Administrator shall serve as Treasurer of
FDAC Employment Benefits Authority pursuant to Government Code section 6505.6, and
perform those duties specified in Government Code section 6505.5.

ARTICLE IV
CONTRIBUTIONS

A. Payment of Contributions

Each participating member agency shall comply with all enrollment requirements
specified in the Authority’s Underwriting Criteria, as determined by the Board of Directors. Each
participating member agency shall pay to FDAC Employment Benefits Authority or its designee the monthly contributions for each health and welfare benefit program offered by FDAC Employment Benefits Authority during each Program Year in which the participating member agency is enrolled, calculated by FDAC Employment Benefits Authority or its designee.

Payment of each monthly contribution shall be delinquent if not received by FDAC Employment Benefits Authority or its designee by the close of business on the tenth day following the month for which payment is due.

B. Calculation of Contributions

The amount of the monthly contribution for each participating member agency for each health and welfare benefit program in which such Member is enrolled shall be calculated by reference to the FDAC Employment Benefits Authority rates for each health and welfare benefit program offered for each Program Year as adopted by the FDAC Employment Benefits Authority Board of Directors based upon the advice, consultation and negotiations between the Board of Directors, the Authority’s insurance brokers and consultants, and various providers of health and welfare benefit programs. Such program rates will be adopted by the Board of Directors for each health and welfare benefit program offered by the Authority on Program Year (calendar year) basis. The amount of the monthly contribution for each participating Member agency for each health and welfare benefit program in which such Member is enrolled for each Program Year shall be calculated by multiplying such Authority rates by the number and type of enrollees of that member agency as determined by the Authority’s Underwriting Criteria.

The Board of Directors has authority to modify the contributions so computed for any Member agency based upon criteria developed and established by the Board of Directors.

The Administrator will determine the contribution for each Member agency for all of its enrollees with respect to each health and welfare benefit program in which such Member is enrolled for the next Program Year, and shall promptly notify such Member of the amount of such contribution for each such benefit program in which such Member is enrolled in accordance with the FDAC Employment Benefits Authority Rate Policies. Open Enrollment material will be distributed to each Member agency in accordance with such Rate Policies.
ARTICLE V
FINANCIAL AFFAIRS

A. Accounts and Records

FDAC Employment Benefits Authority shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by good accounting practice. Books and records of FDAC Employment Benefits Authority shall be open to inspection at all reasonable times by authorized representatives of participating member agencies. Periodic financial reports shall be made to all participating member agencies.

B. Audit

FDAC Employment Benefits Authority shall obtain an annual certified audit of its accounts and records which audit shall be made by a certified public accountant and shall conform to generally accepted auditing standards. A copy of said report shall be filed as a public record with each of the participating member agencies. Such audit shall be obtained and filed within nine months after the end of the fiscal year under examination.

C. Fiscal Year

FDAC Employment Benefits Authority shall operate on the fiscal year commencing July 1 and ending on the following June 30.

D. Agency Funds

All funds received for the purposes of FDAC Employment Benefits Authority shall be utilized solely for the purposes of FDAC Employment Benefits Authority, and all expenditures of funds shall be made only upon signatures authorized by the Board of Directors, which shall establish the necessary procedures for doing so. Any funds not required for the immediate need of FDAC Employment Benefits Authority, as determined by the Board of Directors, may be invested in any manner authorized by law for the investment of funds of a public agency.

E. Contributions

Without in any way limiting the powers otherwise provided for in the Joint Powers Agreement, these Bylaws, or by statute, FDAC Employment Benefits Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Members, or their representatives or agents; to receive, accept, and utilize property, real or
personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for purposes consistent with the provisions of FDAC Employment Benefits Authority, which funds may be provided by any participating Members, their agents, or representatives.

ARTICLE VII
TERMINATION OF MEMBERSHIP

A. Voluntary Termination of Membership in a Program

After completing three full calendar years of participation in any health and welfare benefit program offered by FDAC Employment Benefits Authority, any participating Member agency may voluntarily withdraw or terminate its participation in such a program effective at the beginning of the next calendar year by sending to the Authority a written Notice of Intention to Withdraw from a program no later than August 15 of the current year. No withdrawal shall become effective until the beginning of the next calendar year. A Member may rescind its Notice of Intention to Withdraw by filing written notification of such rescission with the Authority no later than October 1 of the current year.

A Member agency voluntarily withdrawing and/or terminating its membership in any health and welfare benefit program offered by the Authority shall remain liable to the Authority for all contributions and assessments levied in any program in which such Member was enrolled that may become due pursuant to the terms of this terms of these Bylaws. No participating Member agency that has voluntarily withdrawn or terminated its membership in any health and welfare benefit program offered by the Authority shall be entitled to any refund of contributions or to any return of loss reserve contribution by virtue of its participation in such program. Any participating Member agency that has voluntarily withdrawn or terminated its membership in any program offered by the Authority shall also continue to be liable for any assessments levied by the Authority pursuant to these Bylaws after the date of such agency’s withdrawal and/or termination of membership in a program that pertains to a year during which the withdrawn or terminated member agency was a participating member agency in such program offered by the Authority.

Any participating Member agency that voluntarily withdraws or terminates its participation in any program offered by the Authority shall be entitled to receive its pro rata share of any dividends declared by the Board of Directors for that particular program after the
date of its withdrawal and/or termination that pertains to a year during which the withdrawn or terminated Member agency was a participating Member agency in such program offered by the Authority.

B. Voluntary Withdrawal from the Authority

After completing three full calendar years of participation in FDAC Employment Benefits Authority, any participating Member agency may voluntarily withdraw from FDAC Employment Benefits Authority at the end of any calendar year by sending to the Authority a written Notice of Intention to Withdraw its membership in the Authority no later than August 15 of the current year. No withdrawal shall become effective until the beginning of the next calendar year. A Member may rescind its Notice of Intention to Withdraw by filing written notification of such rescission with the Authority no later than October 1 of the current year.

A Member agency voluntarily withdrawing and/or terminating its membership in the Authority shall remain liable to the Authority for all contributions and assessments levied in any program in which such Member was enrolled that may become due pursuant to the terms of these Bylaws. No participating Member agency that has voluntarily withdrawn or terminated its membership in the Authority shall be entitled to any refund of contributions or to any return of loss reserve contribution by virtue of its participation in the Authority. Any participating Member agency that has voluntarily withdrawn or terminated its membership in the Authority shall continue to be liable for assessments levied by the Authority, and shall continue to be entitled to receive its pro rata share of any dividends declared by the Board of Directors pursuant to the provisions of Article VII Section A above.

C. Involuntary Termination of Membership in the Authority

Any participating Member agency may be involuntarily terminated as follows for any of the following reasons:

1. Failure to pay any contribution, surcharge or assessment when due.
2. Failure to maintain membership in the Fire Districts Association of California.
3. Failure to maintain compliance with the Authority’s Underwriting Criteria as determined by the Board of Directors.
4. Failure to comply promptly with any requirements established by the FDAC Employment Benefits Authority Board of Directors concerning loss control or other programs or procedures of the agency.

5. Failure to comply with the Bylaws or any other policies or procedures established by the FDAC Employment Benefits Authority Board of Directors.

6. Failure to sign any properly adopted amendment to the Joint Powers Agreement when requested to do so.

7. For cause, based upon a determination by the Board of Directors that such cause is detrimental to the FDAC Employment Benefits Authority and/or to the effectiveness of any of the health and welfare benefit programs offered by the Authority.

In the event a participating Member agency fails to pay any contribution, surcharge, or assessment when due, or fails to maintain membership in the Fire District Association of California, or fails to comply with any of the other membership requirements specified in these Bylaws, FDAC Employment Benefits Authority may immediately mail to the delinquent agency a notice stating the delinquency and stating that coverage by FDAC Employment Benefits Authority will be canceled and terminated upon a date not less than thirty (30) days thereafter unless during that period of time the stated delinquency is corrected. Termination will be effective pursuant to notice if the delinquency is not corrected within the time stated.

Involuntary terminations may also be effected by FDAC Employment Benefits Authority giving written Notice of Intention to Terminate to the participating Member agency upon a date not less than thirty (30) days thereafter for the reason or reasons set forth in this notice. The termination may be effective upon the date set forth in the notice unless prior to that effective date the participating Member agency being terminated requests a hearing by the Board of Directors of FDAC Employment Benefits Authority. At the hearing evidence will be received to the reasons for the termination and as to the reasons why the termination should not be completed. After such hearing, the vote of four (4) members of the FDAC Employment Benefits Authority Board of Directors shall be required to terminate a participating Member agency as a member of the Authority. If, following the hearing, the FDAC Employment Benefits Authority Board of Directors decides to involuntarily terminate the participating Member agency, then
FDAC Employment Benefits Authority shall give such agency thirty (30) days written notice of its decision to involuntarily terminate such Member after hearing and the effective date of the termination. If no request for hearing by the Board of Directors is received, then the termination shall be effective upon the date set forth in the Notice of Intention to Terminate. A terminated Member agency shall remain liable to FDAC Employment Benefits Authority for all contributions and assessments that may become due as a result of its membership in FDAC Employment Benefits Authority and/or its participation in any of the health and welfare benefit programs offered by the Authority.

All notices provided for above shall be mailed “certified mail, return receipt requested”.

D. Payment Upon Involuntary Termination

Any Member agency which is involuntarily terminated from FDAC Employment Benefits Authority shall have no residual rights in any funds or other assets of FDAC Employment Benefits Authority, whether or not resulting from participation by the Member agency, and the Member agency shall continue to be responsible for the amount of any costs, contributions, liabilities, assessments, surcharges or contingencies required because of the Member agency’s participation in FDAC Employment Benefits Authority or any of its health and welfare benefit programs as set forth in these Bylaws. An involuntarily terminated Member agency shall not be entitled to share in any dividends declared in any program offered by the Authority during those years in which the involuntarily terminated Member agency was a participant in that program.

ARTICLE VIII
INSURANCE

The Authority shall have the right, and shall use its best efforts to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any Officer, Directors, employee, or agent in such capacity or arising from the Officer’s, Director’s, employee’s or agent’s status as such.

The Authority shall maintain, at a minimum, the following insurance policies:
(1) a general liability insurance policy protecting the Authority and its directors, officers and employees from damage claims by third parties alleging personal injury and/or property damage;

(2) Director’s and Officer’s Liability Coverage with Fiduciary Liability and Employee Dishonesty endorsements;

(3) a fidelity bond covering employees and/or agents of the Authority as deemed necessary and reasonable by the Board of Directors.

ARTICLE IX
TERMINATION OF FDAC EMPLOYMENT BENEFITS AUTHORITY

Upon termination of FDAC Employment Benefits Authority pursuant to the Joint Powers Agreement, provision shall be made for the payment of all known claims in each of the health and welfare benefit programs offered by the Authority; for insuring, reinsuring or making other provision for the payment of any and all unknown claims covered by any insurance coverage or coverage program provided by FDAC Employment Benefits Authority to a Member agency and occurring during its period of coverage by FDAC Employment Benefits Authority; and for the payment of all debts, liabilities, administrative expenses and obligations of FDAC Employment Benefits Authority. After having paid or made provision for all such matters, FDAC Employment Benefits Authority shall pay to each Member agency who was a member of FDAC Employment Benefits Authority at the time of termination its pro rata share of the remaining assets of FDAC Employment Benefits Authority. An agency’s pro rata share shall be in the same proportion as the total contributions paid by that agency to FDAC Employment Benefits Authority during its period of participation in any or all of the programs offered by the Authority bears to the total contributions paid to FDAC Employment Benefits Authority during its period of operation by all agencies participating in any or all of the programs offered by the Authority and who are members of FDAC Employment Benefits Authority at the time of termination.

ARTICLE X
AMENDMENTS

Participating member agencies in good standing may propose amendments to the Bylaws to the Board of Directors of the FDAC Employment Benefits Authority at any time by submitting a written request for amendment of the Bylaws to the Administrator together with
proposed language constituting the requested Bylaws amendment. The Board of Directors will agendize at its next regular Board meeting consideration of the proposed amendment to the Bylaws, and will make a determination as to whether the proposed amendment to the Bylaws would conflict in any way with the terms and provisions of the Joint Powers Agreement of the FDAC Employment Benefits Authority. If the Board of Directors determines that the proposed Bylaw amendment does conflict with the terms and provisions of the Joint Powers Agreement, then the Board of Directors shall so notify the participating member agency requesting the Bylaw amendment of that fact and of the Board's determination that the proposed Bylaw amendment will not be submitted to a vote of the participating member agencies due to such conflict.

Should the directors determine that the proposed Bylaw amendment does not conflict with the terms and provisions of the Joint Powers Agreement, or should the Board of Directors determine to propose an amendment to the Bylaws, the Board of Directors shall schedule a written ballot election to be conducted by means of electronic communication or first class mail in the same manner as specified in Articles I and II of these Bylaws for written ballot elections conducted pursuant to annual or special meetings of member agencies. The Board of Directors shall have the discretion to shorten the time period specified in Article II for a written ballot election to approve or disapprove a proposed Bylaw amendment. The form of written ballot for a proposed Bylaw amendment shall be sent by electronic communication pursuant to Article I, sections G through L of these Bylaws to each participating member agency no later than 30 days prior to the date scheduled for the written ballot election, shall contain the Bylaw amendment language proposed by a participating member agency or the Board as the case may be, and shall contain boxes in which participating member agencies may indicate approval or disapproval of the proposed Bylaw amendment. Approval of a Bylaw amendment by written ballot shall be valid only when (1) the number of votes cast by ballot, either by means of electronic communication or first class mail within the time specified equals or exceeds the quorum required to be present at a membership meeting authorizing the action (50% plus one of participating member agencies); and (2) the number of approvals equals or exceeds 50% plus one of the number of votes cast by written ballot.
A participating member agency proposing a Bylaw amendment, the Board of Directors of the FDAC Employment Benefits Authority, and any other participating member agency may each submit an argument not to exceed one page in length, setting forth reasons for adoption or rejection of the proposed Bylaw amendment. All such ballot arguments shall be received by the Administrator on or before the date of transmitting the written ballot for a proposed Bylaw change to all participating member agencies by means of electronic communication or first class mail. Such ballot arguments shall be communicated electronically or by first class mail together with a written ballot to all participating member agencies. The submission of such a written ballot argument is voluntary.

ARTICLE XI
EFFECTIVE DATE

These Bylaws shall become effective immediately upon the effective date of the Joint Powers Agreement. Any amendments to these Bylaws shall be effective immediately upon confirmation of a majority vote of a quorum of member agencies casting written ballots in favor of the proposed Bylaw amendment.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of FDAC Employment Benefits Authority, California Joint Powers Authority; these Bylaws, consisting of 20 pages are the Bylaws of this corporation as adopted by the Board of Directors of FDAC Employment Benefits Authority on October 8, 2014; and that these Bylaws have not been amended or modified since that date. Executed on October 13, 2014 at Sacramento, California

[Signature]

Secretary of
FDAC Employment Benefits Authority
REGULAR AGENDA

SUBJECT: Setting up Health Reimbursement Account to be Administered by MidAmerica Administrative and Retirement Solutions

RECOMMENDATION

Recommend the Board authorize the District Manager to sign documents to set up Health Reimbursement Arrangements

BACKGROUND AND STATUS

A Health Reimbursement Arrangement (HRA), commonly referred to as a Health Reimbursement Account, is an IRS approved, employer-funded, tax-advantaged employer health benefit plan that reimburses employees for out-of-pocket medical expenses. The salary and benefit MOU proposed by the Board’s negotiating committee with the Peninsula Vector Workers Association includes a Health Reimbursement Arrangement to pay for copays and deductibles. The District’s also makes certain payments to retirees after specified amounts of service to the district to reimburse them for part of their health insurance premiums according to policies in the current Employee Manual. HRA’s are also used for this purpose and protect both the employer and the employee from the requirement to withhold taxes from these contributions.

Patrick Clark will give a presentation to the board explaining HRA’s and how the District proposes to use them and to answer questions from the committee.
For purposes of this section, retired employees are full-time regular employees who have either retired due to physical disability or qualified for retirement from active district employment under the requirements set forth in the current San Mateo County Employees’ Retirement Association pamphlet.

The District shall make monetary contributions to retired employees for the purpose of continuation of health insurance. The percentage of the benefit to be paid to the retired employee will be based on the following schedule:

**6010.21 DISABILITY RETIREMENT WITH LESS THAN TEN- (10) YEARS OF SERVICE** as outlined in the San Mateo County Employees’ Retirement Association pamphlet:

- **6010.211** Job connected, regardless of service, is 25% of the health care premium subsidy.
- **6010.212** Non-job connected, after five- (5) years of service is 25% of the health care premium subsidy.

**6010.22 EMPLOYMENT SERVICE OR DISABILITY RETIREMENT AFTER TEN- (10) YEARS OF SERVICE** as outlined in the San Mateo County Employees’ Retirement Association pamphlet:

- **6010.221** Ten- (10) – Fifteen (15) years of service is 50% of the health care premium subsidy.
- **6010.222** Sixteen - (16) – Twenty (20) years of service is 75% of the health care premium subsidy.
6010.223 Over twenty- (20) years of service is 100% of the health care premium subsidy.

6010.30 The District contribution based on 6010.20 is as follows:

6010.31 Retired employee less than sixty-five (65) years of age but greater than fifty-six (56) years of age.

6010.311 Contribution (premium subsidy) rate is established with the first month that the employee retires and continues at that premium amount but with an annual COLA (same as County Retirement) until the retired employee reaches sixty-five (65) years of age or death, whichever comes first. At age sixty-five, this phase of the retired employee health care benefit is concluded because the employee will enroll in Medicare and the District places the retired employee into a new phase of the District’s retired health care support which is outlined in Policy 6010.32.

6010.312 Contribution (premiums) is determined by ACCESSEHR Insurance Services, based in Walnut Creek. The Account Executive will on an annual basis (March) determine the average premium (>130 Bay Area plans) for retired employees, ages 56-64.

6010.313 Employees retiring between July 1, 2010 and June 30, 2011 will receive the following health care premium subsidy as directed by 6010.21 or 6010.22.

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6010.32 Retired employee more than sixty-five (65) years of age:

6010.321 Contribution starts when the employee reaches sixty-five (65) years of age and is eligible to enter the Medicare funded health care program and continues until the retired employees’ death.

6010.322 The District contribution (premium) for the Medicare Part B is determined by ACCESSEHR Insurance Services, based in Walnut Creek. The Account Executive will on an annual basis (March) determine the Medicare Part B average cost of Medicare Eligible Individuals between the ages of 65-69, 70-74, 75-79, 80+.
6010.3221 Medicare Part B for all ages is currently at $110.50 per month.

6010.33 When the retired employee dies, the surviving spouse shall receive the same contribution for four years following the retired employee’s death or until spouse reaches age sixty five (65) or qualifies for Medicare.

6010.40 All decisions as to the type of coverage to be provided to retired employees by the health plan carrier shall be made exclusively by and between the health plan carrier and the retired employee. The District shall not assume any responsibility relating to, or resulting from, converted policies or serve as intermediary between the retired employee and the health plan carrier. Changes in the health plan provisions, policies, rules, regulations, or changes in health plan carriers may affect any or all sections of these provisions in this Employee Manual.

6010.50 The District makes no warranty as to tax consequences of retired employee benefits.

Issued: November 13, 1990
Revised: July 14, 2010
Agenda Item # 5 C

SUBJECT: Revised Fiscal Year 2015-16 Budget

RECOMMENDATION

Request review and approval of revised District budget for FY 2016-17.

BACKGROUND AND STATUS

Staff recommends that the Board approve the attached revised District budget for FY 2016-17. The budget appropriation total amount remains the same in the Adopted and Revised Budgets. Increases in employee compensation have been offset primarily by savings by switching medical insurance plans.

The budget has been revised to reflect changes in employee salaries, wages and benefits resulting from labor negotiations. Budget revisions are consistent with the Memoranda of Understanding (MOU) with the Peninsula Vector Workers Association and non-represented employees. The two MOUs are scheduled to be on the Board July meeting agenda for review and approval.

The revisions, effective July 1, 2016, include:

- Salary and wage increase of 5.18 percent including COLA and raise;
- Addition of a new employee benefit: Heath Reimbursement Account;
- Removal of AFLAC insurance employee benefit; and
- Removal of commuter reimbursement employee benefit.

REFERENCE MATERIAL ATTACHED

1. Revised Budget with changes to Salaries and Benefits
## Budget Revision Due to Negotiated Salary and Benefit Changes

### Adopted Budget Compared to Revised Budget

#### Fiscal Year 2016-17

<table>
<thead>
<tr>
<th></th>
<th>Adopted FY 2016-17</th>
<th>Revised FY 2016-17</th>
<th>Variance</th>
<th>Variance Amount</th>
<th>Variance Explanation</th>
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<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
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<tr>
<td>Total Revenues</td>
<td>4,691,686</td>
<td>4,691,686</td>
<td>0</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td><strong>Salaries</strong></td>
<td></td>
<td></td>
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<tr>
<td>Permanent Employees</td>
<td>1,909,501</td>
<td>1,957,668</td>
<td>48,167</td>
<td></td>
<td>Salary &amp; COLA increase of 5.18% totaling $96,167. Adopted budget assumed a partial increase.</td>
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<td>Seasonal Employees</td>
<td>154,560</td>
<td>154,560</td>
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<tr>
<td>Board of Trustees</td>
<td>24,200</td>
<td>24,200</td>
<td>0</td>
<td></td>
<td></td>
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<tr>
<td>Vacation Accrual</td>
<td>20,000</td>
<td>20,000</td>
<td>0</td>
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<tr>
<td><strong>Total Salaries</strong></td>
<td>2,108,261</td>
<td>2,156,428</td>
<td>48,167</td>
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<td><strong>Employee Benefits</strong></td>
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<td></td>
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<tr>
<td>Social Security</td>
<td>10,000</td>
<td>10,000</td>
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<tr>
<td>Medicare Insurance</td>
<td>30,000</td>
<td>30,000</td>
<td>0</td>
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<td>Pension - County Retirement Plan</td>
<td>611,106</td>
<td>611,106</td>
<td>0</td>
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<td>Medical Insurance - Actives</td>
<td>365,165</td>
<td>303,748</td>
<td>-61,417</td>
<td>New medical insurance plan rates lower (Firemans' Assoc. vs. CalPERS)</td>
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<td>Health Reimbursement Account</td>
<td>0</td>
<td>26,250</td>
<td>26,250</td>
<td>New employee benefit contribution.</td>
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<td>Dental - Insurance Active</td>
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<td>Dental - Reimbursement Actives</td>
<td>5,400</td>
<td>5,400</td>
<td>0</td>
<td></td>
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<tr>
<td>Vision - Actives</td>
<td>6,400</td>
<td>6,400</td>
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<td>4451 · Unemployment Insurance</td>
<td>17,375</td>
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<td>4621 · AFLAC Insurance</td>
<td>7,600</td>
<td>0</td>
<td>-7,600</td>
<td>Employee benefit removed.</td>
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<td>Prescription Reimbursement - Retirees</td>
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<td>5,000</td>
<td>0</td>
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<td>Health Care Reimbursement - Retirees</td>
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<td>60,000</td>
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<td>Commute Benefits</td>
<td>5,400</td>
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<td>-5,400</td>
<td>Employee benefit removed.</td>
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<td>OPEB Expenses</td>
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<td>Pension Expense - GASB No. 68</td>
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<td>Long Term Disability</td>
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<td><strong>Total Employee Benefits</strong></td>
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<td>1,129,481</td>
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<td><strong>Services and Supplies</strong></td>
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<td>Laboratory</td>
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<td>Disease Surveillance</td>
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<td>Phones and Internet</td>
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<td>Facilities and Maintenance</td>
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<td>Insurance</td>
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<td>Public Outreach</td>
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<td><strong>Depreciation</strong></td>
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<td>0</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
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<td>4,691,324</td>
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<td><strong>Capital Expense</strong></td>
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<tr>
<td><strong>Total Operating and Capital Expenses</strong></td>
<td>4,891,324</td>
<td>4,891,324</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Agenda Item # 5 E

SUBJECT: Contract with the city of San Carlos for rodent control services along waterways in residential areas

RECOMMENDATION

Recommend the board authorize the District Manager to sign the contract with city of San Carlos for rodent control services

BACKGROUND AND STATUS

The revised budget is equal to the adopted budget, with no change in the total amount of Expenditures. Salaries for permanent staff have been increased to reflect the amount in proposed MOU with the Peninsula Vector Workers Association. The amount budgeted for benefits has been decreased to reflect Comments are included in the changed cells in the worksheet.

REFERENCE MATERIALS ATTACHED
1. Revised Budget with changes to Salaries and Benefits
VECTOR CONTROL SERVICES AGREEMENT

BY AND BETWEEN

THE CITY OF SAN CARLOS AND

THE SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

THIS VECTOR CONTROL SERVICES AGREEMENT is made and entered into as of the _____ day of _________________, ________, by and between the CITY OF SAN CARLOS, a municipal corporation existing under the laws of the State of California (“City”) and the SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT, an independent special district existing under the laws of the State of California (“District”), with reference to the following facts and intentions:

RECITALS

WHEREAS, City desires to obtain certain rodent control services more particularly described herein; and

WHEREAS, District has the qualifications and experience to provide such rodent control services; and

WHEREAS, City desires to engage District to provide these rodent control services and District has offered to provide the services on the following terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of their mutual covenants, the parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

2. Project Coordination.

   A. City. City shall assign Frank Amaroso, Public Works Supervisor to represent City for all purposes under this Agreement and be designated as the Project Manager. The Project Manager shall supervise the progress and execution of this Agreement.

   B. District. District shall assign Brian Weber, Assistant Manager, to have overall responsibility for the progress and execution of this Agreement for District.

3. Scope and Performance of Services

   A. Scope of Services. Subject to the provision of pertinent information regarding its requirements for the work and such policy direction and approvals as City, through
its staff, may determine from time to time, District shall perform the services set out in the “Scope of Work” attached hereto as Exhibit A and incorporated herein by reference.

B. **Time of Performance.** The services of District are to commence no sooner than July 1, 2016 and be completed not later than May 31, 2017. District shall perform its services in accordance with the “Schedule of Performance” attached hereto as Exhibit B, and incorporated herein by reference. Any changes to these dates in either this Section 3 or Exhibit B must be approved in writing by the Project Manager.

C. **Standard of Quality.** City relies upon the professional ability of District as a material inducement to entering into this Agreement. All work performed by District under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in District's field of expertise.

4. **Compensation and Method of Payment.**

A. **Compensation.** The compensation to be paid to District, including both payment for professional services and reimbursable expenses, shall be at the rate and schedules attached hereto as Exhibit B, and incorporated herein by reference. However, in no event shall the amount City pays District exceed six thousand three hundred seven dollars and twenty cents ($6,307.20).

B. **Timing of Payment.** District shall submit itemized monthly statements for work performed. City shall make payment, in full, within thirty (30) days after approval of the invoice by the Project Manager.

C. **Changes in Compensation.** District shall not undertake any work that will incur costs in excess of the amount set forth in Paragraph 4(A) without prior written amendment to this Agreement.

D. **Litigation Support.** District agrees to testify at City’s request if litigation is brought against City in connection with District’s work product. Unless the action is brought by District or is based upon District’s negligence, City shall compensate District for the preparation, travel and the testimony at District’s standard hourly rates at the time of actual testimony.

5. **Amendment to Scope of Work.** City shall have the right to amend the Scope of Work within the Agreement by written notification to the District. In such event, the compensation and time of performance shall be subject to renegotiation upon written demand of either party to the Agreement. District shall not commence any work exceeding the Scope of Work without prior written authorization from the City.

6. **Term.** This Agreement shall commence upon its execution and shall continue in full force and effect until completed, amended, or otherwise terminated as provided herein.
7. Inspection. District shall furnish City with every reasonable opportunity for City to ascertain that the services of District are being performed in accordance with the requirements and intentions of this Agreement. All work done and all materials furnished, if any, shall be subject to the Project Manager's inspection and approval. The inspection of such work shall not relieve District of any of its obligations to fulfill the Agreement as prescribed.

8. Ownership of Documents. Title to all plans, specifications, maps, estimates, reports, manuscripts, drawings, descriptions and other final work products compiled by the District under this Agreement shall be vested in City. District may retain copies of the above-described information but agrees not to disclose or discuss any information gathered, discussed or generated in any way through this Agreement without the written permission of City during the term of this Agreement, unless required by law or released by City to the public.

9. Employment of Other Districts, Specialists or Experts. District will not employ or otherwise incur an obligation to pay other consultants, specialists, or experts for services in connection with this Agreement without the prior written approval of the City.

10. Conflict of Interest.

A. District covenants and represents that neither it, nor any officer or member of its Board, has, or shall acquire any investment, income, business entity, interest in real property, or other interest, directly or indirectly, which would conflict in any manner with the interests of City, hinder District’s performance of services under this Agreement, or be affected in any manner or degree by performance of District's services hereunder. District further covenants that in the performance of the Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City. District agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the City in the performance of the Agreement.

B. District is not a designated employee within the meaning of the Political Reform Act because District:

(1) will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the City or of any City official, other than normal contract monitoring; and

(2) possesses no authority with respect to any City decision beyond the rendition of information, advice, recommendation, or counsel. (2 Cal. Code Regs. § 18700(a)(2).)

11. Indemnity. To the fullest extent permitted by law, District hereby agrees to defend (by counsel reasonably satisfactory to the City), indemnify, and hold harmless the City, its officers, agents, employees, volunteers, and servants, from and against any and all claims, demands, damages, costs, liabilities, or obligations brought on account of or arising out of any acts, errors, or omissions of District, its officers, employees, agents, and subcontractors undertaken pursuant to this Agreement excepting liabilities due to the sole negligence or willful misconduct of City.
To the fullest extent permitted by law, City hereby agrees to defend (by counsel reasonably satisfactory to the District), indemnify, and hold harmless the District, its officers, agents, employees, volunteers, and servants, from and against any and all claims, demands, damages, costs, liabilities, or obligations brought on account of or arising out of any acts, errors, or omissions of City, its officers, employees, agents, and subcontractors undertaken pursuant to this Agreement excepting liabilities due to the sole negligence or willful misconduct of District.

The Parties’ duty to indemnify and hold harmless, as set forth herein, shall include the duty to defend as set forth in California Civil Code § 2778. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the Parties under Worker's Compensation, disability or other employee benefit acts or the terms, applicability or limitations of any insurance held or provided by the Parties and shall continue to bind the parties after termination/completion of this agreement.

12. **District Not an Agent of City.** District, its officers, employees and agents shall not have any power to bind or commit City to any decision.

13. **Independent Contractor.** It is expressly agreed that District, in the performance of the work and services agreed to be performed by District, shall act as and be an independent contractor and not an agent or employee of City; and as an independent contractor, District shall obtain no rights to retirement benefits or other benefits which accrue to City’s employees, and District hereby expressly waives any claim it may have to any such rights.

14. **Compliance with Laws.**

   A. **General.** District shall use the standard of care in its profession to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations. District represents and warrants to City that it has and shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for District to practice its profession.

   B. **Workers’ Compensation.** District certifies that it is aware of the provisions of the California Labor Code which require every employee to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that Code, and District certifies that it will comply with such provisions before commencing performance of the Agreement and at all times in the performance of the Agreement.

   C. **Prevailing Wage.** District and District’s subcontractors (if any) shall, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates to workers and professionals as determined by the Director of Industrial Relations of the State of California pursuant to California Labor Code, Part 7, Chapter 1, Article 2. Copies of the applicable wage determination are on file at the City’s Public Works Department office.

   D. **Injury and Illness Prevention Program.** District certifies that it is aware of and has complied with the provisions of California Labor Code § 6401.7, which requires every employer to adopt a written injury and illness prevention program.
E. **City Not Responsible.** City is not responsible or liable for District’s failure to comply with any and all of its requirements under this section and Agreement.

F. **Waiver of Subrogation.** District and District's insurance company agree to waive all rights of subrogation against City, its elected or appointed officials, officers, agents, employees, and volunteers for losses paid under District's workers' compensation insurance policy which arise from the work performed by District for City.

15. **Confidential Information.** All data, documents, discussions or other information developed or received by or for District in performance of this Agreement are confidential and not to be disclosed to any person except as authorized by City, or as required by law.

16. **Assignment; Subcontractors; Employees**

A. **Assignment.** District shall not assign, delegate, transfer, or convey its duties, responsibilities, or interests in this Agreement or any right, title, obligation, or interest in or to the same or any part thereof without City's prior written consent. Any assignment without such approval shall be void and, at City's option, shall immediately cause this Agreement to terminate.

B. **Subcontractors; Employees.** District shall be responsible for employing or engaging all persons necessary to perform the services of District hereunder. No subcontractor of District shall be recognized by City as such; rather, all subcontractors are deemed to be employees of the District, and District agrees to be responsible for their performance. District shall give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and shall keep the work under its control. If any employee or subcontractor of District fails or refuses to carry out the provisions of this Agreement or appears to be incompetent or to act in a disorderly or improper manner, it shall be discharged immediately from the work under this Agreement on demand of the Project Manager.

17. **Insurance.** The Parties acknowledge that they are each self-insured and hereby acknowledge the sufficiency of such insurance for the purposes of this Agreement.

18. **Termination of Agreement; Default.**

A. This Agreement and all obligations hereunder may be terminated at any time, with or without cause, by City upon five (5) days’ written notice to District.

B. If District fails to perform any of its obligations under this Agreement within the time and in the manner herein provided or otherwise violate any of the terms of this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice. In such event, District shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by District bear to the total services otherwise required to be performed for such total fee; provided, however, that the City shall deduct from such amount the
amount of damages, if any, sustained by City by virtue of the breach of the Agreement by District.

C. In the event this Agreement is terminated by City without cause, District shall be entitled to any compensation owing to it hereunder up to the time of such termination, it being understood that any payments are full compensation for services rendered prior to the time of payment.

D. Upon termination of this Agreement with or without cause, District shall turn over to the Project Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by District or its subcontractors, if any, or given to District or its subcontractors, if any, in connection with this Agreement. Such materials shall become the permanent property of the City. District, however, shall not be liable for the City's use of incomplete materials nor for the City's use of complete documents if used for other than the project contemplated by this Agreement.

19. Suspension. City shall have the authority to suspend this Agreement and the services contemplated herein, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of the District to perform any provision of this Agreement. District will be paid for satisfactory Services performed through the date of temporary suspension.

20. Merger; Amendment. This Agreement constitutes the complete and exclusive statement of the agreement between the City and District and shall supersede all prior negotiations, representations, or agreements, either written or oral. This document may be amended only by written instrument, signed by both the City and District. All provisions of this Agreement are expressly made conditions.

21. Interpretation. This Agreement shall be interpreted as though it was a product of a joint drafting effort and no provisions shall be interpreted against a party on the ground that said party was solely or primarily responsible for drafting the language to be interpreted.

22. Litigation Costs. If either party becomes involved in litigation arising out of this Agreement or the performance thereof, the court in such litigation shall award reasonable costs and expenses, including attorneys’ fees, to the prevailing party. In awarding attorneys’ fees, the court will not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorneys’ fees paid or incurred in good faith.

23. Time of the Essence. Time is of the essence of this Agreement.

24. Written Notification. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail. Any such notice, demand, etc. shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within seventy-two (72) hours from the time of mailing if mailed as provided in this section.
25. **District’s Books and Records.**

   A. District shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to the City and all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

   B. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to the City for inspection when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at District's address indicated for receipt of notices in this Agreement.

   C. The City may, by written request by any of the above-named officers, require that custody of the records be given to the City and that the records and documents be maintained in the City Manager’s office.

26. **Agreement Binding.** The terms, covenants, and conditions of this Agreement shall apply to, and shall bind, the heirs, successors, executors, administrators, assigns, and subcontractors of both parties.

27. **Equal Employment Opportunity.** District is an equal opportunity employer and agrees to comply with all applicable state and federal regulations governing equal employment opportunity. District will not discriminate against any employee or applicant for employment because of race, age, sex, creed, color, sexual orientation, marital status or national origin. District will take affirmative action to ensure that applicants are treated during such employment without regard to race, age, sex, creed, color, sexual orientation, marital status, or national origin. Such action shall include, but shall not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-offs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. District
further agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

28. **City Not Obligated to Third Parties.** City shall not be obligated or liable for payment hereunder to any party other than District.

29. **Waiver.** The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement or of any provisions of any ordinance or law shall not be deemed to be a waiver of such term, covenant, condition, ordinance or law or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance or law or of any subsequent breach or violation of the same or of any other term, condition, ordinance, or law. The subsequent acceptance by either party of any fee or other money which may become due hereunder shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, covenant, or condition of this Agreement or of any applicable law or ordinance.

30. **Severability.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

31. **Exhibits.** The following exhibits are attached to this Agreement and incorporated herein by this reference:

   A. Exhibit A: Scope of Work

   B. Exhibit B: Schedule of Performance and Compensation

32. **Execution.** This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

33. **Applicable Law; Venue.** This Agreement shall be construed and interpreted according to California law. In the event that suit shall be brought by either party hereunder, the parties agree that trial of such action shall be held exclusively in a state court in the County of San Mateo, California.

34. **Authority.** Each individual executing this Agreement on behalf of one of the parties represents that he or she is duly authorized to sign and deliver the Agreement on behalf of such party and that this Agreement is binding on such party in accordance with its terms.
IN WITNESS WHEREOF, the City and District have executed this Agreement as of the date first above written.

CITY OF SAN CARLOS

By: ____________________________
   City Manager

Date:

APPROVED AS TO FORM:

By: ____________________________
   City Attorney

ATTEST:

By: ____________________________
   City Clerk

SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

By: ____________________________
   General Manager

Date:

APPROVED AS TO FORM:

By: ____________________________
   General Counsel

ATTEST:

By: ____________________________
   Board Secretary
EXHIBIT A

Scope of Work

Purpose: To provide rodent control treatment along specific natural drainage creeks, waterfronts, recreational areas and various City facilities for an initial period of one year, with an option for City to extend agreement by written amendment for up to three (3) additional one year terms.

WORK SCHEDULE AND TYPE OF TREATMENT

Protective Bait Stations

Installing, a total of 120 protective bait stations in June of each year, each containing an eight (8) ounce paraffin bait block, along natural drainage creeks and areas in the locations indicated on maps available for inspection at the Office of the San Mateo County Mosquito & Vector Control District and the City of San Carlos.

Conducting three follow-up inspections per year of the above installed bait stations at thirty (30) day intervals beginning with the month of June to replace as necessary, consumed or deteriorated bait and to correct any deficiencies concerning the bait stations. For the purpose of this contract, a deficiency includes, but is not limited, to vandalism, missing or damaged bait stations.

Removing all installed bait stations thirty (30) days after final inspection and obliterating colored dots marking location of bait stations.

MATERIALS AND EQUIPMENT

All tools, labor, materials and equipment necessary to carry out this program are to be provided by the Contractor. No alteration or substitution of materials shall occur without the written approval of the Assistant Manager.

Rodenticide

Bromodiolone and diphacinone, both anticoagulants, shall serve as the rodenticides. Bromethalin will be considered when taking into account location and level of infestation. The rodenticide shall be used in the form of a paraffin bait block, of the type manufactured by LiphaTech Inc or similar. Bait blocks shall consist of one eight ounce (8 oz.) bait block and shall contain 0.005 percent (0.005%) bromodiolone, diphacinone or bromethalin per unit weight.
Bait Station
The protective bait station shall be tamper-proof and in compliance with all state, federal, and local laws. The tamper-proof station should be a Protecta bait station or similar design, requiring a key for entry.

Caution Statement
A cautionary statement shall be painted on the side of each protective bait container that shall read:

Caution: Bromodiolone/Diphacinone/Bromethalin
Rat Bait Do Not Disturb
San Mateo County Mosquito and Vector Control
650-344-8592

Statement lettering shall be in red enamel paint and of letters not less than one-half (1/2) inch line height.

Anchors
Duckbill anchors shall be secured to the bait station and driven a minimum of 12 inches into compact earth.

Stake
Metal stakes not less than twelve (12) inches in length, will be required, one (1) per bait station, to aid in securing the bait blocks and containers.

Paint
Red, yellow, green and white enamel paint in aerosol containers will be required for marking bait locations. These will also be recorded by longitude and latitude and stored in a data management system.

METHOD OF BAIT INSTALLATION

Bait containers, tie-wires, stakes, eight-ounce (8 oz.) bait blocks and paint described in MATERIALS AND EQUIPMENT will be utilized.
All protective bait stations shall be installed at approximately equally spaced intervals. The location for installation of the bait stations may be seen on map available for inspection at the Office of the San Mateo County Mosquito & Vector Control District Assistant Manager.

The exact installation site shall be selected by, and shall be entirely dependent upon, the San Mateo County Mosquito and Vector Control District technician’s observation of the conditions existing at each site. All bait stations must be located a safe distance above the water line and every effort must be made to take advantage of natural vegetation, etc., so as to provide the greatest possible concealment from children. Under no circumstances shall bait stations be installed or placed in areas where children are known to play. In areas where it is obvious that children do not play, the bait stations must still be adequately concealed, so as not to be conspicuous to the ordinary child. The San Mateo County Mosquito and Vector Control District technician (SMCMVCD) will not deface private improvements and will be required to exercise his/her judgment in a prudent manner regarding the location of bait stations, etc.

The approximate location of each bait station shall be marked in the field, by the technician by painting a red colored dot approximately one (1) to two (2) inches in diameter on some plainly visible object such as a stone, boulder, or tree. The painted dot shall be situated approximately ten (10) feet away from the bait station so as to designate its general, but not specific, location. One dot if the bait station is located on the same side or two dots if the bait station is located on the opposite creek bank. Any bait containers overlooked and not removed the previous year shall be removed by the technician at the time of installation, at no cost to the City.

**BAIT INSPECTION, REPLACEMENT, REINSTALLATION AND REMOVAL**

Inspections shall be made at thirty (30) day intervals as specified in WORK AND SCHEDULE AND TYPE OF TREATMENT to determine the condition of the bait and to service and maintain the bait as required. If City desires additional work to be done by SMCMVCD, the City will request such additional work by written change order.

A red colored dot is to be used at the time of installation. At each subsequent inspection a different colored enamel paint must be applied over the preexisting markings as follows:

- First inspection: yellow
- Second inspection: green
- Third inspection: white
This procedure will cease once San Mateo County Mosquito and Vector Control has fully implemented their new data management system Mapvision.

Bait replacement shall be made to all bait blocks which are found to be consumed or deteriorated at the equivalent of one-half (1/2) or more of their original weight. Bait which is judged to be no longer palatable to rodents shall also be replaced. City will be charged a flat rate, regardless of bait replaced or man hours spent. Old bait taken from bait containers shall be removed from the treatment area by San Mateo County Mosquito and Vector Control and disposed of in a manner consistent with instructions on the label and in accordance with state and local regulations.

Thirty (30) days after final inspection, SMCMVCD) will remove all bait stations and obliterate all colored dots marking the location of the bait stations.

**RECORD OF WORK TO BE SUBMITTED**

SMCMVCD) must maintain, while carrying out this program, a record (made in the field at time of work performed) of the items listed below:

- Phase of work and dates performed.
- Number of bait stations installed. Designate the approximate position of each bait station in relation to other stations, the levee, shoreline, nearby streets, etc., on the maps provided. Number of bait blocks inspected and the percent consumption noted for each block.
- Number of bait stations reinstalled.
- Number of bait replacements
- Number of bait stations removed (October).

**CORRECTION OF DEFICIENCIES**

The Field Supervisor will inspect work for consistency and accuracy and information will be stored in a database management system to look for patterns and areas of concern. All deficiencies must be corrected within five (5) days.

**LICENSES**

All San Mateo County Mosquito and Vector Control District employees are certified California Department of Public Health Vector Control Technicians). This guarantees extensive training in the field of vector control and all technicians are required to keep their license -up to date through the satisfaction of continuing education requirements.
NOTICES AND COMPLIANCE WITH THE LAW
San Mateo County Mosquito and Vector Control shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the work. San Mateo County Mosquito and Vector Control shall be liable for all violations of the law in connection with work furnished by SMCMVCD.

PUBLIC SAFETY AND CONVENIENCE
SMCMVCD) shall at all times conduct his/her work so as to insure the least possible obstruction to traffic and inconvenience to the general public and the residents in the vicinity of the work, and to ensure the protection of persons and property.

AMOUNT AND METHOD OF PAYMENT
In full consideration of the work to be performed by SMCMVCD), and subject to the provisions of this agreement, the City of San Carlos shall pay SMCMVCD in the manner described below.
Invoices shall itemize the work performed according to attached SCHEDULE OF PROPOSED ITEMS.
Invoices shall be sent to:

    City of San Carlos
    600 Elm St
    San Carlos, CA 94070
    Attn: Frank Amoroso

The total payment for services of SMCMVCD under this Agreement shall not exceed the costs as itemized in Agreement. City shall have the right to withhold payment if the City determines that the quality of work performed is unacceptable to the City of San Carlos.

The amount of work done under this contract shall not exceed $6,307.20 per year
## EXHIBIT B

### Schedule of Performance and Annual Fee Schedule

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Month</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total Price</th>
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<tr>
<td></td>
<td><strong>Installation of protective bait stations</strong></td>
<td>June</td>
<td>120</td>
<td>8 oz. block</td>
<td>$13.14</td>
<td>$1,576.80</td>
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<tr>
<td></td>
<td>- 1st Inspection</td>
<td>July</td>
<td></td>
<td>bait station</td>
<td></td>
<td>$1,576.80</td>
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<tr>
<td></td>
<td>- 2nd Inspection</td>
<td>August</td>
<td></td>
<td>bait station</td>
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<tr>
<td></td>
<td>- 3rd Inspection</td>
<td>September</td>
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<tr>
<td></td>
<td><strong>Bait Replacement</strong></td>
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<td>8 oz block</td>
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<tr>
<td></td>
<td><strong>Reinstallation</strong></td>
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<td></td>
<td>bait station</td>
<td>no additional charge</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Removal of all installed bait stations and obliteration of colored dots</strong></td>
<td>October</td>
<td></td>
<td>8 oz. block</td>
<td>no additional charge</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Annual Charges</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Total Annual Charges $6,307.20
Agenda Item # 5F

SUBJECT: Master Agreement with the California Wildlife Federation for Control of Invasive Cordgrass

RECOMMENDATION

Recommend action to the board to give the Manager authorization to sign the Master Agreement with California Wildlife Foundation for control of Invasive cordgrass.

BACKGROUND AND STATUS

The District received a grant from the California State Coastal Conservancy in 2011 to conduct control of Invasive cordgrass (Spartina) for the Invasive Spartina Project (more information on this program can be found at http://spartina.org/). The District has done this work under contract 10-111 with the Coastal Conservancy. This year, the funding will come from a grant from California Wildlife Foundation (CWF). The attached Master Agreement authorizes the CWF to pay up to $50,000 for cordgrass control work to be completed in 2016. The work is expected to begin in late July or August.

The total amount received for this work to date over the past five years is $276,100. This season’s work will bring the total amount received to $326,100.

REFERENCE MATERIALS AVAILABLE

1. Master Agreement #SMC2016 with California Wildlife Foundation
2. Grant Agreement 10-111 with the Coastal Conservancy
California Wildlife Foundation

Master Agreement for Contracting Services #SMC2016

This Master Agreement for Contracting Services SMC2016 ("Agreement") is entered into effective July 1, 2016 ("Effective Date") by and between SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT ("Contractor"), with their principal place of business located at 1351 Rollins Road, Burlingame, CA 94010, and CALIFORNIA WILDLIFE FOUNDATION ("CWF"), a California non-profit corporation with its principal place of business located at 428 13th Street, Suite 10A, Oakland, CA 94612.

Recitals

A. The parties desire to enter into this Agreement for the purpose of engaging Contractor to provide certain services in support of the work of CWF and the California State Coastal Conservancy ("SCC").

B. This Agreement will serve as the basis for Work Authorization(s) to be entered into between Contractor and CWF, with the concurrence of SCC.

C. The individual Work Authorization(s) will define the scope of work to be undertaken by Contractor and the compensation to be paid for such work.

NOW, THEREFORE, the parties agree as follows:

1. **Services Provided.** CWF and Contractor agree as of the Effective Date above, that Contractor shall provide services to CWF under the terms of this Agreement. Each request for services shall be in the form set forth in Work Authorizations agreed to and signed by CWF and Contractor. Contractor shall provide the services in accordance with the applicable Work Authorization and the terms and conditions set forth herein.

2. **Term.** The Contractor agrees to complete all project activities by date(s) specified in Work Authorization(s) under Schedule of Work. The term of this Agreement is Effective Date to June 30, 2017 and may be extended in subsequent Work Authorizations, if any.

3. **Compensation.** Compensation amount and payment terms shall be set forth in the Work Authorization(s). Compensation payable under this Agreement takes into account and includes all taxes, wages, costs of any type and profits that are incidental to Contractor’s performance of the services. If applicable law specifically provides for direct payment by CWF of any such items, such amounts shall be deducted from payments to be made directly to Contractor.

4. **Modification.** CWF may modify a Work Authorization following consultation with Contractor. CWF and Contractor shall appraise such modifications and adjust Contractor’s compensation if appropriate and as mutually agreed.

5. **Independent Contractors.** Unless otherwise stated in the applicable Work Authorization, Contractor shall provide all tools, materials, equipment and labor required for the prompt completion of the services. Contractor shall perform the services as independent contractors and not as employees of CWF. Contractor shall obtain all necessary permits, shall comply with all applicable laws and authorizations, take all required or appropriate safety precautions, and, to the extent work is performed on CWF’s premises, abide by all CWF operating and safety rules. Employees of Contractor will not be entitled to any benefits payable to employees of CWF. Contractor will advise all persons they assign or hire to perform any duty under this Agreement that they are not employees of CWF. Contractor will provide in writing to CWF thirty (30) days advance notice of any significant staffing changes during the project.
6. **Confidential Information.** During the term of this Agreement, and thereafter for a period of five (5) years, Contractor shall not, without the prior written consent of CWF, disclose to any third party any Confidential Information. “Confidential Information” for the purposes of this Agreement includes CWF proprietary and confidential information such as, but not limited to, donor names or lists, member names or lists, customer lists, business plans, marketing plans, financial information, designs, drawings, specifications, models, software, source codes, object codes, or any other information identified as such by CWF. Confidential Information does not include any information that (a) is disclosed by CWF without restriction; (b) becomes publicly available through no act of Contractor, or (c) is rightfully received by Contractor from a third party with the right to disclose the information. Contractor agrees that any developments or improvements resulting from Contractor’s services herein are solely owned by CWF, and Contractor further agrees to cooperate with CWF in its efforts to protect any of its intellectual property rights.

7. **Other Clients.** The parties agree that Contractor may provide services to other clients during the term of this Agreement. Contractor will provide, at the request of CWF, a list of other clients and will notify CWF if the list of clients changes. Whenever Contractor becomes aware of a conflict between a policy objective advocated by CWF or SCC and another client, Contractor will notify CWF. At the request of CWF, Contractor shall not represent CWF with respect to issues where such conflicts exist. Contractor will never under any circumstances provide representation on behalf of CWF that is in conflict with policies determined by CWF.

8. **Indemnity.** Contractor shall defend, indemnify and hold harmless CWF, any affiliate of CWF, and the agents, employees, officers and directors of any of them (collectively “Indemnities”), from and against any claim or liability, including without limitation personal injury (including an employee of Contractor or an Indemnitee) or property damages (including the property of any Indemnity), plus reasonable attorneys’ fees relating to any of the foregoing, arising out of Contractor’s negligent performance of this Agreement. Such indemnity shall apply whether or not an Indemnitee was or is claimed to be passively, concurrently or actively negligent, and regardless of whether liability without fault is imposed or sought to be imposed on one or more of the Indemnites, except this indemnity shall not apply where such claim or liability is the result of the sole negligence or willful misconduct of an Indemnitee.

9. **Insurance.** Contractor shall maintain during the performance of the services the following insurance and shall name CWF as an additional insured and provide evidence to CWF on such policies: (a) Commercial Liability Insurance of at least $2 million (bodily injury and property damage) including Contractual Liability Insurance to cover liability assumed under this contract; and (b) Automobile Bodily Injury and Property Damage Liability Insurance covering owned, non-owned and hired automobiles in the amount of $1 million. In addition, Contractor shall maintain any Workers’ Compensation insurance required by applicable law.

10. **Termination.** CWF may terminate this Agreement by giving 30 days’ notice to Contractor. The parties may terminate this Agreement for material breach by the other party after giving the other party 30 days to cure the breach. Upon termination, CWF shall pay Contractor any compensation due, less damages incurred as a result of Contractor’s breach, if any. Upon termination, Contractor shall promptly return to CWF, upon CWF’s request, any confidential data, or copies thereof, that CWF provided to Contractor under this Agreement. This Agreement may not be assigned and Contractor may not delegate its obligation hereunder without the prior written consent of CWF, which consent may be withheld in CWF’s sole discretion.

11. **Records.** Contractor shall maintain true and complete records in connection with the services and all transactions related thereto and shall retain such records for at least three (3)
years after the end of the calendar year in which the services are performed. Auditors of the State of California shall have the right to examine records relative to the services and materials provided under any grant funds used for authorized work performed by Contractor.

12. Compliance.

12.1 Payments. Except as otherwise expressly provided herein, neither Contractor nor any director, officer, employee, or agent of Contractor shall give to or receive from any director, officer, employee, or agent of CWF any gift, entertainment of significant value, other consideration, or any commission, fee or rebate in connection with the Agreement. In accordance with California law, no payment made to or received by Contractor shall be in any way contingent upon the defeat, enactment, or outcome of any proposed legislative or administrative act.

12.2 Prevailing Wage. Work done under this Agreement may be subject to the prevailing wage and other provisions of the California Labor Code requirements (see Labor Code sections 1720 et seq.). Contractor shall pay prevailing wage to all persons employed in the performance of any part of the project and otherwise comply with all associated requirements and obligations, if required by law to do so.

12.3 Contractor License Law. Contractor will comply with the California Business and Professions Code, known as the "Contractor's License Law", Sections 7000 through 7145. The Contractor must possess an appropriate license which is current and valid at the date of the bid and throughout the term of this Agreement.

12.4 Health and Safety. The Contractor will comply with the health and safety requirements of the California Administrative Code, Title 8, Industrial Relations, Division of Industrial Safety.

13. Governing Law. This Agreement is governed by the laws of the State of California, excluding its conflict of laws rules.

14. Entire Agreement. In addition to this Agreement and all Work Authorizations with attachments agreed to by the parties, Contractor agrees to be bound by the terms and conditions of CWF's agreement with SCC, attached as Exhibit A and incorporated by reference into this Agreement. These documents set forth the entire agreement between the parties regarding the services, and no other representations or agreements shall be effective unless in writing containing a specific reference to this Agreement and signed by CWF and Contractor's representatives.

AGREED FOR CALIFORNIA WILDLIFE FOUNDATION

By: ___________________________ By: ___________________________

Name: Janet Cobb
Title: Executive Officer
Date: _______________________

AGREED FOR ________________

By: ___________________________

Name:
Title:
Date: _______________________

3 | Page
May 16, 2011

Janet Cobb, Executive Officer
California Wildlife Foundation
428 13th Street, 10th Floor, Suite A
Oakland, CA 94612

Subject: Designation of Conservancy Manager Grant Agreement No. 10-106

Dear Ms. Cobb:

The agreement mentioned above requires that I name someone to serve as the Executive Officer’s designee. I have selected Marilyn Latta for this role.

I have enclosed a signed copy of the agreement. I look forward to our continued work together on this project.

Sincerely,

Samuel Schuchat
Executive Officer

Enclosure
STATE OF CALIFORNIA
STANDARD AGREEMENT
Std. 2 (Grant - Rev 08/98)

AGREEMENT NUMBER
10-106

AM. NO.

TAXPAYERS FEDERAL EMPLOYER IDENTIFICATION No.
68-0234744

IS AGREEMENT, made and entered into this 21st day of May, 2011, the State of California, by and between State of California, through its duly elected or appointed, qualified and acting

TITLE OF OFFICER ACTING FOR STATE
Executive Officer

AGENCY
State Coastal Conservancy

GRANTEES NAME
California Wildlife Foundation

hereafter called the Conservancy, and
hereafter called the Grantee.

The Grantee, for and in consideration of the covenants, conditions, agreements, and stipulations of the Conservancy hereinafter expressed, does hereby agree as follows:

PRIOR GRANT AGREEMENT AND INCORPORATION OF CONTINUING OBLIGATIONS

The State Coastal Conservancy ("the Conservancy") and the California Wildlife Foundation ("the grantee") had previously entered into Grant Agreement No. 04-014 (which, including all amendments, is referred to as "the prior agreement") by which the Conservancy provided to the grantee funds in the total amount of $1,144,955.71 for invasive Spartina treatment and eradication and associated activities under the Invasive Spartina Project ("ISP") Control Program. The grant of funds under this agreement enables the grantee to continue with the same activities.

The Conservancy and the grantee have entered into a new agreement, rather than amending the prior grant agreement, in order to eliminate the administrative burden associated with utilizing an agreement with multiple amendments, to update and add agreement provisions and to streamline future augmentation of this agreement by amendment, as contemplated by the parties, if additional funding is available.

(Continued on following pages)

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA

GRANTEE

AGENCY
State Coastal Conservancy

GRANTEE (if other than an individual, state whether a corporation, partnership, etc.)
California Wildlife Foundation

BY (Authorized Signature)

Samuel Schuchat, Executive Officer

BY (Authorized Signature)

Janet Cobb, Executive Officer

PRINTED NAME AND TITLE OF PERSON SIGNING
1330 Broadway, 13th Floor
Oakland, CA 94612
Phone: (510) 286-1015

ADDRESS AND PHONE NUMBER

Phone: (510) 763-0211

ADDRESS

428 13th Street, 10th Floor, Suite A
Oakland, CA 94612

AMOUNT ENCumbered BY THIS DOCUMENT
$300,000.00

AMOUNT ENCumbered BY THIS DOCUMENT
Safe Drinking Water, Water Quality and Supply...

PROGRAM CATEGORY (CODE AND TITLE)
Capital Outlay

OPTIONAL USE
Invasive Spartina Project

FUND TITLE

ITEM

3760-301-6051(1)(F) = $38,321.00
3760-301-6051(0995)(1)(F) = $235,679.00
3760-301-6051(0995)(1)(E) = $26,000.00

CHAPTER
1XXX
268
1XXX

STATUTE
2009
2008
2009

FISCAL YEAR
09/10
08/09
09/10

TOTAL AMOUNT ENCumbered TO DATE
$300,000.00

San Francisco Bay

I certify that this agreement is exempt from Department of General Services' approval.

Erinda Corroz
Contracts Manager

SIGNATURE OF ACCOUNTING OFFICER

05/13/11

DATE

GRANTEE

ACCOUNTING

PROJECT MANAGER

CONTROLLER

STATE AGENCY
PRIOR GRANT AGREEMENT AND INCORPORATION OF CONTINUING OBLIGATIONS (Continued)

As of the effective date of this agreement, the prior agreement will be terminated and void and of no further effect. Notwithstanding the termination of the prior agreement, the following terms and provisions will survive the termination and will be incorporated into this agreement as continuing obligations of the grantee:

1. The grantee will continue to indemnify and hold harmless the State and Conservancy for claims for injuries to persons or damage to property arising out of acts or omission of the grantee under the prior agreement, as specified in the “INDEMNIFICATION” section, below, and shall agree to diligently pursue insurance coverage under any insurance policies maintained by the grantee under the prior agreement for claims for injuries to persons or damage to property that arose from or in connection with any activities by the grantee undertaken pursuant to the prior agreement.

2. To the extent that the grantee undertook work under the prior agreement that was reimbursed by outside funds (which the prior agreement indicated), the grantee remains bound by all requirements of the outside funds.

3. To the extent and for as long as applicable, the grantee will continue to comply with all requirements for the work done by the grantee under the prior agreement including the requirements of: any permit or approval, including those identified in the site-specific Biological Opinion; all mitigation and monitoring measures for the work under the San Francisco Estuary Invasive Spartina Project Final Environmental Impact Statement/Environmental Impact Report: Spartina Control Program (FEIS/R); and any approved site-specific plan.

4. If any “non-expendable equipment” (see definition in “EQUIPMENT” section, below) was acquired by the grantee under the prior agreement, the grantee shall use, maintain, operate and dispose of that equipment subject to the requirements of the EQUIPMENT section, below.

5. The grantee shall continue to retain records and permit audit and examination of records as and to the extent required under the “AUDITS/ ACCOUNTING/ RECORDS” or similar section of the prior agreement or any other section of the prior agreement relating to the management and maintenance of records or requirement of audit or inspection of records.

SCOPE OF AGREEMENT

Pursuant to Chapter 4.5 of Division 21 of the Public Resources Code, Conservancy ("the Conservancy") hereby grants to the grantee a sum not to exceed $300,000 (three hundred
SCOPE OF AGREEMENT (Continued)

thousand dollars), subject to the terms and conditions of this agreement. These funds shall be used by the grantee to undertake Spartina treatment and eradication and associated activities (the project) at sites within the Blackie’s Pasture Complex in the City of Tiburon and County of Marin, Coyote Creek Mowry Complex in the City of Fremont and County of Alameda, Pickleweed Park/Tiscornia Marsh Complex in the City of Larkspur and County of Marin, Southeast San Francisco Complex in the City and County of San Francisco, Whale’s Tail Complex in the City of Hayward and County of Alameda, South Bay Marshes Complex in the cities of Fremont and Alviso in the Counties of Alameda and Santa Clara, Cooley Landing Salt Pond Restoration Complex in the City of East Palo Alto and County of Santa Clara, Alameda/ San Leandro Bay Complex in the Cities of Alameda and Oakland and County of Alameda, San Leandro/ Hayward Shoreline Complex in the Cities of Oakland and San Leandro and County of Alameda, Two Points Complex, Marin Outliers Complex in Sausalito and the County of Marin, and Petaluma River Complex in the City of Petaluma and County of Sonoma, as detailed in Exhibit A, “2011-2015 ISP Site-Specific Invasive Spartina Treatment Sites”, which is incorporated by reference and attached.

All funds provided under this agreement, along with in-kind services as may be provided by the grantee, shall be used by the grantee to plan, prepare for, undertake and complete treatment activities for the eradication and control of invasive Spartina in the sites identified. The funds may also be used for activities required for such treatment work, including: (a) the purchase of herbicide, surfactant and other supplies reasonably needed to complete the treatment activities; (b) restoration work required as a mitigation measure; or (c) subsequent mapping and monitoring to determine the effectiveness of the treatment activities.

The grantee shall carry out the project in accordance with this agreement, a site-specific plan and a work program to be approved by the Executive Officer of the Conservancy (“the Executive Officer”) pursuant to this agreement. The grantee shall provide any funds beyond those granted under this agreement which are needed to complete the specific project work for which funding has been provided.

The specific work to be undertaken by the grantee with the initial funding under this agreement (Initial Project Work) is specified below; in the event additional funding is available in the future and the parties agree to augment this agreement, the specific work to be undertaken by the grantee under the amendment (the Amendment Project Work) will be specified in the amendment.

Initial Project Work
SCOPE OF AGREEMENT (Continued)

The grantee will undertake treatment and eradication and associated activities, with initial funds in the amount of $300,000, for two treatment seasons from May 2011-December 2011 and from May 2012-December 2012, as follows:

1. Treatment and eradication of the invasive hybrid *Spartina* at the Blackie's Pasture Complex.
   a. Acreage: .006
   b. Methods of treatment: Digging, mowing, and/or covering; herbicide application via backpack.

2. Treatment and eradication of the invasive hybrid *Spartina* at the Coyote Creek Mowry Complex.
   a. Acreage: .157

3. Treatment and eradication of the invasive hybrid *Spartina* at the Pickleweed Park/Tiscornia Marsh Complex.
   a. Acreage: .013
   b. Methods of treatment: Digging, mowing, and/or covering; herbicide application via backpack.

4. Treatment and eradication of the invasive hybrid *Spartina* at the Southeast San Francisco Complex.
   a. Acreage: .004
   b. Methods of treatment: Digging, mowing, and/or covering; herbicide application via backpack, truck.

5. Treatment and eradication of the invasive hybrid *Spartina* at the Whale's Tail Complex.
   a. Acreage: .183
   b. Methods of treatment: Herbicide application via backpack, truck.
6. Treatment and eradication of the invasive hybrid *Spartina* at the South Bay Marshes Complex.
   a. Acreage: .215
   b. Methods of treatment: Herbicide application via backpack, truck, amphibious vehicle, airboat, and aerial broadcast.

7. Treatment and eradication of the invasive hybrid *Spartina* at the Cooley Landing Salt Pond Restoration Complex.
   a. Acreage: .917
   b. Methods of treatment: Herbicide application via backpack, truck, amphibious vehicle, airboat, and aerial broadcast.

8. Treatment and eradication of the invasive hybrid *Spartina* at the Alameda/ San Leandro Bay Complex.
   a. Acreage: .174
   b. Methods of treatment: Herbicide application via backpack, truck, and airboat.

9. Treatment and eradication of the invasive hybrid *Spartina* at the San Leandro/ Hayward Shoreline Complex.
   a. Acreage: .095
   b. Methods of treatment: Herbicide application via backpack, truck.

10. Treatment and eradication of the invasive hybrid *Spartina* at the Two Points Complex.
    a. Acreage: 1.523
    b. Methods of treatment: Herbicide application via backpack, amphibious vehicle, and airboat.

11. Treatment and eradication of the invasive hybrid *Spartina* at the Marin Outliers Complex.
    a. Acreage: .083
SCOPE OF AGREEMENT (Continued)

b. Methods of treatment: Digging, mowing, and/or covering; herbicide application via backpack, airboat.

12. Treatment and eradication of the invasive hybrid Spartina at the Petaluma River Complex.

a. Acreage: .01


All Initial Project Work, except for ongoing monitoring under the "OPERATION AND MAINTENANCE" section, below, shall be completed by December 31, 2012 (the "Initial completion date").

The funding under this agreement is provided, in whole or in part, from an outside funding source and the grantee shall comply with all requirements imposed by that outside funding source, as detailed in Exhibit B. The outside funding for the work is as follows:

$261,679 provided by Bureau of Ocean Energy Management, Regulation and Enforcement (formerly Minerals Management Service) through the Coastal Impact Assistance Program ("CIAP Grant").

CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT

The grantee shall not commence the Initial Project Work or any Amendment Project Work under this agreement and the Conservancy shall not be obligated to disburse any funds for such work unless and until the following conditions precedent have been met with respect to the Initial Project Work or to any Amendment Project Work:

1. The Board of Directors of the California Wildlife Foundation has adopted a resolution authorizing the execution of this agreement or, as to any Amendment Project Work, authorizing an amendment to this agreement and approving its terms and conditions. The resolution may delegate to any officer or director of the grantee the authority to execute the agreement or amendment and to approve its terms and conditions.

2. The Executive Officer has approved in writing:
CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT (Continued)

a. The site-specific plan for each site at which treatment and eradication activities are proposed, including mitigation measures, and a work program for the specific project work under the initial funding or under any subsequent amendment.

b. All contractors that the grantee intends to employ in connection with the project work.

3. The grantee has provided written evidence to the Conservancy that the grantee has provided for required insurance coverage, including additional insured endorsement, as described in the “INSURANCE” section, below.

4. All permits and approvals necessary to the commencement and completion of the project work under applicable local, state and federal laws and regulations have been obtained, including, without limitation, any required Biological Opinion for project work. The Conservancy’s ISP contractor will obtain all permits and approvals required under state and federal law; the grantee will obtain all local permits and approvals.

ADDITIONAL GRANT CONDITIONS

1. In carrying out the project, the grantee shall comply with all applicable mitigation and monitoring measures that are: identified in the San Francisco Estuary invasive Spartina Project Final Environmental Impact Statement/Environmental Impact Report: Spartina Control Program (FEIS/RI); set forth in the approved site-specific plan; or required by any permit or approval for the project including those identified in the site-specific Biological Opinion.

2. For any project work that is on property that is not owned by the grantee, the grantee shall obtain either (a) written authorization from the owner of the property to undertake the treatment and eradication activities on that property or (b) written authorization of a state or local public entity to enter the property for or on behalf of that entity to undertake the activities and the state or local entity has legal authority to enter the property for the activities and has undertaken all procedures required to exercise that authority. The grantee shall provide to the Conservancy documentation of such authorization prior to commencement of project work on the property.

3. The grantee shall use the herbicide(s) and the surfactant(s) which have been recommended in writing by the Conservancy as the most appropriate and effective for the site-specific treatment. If the use of an alternative herbicide or surfactant is proposed by the grantee, the grantee shall provide for review and written approval of the Executive Officer a request for
ADDITIONAL GRANT CONDITIONS (Continued)

use of an alternative and documentation establishing that the alternative is as (or more) effective and/or appropriate than the identified herbicide(s) or surfactant(s) in the context of the site-specific treatment.

TERM OF AGREEMENT

This agreement shall be deemed executed and effective when signed by both parties and received in the offices of the Conservancy together with the resolution described in the "CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT" section of this agreement. An authorized representative of the grantee shall sign the first page of the originals of this agreement in ink.

This agreement shall run from its effective date through May 31, 2016, (the “termination date”) unless otherwise terminated or amended as provided by the agreement. However, all work shall be completed by the completion date specified in the Scope of Agreement for that work. The grantee shall submit a final Request for Disbursement no later than 60 days after the completion date for the project work (“the final invoice date”).

The grantee, in reliance on the grant authorization, may have undertaken administrative activities for the project, such as preparation for contractor selection, prior to the effective date of this agreement, in order to meet the timelines for on-the-ground project work. These administrative activities were done at grantee’s risk and without the Conservancy’s obligation to compensate the grantee for such work. Notwithstanding the foregoing, however, the costs of such work may, in the sole discretion of the Executive Officer, be reimbursed, if determined to have been necessary to timely completion of the project and done in a manner consistent with the terms of this agreement.

AUTHORIZATION

The signature of the Executive Officer of the Conservancy on this agreement or on any subsequent amendment certifies that this agreement or amendment is executed pursuant to an authorization of the Conservancy by resolution included in a staff recommendation, attached and incorporated, adopted at a regular or special meeting, as follows:

1. Initial Project Work: Meeting of March 17, 2011. Staff recommendation attached to this agreement as Exhibit C.
AUTHORIZATION (Continued)

Work under this agreement or under any subsequent amendment to this agreement is funded, in whole or in part, with outside grant funds, if specified in the “Scope of Agreement” section, above. The Executive Officer’s signature on the first page of this agreement or on any subsequent amendment certifies that the outside funds were awarded specifically for the work under this agreement or under the amendment.

WORK PROGRAM

Before starting the Initial Project Work or any subsequent Amendment Project Work, the grantee shall submit a detailed work program for that work to the Executive Officer for review and written approval of its consistency with this agreement. The work program shall include:

1. Site-specific plans, including mitigation and monitoring measures. The grantee shall prepare and review the plans on-site with the Conservancy’s Invasive Spartina Control Program Field Operations Manager.

2. A detailed work program, including a schedule of completion for treatment and eradication work at each site, a final project completion date, and a detailed project budget. The project budget shall describe all labor and materials costs to be incurred to complete each component of the project. For each project component, the project budget shall list all intended funding sources, including the Conservancy’s grant, the grantee’s contribution and all other sources of monies, materials, or labor.

The site-specific plans and work program shall have the same effect as if included in the text of this agreement. However, the site-specific plans and work program may be modified without amendment of this agreement upon the grantee’s submission of modified site-specific plans and work program and the Executive Officer’s written approval of it. If this agreement and the site-specific plans and work program are inconsistent, the agreement shall control.

If all or any part of the project to be funded under this agreement will be performed by third parties (“contractors”) under contract with the grantee, prior to initiating any request for contractor bids, the grantee shall submit the bid package to the Executive Officer for review and written approval as to consistency with the purposes of this grant agreement. Upon approval by the Executive Officer, the grantee shall proceed with the bidding process. Prior to final selection of a contractor, the grantee shall submit to the Executive Officer for written approval the names of all contractors that the grantee intends to hire. The grantee shall then comply with the above paragraph regarding submission and approval of a work program prior to implementation. If the grantee retains a public entity or a local Conservation Corps organization to do work under this agreement, the grantee need not solicit bids for the work. If the grantee has previously
selected a contractor to conduct work under the prior grant agreement though a bid process, the grantee may continue to use the contractor under this agreement, without the need for additional bid process.

The grantee shall carry out the project in accordance with the approved work program.

**COSTS AND DISBURSEMENTS**

Upon determination by the Conservancy that all "CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT" have been fully met, the Conservancy shall disburse to the grantee, in accordance with the approved project budget, a total amount not to exceed the amount of this grant, as follows:

Disbursements shall be made on the basis of costs incurred to date, less ten percent, upon satisfactory progress in accordance with the approved work program and upon the grantee’s submission of a "Request for Disbursement" form, which shall be submitted no more frequently than monthly but no less frequently than quarterly. Disbursement of the ten percent withheld shall be made as follows:

1. **Project Work Completion – Treatment Season.** The ten percent withheld with respect to any Initial Project Work or Amendment Project Work for any one treatment season shall be disbursed to the grantee upon the grantee’s satisfactory completion of the Initial Project Work or the Amendment Project Work for that treatment season and compliance with the applicable requirements of the "PROJECT OR TREATMENT SEASON COMPLETION" section of this agreement, and upon the Conservancy’s acceptance of the work.

2. **Project Completion.** Any remaining amount of the ten percent withheld shall be disbursed to the grantee upon the grantee’s satisfactory completion of the project and compliance with the applicable requirements of the "PROJECT OR TREATMENT SEASON COMPLETION" section of this agreement, and upon the Conservancy’s acceptance of the project.

The grantee shall request disbursements by filing with the Conservancy fully executed "Request for Disbursement" forms (available from the Conservancy). The grantee shall include in the forms its name and address, the number of this agreement, the date of the submission, the amount of the request for disbursement, the period during which the work was actually done, and an itemized description, including time, materials, and expenses incurred, of all work done for which disbursement is requested. The forms shall also indicate cumulative expenditures to date, expenditures during the reporting period, and the unexpended balance of funds under the grant agreement.
COSTS AND DISBURSEMENTS (Continued)

An authorized representative of the grantee shall sign the form. Each form shall be accompanied by:

1. All receipts and any other source documents for direct expenditures and costs that the grantee has incurred.

2. Invoices from contractors that the grantee engaged to complete any portion of the work funded under this agreement and receipts and any other source documents for costs incurred and expenditures by any such contractor, unless the Executive Officer makes a specific exemption in writing.

3. A supporting progress report summarizing the current status of the project and comparing it to the status required by the work program (budget, timeline, tasks, etc.) including written substantiation of completion of the portion of the project for which the grantee is requesting disbursement.

The Conservancy will reimburse the grantee for expenses necessary to the project when documented by appropriate receipts. The Conservancy will reimburse travel and related expenses at actual costs not to exceed the rates provided in Title 2, Division 1, Chapter 3, Subchapter 1, Article 2 of the California Code of Regulations (“CCR”), except that reimbursement may be in excess of these rates upon documentation that these rates are not reasonably available to the grantee. Reimbursement for the cost of operating a private vehicle shall not, under any circumstance, exceed the current rate specified by the State of California for unrepresented state employees as of the date the cost is incurred. The Conservancy will reimburse the grantee for other necessary expenses if those expenses are reasonable in nature and amount taking into account the nature of the project, its location, and other relevant factors.

The grantee’s failure to fully execute and submit a Request for Disbursement form, including attachment of supporting documents, will relieve the Conservancy of its obligation to disburse funds to the grantee unless and until the grantee corrects all deficiencies.

EQUIPMENT

If approved under a separate work program, the grantee may purchase equipment that is necessary to carry out the project.

Title will vest in the Conservancy to any equipment for which funds are disbursed to the grantee for purchase under this contract (“ISP equipment”).
EQUIPMENT (Continued)

Throughout the term of this agreement, the grantee shall maintain the equipment in good working condition and pay all costs of operation and maintenance. The grantee shall also comply with all requirements related to equipment purchased with any outside funding. The contractor shall promptly notify the Conservancy if any ISP equipment is damaged, lost, or stolen, and Conservancy may require the grantee to repair or replace any damaged, lost, or stolen equipment to the satisfaction of the Conservancy with no expense to the Conservancy. In the event of theft of any non-expendable equipment, the grantee shall promptly cause a police report to be filed.

The grantee shall utilize equipment purchased under this agreement for the project. The Conservancy may, at its discretion and on written request of the grantee, provide prior written approval for the grantee to use non-expendable equipment for other public programs if such other use does not interfere with the work on the project and provided that the use is consistent with the requirements of the source of funding used for the original purchase of the equipment and compatible with Division 21 of the California Public Resources Code.

The contractor shall maintain an inventory record for each piece of non-expendable ISP equipment, including the date acquired, cost, serial number, model identification, and any other information or description necessary to identify said equipment. A copy of the inventory record must be submitted to the Conservancy on request.

On termination of the contract, the Contractor will provide an inventory of all non-expendable equipment, including information from which to reasonably determine whether the equipment has residual value or not and identifying the source of funding used to acquire the equipment. If the Conservancy determines that there is remaining residual value in the non-expendable equipment, the Conservancy may, at its option: (1) request that the equipment be returned to the Conservancy, with costs incurred by the grantee for such return being reimbursed by the Conservancy; (2) authorize the continued use of the equipment for work to be performed under a different agreement or contract; 3) authorize the continued use of the equipment for *Spartina* eradication and treatment work; 4) authorize the use or disposition of the equipment under an alternative proposal made by the grantee, provided that the alternative use or disposition is consistent with the requirements of the source of funding used for the original purchase of the equipment and compatible with Division 21 of the California Public Resources Code.

“Non-expendable” equipment, as used in this section, means equipment that has a normal life expectancy of one year or more and an approximate unit price of $250 or more or equipment that, although having a unit price of less than $250, is of significant value and is theft-sensitive.
EXPENDITURE OF FUNDS AND ALLOCATION OF FUNDING AMONG BUDGET ITEMS

The grantee shall expend funds in the manner described in the approved project budget for the Initial Project Work or, as applicable, in the approved budget for any Amendment Project Work. The allocation of the Conservancy’s total grant among items contained in the project budget may vary by as much as ten percent with the prior approval of the Executive Officer and upon provision of a revised work program budget to the Executive Officer with the proposed changes identified in the revised documentation. The Conservancy may withhold payment for changes in particular budget items which have not received the approval required above. The total amount of this grant may not be increased except by amendment to this agreement. Any increase in the funding for any particular budget item shall mean a decrease in the funding for one or more other budget items unless there is a written amendment to this agreement.

Any proposed change in the approved project budget must also comply with all requirements imposed by outside funding that will reimburse the grantee for work covered by that budget, which may include the prior approval of the outside funder.

PROJECT OR TREATMENT SEASON COMPLETION

Within sixty days of completion of the project or of all Initial Project Work or Amendment Project Work for any one treatment season, the grantee shall supply the Conservancy with evidence of completion by submitting a final report or a final treatment season report which includes:

1. A “Mitigation Checklist” for treatment work at all sites and subsites signed by the grantee and by a representative of the Conservancy’s ISP contractor, Olofson Environmental Inc., or one of its authorized subcontractors.

2. A final report, detailing the activities undertaken and documenting the completion of the project or the completion of all treatment activities for the treatment season under the site-specific plan(s) and work program, including acreages treated, maps showing the boundaries of areas treated, and photographs documenting the implementation of the required treatment.

3. In the case of a final report, a fully executed final “Request for Disbursement” form.

Within thirty days of grantee’s compliance with this paragraph, the Conservancy shall determine whether the project or Initial Project Work or Amendment Project Work for the treatment season has been satisfactorily completed. If the Conservancy determines that the work has been satisfactorily completed, the Conservancy shall issue to the grantee a letter of acceptance of the
PROJECT OR TREATMENT SEASON COMPLETION (Continued)

Project or of the Initial Project Work or Amendment Project Work for the treatment season, which shall be deemed complete as of the date of the letter of acceptance.

EARLY TERMINATION, SUSPENSION AND FAILURE TO PERFORM

Before the project is complete, either party may terminate this agreement for any reason by providing the other party with seven days notice in writing and the Conservancy may suspend the agreement upon written notice. In either case, the grantee shall immediately stop work under the agreement and take all reasonable measures to prevent further costs to the Conservancy. The Conservancy shall be responsible for any reasonable and non-cancelable obligations incurred by the grantee in the performance of this agreement prior to the date of the notice to terminate or suspend, but only up to the undisbursed balance of funding authorized in this agreement. Any notice suspending work under this agreement shall remain in effect until further written notice from the Conservancy authorizes work to resume.

If the grantee fails to complete the project as required, or fails to fulfill any other obligations of this agreement prior to the termination date, the grantee shall be liable for immediate repayment to the Conservancy of all amounts disbursed by the Conservancy under this agreement. The Conservancy may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed. This paragraph shall not limit any other remedies the Conservancy may have for breach of this agreement.

The parties expressly agree to waive, release and relinquish the recovery of any consequential damages that may arise out of the termination or suspension of this agreement under this section.

The grantee shall include in any agreement with any contractor retained for work under this agreement a provision that entitles the grantee to suspend or terminate the agreement with the contractor for any reason on written notice and on the same terms and conditions specified in this section.

OPERATION AND MAINTENANCE

Upon completion of the project the grantee shall work with the Conservancy’s Invasive Spartina Project to continue control efforts on the project site(s) and shall continue to regularly monitor the site(s) for re-infestations of invasive Spartina for three years following the completion date for the work under this agreement and shall notify the Conservancy in the event of any re-infestation.
INSPECTION

Throughout the term of the agreement, Conservancy shall have the right to inspect the project area to ascertain compliance with this agreement.

INDEMNIFICATION

The grantee shall be responsible for, indemnify and save harmless the Conservancy, its officers, agents and employees from any and all liabilities, claims, demands, damages or costs resulting from, growing out of, or in any way connected with or incident to this agreement, except for active negligence of the Conservancy, its officers, agents or employees. The duty of the grantee to indemnify and save harmless includes the duty to defend as set forth in Civil Code Section 2778. This agreement supersedes the grantee’s right as a public entity to indemnity (see Gov. Code Section 895.2) and contribution (see Gov. Code Section 895.6) as set forth in Gov. Code Section 895.4.

Nothing in this agreement is intended to create in the public or in any member of it rights as a third party beneficiary under this agreement.

INSURANCE

Throughout the term of this agreement, the grantee shall procure and maintain insurance, as specified in this section, against claims for injuries to persons or damage to property that may arise from or in connection with any activities by the grantee or its agents, representatives, employees, volunteers, or contractors associated with the project undertaken pursuant to this agreement. As an alternative, with the written approval of the Executive Officer, the grantee may satisfy the coverage required by this section in whole or in part through: (a) its contractors’ procurement and maintenance of insurance for work under this agreement, if the coverage otherwise fully satisfies the requirements of this section; or (b) the grantee’s participation in a “risk management” plan, self insurance program or insurance pooling arrangement, or any combination of these, if consistent with the coverage required by this section. The grantee shall maintain property insurance, if required below, throughout the term of this agreement. Any required errors and omissions liability insurance shall be maintained from the effective date through two calendar years after the completion date. The grantee shall maintain all other required insurance from the effective date through the completion date.

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:
INSURANCE (Continued)

a. Insurance Services Office ("ISO") Commercial General Liability coverage (occurrence Form CG 0001) or ISO Comprehensive General Liability form (1973) or comparable with Broad Form Comprehensive General Liability endorsement.

b. Automobile Liability coverage: ISO Form Number CA 0001, Code 1 (any auto).

c. Workers' Compensation insurance as required by the Labor Code of the State of California.

2. Minimum Limits of Insurance. The grantee shall maintain coverage limits no less than:

a. General Liability: 
   \( \text{(Including operations, products and completed operations, as applicable)} \) $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the activities under this agreement or the general aggregate limit shall be twice the required occurrence limit.

b. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

3. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Officer.

4. Required Provisions. Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled by either party, except after thirty days' prior written notice by certified mail, return receipt requested, has been given to the Conservancy. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

a. The State of California, its officers, agents and employees are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the grantee; and with respect to liability arising out of work or operations performed by or on behalf of the grantee including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this agreement, the grantee's insurance coverage shall be primary insurance as respects the State of California, its officers, agents and employees.
INSURANCE (Continued)

5. **Acceptability of Insurers.** Insurance shall be placed with insurers admitted to transact business in the State of California and having a current Best's rating of “B+-VII” or better or, in the alternative, acceptable to the Conservancy and approved in writing by the Executive Officer.

6. **Watercraft.** If the grantee is to engage in work involving the use of watercraft, the contractor or its subcontractor(s) shall provide and maintain insurance covering injury to person or property, which may include, as appropriate, an endorsement to a Commercial General Liability policy covering non-owned watercraft liability or Protection and Indemnity Insurance or Jones Act coverage. Coverage shall be in a reasonable amount in light of the nature of the activity and shall be verified by certificates of insurance and endorsements and approved by the Executive Officer.

7. **Verification of Coverage.** The grantee shall furnish the Conservancy with original certificates, in the form attached as Exhibit D to this agreement and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Executive Officer before work commences. The Conservancy may, at any time, require complete, certified copies of all required insurance policies, including endorsements affecting the coverage.

8. **Contractors.** The grantee shall include all contractors as insureds under its policies or shall require each contractor to provide and maintain coverage consistent with the requirements of this section.

9. **Premiums and Assessments.** The Conservancy is not responsible for premiums and assessments on any insurance policy.

AUDITS/ACCOUNTING/RECORDS

The grantee shall maintain financial accounts, documents, and records (collectively, “records”) relating to this agreement, in accordance with the guidelines of “Generally Accepted Accounting Principles” (“GAAP”) published by the American Institute of Certified Public Accountants. The records shall include, without limitation, evidence sufficient to reflect properly the amount, receipt, deposit, and disbursement of all funds related to implementation of the project. Time and effort reports are also required. The grantee shall maintain adequate supporting records in a manner that permits tracing from the request for disbursement forms to the accounting records and to the supporting documentation.
AUDITS/ACCOUNTING/RECORDS (Continued)

Additionally, the Conservancy or its agents may review, obtain, and copy all records relating to performance of the agreement. The grantee shall provide the Conservancy or its agents with any relevant information requested and shall permit the Conservancy or its agents access to the grantee’s premises upon reasonable notice, during normal business hours, to interview employees and inspect and copy books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this agreement and any applicable laws and regulations.

The grantee shall retain the required records for a minimum of three years following the later of final disbursement by the Conservancy, and the final year to which the particular records pertain. The records shall be subject to examination and audit by the Conservancy and the Bureau of State Audits during the retention periods.

If the grantee retains any contractors to accomplish any of the work of this agreement, the grantee shall first enter into an agreement with each contractor requiring the contractor to meet the terms of this section and to make the terms applicable to all subcontractors.

The Conservancy may disallow all or part of the cost of any activity or action that it determines to be not in compliance with the requirements of this agreement.

NONDISCRIMINATION

During the performance of this agreement, the grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, ethnic group identification, physical disability (including HIV and AIDS), mental disability, medical condition, marital status, age (over 40) or sexual orientation (Government Code section 12940). The grantee and its contractors also shall not unlawfully deny a request for or take unlawful action against any individual because of the exercise of rights related to family-care leave (Government Code sections 12945.1 and 12945.2). The grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination, harassment and unlawful acts.

Pursuant to Government Code section 12990, the grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.) and the applicable regulations (California Code of Regulations Title 2, section 7285.0 et seq.). The regulations of the Fair Employment and Housing Commission regarding Contractor Nondiscrimination and Compliance (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations) are incorporated into this agreement by this reference.
NONDISCRIMINATION (Continued)

The 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. This nondiscrimination clause shall be included in all contracts and subcontracts entered into to perform work provided for under this agreement.

PREVAILING WAGE AND LABOR COMPLIANCE PROGRAM

Work done under this grant agreement may be subject to the prevailing wage and other provisions of the California Labor Code requirements (see Labor Code sections 1720 et seq.). The grantee shall pay prevailing wage to all persons employed in the performance of any part of the project and otherwise comply with all associated requirements and obligations, if required by law to do so.

This agreement is funded in whole or in part with funds from the “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006” (“Proposition 84”). Section 75075 of the Public Resources Code imposes on a body awarding any contract for a public works project financed in any part with Proposition 84 funds responsibility for adoption and enforcement of a “labor compliance program” under Labor Code section 1771.5(b). The grantee shall review these statutory provisions and related provisions and regulations to determine its responsibilities.

INDEPENDENT CAPACITY

The grantee, and the agents and employees of grantee, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of the State of California.

ASSIGNMENT

Without the written consent of the Executive Officer, the grantee may not assign this agreement in whole or in part.

TIMELINESS

Time is of the essence in this agreement.
**EXECUTIVE OFFICER’S DESIGNEE**

The Executive Officer shall designate a Conservancy project manager who shall have authority to act on behalf of the Executive Officer with respect to this agreement. The Executive Officer shall notify the grantee of the designation in writing.

**AMENDMENT**

As expressly provided in this agreement, no change in this agreement shall be valid unless made in writing and signed by the parties to the agreement. No oral understanding or agreement not incorporated in this agreement shall be binding on any of the parties.

**LOCUS**

This agreement is deemed to be entered into in the County of Alameda.
### 2011-2015 Invasive Spartina Project Site-Specific Plans

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EXHIBIT B
Outside Funds Requirements

MMS COASTAL IMPACT ASSISTANCE GRANT PROGRAM REQUIREMENTS

In accordance with the requirements of the CIAP grant, any work under this agreement which will be reimbursed through the CIAP grant, as specified in the agreement, is subject to the following additional provisions:

Provide Information to comply with CIAP grant requirements: The grantee shall provide to the Conservancy the information necessary for the Conservancy (and the California Natural Resources Agency) to comply with the following or any other applicable requirements (including the requirement for photo documentation, as specified in the “PROJECT OR SITE COMPLETION” section, below). The information may be combined with information otherwise required under this agreement.

1. Quarterly reports and financial reports within 30 days of the end of the quarterly performance periods. The financial reports shall be submitted on and shall provide the information required by federal form SF-425, which may be found at: http://www.whitehouse.gov/omb/grants/standard_forms/ff_report.pdf. Instructions for completing the form are available at the following web site: http://www.whitehouse.gov/omb/grants/standard_forms/fir_instructions.pdf.

2. Annual reports and annual financial reports (SF-425 form) within 30 days of the end of the annual performance periods.

3. Final report and final financial report (SF-425 form) within 90 days of the end of the annual performance period.

4. At all times, the grantee shall maintain records that identify adequately the sources and application of CIAP grant funds.

Noncompliance with these reporting requirements may result in withholding of payments, suspension or termination of the agreement, recovery of funds paid under the agreement, and withholding of future funds.

Administrative, Audit and Cost Requirements: OMB Circulars: The grantee is subject to the administrative, audit and cost requirements under 43 CFR Part 12 (subparts A, E and F apply to non-profit organizations; subparts A, C and E apply to public entities). The grantee shall comply with the terms of the following federal Office of Management and Budget (OMB) Circulars, and/or shall provide information to the Conservancy as requested to enable the Conservancy’s compliance with the Circulars: for the Conservancy or other public entity - OMB Circulars A-87 for cost principles, A-102 for administrative requirements and A-133 for audit requirements); or for nonprofit organizations – OMB Circulars A-122 (cost principles), A-110 (administrative) and
MMS COASTAL IMPACT ASSISTANCE GRANT PROGRAM REQUIREMENTS
(Continued)

A-133 (audit). The Circulars may be found at:
http://www.whitehouse.gov/omb/Circulars_default/.

Contracts for Goods and Services: In addition to other requirements specified in this section and
in this agreement, the grantee shall include the following provisions, as applicable, in all
contracts with a third party for goods or services that will be reimbursed through the CIAP grant
funds:

1. Administrative, contractual, or legal remedies in instances where contractors violate or
breach contract terms, and provide for such sanctions and penalties as may be appropriate.
(All contracts)

2. Termination for cause and for convenience by the grantee including the manner by which it
will be effected and the basis for settlement. (All contracts in excess of $10,000).

3. Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal
Employment Opportunity,” as amended by Executive Order 11375 of October 13,
1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All
construction contracts awarded in excess of $10,000).

4. Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in
Department of Labor regulations (29 CFR part 3). (All contracts for construction or repair)

5. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a–7) as supplemented by
Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of
$2000)

6. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards
Act (40 U.S.C. 327–330) as supplemented by Department of Labor regulations (29 CFR part
5). (Construction contracts awarded in excess of $2000, and in excess of $2500 for other
contracts which involve the employment of mechanics or laborers)

7. Notice of MMS CIAP requirements and regulations pertaining to reporting.

8. Notice of MMS CIAP requirements and regulations pertaining to patent rights with respect to
any discovery or invention which arises or is developed in the course of or under such
contract.

9. Notice of MMS CIAP requirements and regulations pertaining to copyrights and rights in
data.
MMS COASTAL IMPACT ASSISTANCE GRANT PROGRAM REQUIREMENTS
(Continued)

10. Access by the Conservancy, the grantee, MMS, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records

11. of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

12. Retention of all required records for three years after the Conservancy has made final payment to the grantee and all other pending matters are closed.

13. Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts in excess of $100,000).


Compliance with CIAP Award Requirements: The grantee shall comply with all award requirements on “recipients” imposed by Section E and Section F of the CIAP Grant Award for this project, which is incorporated by this reference and attached to this Exhibit B as “Attachment 1 - Exhibit B”. These requirements include, but are not limited to, the following:

1. Conflicts of Interest: As specified in Section E.7, pages 18-19 of Attachment 1 - Exhibit B, the grantee shall take all required measures to avoid and prevent any prohibited conflicts of interest in procurement and otherwise.

2. Audit Requirements: As specified in Section E-9, page 20 of Attachment 1 – Exhibit B (and also see Section E-10, page 20, “Inclusion of CIAP in A-133 Audit”), the grantee shall comply with the following:

a. Non-Federal entities that expend $500,000 or more in Federal funds during a year in Federal awards are required to have a single or program-specific audit conducted for that year in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised by OMB Circular A-133, which is available at http://www.whitehouse.gov/omb/grants/grants_circulars.html.

b. Non-Federal entities that expend less than $500,000 for a fiscal year in Federal awards are exempt from Federal audit requirements for that year, except as noted in A-133, §215(a), but records must be available for review or audit by appropriate officials of the Federal agency, passthrough entity, and General Accounting Office (GAO).
MMS COASTAL IMPACT ASSISTANCE GRANT PROGRAM REQUIREMENTS
(Continued)

c. Audits shall be made by an independent auditor in accordance with Generally Accepted Government Auditing Standards (GAGAS) covering financial audits. Additional audit requirements applicable to this agreement are found at 43 CFR 12.66. General guidance on the single audit process is included in a pamphlet titled, “Highlights of the Single Audit Process” which is available on the internet at http://www.dot.gov/ost/m60/grant/sincontact.htm. Additional information on single audits is available from the Federal Audit Clearinghouse at http://harvester.census.gov/sac/.

3. Procurement of Goods and Services: The grantee shall comply with 43 CFR Part 12, including without limitation, Subpart E and Sections 12.940 et seq. (also see Attachment 1-Exhibit B, Section “F.6 Buy American Act Requirements”, page 28), in the procurement of goods (including equipment) and services. In connection with procurement, the grantee shall act in accordance with the requirements of Section “E.14 - Contracting with Minority and Women-Owned Businesses”, pages 22 - 23 of Attachment 1- Exhibit B).

4. Monitoring and Oversight (Site Visits and Audits): The MMS may conduct site visits during the performance of the work under this agreement, and/or audits at the end of the performance period, as appropriate. The primary purpose of a site visit or audit is to review the progress of the project, and to ensure that financial, procurement, human resources, and property systems are in compliance with Federal requirements (see Section E.15, page 23 of Attachment 1- Exhibit B).

5. Work Products: All work products developed or produced, in whole or in part, through CIAP grant funding shall be subject to the requirements of Section E.19, page 25, and Sections F.3 and F.4, pages 26 – 27 in Attachment 1- Exhibit B, including the following:

a. The U.S. government may publish, reproduce and use all technical data developed with CIAP grant funds in any manner, and for any purpose, without limitation, and may authorize others to do the same. (Section F-4, page 20 of Attachment 1- Exhibit B).

b. All reports and/or printed findings shall place on the title page (which follows the cover page) the following language: “This (pamphlet, report, study, etc.) is funded with qualified outer continental shelf oil and gas revenues by the Coastal Impact Assistance Program, Minerals Management Service, U. S. Department of the Interior.” (Section E-15, page 18, Attachment 1- Exhibit B).

6. Signage: The grantee shall place signage, both temporary and permanent, at each treatment site at which work is funded by the CIAP grant, as may be required by and consistent with the “Guidelines for Signage” in Section E.17, p. 24 of Attachment 1 – Exhibit B.

EXHIBIT B
MMS COASTAL IMPACT ASSISTANCE GRANT PROGRAM REQUIREMENTS
(Continued)

7. Photo Documentation: The grantee shall document with photos all treatment work (before
and after) funded by the CIAP grant, as required by Section E.18, pages 24-25 of Attachment
1 – Exhibit B.

8. Non-discrimination requirements: The grantee shall not discriminate against any employee
or applicant for employment because of race, religion, color, sex, age, national origin or
handicap and agrees to comply with applicable federal non-discrimination laws (See 43 CFR
Part 17).

9. Lobbying restrictions: The grantee shall not use any of the CIAP funds for lobbying the
Executive or Legislative branches of the Federal government (see 43 CFR Part
18). Further, the grantee shall not use any part of the CIAP funds for any activity or the
publication or distribution of literature that in any way tends to promote public support or
opposition to any legislative proposal on which Congressional action is not complete. See
Sections F.1, page 26 and F.8, page 28 of Attachment 1- Exhibit B.

10. Debarment and Suspension: The grantee shall comply with the debarment and suspension
regulations in 2 CFR Part 1400 (also see 2 CFR Part 180) which restricts subcontracts with
certain parties that are debarred, suspended or otherwise excluded from participation in
federal assistance. The grantee and its subcontractors shall not award any contract to any
party which is debarred or suspended or is otherwise excluded from or ineligible for
participation in federal assistance programs. Debarred or suspended contractors may be
identified at the following federal website: https://www.epis.gov/.

EXHIBIT B
ATTACHMENT 1 – EXHIBIT B
# U.S. Department of the Interior
## Minerals Management Service
### Grant Award

<table>
<thead>
<tr>
<th>1</th>
<th>Assistance Award Type</th>
<th>2</th>
<th>Award Number</th>
<th>3</th>
<th>CIAP Account Number</th>
</tr>
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<tr>
<td><em>X</em> Grant (Nonconstruction)</td>
<td>M10AF20036</td>
<td>MMOM5404000</td>
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<td></td>
<td></td>
</tr>
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<td>____ Grant (Construction)</td>
<td></td>
<td>MG1GRCCA0Z.LCB000</td>
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</table>

<table>
<thead>
<tr>
<th>4</th>
<th>Recipient</th>
<th>5</th>
<th>Issued By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name &amp; Address:</td>
<td></td>
<td>Name &amp; Address:</td>
<td></td>
</tr>
<tr>
<td>California Natural Resources Agency</td>
<td>Minerals Management Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1416 Ninth Street Suite 311</td>
<td>Procurement Operations Branch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sacramento, CA 95814-5509</td>
<td>381 Eleno Street Mail Stop 2101</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Herndon, VA 20170-4879</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DUNS Number: 807487277</td>
<td>Dominique D. Bruce, Contracting Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Phone: (703) 787-1342  Fax: (703) 787-1041</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:Dominique.Bruce@mms.gov">Dominique.Bruce@mms.gov</a></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Project Title & Date

"Invasive Spartina Control Program" dated October 29, 2009, as revised (final) March 18, 2010

### Award Periods

- **Budget Period:** Date of Award through 4/30/2012
- **Total Project Period:** Date of award through 4/30/2012
- **Effective Date:** Date of Contracting Officer's signature on page 1A Block #17

### Fiscal Data

- **Federal Share:** $950,000.00
- **Other Contributions:** $0
- **Total Project Cost:** $950,000.00
- **CIAP Account Number:** Amt Obligated:
- **MMOM5404000 MG1GRCCA0Z.LCB000 $950,000.00**

### Recipient Point-of-Contact

- **Mr. Joel Gerwein**
- State Coastal Conservancy
- 1330 Broadway, 13th Floor
- Oakland, CA 94612-2530
- E-Mail: jgerwein@scconservancy.ca.gov
- Phone: 510 286-4170
- FAX: 510 286-0470

### MMS Project Officer

- **Elverlene Williams**
- Minerals Management Service, California OMM Region
- Pacific OCS Region
- 770 Paseo Camarillo
- Camarillo, CA 93010-6092
- E-Mail: elverlene.williams@mms.gov
- Phone: 805 389-7837
- FAX: 805 389-7874

### General Administrative Data

- **CFDA Number:** 15.426
- **MMS Program Name:** Coastal Impact Assistance Program (CIAP)

### Payment Administration Data

- Payments administered by:
  - The U.S. Department of the Treasury
  - Automated Standard Application for Payments (ASAP)
  - (See Section D.3 for details)

### Authorized Signatures

SEE PAGE 1A FOR SIGNATURE

---

**EXHIBIT A1**
# TABLE OF CONTENTS

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<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
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</tr>
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<td>Section B - Statement of Objectives</td>
<td>3 - 7</td>
</tr>
<tr>
<td>Section C - Performance and Deliverables</td>
<td>8 - 13</td>
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<td>Section D - Grant Agreement Administration Data</td>
<td>14 - 15</td>
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<td>Section E - Terms of the Agreement</td>
<td>15 - 25</td>
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<td>Section F - General Provisions</td>
<td>25 - 28</td>
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<td>Section G - Documents Incorporated by Reference</td>
<td>28 - 29</td>
</tr>
<tr>
<td>Section H - Attachments</td>
<td>29</td>
</tr>
</tbody>
</table>
SECTION A – GRANT FORM

A.1 Award Authority

This grant is awarded by the authority of:

- Section 384 of the Energy Policy Act of 2005 (Act), which has created the Coastal Impact Assistance Program by amending Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. § 1356a Appendix A). Under the provisions of the Act, the authority and responsibility for the management of CIAP is vested in the Secretary of the Department of the Interior. The Secretary has delegated this authority and responsibility to the Minerals Management Service.

A.2 Offer and Acceptance

The United States of America, acting by and through the Minerals Management Service, hereby offers a Grant to the California Natural Resources Agency for all approved costs up to and not exceeding $950,000.00. Recipient accepts the grant via its signature on Page 1A, Block #18.

A.3 Purpose

This agreement is made and entered into by the Department of the Interior, Minerals Management Service (MMS), for the purpose of eradicating two of the largest populations of invasive Spartina on the coast of California: San Francisco Bay and the Humboldt Bay region. The goal of the project is to eradicate invasive Spartina and hybrids on a total of up to 1,800 acres to prevent 69,402 acres of marsh and mudflats from being invaded and potentially covered by the infestation.

SECTION B – STATEMENT OF OBJECTIVES AND PROJECT MANAGEMENT PLAN

B.1 Objective

The goals of the Invasive Spartina Control Program are the following:

**San Francisco Bay Project** the goals are as follows: to pay contractors and staff to treat invasive *Spartina* populations, purchase an air boat, post treatment restoration, and to monitor treatment efficacy.

These goals will be achieved through the following measurable objectives:

**OBJECTIVE 1:** Purchase of an airboat to be used for treatment activities;

**OBJECTIVE 2:** Conduct monitoring and treatment oversight;

**OBJECTIVE 3:** Conduct post-eradication habitat restoration;
OBJECTIVE 4: Continue monitoring and treatment oversight;

OBJECTIVE 5: Conduct Spartina treatment; and

OBJECTIVE 6: Continue to conduct post-eradication habitat restoration.

Humboldt Bay Project the goals are as follows: to hire a consultant to prepare the Plan, to pay contractors through the Humboldt Bay Harbor, Recreation and Conservation District to conduct technical studies to support plan development, and to pay a Conservancy Project Development Analyst II at the SCC to manage the project, conduct public outreach, and assist with plan preparation.

These goals will be achieved through the following measurable objectives:

OBJECTIVE 1: Initiate or continue technical studies:
  - Continue mapping of *S. densiflora* in Humboldt Bay, Mad River and Eel River estuaries.
  - Initiate study of interactions/impacts of *Spartina* and invertebrates. Study will evaluate potential impacts on invertebrate community composition due to cordgrass eradication.
  - Initiate study of the effects of control measures for *S. densiflora* on two rare native plants that grow in high-elevation salt marshes at Humboldt Bay.
  - Initiate study of the size and estimated longevity of the *Spartina* seedbank.
  - Continue study of optimal timing of mowing for *Spartina* eradication.
  - Continue study of the impact of *Spartina* eradication on tidal creek erosion.

OBJECTIVE 2: Conduct public outreach, including 4 focused meetings with stakeholder groups and 1 public scoping meeting.

OBJECTIVE 3: Distribute Request for Qualifications for consultants to prepare eradication plan and select consultant to be hired when funds become available.

OBJECTIVE 4: Technical studies: Prepare report on preliminary or final results of technical studies.
OBJECTIVE 5: Outreach:
Conduct additional outreach and education, working with groups such as the Humboldt-Weed Management Area (WMA) and the Humboldt Bay Ecosystem-Based Management Program. Prepare and distribute educational materials, including posting materials on project website, make at least 4 presentations to diverse stakeholders, and work with local media. Hold at least one public meeting to solicit input on the draft eradication Plan (see below).

Develop strategies for involving stakeholders in eradication (e.g. land trusts or agencies with estuarine holdings could participate in manual removal in certain locations), and include a strong volunteer component. Hold at least one volunteer eradication event on the Wildlife Refuge.

OBJECTIVE 6: Prepare a draft regional eradication plan with geographically-specific methodologies, monitoring protocols, and measures of success. Utilize adaptive management approach, allowing for refinement of methods to reflect ongoing results.

OBJECTIVE 7: Revise draft eradication plan in response to public comment.

OBJECTIVE 8: Complete Initial Study/Environmental Assessment (IS/EA) to identify CEQA/NEPA approach and needed permits; and

OBJECTIVE 9: Conduct additional outreach and education.

Future Phases of the Project: After completion of the objectives listed above, an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) will be prepared for the regional eradication plan implementation and necessary permits will be obtained. After initial environmental compliance is successful, implementation of the eradication plan will begin.

B.2 Project Management Plan/Statement of Work

Statement of Work

San Francisco Bay

1) Goals
   • Treat 100 acres of invasive Spartina to eradicate it from the S.F. Estuary.
   • Complete monitoring and treatment oversight on the 100 acres treated.
   • Complete post-eradication habitat restoration on appropriate sites.
2) **Statement of Work**

- Amend existing sub-grant agreement for purchase of airboat following State procurement laws and procedures.
- Amend existing sub-grant agreements for treatment activities.
- Amend existing sub-contract agreement for monitoring and treatment oversight.
- Amend existing sub-contract agreement for post-eradication habitat restoration.

**Humboldt Bay**

1) **Goals:**

- Conduct technical studies related to Spartina eradication.
- Conduct public outreach and education.
- Prepare Eradication Plan.

2) **Statement of Work:**

SCC will:

a. Subgrant funds to the Humboldt Bay Harbor, Recreation, and Conservation District, who will hire contractors to assist with the following tasks, managed by the District’s Director of Conservation. Complete mapping of *S. densiflora* in Humboldt Bay, Mad River and Eel River estuaries.

Conduct study of interactions/impacts of *Spartina* and invertebrates. Conduct study of the effects of control measures for *S. densiflora* on two rare native plants that grow in high-elevation salt marshes at Humboldt Bay Conduct study of the size and estimated longevity of the Spartina seedbank. Conduct study of optimal timing of mowing for Spartina eradication. Conduct study of the impact of Spartina eradication on tidal creek erosion.

Prepare report on results of all technical studies (results may be preliminary if studies are ongoing at the end of the grant).

b. Carry out the following public outreach tasks in partnership with the Humboldt Bay Harbor, Recreation, and Conservation District:
i. Hold at least 8 focused meetings with stakeholder groups, including local agencies, environmental groups, and business groups (Farm Bureau, Shellfish Growers, etc.)

ii. Hold at least 2 public meetings regarding the eradication plan, one meeting to solicit input on the scope of the Plan and one to solicit input on the draft plan after it is released.

iii. Prepare and distribute educational materials, including posting materials on project website.

iv. Work with local media.

v. Develop strategies for involving stakeholders in eradication (e.g. land trusts or agencies with estuarine holdings could participate in manual removal in certain locations), and hold at least two volunteer eradication events.

c. Hire a consultant to prepare a draft Spartina eradication plan with geographically-specific methodologies, monitoring protocols, and measures of success. Utilize adaptive management approach, allowing for refinement of methods to reflect ongoing results. Revise the draft plan to incorporate one round of public comments.

d. Complete Initial Study/Environmental Assessment (IS/EA) to refine CEQA/NEPA approach and needed permits.

**Project Management Plan**

Project performance will be reviewed by the State Coastal Conservancy Project Managers to assure project performance. Project updates from the Conservancy’s treatment grantees will be submitted at the conclusion of each treatment season ending October 30th. These reports will describe treatment and mitigation measures implemented at sites consistent with the site specific plans for treatment by each grantee.

Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of the MMS; upon agreement between Minerals Management Service and California Natural Resources Agency for the additional cost on completing the invasive Spartina and hybrids of this project will be implemented by amendment.
SECTION C – PERFORMANCE AND DELIVERABLES

C.1 Project Period

This award supports a Budget Period of date of award through April 31, 2012, as specified in Block 7 of page 1. The Project Period is for a total of two years.

C.2 Performance Measures/Plan

The following performance measures/plan will be used to assess the accomplishments of the project:

San Francisco Bay

Major Tasks
- Amend existing sub-grant agreement for purchase of airboat following State procurement laws and procedures.
- Amend existing sub-grant agreements for treatment activities.
- Amend existing sub-contract agreement for monitoring and treatment oversight.
- Amend existing sub-contract agreement for post-eradication habitat restoration.

Milestones
- Argo airboat purchased – First month after grant award.
- During treatment season merge monitoring with treatment oversight – First ten months, then again twenty-two months after award of grant, reports of monitoring and treatment will be delivered.
- Approximately 100 net acres of remaining invasive Spartina removed from the S.F. Estuary nineteen months after award of grant. A report as a deliverable will follow twenty-three months after award of grant.

Humboldt Bay

Major Tasks
- Conduct technical studies: One year period following grant award
- Conduct Spartina mapping: One year period following grant award
- Conduct focused meetings with stakeholders: One year period following grant award
- Recruit and select consultant to prepare draft plan: Two month period after grant award
- Hold public meetings: Three months after grant award and 19 months after grant award
- Prepare Eradication Plan: 22 month period following grant award
Milestones

- Initiate technical studies: First month after grant award
- Select consultant to prepare Plan: Two months after grant award
- Hold public scoping meeting: Three months after grant award
- Prepare *Spartina* educational materials: Four months after grant award
- Complete *Spartina* mapping: One year after grant award
- Prepare report on technical study results: One year after grant award
- Complete Draft Plan: 18 months after grant award
- Hold public meeting to solicit input on Draft Plan: 19 months after grant award
- Prepare final Plan: 22 months after grant award
- Complete IS/EA on final Plan to facilitate NEPA/CEQA compliance: 23 months after grant award

C.3 Performance Reporting Requirement

CIAP recipients must submit performance reports as required by 43 CFR 12.80. Annual performance reports are due within 90 days after the grant performance year ends. Quarterly and semi-annual reports are due 30 days after the reporting period. The final performance report will be due within 90 days after the expiration or termination of the grant. Performance reports should contain the following information:

1. A comparison of actual work accomplished relative to the annual goals and objectives established in C.2 Performance Measures/Plan for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required. For construction grants, MMS may rely upon on-site technical inspections and certified percentage-of-completion data to monitor progress;

2. The reasons for slippage, if established goals and objectives were not met; and

3. Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The performance reports should also describe any foreseeable events that may occur affecting the project’s completion schedule. These may include:

1. Problems, delays, or adverse conditions that may materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation; or

2. Favorable developments that may enable achieving time schedules and objectives sooner or at less cost than anticipated, or producing more beneficial results than originally planned.

EXHIBIT A1
The Contracting Officer may extend the due date of an annual or final performance report upon receipt of a request from the recipient’s designated grant administrator. The request for an extension must be sent to the MMS Contracting Officer prior to the original due date. Requests must be submitted in writing, and include the revised due date and a justification for the extension.

CIAP recipients will not be required to submit more than the original and two copies of the performance report.

<table>
<thead>
<tr>
<th>Description of Report</th>
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<tbody>
<tr>
<td>Quarterly Performance Report</td>
<td>Within 30 days of the end of the quarterly reporting period</td>
<td>Send 1 original to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Section D.1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Yearly Performance Report</td>
<td>Within 90 days of the end of the yearly performance period</td>
<td>Send 1 original to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Section D.1) by E-Mail or Regular Mail</td>
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<tr>
<td>Final Performance Report</td>
<td>Within 90 days of the end of the project</td>
<td>Send 1 original to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Section D.1) by E-Mail or Regular Mail</td>
</tr>
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</table>

C.4 Financial Reporting Requirements


<table>
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<tr>
<th>Description of Report</th>
<th>Due</th>
<th>Send To</th>
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</thead>
<tbody>
<tr>
<td>Quarterly SF- SF-425 Federal Financial Report (replaces the)</td>
<td>Within 15 days of the end of each fiscal quarter (December)</td>
<td>Send 1 original to the Contracting Officer (see)</td>
</tr>
<tr>
<td>obsolete SF-272 form for reporting withdrawals in advance of expenditures only)</td>
<td>31st, March 31st, June 30th and September 30th</td>
<td>Section D.1) + 1 copy to Project Officer (see Block #10 of Page 1) by E-Mail or Regular Mail</td>
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<tr>
<td>-----------------------------</td>
<td>----------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Yearly SF-425 Federal Financial Report (replaces the obsolete SF-269 Financial Status Report)</td>
<td>Within 90 days of the end of the grant performance period</td>
<td>Send 1 original to the Contracting Officer (see Section D.1) + 1 copy to Project Officer (see Block #10 of Page 1) by E-Mail or Regular Mail</td>
</tr>
</tbody>
</table>

(1). STANDARD FORM -425 FEDERAL FINANCIAL REPORT (replacing the obsolete SF-272 Federal Cash Transactions Report) is required quarterly for withdrawal of funds **in advance of expenditures**. Quarterly reports are due 15 calendar days after the end of each fiscal quarter (December 31st, March 31st, June 30th and September 30th), and must be submitted to the Contracting Officer, with a copy to the Project Officer.

The recipient will liquidate all obligations incurred under the award and submit the SF-425 Federal Financial Report no later than 90 calendar days after the end of the grant performance period. At the end of the performance period, the recipient will promptly return any unused federal cash advances or will submit a final withdrawal of funds from the ASAP payment system to obtain any remaining amounts due.

(2). SF-425 FEDERAL FINANCIAL REPORT (replacing the obsolete SF-269 Financial Status Report). The SF-425 Federal Financial Report is used to report the status of funds for all non-construction and construction grants.

The recipient must submit an SF-425 Federal Financial Report no later than 90 calendar days after the end of each yearly performance period. At the end of the final performance period, the recipient will liquidate all obligations incurred under the award, and will promptly return any unused federal cash advances or will submit a final withdrawal of funds from the ASAP payment system to obtain any remaining amounts due.

(3). Recipient will promptly return any unused federal cash advances or will withdraw any remaining amounts due from the ASAP payment system. Any funds paid to the recipient in excess of the amount to which the recipient is finally determined to be entitled under the terms of this award constitute a debt to the Federal government. If not paid within a reasonable period, the MMS may reduce the debt in accordance with 43 CFR, Subpart C, Section 12.92 for State and local governments.

(4). The MMS may require financial reports more frequently if the recipient: (a) has a history of poor performance, (b) is not financially stable, (c) has a management system that does not meet the standards prescribed in the applicable OMB Circular 2 CFR 225 Cost Principles for State, Local, and Indian Tribal Governments, (d) has not conformed to the terms and conditions of a previous CIAP award, or (e) is not otherwise responsible. In addition, MMS may require a monthly or quarterly report from those recipients receiving advances totaling $1 million or more.
per year.

(5). The MMS may impose additional requirements as needed (i.e. projects of a more complex nature), provided that the CIAP grant recipient is notified in writing as to: the nature of the additional requirements, the reason why the additional requirements are being imposed, the nature of the corrective action needed, the time allowed for completing the corrective actions, the method for requesting reconsideration of the additional requirements imposed.

(6). The Contracting Officer may extend the due date of a Federal Financial Report upon receipt of a request from the recipient CIAP grant administrator, provided that the request for an extension is received by the MMS Contracting Officer prior to the financial report’s original due date. Requests must be submitted in writing, include the revised report due date requested, and a justification for the extension.

C.5 Noncompliance with Reporting Requirements

Failure to comply with the reporting requirements contained in this grant agreement may be considered a material non-compliance with the terms and conditions of the award. Non-compliance may result in withholding of future payments, suspension or termination of the agreement, recovery of funds paid under the agreement, and withholding of future awards.

C.6 Project Deliverables

<table>
<thead>
<tr>
<th>Description of Report for San Francisco Bay Project</th>
<th>Due</th>
<th>Send To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual monitoring report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 2010 treatment and monitoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For 2011 treatment and monitoring)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Within 10 months after award of grant</td>
<td></td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) by E-Mail or Regular Mail + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>• Within 22 months after award of grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within 24 months after award of grant</td>
<td></td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) by E-Mail or Regular Mail + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Photo Documentation (See Section E-18 for full requirements.)</td>
<td></td>
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</tr>
<tr>
<td>At the end of the performance reporting</td>
<td></td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Signage Acknowledging CIAP Funds (See Section E-17 for further details)</td>
<td>Signage to be erected by December 31, 2011</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5</td>
</tr>
<tr>
<td>Description of Report for Humboldt Bay Project</td>
<td>Due</td>
<td>Send To</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----</td>
<td>---------</td>
</tr>
<tr>
<td><em>Spartina</em> educational materials</td>
<td>Within 4 months after award of grant</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>GIS with <em>Spartina</em> distribution and other data from mapping study, including landowner information</td>
<td>Within 1 year after award of grant</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Report on technical study results</td>
<td>Within 1 year after award of grant</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Draft Eradication Plan</td>
<td>Within 18 months after award of grant</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Final Eradication Plan</td>
<td>Within 22 months after award of grant</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>IS/EA on final Plan to facilitate NEPA/CEQA compliance</td>
<td>Within 23 months after award of grant</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Purchase Order for Travel (from Puerto Madryn, Argentina to Arcata, CA)</td>
<td>Within 3 months after travel</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
<tr>
<td>Purchase Order for purchase of boat</td>
<td>Within 3 months after purchase</td>
<td>Send 1 copy to Project Officer (see Block #10 of Page 1) + 1 copy to Contracting Officer (see Block #5 of Page 1) by E-Mail or Regular Mail</td>
</tr>
</tbody>
</table>
SECTION D - GRANT ADMINISTRATIVE DATA

D.1 Grant Administration

This Grant will be administered by:
The Minerals Management Service
Procurement Operations Branch
381 Elden Street  Mail Stop 2101
Herndon, Virginia 20170-4879
Attn: Dominique D. Bruce, Contracting Officer
Phone: (703) 787-1342
Email: dominique.bruce@mms.gov

Written communications shall make reference to the Grant award number and shall be mailed and/or electronically transmitted to the above address.

D.2 Funding

The amount initially obligated under this agreement, herein referred to as “obligated funds,” is presently the sum of $950,000.00 which shall be available for payment of costs incurred by the recipient in performance of this Grant from the effective date of award.

Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of the MMS.

D.3 Payment

(1). Method of Payment.

The MMS uses the Automated Standard Application for Payments (ASAP) grant payment system, managed by the United States Department of the Treasury, to provide electronic invoicing and payment for CIAP grant funds. With the award of each grant, an account will be set up from which the Recipient can draw down funds.

Payments will be made available through the www.asap.gov portal. Inquiries regarding payments, including questions regarding electronic draw down procedures should be directed to the ASAP Help Desk at:

For state capitols in the Eastern Time zone, call the Philadelphia Regional Financial Center (215) 516-8021 from 7:30 a.m. to 4:00 p.m.

For state capitols in the Central Time zone, call the Kansas City Regional Financial Center (816) 414-2100 from 7:30 a.m. to 4:00 p.m.
For state capitol in the Mountain or Pacific Time zone (and time zones further west), call the San Francisco Financial Center (510) 594-7182 from 7:30 a.m. to 4:00 p.m.

(2) Payments may be drawn in advance only as needed to meet immediate cash disbursement needs.

(3) Maximum limits for quarterly draw amounts will be set in ASAP using the quarterly projections submitted by the recipient on the SF-424A, Section D(13) Forecasted Cash Needs.

**SECTION E - TERMS OF THE AGREEMENT**

**E.1 Term of the Agreement**

This agreement shall become effective on the date of signature of the Contracting Officer and shall remain in effect from date of Award through April 31, 2012. The MMS will consider continued funding for the project upon (a) the recipient showing progress satisfactory to the MMS toward program goals, timely submission of progress and financial status reports, and the determination by the MMS that continuation of the project would be in the best interest of the Government or (b) the availability of funds. The total project period for this award shall not exceed 2 years.

**E.2 Preagreement Costs**

Costs not-to-exceed $79,267.78 were incurred by the Recipient 2007 through 2010. These preagreement costs are allowable to the extent they would be allowable if incurred after date of award. Preagreement costs were incurred at the risk of the Recipient. The Minerals Management Service is not liable for preagreement costs until after the award is signed by the Contracting Officer.

**E.3 Order of Precedence**

In the event of any inconsistency between the provisions contained in the documents listed below, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Statutes; (b) applicable Regulations including 43 CFR Part 12; (c) Department of the Interior and other applicable policies; (d) Grant award document; and, (e) the Recipient's proposal.

**E.4 Amendments to the Agreement**

(1) MMS will follow the procedures and requirements stated in 43 CFR 12.70 for changes to grant awards. All requests for an amendment to the grant agreement shall be made in writing, provide a full description of the reason for the request, and be sent to the attention of the Contracting Officer.
(2). CIAP recipients will be allowed to re-budget within the cost categories that are approved under the grant award. However, there are certain post-award changes that require prior written approval by the MMS Contracting Officer. They include, but are not limited to:

**Funding Changes**
(i) For non-construction and construction, any revision that would require additional funding;
(ii) For a transfer of funds between non-construction and construction within a grant award;
(iii) For non-construction, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed 10% of the current total approved budget when the Federal funding exceeds $100,000; or
(iv) For non-construction, transfer of funds allotted for training purposes.

**Programmatic Changes (for construction and non-construction)**
(i) Any revision in the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval);
(ii) Requests to extend the period of availability of funds;
(iii) Changes in key persons in cases where specified in an application or grant award; or
(iv) For non-construction projects, contracting out, sub-granting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award.

(3). Administrative changes (i.e. Contracting Officer name change or deobligation of excess funds at the end of the agreement, etc.) that do not change the project management plan, funding amount, etc. or otherwise affect the recipient, may be signed unilaterally by the Contracting Officer. All other changes shall be made by means of a bilateral amendment to the agreement. No oral statement made by any person, or written statement by any person other than the Contracting Officer, shall be allowed in any manner or degree to amend or otherwise effect the terms of this agreement.

(4). This agreement may be terminated in accordance with the provisions of 43 CFR, Subpart C, Section 12.84 for State and local governments. A unilateral amendment, signed by the Contracting Officer, may be utilized if it should become necessary to suspend or terminate the agreement.

**E.5 Extension of Project or Budget Period**

(1). Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of the MMS. A request to extend the project and/or budget period shall be requested by the recipient and submitted to the Contracting Officer at least 30 days prior to the expiration date of the project and/or budget period. The recipient shall include in the request the cause of the needed extension, a description of the remaining work to be completed, the proposed date of completion, the amount of funds remaining and a revised
budget for the remaining funds. If all funds have been disbursed to the recipient, this must be indicated in the request.

(2). A request for an extension that is received by the Contracting Officer after the expiration date may not be honored.

E.6 Privity of Contract and Third Party Contractors

(1). CIAP recipients may enter into contractual agreements with a third party contractor (hereinafter, "third party" or "contractor") in the course of performing their federal grant duties and responsibilities. However, MMS is not a party to such agreements, and no direct contractual relationship (privity of contract) exists between MMS and the third party. Although privity of contract exists between the recipient and contractor, the recipient may not delegate or transfer its responsibility for the use of federal grant funds. As a result, the recipient is exclusively responsible for complying with any requirements imposed by statute, regulation, and the terms of the grant agreement, and is ultimately responsible for the use of the federal grant funds provided.

(2). The recipient is required by 43 CFR Part 12.76(i) to communicate all relevant federal statutory and regulatory requirements and terms of the grant agreement to each contractor. If the recipient authorizes the third party to communicate with MMS and conduct transactions for the recipient’s benefit, the recipient must inform MMS of this assignment via a signed letter from an authorized representative. The statement must detail, to the maximum extent practicable, all specific transactions that the third party is authorized to conduct on behalf of the recipient.

(3). MMS reserves the right to approve, reject, or modify the recipient’s signed statement authorizing specific authority to a third party, if MMS determines that the scope or grant of authority is a non-delegable duty. The recipient must directly communicate with MMS for those matters that are beyond the scope of authority granted to the third party contractor by the recipient, including, but not limited to, the following (which may not be delegated to third party contractors):

i. Defining contract procurement methods and procedures conducted by the recipient, including selection actions.

ii. Directing the recipient to inform their auditor to include CIAP in their A-133 audit.

iii. Informing the recipient of their obligation to make certifications regarding lobbying and how to handle these certifications with their contractors.

iv. Providing information on how payments from MMS to the recipient will be handled; and restrictions placed on the recipient via semi-annual withdrawal limits on the 424A.
v. An MMS request for the description of the acquisition process the recipient used when selecting contractors, including determinations that a contract price was fair and reasonable.

(4). Although a contractual relationship does not exist between MMS and any third party, MMS reserves the right to initiate communications with any contractor, and may request access to any books, documents, papers and records which are directly pertinent to a specific grant in question. Such communications may be required to conduct audits and examinations and gather additional information. In these circumstances, it may be necessary for the contractor to directly communicate with MMS on matters not pertaining to a specific grant of authority from the recipient.

E.7 Conflicts of Interest

(1). Personal conflicts of interest. Recipients will establish and maintain written safeguards to prohibit employees from using their positions for purposes that create an actual conflict of interest, or give the appearance of being motivated by desire for private gain for themselves or others (apparent conflict of interest), particularly those with whom they have family, business, or other ties.

(2). Organizational conflicts of interest:

A. Recipients are responsible for upholding the integrity of the procurement process and must avoid organizational conflicts of interest and/or noncompetitive procurement practices (as required under the relevant portions of 43 CFR § 12.76). An organizational conflict of interest means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable to:

   i. Render assistance or advice to the recipient while remaining impartial;

   ii. Perform the contract work in an objective manner;

   iii. Avoid an unfair competitive advantage. Such an unfair competitive advantage may exist when:

      a. The contractor has relevant information that is not available to all potential contractors.

      b. The contractor prepares or helps prepare a statement of work (SOW) that is used in competitively acquiring services, or provides material leading directly to such a SOW.

B. However, the contractor is allowed to compete for an award of the contract work if the contractor:
i. is the only responsible source and a determination is made that no other supplies or services will satisfy the recipient’s requirement (see 43 CFR 12.76 (d) (4)), or;

ii. participated in the original development and design work, and disallowing their participation would negatively affect time or quality of production, or;

iii. was one of several contractors involved in the creation of the SOW, and each potential contractor is allowed a fair and reasonable opportunity to compete for the award.

C. Unavoidable conflicts of interest. Three types of recipient-contractor arrangements have been identified as those that may be unavoidable conflicts of interest:

i. longstanding engineering design relationships on the specific project,

ii. the recipient’s staffing situation does not allow them to manage the CIAP project with recipient employees, or

iii. the recipient uses independent contractor employees to fill critical positions such as accounting functions.

D. Recordkeeping requirements. If any of these three situations are identified, recipients must develop and maintain appropriate records to continue receiving CIAP grant funds. Specifically, the records must describe:

i. How a conflict of interest was avoided and/or the necessary steps taken to mitigate such conflict, and;

ii. How competitive procurement requirements and all other applicable elements of 43 CFR § 12.76 will be satisfied under the new contract.

E.8 Enforcement Remedies for Conflicts of Interest and Noncompetitive Procurement Practices

(1). If a conflict of interest is identified by the Contracting Officer (CO) or Project Officer (PO), the MMS CO will analyze any acquisition that may constitute an actual conflict of interest, or creates an appearance of a conflict of interest, with the advice and assistance of the PO and MMS legal counsel. The CO will work with the recipient to resolve the issue so that the recipient can either avoid, neutralize, or mitigate such potential or actual conflicts before awarding such contract. If a CO renders a decision that a conflict of interest exists, it must be based on credible evidence (defined as reliable, trustworthy and convincing).

(2). To remedy unfair competitive practices that may constitute a conflict of interest, MMS may require the recipient to either reopen the competition or, alternatively, cancel the procurement
and begin a new solicitation process. Further, MMS reserves the right to resort to other appropriate enforcement remedies either before, during, or after the award of CIAP funds under 43 CFR § 12.83.

E.9 Audit Requirements

(1). Non-Federal entities that expend $500,000 or more in Federal funds during a year in Federal awards are required to have a single or program-specific audit conducted for that year in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised by OMB Circular A-133, which is available at http://www.whitehouse.gov/omb/grants/grants_circulars.html.

(2). Non-Federal entities that expend less than $500,000 for a fiscal year in Federal awards are exempt from Federal audit requirements for that year, except as noted in A-133, §_215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO).

(3). Allowable costs. Unless prohibited by law, the cost of audits made in accordance with the provisions of the OMB Circular A-133 are allowable charges to Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with the provisions of applicable OMB cost principles at 2 CFR Part 225 Cost Principles for State, Local, and Indian Tribal Governments (formerly known as OMB Circular A-87).

(4). Audits shall be made by an independent auditor in accordance with Generally Accepted Government Auditing Standards (GAGAS) covering financial audits. Additional audit requirements applicable to this agreement are found at 43 CFR 12.66. General guidance on the single audit process is included in a pamphlet titled, “Highlights of the Single Audit Process” which is available on the internet at http://www.dot.gov/ost/m60/grant/sincontact.htm. Additional information on single audits is available from the Federal Audit Clearinghouse at http://harvester.census.gov/saco/.

E.10 Inclusion of CIAP in A-133 Audits

The MMS requires all recipients expending more than $500,000 in Federal assistance funds (thereby requiring an A-133 audit) to include CIAP in their Fiscal 2010 audits, in accordance with Section .215(c) of the OMB A-133 Circular. The auditee, after consultation with its auditor, should respond to such request by informing the MMS whether the program would otherwise be audited as a major program using the risk-based audit approach described in OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, Section .520 and, if not, the estimated incremental cost.

The MMS shall then promptly confirm to the auditee, in writing, whether it wants the program audited as a major program. If the program is to be audited as a major program based upon the MMS’ request, and the MMS agrees to pay the full incremental costs, then the auditee shall have the program audited as a major program.
E.11 Use and Disposition of Property

(1). Any property improved or acquired under this agreement or MMS government-funded property used by the recipient, including intangible property such as copyrights and patents, shall be governed by the provisions of 43 CFR, Subpart C, Section 12.71 through 12.77 for State and local governments.

(2) Any real property or equipment that is improved or acquired with Federal grant funds must be used for the originally authorized purposes as long as needed for those purposes. Real Property means land, including land improvements, structures, and appurtenances thereto (43 CFR 12.43). When no longer needed for the originally authorized purposes, title to such real property may not be encumbered, transferred, sold, or disposed of by the grantee or subgrantee at any time without notice to and the prior written permission of the awarding agency (MMS) in accordance with 43 CFR 12.71(c). If real property improved or acquired with Federal grant funds is sold, the State or CPS must compensate the MMS in accordance with 43 CFR 12.71(c)(2).

(3). The MMS assumes no liability for any actions or activities conducted under a grant agreement except to the extent that recourse or remedies are provided by Congress under the Federal Tort Claims Act [28 U.S.C. 1346(b), 2401(b), 2671 - 2680, as amended by P.L. 89-506, 80 Stat. 306].

E.12 Real Property Improvement or Acquisition Requirements


(2). Government-wide requirements for real property acquisition and relocation assistance are contained in Department of Transportation’s single government-wide rule at 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally-Assisted Programs found at: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=e41b3472205db0702770e615a324d962&rgn=div5&view=text&node=49:1.0.1.1.17&dno=49.

(3). Real property improved or acquired with CIAP funds must continue, in perpetuity, to serve the purpose for which it was improved or acquired. If CIAP funds are used to acquire real property, the acquisition deed must state that it is being acquired with CIAP funds and is subject to the restrictions of the CIAP program. If CIAP funds are used to improve public or private land, the grantee must file a memorandum of agreement in the Parish or County records where the property is located notifying third parties of the restrictions and/or conservation servitudes or easements affecting the property. If the use of the property is inconsistent with the purpose(s) for which it was improved or acquired, such activities must cease, and any adverse effects on the property must be corrected by the State or CPS with non-Federal monies.

(4). Land Surveys. Recipients shall follow the regulations and policies of their own States when conducting surveys of land.
E.13 Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
(URA)

(1) The Uniform Relocation Assistance Act (URA), 42 U.S.C. § 4601 et. seq., as amended,
requires certain assurances for CIAP funded land acquisition projects conducted by a state or any
CPS that cause the displacement of persons, businesses, or farm operations. Because CIAP
funds only support acquisition of property or interests in property from willing sellers, it is not
anticipated that CIAP funds will result in any “displaced persons,” as defined under the URA.

(2) However, if CIAP funds are used for the acquisition of real property that results in
displacement, the URA requires states and CPS to ensure that reasonable relocation payments
and other remedies will be provided to any displaced person. Further, when acquiring real
property, states and CPS must be guided, to the greatest extent practicable under state law, by
the land acquisition policies in 42 U.S.C. § 4651.

A. Exemptions to the URA and 49 CFR Part 24

(1) The URA provides for an exemption to the appraisal, review and certification rules for
those land acquisitions classified as “voluntary transactions.” Such “voluntary transactions” are
classified as those that do not involve an exercise of eminent domain authority on behalf of a
state or CPS, and must meet the conditions specified at 49 CFR § 24.101(b)(1)(i)-(iv).

(2) For any land acquisition undertaken by a state or CPS that receives CIAP funds, but does
not have authority to acquire the real property by eminent domain, to be exempt from the
requirements of 49 CFR Part 24 the state or CPS must:

i. provide written notification to the owner that it will not acquire the property
   in the event negotiations fail to result in an amicable agreement, and;

ii. inform the owner in writing of what it believes to be the market value of the
    property

B. Review of Land Acquisition Appraisals

MMS reserves the right to review any land appraisal whether or not such review is required
under the URA or 49 CFR § 24.104. Such reviews may be conducted by the Department of
Interior’s Appraisal Services Directorate or an MMS authorized designee. When MMS
determines that a review of the original appraisal is necessary, MMS will notify the recipient
and provide an estimated completion date of the initial appraisal review.

E.14 Contracting with Minority and Women-Owned Businesses

It is a national policy to award a fair share of contracts to small and minority business firms. The
Department of the Interior is strongly committed to the objectives of this policy and encourages all recipients of its grants and cooperative agreements to take affirmative steps to ensure such fairness.

(a) The grantee and subgrantee shall take all necessary affirmative steps to assure that minority firms, women's business enterprises, small disadvantaged veteran-owned small businesses, and HUB Zone firms are used when possible.

(ii) Affirmative steps shall include:

(a) Placing these qualified small business enterprises on solicitation lists;

(b) Assuring that these businesses are solicited whenever there are potential sources;

(c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by these small business enterprises;

(d) Establishing delivery schedules, where the requirement permits, which encourage participation by these business enterprises;

(e) Using the services and assistance of the Department of the Interior Office of Small and Disadvantaged Business Utilization (See http://www.doi.gov/osdbu), the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce as appropriate, and

(f) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

E.15 Monitoring and Oversight (Site visits and Audits)

In addition to the requirements identified in OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the MMS may conduct site visits during the performance of the grants, and/or audits at the end of the performance period, as appropriate. The primary purpose of a site visit or audit is to review the progress of the project, and to ensure that financial, procurement, human resources, and property systems are in compliance with Federal requirements.

E.16 Disputes Resolution

No administrative appeal procedures have been established by MMS for actions taken in connection with the CIAP program. If the recipient is adversely affected or aggrieved by an MMS official's final decision with respect to any plan, application or grant under the CIAP program, the recipient may pursue any legal remedies that may be available in a United States District Court of appropriate jurisdiction.
E.17 Signage Requirements

Acknowledgement of CIAP funds: The CIAP recipients are required to erect suitable signage at all projects sites, unless the placement of such signage would violate local ordinances, to inform the public that the project is being funded in whole or in part by CIAP funds. To prevent the impression that MMS supports or endorses any particular private company or endeavor, only non-commercial partners may be shown on a sign for CIAP funded projects.

Guidelines for Signage: A sign should contain the following information:

Name of Project: ______________

Project Developer: ______________ (State or CPS name)

This __________ (define by authorized use, e.g. this wetlands restoration project) is funded with qualified outer continental shelf oil and gas revenues by the Coastal Impact Assistance Program, Minerals Management Service, U.S. Department of the Interior.

During the course of the project, signage may be temporary. Upon completion of the project, the recipient should erect a permanent plaque or sign at the site. Although temporary signage is not requested for acquisition projects, a permanent sign should be erected following the purchase of the site. In the case of a combined acquisition and development project, temporary signage may be erected when development begins acknowledging both the acquisition and development of the site.

Use of MMS Symbol: The symbol of the Minerals Management Service should be located in the right hand corner of the sign. The symbol format may not be altered. The MMS symbol can be found at: http://www.mms.gov/offshore/CIAPSupplementalInformation.htm.

Signage Placement: The signage should be erected at a location on the project site that is visible to the public, while conforming to local ordinances. The MMS symbol should be readable from a normal viewing distance.

Signage Construction: The signage may be constructed of any material suitable for the environment and in accordance with any local ordinances. Considerations such as signage color combinations, method of signage construction, and size, may be determined by the grantee.

E.18 Photo Documentation

If appropriate, the recipient is required to submit photo documentation before activities begin, with each Performance Report, and upon completion of the project. The recipient should consult with the Project Officer (see Page 1, Block #10) to determine if photo documentation is appropriate for the proposed project.

The photographs will be used for monitoring purposes to track project progress before, during,
and at completion. Photo documentation should consist of the grant site area prior to the commencement of work as well as provide relevant progress photos during the course of the work. The photographs should clearly document the entire footprint of the project and should be taken at various stages of the project (before, during, and at completion) from the same angle to, and distance from, the project.

Photographs should be provided in electronic format. Electronic copies (digital, jpeg images, sized large, with a 300 dpi resolution, and in color) should be provided on compact disk. Photos should be accompanied with a descriptive sheet which list by number each of the photos along with text identifying the project name and location; month, day, and year of the photo; and a brief description of the photo’s content. The MMS reserves the right to reproduce additional copies of all digital/photo images submitted.

E.19 Acknowledgement of CIAP Funds for Reports, Printed Findings, and Websites

Publications
The following language should be placed on the title page (which follows the cover page) on all reports and/or printed findings funded by the CIAP:

"This report (study, brochure, poster, etc.) is funded* with qualified outer continental shelf oil and gas revenues by the Coastal Impact Assistance Program, Minerals Management Service, U.S. Department of the Interior."

* may be “in part”

Websites
A similar statement should be placed on the opening webpage of a website created in full or in part with CIAP funds.

"This website is funded* with qualified outer continental shelf oil and gas revenues by the Coastal Impact Assistance Program, Minerals Management Service, U.S. Department of the Interior."

* may be “in part”

E.20 Subgrants
The States and Coastal Political Subdivisions (CPS’s) may execute all or part of a CIAP project by providing financial assistance: i.e., subgrants, to another party such as a local unit of government, university, or nonprofit organization. The subgrantee is subject to the administrative and cost requirements under 43 CFR Part 12 that apply to that type of organization.

SECTION F - GENERAL PROVISIONS

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EXHIBIT 81
F.1 Standard Award Terms and Conditions

Acceptance of a Federal Financial Assistance award from the MMS, carries with it the responsibility to be aware of and comply with the terms and conditions of award. Acceptance is defined as the start of work, drawing down funds, or signature on the grant award document. Awards are based on the application submitted to, and as approved by MMS, and are subject to the terms and conditions incorporated either directly or by reference in the following:

- CIAP Program legislation
- Special terms and conditions.
- Code of Federal Regulations/Regulatory Requirements, as applicable (Contact the CIAP Contracting Officer with any questions regarding the applicability of the following):
  - 2 CFR Part 175 Trafficking Victims Protection Act of 2000
  - 43 CFR 12(A) Administrative and Audit Requirements and Cost Principles for Assistance Programs
  - 43 CFR 12(C) Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
  - 43 CFR 12(E) Buy American Requirements for Assistance Programs
  - 43 CFR 18 New Restrictions on Lobbying
  - 2 CFR 1400 Nonprocurement Debarment and Suspension
  - 43 CFR 43 Governmentwide Requirements for a Drug-Free Workplace

F.2 Additional Applicable Code of Federal Regulations (CFR)

- 43 CFR Part 17, Subpart A: Nondiscrimination on the Basis of Race, Color, or National Origin
- 43 CFR Part 17, Subpart B: Nondiscrimination on the Basis of Handicap
- 43 CFR Part 17, Subpart C: Nondiscrimination on the Basis of Age

F.3 Rights in Technical Data

The Government may publish, reproduce, and use all technical data developed as a result of this grant agreement in any manner, and for any purpose, without limitation, and may authorize
others to do the same.

F.4 Publications Produced

(1). Recipient shall not publicize or otherwise circulate, promotional material (such as advertisements, sales brochures, press releases, speeches, still and motion pictures, articles, manuscripts or other publications) which states or implies governmental, Departmental, bureau, or government employee endorsement of a product, service, or position which the recipient represents. No release of information relating to this award may state or imply that the Government approves of the recipient's work products, or considers the recipient's work product to be superior to other products or services.

(2). All information submitted for publication or other public releases of information regarding this project shall carry the following disclaimer:

"The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the opinions or policies of the U.S. Government. Mention of trade names or commercial products does not constitute their endorsement by the U.S. Government."

(3). A Recipient must obtain prior Government approval for any public information releases concerning this award which refer to the Department of the Interior or any bureau or employee (by name or title). The specific text, layout photographs, etc. of the proposed release must be submitted with the request for approval. A recipient further agrees to include this provision in a subaward to any subrecipient, except for a subaward to a State government, a local government, or to a Federally-recognized Indian tribal government.

(4). Recipient requests for clearance of public releases will be reviewed using existing public information mechanisms through the appropriate MMS Public Affairs Office and with consultation with the cognizant Ethics Officer.

(5). DOI Departmental Manual Requirements 505 DM Chapter 4 requires that two copies of each publication produced under a Grant be sent to the Natural Resources Library with a transmittal that identifies the sender and the publication. The address of the library is:

U.S. Department of the Interior
Natural Resources Library
Interior Service Center
Gifts and Exchanges Section
1849 C Street, NW
Washington, DC 20240

F.5 Patents

Subject to the provisions set forth in 37 CFR 401, 35 U.S.C. 203 and 35 U.S.C. 205, a Recipient may retain the entire right, title, and interest throughout the world to each subject invention.
With respect to any subject invention in which the Recipient retains title, the Federal Government will have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

**F.6 Buy American Act Requirements**

Notice: Pursuant to Section 307(b) of the Department of the Interior (DOI) and Related Agencies Appropriations Act, FY 2000, Public Law 106-113, please be advised on the following:

In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in FY 2000 and thereafter, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

**F.7 Metric Conversion**

All progress and final reports, other reports, or publications produced under this award shall employ the metric system of measurements to the maximum extent practicable. Both metric and inch-pound units (dual units) may be used if necessary during any transition period(s). However, the Recipient may use non-metric measurements to the extent the Recipient has supporting documentation that the use of metric measurements is impracticable or is likely to cause significant inefficiencies to the Recipient.

**F.8 Anti-Lobbying**

Recipient shall not use any part of the Department of the Interior funds provided hereunder for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which Congressional action is not complete.

**F.9 Seat Belt Provision**

Recipients of grants/cooperative agreements and/or sub-awards are encouraged to adopt and enforce on-the-job seat belt use policies and programs for their employees when operating company-owned, rented, or personally owned vehicles. These measures include, but are not limited to, conducting education, awareness, and other appropriate programs for their employees about the importance of wearing seat belts and the consequences of not wearing them.

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**SECTION G - DOCUMENTS**

This grant is awarded in accordance with the Recipient’s proposal entitled "*Invasive Spartina*"

Coastal Impact Assistance Program (CIAP) State Plan Guidelines dated September, 2006 (as amended October, 2008), and Coastal Impact Assistance Program (CIAP) Grant Application Guidelines dated February 2007 (as amended June, 2007), are herein incorporated by reference and have the full force and effect as if included in full text.

SECTION H - ATTACHMENTS

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Description</th>
<th>No. of Pages</th>
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<tbody>
<tr>
<td>A</td>
<td>SF 425 “Federal Financial Report”</td>
<td>1</td>
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The Attachment to this grant can be downloaded at the following web site:


Instructions for completing the form are available at the following web site: [http://www.whitehouse.gov/omb/grants/standard_forms/ffr_instructions.pdf](http://www.whitehouse.gov/omb/grants/standard_forms/ffr_instructions.pdf).

—END OF GRANT No. M10AF20036 —
Exhibit C: March 17, 2011 Coastal Conservancy Staff Recommendation
Marilyn Latta 4/12/11

Exhibit C

COASTAL CONSERVANCY

Staff Recommendation
March 17, 2011

INVASIVE SPARTINA PROJECT

99-054-01

Project Manager: Marilyn Latta

RECOMMENDED ACTION: Consideration and possible Conservancy authorization to
disburse up to $4,889,947, of which $3,810,893 will be reimbursed by the Wildlife Conservation
Board and $266,679 will be reimbursed under a federal Coastal Impact Assistance Program
grant, for 2011 and 2012 planning, management, treatment, revegetation activities, and water
quality monitoring to implement the Invasive Spartina Project Control Program within the San
Francisco Estuary.

LOCATION: The baylands and lower creek channels of the nine counties that bound the San
Francisco Bay.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS
Exhibit 1: September 25, 2003 Staff Recommendation
Exhibit 2: March 10, 2005 Staff Recommendation
Exhibit 3: June 16, 2005 Staff Recommendation
Exhibit 4: March 8, 2007 Staff Recommendation
Exhibit 5: May 24, 2007 Staff Recommendation
Exhibit 6: April 24, 2008 Staff Recommendation
Exhibit 7: April 2, 2009 Staff Recommendation
Exhibit 8: June 4, 2009 Staff Recommendation
Exhibit 9: Change in Net Non-native Spartina cover since 2004
Exhibit 10: Draft site-specific plans for activities for the 2011-2015
treatment seasons
Exhibit 11: Regional Map of 2011-2015 Treatment Sites

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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Chapter 4.5 of Division 21 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the following:

1. Disbursement of up to $1,074,054 (one million seventy four thousand fifty four dollars), for ongoing invasive and hybrid Spartina treatment and eradication projects through 2012 (or subsequent), of which $261,679 (two hundred sixty one thousand six hundred seventy nine dollars) will be reimbursed under a grant awarded to the Conservancy through the Natural Resources Agency by the Minerals Management Service pursuant to the Coastal Impact Assistance Program (MMS CIAP grant). The grant funds for treatment and eradication projects may be used to augment existing grants to the California Wildlife Foundation, Friends of Corte Madera Creek Watershed, the East Bay Regional Park District, City of Alameda, City of San Leandro, the City of Palo Alto, the San Mateo County Mosquito Abatement and Vector Control District, the Alameda County Flood Control and Water Conservation District, U.S. Fish and Wildlife Service, and the California Department of Parks and Recreation. Any grant of funds for treatment and eradication shall be subject to the following conditions:

   a. Prior to implementing any treatment and eradication project and prior to disbursement of any funds to the grantee, the grantee shall submit for review and approval of the Executive Officer a plan detailing the site-specific work for 2011 and 2012, based on the outcome and extent of the 2010 treatment, and including a list of identified mitigation measures, a work program for 2011 and 2012 treatment and 2013 planning activities, if applicable, including a schedule and budget, and evidence that the grantee has obtained all necessary permits and approvals for the project.

   b. In carrying out any treatment and eradication project, the grantee shall comply with all applicable mitigation and monitoring measures that are set forth in the approved site-specific plan, that are required by any permit, the amended Biological Opinion or any other approval for the project, and that are identified in the "Final Programmatic Environmental Impact Statement/Environmental Impact Report, San Francisco Estuary Invasive Spartina Project: Spartina Control Program" (FEIS/R), adopted by the Conservancy on September 25, 2003.

2. Disbursement of up to $3,815,893 (three million eight hundred fifteen thousand eight hundred ninety three dollars), of which $3,810,893 (three million eight hundred ten thousand eight hundred ninety three dollars) will be reimbursed by the Wildlife Conservation Board (WCB) and $5,000 (five thousand dollars) will be reimbursed under the MMS CIAP grant, for planning, management, treatment monitoring, water quality monitoring and revegetation activities for the ISP Control Program. Prior to disbursement of any Wildlife Conservation Board funds, the Executive Officer shall enter into a Memorandum of Understanding with the WCB, permitting the Invasive Spartina Project (ISP) Control Program work under this authorization as an approved phase of project work under WCB Agreement No. WC-
INVASIVE SPARTINA PROJECT

3032BT, describing the budget and work to be performed, and providing for reimbursement of the Conservancy's expenditures for the work.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. Disbursement of additional funds for the ISP Control Program treatment and eradication projects, and planning and management, remains consistent with Public Resources Code Sections 31160-31165 and with the resolutions, findings and discussion accompanying the Conservancy authorizations of September 25, 2003, March 10, 2005, June 16, 2005, March 8, 2007, May 24, 2007, April 24, 2008, April 2, 2009, and June 4, 2009 as shown in the staff recommendations attached as Exhibits 1 through 8 to the accompanying staff recommendation.

2. The proposed authorization remains consistent with the Project Selection Criteria and Guidelines last updated by the Conservancy on June 4, 2009.

3. The California Wildlife Foundation and Friends of Corte Madera Creek Watershed are nonprofit organizations existing under Section 501(c)(3) of the United States Internal Revenue Code, whose purposes are consistent with Division 21 of the California Public Resources Code.”

PROJECT SUMMARY:
The Invasive Spartina Project ("ISP") Control Program, the objective of which is the removal of invasive Spartina to restore the affected wetlands and streams of the San Francisco estuary, is comprised of 1) consulting services for planning and management needed to plan, coordinate and obtain environmental permits and approvals for its implementation, and 2) grants to existing grantees to carry out treatment activities. This authorization would enable the Conservancy to implement ongoing planning, management, treatment monitoring, revegetation, and water quality monitoring needed for treatment activities through March 31, 2013 and to carry out treatment and eradication of invasive Spartina by grantees through the 2012 treatment season, as follows:

1. Planning and Management Consulting Services:
On June 4, 2009, the Conservancy authorized funding for ongoing planning and management through March 31, 2011. The June 4, 2009 staff recommendation, attached as Exhibit 8, describes the broad range of management, planning and monitoring efforts to be carried out over this time period. Conservancy staff recommend to continue these services from April 1, 2011 through March 31, 2013, including: environmental documentation, invasive Spartina and hybrid Spartina inventory and treatment efficacy monitoring, water quality collection and sampling, California clapper rail monitoring, refinement of lab analyses of Spartina samples, management of an enormous amount of monitoring data, scheduling and coordinating treatment among grantees, initiating a revegetation program, and numerous site visits to conduct the three types of monitoring and to oversee treatment, mitigation, and restoration activities. Total proposed
funding for these activities is $3,815,893.

2) Treatment and Eradication:

On June 4, 2009, the Conservancy authorized funding for treatment and eradication activities for 2010 (in 2008, the Conservancy had previously approved site-specific plans for the 2008 through the 2010 treatment seasons).

The current, proposed authorization would enable the project to undertake an additional two years of treatment and monitoring, extending the available funding to cover the 2011 and 2012 treatment activities. Total proposed funding for these activities is $1,074,054.

PROJECT HISTORY

The State Coastal Conservancy first approved funding for the ISP Control Program in September 2003 (see Exhibits 1-8). This invasive species eradication project has become a successful, region-wide model for treating an invasive species with multiple landowners and agency partners in all nine counties of the San Francisco Bay Area. Since the peak of invasion in 2005, the Project has successfully eliminated more than 700 net acres (nearly 90%) of invasive Spartina alterniflora, densiflora, anglica, and patens; and hybridized Spartina foliosa x alterniflora from more than 20,000 acres of infested tidal marsh and mudflats bay-wide. There is an estimated total of less than 100 net acres of remaining non-native and hybrids, still within thousands of acres of tidal wetland sites in San Francisco Bay.

Since 2005, the Conservancy, with the assistance of its contractors, has coordinated, and its grantees have implemented, the ISP Control Program at 25 sites that include more than 170 sub-sites in the estuary. Treatment methods through 2010 have included one or more of the following, singly or in combination: manual removal (hand digging and covering of plants); mechanical removal (discing); herbicide application via manual methods (accessing wetland sites on foot and applying herbicide via backpack sprayers and direct application to plants), broadscale herbicide application techniques via mechanical methods (application of herbicide via amphibious vehicles, airboats, and helicopter spraying); and a combination of sub-lethal mechanical removal plus herbicide application (chemical mowing). The ISP staff completed two reports - on 2008-09 treatment activities and on 2008-09 monitoring activities - in February 2011, which summarizes project success to date.

As shown in Exhibit 9, the area of non-native Spartina has been reduced markedly since the first full season of effective treatment started just five years ago. As with any weed eradication effort, the final 100 acres is expected to be the most difficult, because finding remaining individual plants or small patches of hard-to-see invasive shoots within a marsh is labor intensive and costly on a dollar-per-acre-eradicated basis. In addition to this typical weed-management challenge, the ISP must also contend with complexities related to the hybrids which were formed between the introduced S. alterniflora and the native S. foliosa, and which are the most invasive and environmentally damaging of the introduced species. The hybrids demonstrate a very wide range of physical characteristics, sometimes looking distinctly different from the native, but sometimes

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1 These activities have been undertaken pursuant to the 2003 Programmatic EIS/EIR and the 2005 addendum, and under the 2003 U.S. Fish and Wildlife Service Programmatic Biological Opinion and subsequent site-specific amendments in 2004, 2005, 2008, and 2011 (pending).
looking nearly identical to it, except that they still have the ability to overrun areas that the native would not populate.

Hybrid Spartina foliosa x alterniflora plants account for nearly all of the remaining 100 net acres. Over the past five years, the ISP Control Program has treated and killed most of the very obvious hybrid populations, and completing the eradication is now further complicated by the close similarity of the appearance of the remaining hybrid plants and the native plants, requiring careful inspection and sometimes genetic testing. Due to this fact, remaining treatment will be more time-consuming and cost roughly the same amount as in 2008-10, partially because the more cost-effective broad scale herbicide application via helicopter and airboats is not suitable at these sites, and because the remaining work will require highly-trained personnel to do detailed field identification and herbicide application via manual application and hand removal.

There are multiple issues that require planning at this point in the overall eradication effort, including: special-status species protection as the structure of non-native Spartina is removed, revegetation planning to expedite the recolonization of native Spartina foliosa and other high marsh native vegetation, limitations of laboratory methods for genetic confirmation of hybrids, and concerns over developing plant resistance to herbicide the longer it is used at some sites. The ISP is working to address these topics, with the collaboration of multiple agencies and landowners, in order to develop the best approach to complete eradication while accounting for the complexities of the issues mentioned. A forum funded by NOAA will be presented by the Conservancy ISP contractors on March 10-11, 2011. The forum will bring together national and international experts in Spartina ecology, invasion biology, evolutionary genetics and biodiversity, applied population genetics, and tidal marsh revegetation to discuss the hybridization issue and advise the ISP management and the Conservancy on the eradication goals and preferred next steps.

2013 Goal to have 90% of sites at zero presence of non-native Spartina, with 2016 Goal of three years of monitoring to confirm eradication: It is the goal of the State Coastal Conservancy and the ISP to eradicate non-native Spartina to a zero level at 90% of the treatment sub-sites (~153) by the end of the treatment season in 2013. It is important to note that at a limited number of sub-sites, this will not be confirmed until monitoring is completed in 2014. In addition, some percentage of these sites are likely to have plants discovered in one or more of the subsequent monitoring years. Thus, for these sites, the zero year starting point would be reset to that year and monitoring would continue for three more years.

Due to various site-specific issues, 10% of the sub-sites (~17) will probably not be at zero by the end of 2013 treatment, and will require ongoing low-level treatment over one to several additional seasons to achieve the first zero year, with three years of monitoring to confirm eradication. There are seven sites that are certain to be among the 10% of sites in this category:

- Arrowhead Marsh (Oakland)
- MLK Marsh (Oakland)
- Bair Island B2 North (Redwood City)
- Cooley Landing (East Palo Alto)
- Calaveras Point Marsh (Alviso)
- Creekside Park Marsh (Corte Madera)
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- Southampton Marsh (Benicia)

Therefore, Conservancy staff anticipates that funding needs will stay consistent at existing levels through 2013, and that funding from 2014-16 will be needed at a reduced level with a primary focus on site monitoring. Funding is expected to end after 2016, with a positive confirmation that the non-native and hybrid Spartina have been completely eradicated from the estuary.

Continued funding for the ISP is critical at this stage of the project as we approach the 2013 goal of zero non-native Spartina at 90% of sub-sites, and the 2016 monitoring goal for eradication.

PROJECT FINANCING

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<td>Wildlife Conservation Board</td>
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<tr>
<td>Minerals Management Service</td>
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Total Authorization $4,889,947

The proposed disbursement of up to $4,889,947 under this authorization will derive from State Coastal Conservancy and Wildlife Conservation Board (WCB) bond funds and from funds remaining under a grant (the MMS CIAP grant) awarded to the Conservancy through the Natural Resources Agency by the Minerals Management Service (MMS) pursuant to the Coastal Impact Assistance Program (CIAP).

It is anticipated that $812,375 of the proposed funding of $1,074,054 for the treatment and eradication grants will come from appropriations to the Conservancy in fiscal years 2008-09 and 2009-10 from the “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006” (Proposition 84). This funding source may be used for the protection of bays and coastal waters, including projects to protect and restore the natural habitat values of coastal waters and lands, pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code. The proposed project serves to restore natural habitat values of the San Francisco Bay watershed. In addition, as discussed below, the project is consistent with Chapter 4.5 of Division 21.

Proposition 84 also requires that for restoration projects that protect natural resources, the Conservancy assess whether the project meets at least one of the criteria specified in Public Resources Code Section 75071(a)-(e). The ISP Control Program satisfies 3 of the specified criteria, as follows: (a) Landscape/Habitat Linkages: the areas that are restored through the removal of invasive Spartina are areas that link to, or contribute to linking, existing protected areas with other large blocks of protected habitat; (b) Watershed Protection: the project serves to protect and restore the natural resources of the San Francisco Bay and Estuary, a priority watershed as identified by the Resources Agency; and (c) Under-protected habitats: the project is focused on relatively large areas of intertidal mudflats, tidal marshes and wetlands that are under-protected major habitat.
The balance of the funding for the treatment and eradication grants, $261,679, is expected to come from the remaining funds under the MMS CIAP grant. The Conservancy accepted the MMS CIAP grant at its meeting on April 2, 2009 (see staff recommendation for the April 2, 2009 meeting, attached as Exhibit 7). However, at that meeting the Conservancy only authorized the disbursement of $400,000 of the MMS CIAP grant, with the understanding that Conservancy staff would return for the authorization to use the remaining funding for future ISP Control Program activities. The use of the remaining MMS CIAP funds for the ISP Control Program under the proposed authorization remains consistent with the MMS CIAP funding source, for the same reasons detailed in the April 2, 2009 staff recommendation (Exhibit 7).

Conservancy funding for all but $5,000 of the proposed disbursement of $3,815,893 for the Invasive Spartina Project planning, management, monitoring and related costs is expected to be provided under an existing grant agreement by which WCB may provide funds to the Conservancy for San Francisco Bay projects. Under the grant agreement with WCB, the Conservancy may use these funds for habitat restoration projects within the nine-county San Francisco Bay Area that implement the restoration goals of the San Francisco Bay Joint Venture and the San Francisco Baylands Ecosystem Habitat Goals Report and that meet the priorities of the Conservancy as described in Section 31162 of the Public Resources Code. Specific recommendations for the management and eradication of non-native invasive species are made in the 1999 Baylands Habitat Goals Report. The Invasive Spartina Project is consistent with these recommendations. In addition, any proposed project must, under the WCB grant agreement, be a "high priority" project as identified in the grant agreement or otherwise authorized as a priority project by WCB in the "Memorandum of Understanding" between WCB and the Conservancy that is required before any project may move forward. WCB has agreed to amend the Memorandum of Understanding to identify the proposed work as a "high priority" project and the WCB funding will be dependent on such an amendment, as required by the proposed authorization.

The WCB grant funding, in turn, is derived from an appropriation from the Water Security, Clean Drinking Water, Coastal Beach Protection Fund of 2002 (Proposition 50), The Proposition 50 funds were appropriated under the specific authorization found in Section 79572(c) of the Water Code and may be used for the general purpose of acquisition, protection and restoration of coastal wetlands. The balance of $3,815,893 of the funding for the ISP Control Program planning, management, monitoring and related costs is expected to come from the remaining funds under the MMS CIAP grant, described above.

The breakdown of costs for planning, management and monitoring and for treatment and eradication projects under the proposed authorization is as follows:

**A. Planning, Management and Monitoring through March 31, 2013**

| Wildlife Conservation Board | $3,815,893 |

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EXHIBIT C
TOTAL $3,815,893

B. Breakdown by Grantee of Expected Financing for Ongoing Treatment Projects through 2012:

Depending on the respective efficacy of the 2010 treatment found at the various project sites, the funding each grantee will receive may be adjusted among grantees, but with no increase to the total amount authorized. Each grantee will contribute in-kind services to the project through staff time and use of equipment. The Conservancy will contribute funding as follows:

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<td>San Mateo Co. Mosquito Abatement District</td>
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<td>City of Palo Alto</td>
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<td>Friends of Corte Madera Creek Watershed</td>
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<td>California Department of Parks and Recreation</td>
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<td>U.S. Fish and Wildlife Service</td>
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<td><strong>TOTAL</strong></td>
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CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

As described in previous staff recommendations (Exhibits 1 through 8) and associated Conservancy resolutions, the ISP and implementation of the Control Program serve to carry out
the objectives for the San Francisco Bay Area Conservancy Program mandated by Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165. The ISP and its Control Program continue to protect and restore tidal marshes, which are natural habitats of regional importance.

CONSISTENCY WITH CONSERVANCY'S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S)

The ISP and implementation of the Control Program continue to carry out the goals and objective of the 2007 Strategic Plan, as specified in the staff recommendation of April 24, 2008 (Exhibit 6).

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed authorization, which provides additional funding for the ISP Control Program is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated June 4, 2009, for the same reasons as detailed in the staff recommendation of April 24, 2008 (Exhibit 6). In addition, this information is applicable to the new criteria regarding climate change:

Required Criteria

7. Sea level rise vulnerability: This project does not involve the construction or placement of any structures that may be vulnerable to sea level rise. Indeed, the advent of global-warming induced sea level rise may give invasive Spartina, which has greater salinity tolerance, yet another competitive advantage over the native. This would argue for the ongoing effort to eradicate non-native Spartina prior to when significant sea level rise occurs.

Additional Criteria

18. Minimization of greenhouse gas emissions:

Carbon Sequestration:
The remaining invasive Spartina in the San Francisco Estuary consists of approximately 100 net acres of plants scattered throughout the Bay’s edges and streams draining into the Bay. There will be a loss of carbon sequestration greater than that generated by the return of native vegetation, including, eventually, the return of native Spartina foliosa. However, the difference will be negligible, since the removal of invasive Spartina from the marsh areas will enable the re-establishment of the native cordgrass. Further, as has been observed in many areas where invasive Spartina has been eradicated, other native plants, which have been displaced by the non-native Spartina, including Sarcocornia, Grindelia, Frankenia, Jaumea, and Distichlis, re-inhabit that area and flourish.

To the extent that re-vegetation does not completely replace the invasive Spartina that has been removed, the FEIS/R already provides for required project mitigation that will further offset this impact. The FEIS/R requires the replanting of various sites with native vegetation, as part of the project. For example, ISP continues to restore the treated tidal marsh at the
Elsie Roemer Bird Sanctuary in Alameda by planting native marsh vegetation. ISP is also growing native marsh plants offsite to ensure an adequate supply of appropriate native vegetation for Elsie Roemer and other potential restoration sites that have been cleared of invasive Spartina. In light of these forms of re-vegetation, the loss of carbon sequestration is considered not a significant impact.
Carbon Dioxide Caused by Vehicle Miles Traveled:

Greenhouse gas emissions will result from vehicle usage during treatment and monitoring activities. During treatment boats and helicopters will be utilized for the application of herbicide to remove invasive Spartina. For monitoring activities small cars will be used by field biologists to travel to all sites around the estuary, and an airplane will be used to take aerial photography. On an annual basis, at maximum 1,469 gallons of fuel will be used by helicopters (for travel of approximately 800 miles) and an airplane (for 160 miles), and 1,126 gallons of fuel for boats (800 miles) and small automobiles (20,000 miles). Based on fuel usage, the total emissions equal 24.50336 “carbon dioxide equivalent units”, or the global warming equivalent of less than 25 metric tons of CO₂ per year. This was determined by applying the CARROT 3.1 general reporting protocol for greenhouse gas emissions (GHG’s) provided by the Climate Registry for aviation fuel and motor fuel. This level of emissions will persist for only two more years under the proposed authorization and, in the following two years for the project as a whole, the annual total will decrease substantially, as the remaining acreage of non-native Spartina shrinks, until zero presence at 90% of sub-sites, expected in 2013.

To establish context in which to consider the order of magnitude of these project-generated GHG’s, it may be noted that the California Air Resources Board has proposed a threshold of 7,000 metric tons of CO₂/year, below which the effects of a project would be deemed “not significant”, for industrial projects that result in stationary, continuous sources of GHG emissions. Likewise, the South Coast Air Quality Management District has adopted a threshold of 10,000 tons of CO₂ per year for similar industrial projects. Further, the South Coast Air Quality Management District has proposed for consideration, but not adopted, a threshold of 3,000 metric tons per year for residential and commercial projects. It should be noted that each of these thresholds are based on the annual emission each year throughout the project’s useful life.

By contrast the GHG’s anticipated under this authorization are less than 25 tons per year and will persist for only two years, with future ISP Control Program GHG’s to dwindle each year to near zero in 2012, when it is anticipated that invasive Spartina will be predominantly eradicated. In order to further reduce the comparatively minor GHG impact of the proposed actions, the Conservancy ISP contractors have agreed to require that field biologists engaging in monitoring activities carpool to the extent possible. The Conservancy will also negotiate with its ISP contractors to allow for a monetary incentive for any project travel by contractors or their subcontractors if travel is done by public transportation or bicycle.

In light of the low carbon dioxide equivalent generated by the project and the proposed further reduction of automobile miles traveled, this is also considered not a significant impact.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The ISP Control Program remains consistent with the San Francisco Bay Plan adopted by the San Francisco Bay Conservation and Development Commission, as detailed in earlier staff recommendations (see e.g. Exhibit 8).

COMPLIANCE WITH CEQA:

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As part of the June 16, 2005 ISP staff recommendation (Exhibit 3), the Conservancy authorized initial funding for 22 of the treatment and eradication projects that are proposed for additional funding under this authorization. The June 16, 2005 staff recommendation refers to 22 treatment sites. However, after the June authorization, one of the 22 sites was split into 2 sites for ease of treatment management while another site dropped out bringing the total again to 22 sites (the original treatment sites). On May 24, 2007, the Conservancy authorized a redirection of funds for treatment activities along the Petaluma River (see Exhibit 5), thus resulting in 23 treatment sites for 2007. The North San Pablo Bay site was added as a new treatment site for 2008, increasing the total to 24 treatment sites for 2008 and beyond.

The Conservancy’s June 16, 2005 authorization (Exhibit 3) included consideration and review of the site specific plans for each of the 22 original treatment sites for activities through 2007. The May 24, 2007 authorization (Exhibit 5) included consideration and review of the one-year site-specific plan for treatment of the Petaluma River site. The April 2, 2009 authorization (Exhibit 7) included review of the site-specific plans for the treatment activities through the 2010 treatment season at the original treatment sites, the Petaluma River site and one new site- the North San Pablo Bay.

Based on this information, in each instance, staff recommended and the Conservancy found that the environmental effects associated with each of these treatment projects and the required mitigation to reduce those effects to less than significant level had been fully considered under the Conservancy-certified (See Exhibit 1) programmatic “Final Programmatic Environmental Impact Statement/Environmental Impact Report, San Francisco Estuary Invasive Spartina Project: Spartina Control Program” (FEIS/R) prepared for the ISP Control Program pursuant to the California Environmental Quality Act (CEQA) and that no new mitigation measures were required.

The two-year updated site-specific plans and mitigation matrices for activities for the 2011 and 2012 treatment seasons for all of these 24 sites (original treatment sites plus Petaluma River site plus North San Pablo Bay site) are attached (See Exhibits 10 and 11). These plans have not changed substantially in nature, extent, duration or scope since 2005 for the original treatment sites, since 2007 for the Petaluma River site or since 2008 for the North San Pablo Bay site, with the exception of some additional sub-areas added as new plants were found. Overall, treatment and potential impacts are reduced because of successful treatment in the prior years.

Since the projects, including potential environmental effects and mitigation measures, remain unchanged, the proposed authorization remains consistent with the CEQA findings adopted by the Conservancy in connection with the June 16, 2005 authorization for the 22 original treatment sites and with the May 24 2007 authorization for the Petaluma River site and with the April 24, 2008 authorization for the North San Pablo Bay site. No further environmental documentation for these treatment activities is required.
CERTIFICATE OF INSURANCE
State Coastal Conservancy, State of California
Grant Agreement #: 10-106  SCC Project Mgr: M. Latta

PRODUCER (Agent or Broker)

INSURED

THIS CERTIFICATE OF INSURANCE IS NOT AN INSURANCE POLICY AND DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

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AUTOMOBILE LIABILITY
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| ALL OWNED AUTOS | | | | |
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| HIRED AUTOS | | | | |
| NONOWNED AUTOS | | | | |
| GARAGE LIABILITY | | | | |

EXCESS LIABILITY
| UMBRELLA | | | | |
| OTHER THAN UMBRELLA FORM | | | | |
| WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY | | | | |

PROPERTY INSURANCE
| COURSE OF CONSTRUCTION | | | | |

DESCRIPTION OF OPERATIONS/LOCATION/VEHICLES/RESTRICTION/DEDUCTIBLES/SELF INSURED RETENTIONS/SPECIAL ITEMS

THE FOLLOWING PROVISIONS APPLY:
1. None of the above-described policies will be canceled until after 30 days' written notice has been given to the State Coastal Conservancy at 1396 Broadway, 13th Floor, Oakland, CA 94612.
2. The State of California (State), its officials, officers, employees and volunteers are added as insureds on all liability insurance policies listed ABOVE.
3. It is agreed that any insurance or self-insurance maintained by the State will apply in excess of and not contribute with, the insurance described above.
4. All rights of subrogation under the property insurance policy listed above have been waived against the State.
5. The workers' compensation insurer named above, if any, agrees to waive all rights of subrogation against the State for injuries to employees of the insured resulting from work for the State or use of the State’s premises or facilities.

CERTIFICATE HOLDER/ADDITIONAL INSURED
State of California

AUTHORIZED REPRESENTATIVE
SIGNATURE
TITLE
PHONE NO.

EXHIBIT D
Agenda Item # 5G

UPDATE ON UPCOMING FINANCIAL AUDIT

SUBJECT: Status Report of Fiscal Year 2015-16 Financial Audit

RECOMMENDATION:

No action required; information only.

BACKGROUND AND STATUS:

The State Controller established minimum financial audit requirements and reporting guidelines for special districts. To meet these requirements and guidelines, the District contracts with an external auditor to review its internal controls and audit its financial statements.

The District issued a request for proposal for audit services and selected The Pun Group, of Santa Ana, to provide audit services. Paul Kaymark is the lead auditor. An engagement letter to audit the fiscal year 2015-16 financial statements has been executed. This is the second year that the Pun Group has audited the District’s financial statements.

Requested interim audit materials have been sent to the auditor. The auditor will make sample selections from some of these materials and the District will have sampled files ready for the auditors during their field visit. While not schedule yet, it is expected that the on-site field visit will be in August and a draft Annual Financial Report, for the fiscal year ending June 30, 2015, will be available for review by the Finance Committee in October or November.

REFERENCE MATERIALS ATTACHED:

A. None
## San Mateo County Mosquito & Vector Control
### Profit & Loss Budget vs. Actual
#### Accrual Basis
May 2016

### Ordinary Income/Expense

<table>
<thead>
<tr>
<th>Income</th>
<th>May 16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1021 · Prop. taxes, current, secured</td>
<td>157,488.50</td>
<td>150,109.00</td>
<td>7,379.50</td>
<td>104.9%</td>
</tr>
<tr>
<td>1024 · PY Secured Rade</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1031 · Prop. taxes, current unsecured</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1033 · Prop. taxes, prior, unsecured</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1041 · Prop taxes CY secured SB 813</td>
<td>10,087.88</td>
<td>6,600.00</td>
<td>3,487.88</td>
<td>125.8%</td>
</tr>
<tr>
<td>1042 · Prop taxes CY unsecured SB 813</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1043 · PY SB 813 REDEM</td>
<td>0.00</td>
<td>700.00</td>
<td>-700.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1045 · Prop. taxes unsecured SB 813</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1046 · ERAF Rebate</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1521-11 · VCJPA-Interest Income</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1521 · Interest Earned</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1831 · Homeowner Prop</td>
<td>3,794.67</td>
<td>3,800.00</td>
<td>-5.33</td>
<td>99.9%</td>
</tr>
<tr>
<td>2031 · Special Benefit Assessment</td>
<td>118,242.66</td>
<td>108,000.00</td>
<td>10,242.66</td>
<td>108.5%</td>
</tr>
<tr>
<td>2430 · Special Mosquito Tax</td>
<td>36,094.76</td>
<td>37,800.00</td>
<td>-1,705.24</td>
<td>101.3%</td>
</tr>
<tr>
<td>2451 · Service Abatement Income</td>
<td>0.00</td>
<td>14,030.00</td>
<td>-14,030.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>2647 · RDA / RTPTF</td>
<td>59,770.32</td>
<td>0.00</td>
<td>59,770.32</td>
<td>100.0%</td>
</tr>
<tr>
<td>2650-11 · VCJPA-Misc Income</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>2656 · Other</td>
<td>675.24</td>
<td>0.00</td>
<td>675.24</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Total Income** 388,134.14 320,839.00 67,295.14 121.0%

### Gross Profit

<table>
<thead>
<tr>
<th>Income</th>
<th>May 16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>388,134.14</td>
<td>320,839.00</td>
<td>67,295.14</td>
<td></td>
<td>121.0%</td>
</tr>
</tbody>
</table>

### Expense

<table>
<thead>
<tr>
<th>Expense</th>
<th>May 16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4111 · Reg Full-time Position</td>
<td>122,817.04</td>
<td>140,894.00</td>
<td>-18,076.96</td>
<td>87.2%</td>
</tr>
<tr>
<td>4115 · Severance Pay</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4161 · Reg Part-Time Position</td>
<td>3,680.00</td>
<td>20,960.00</td>
<td>-17,280.00</td>
<td>17.6%</td>
</tr>
<tr>
<td>4311 · Social Security</td>
<td>345.96</td>
<td>1,300.00</td>
<td>-954.04</td>
<td>26.8%</td>
</tr>
<tr>
<td>4321 · County Retirement Plan</td>
<td>38,808.00</td>
<td>44,815.00</td>
<td>-6,007.00</td>
<td>88.6%</td>
</tr>
<tr>
<td>4412 · Health Insurance</td>
<td>27,002.07</td>
<td>35,270.00</td>
<td>-8,267.93</td>
<td>76.8%</td>
</tr>
<tr>
<td>4413 · OPEB Trust Contribution</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4415 · Medicare Insurance</td>
<td>1,858.56</td>
<td>2,347.00</td>
<td>-488.44</td>
<td>79.2%</td>
</tr>
<tr>
<td>4422 · Dental Insurance</td>
<td>2,528.68</td>
<td>3,900.00</td>
<td>-1,371.32</td>
<td>64.8%</td>
</tr>
<tr>
<td>4431 · Vision Insurance Plan</td>
<td>445.17</td>
<td>525.00</td>
<td>-79.83</td>
<td>84.8%</td>
</tr>
<tr>
<td>4440 · Employee Commute Benefit</td>
<td>0.00</td>
<td>450.00</td>
<td>-450.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4442 · Long Term Disability</td>
<td>1,002.79</td>
<td>1,100.00</td>
<td>-97.21</td>
<td>91.2%</td>
</tr>
<tr>
<td>4451 · Unemployment Insurance</td>
<td>203.36</td>
<td>1,141.00</td>
<td>-937.64</td>
<td>17.8%</td>
</tr>
<tr>
<td>4621 · AFLAC Insurance</td>
<td>457.26</td>
<td>560.00</td>
<td>-102.74</td>
<td>81.7%</td>
</tr>
<tr>
<td>5111 · Pesticides</td>
<td>15,238.41</td>
<td>25,000.00</td>
<td>-9,761.59</td>
<td>61.0%</td>
</tr>
<tr>
<td>5121 · Clothing</td>
<td>1,077.25</td>
<td>1,575.00</td>
<td>-497.75</td>
<td>66.4%</td>
</tr>
<tr>
<td>5156 · Household</td>
<td>0.00</td>
<td>225.00</td>
<td>-225.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>5171 · Laboratory Supplies</td>
<td>1,064.94</td>
<td>4,870.00</td>
<td>-3,805.06</td>
<td>21.9%</td>
</tr>
<tr>
<td>5199 · Office Expenditures</td>
<td>252.62</td>
<td>2,010.00</td>
<td>-1,757.38</td>
<td>12.6%</td>
</tr>
<tr>
<td>5233 · Special Tools / Equipment</td>
<td>914.14</td>
<td>1,800.00</td>
<td>-885.86</td>
<td>50.8%</td>
</tr>
<tr>
<td>5331 · Membership Dues</td>
<td>200.00</td>
<td>2,600.00</td>
<td>-2,400.00</td>
<td>7.7%</td>
</tr>
<tr>
<td>5416 · Gasoline / Oil / Grease</td>
<td>3,287.20</td>
<td>7,140.00</td>
<td>-3,852.80</td>
<td>46.0%</td>
</tr>
<tr>
<td>5428 · Vehicle / Equip Maint &amp; Repair</td>
<td>883.09</td>
<td>3,575.00</td>
<td>-2,691.91</td>
<td>24.7%</td>
</tr>
<tr>
<td>5472 · Facility Maintenance &amp; Repair</td>
<td>301.05</td>
<td>2,415.00</td>
<td>-2,113.95</td>
<td>12.5%</td>
</tr>
<tr>
<td>5631 · Electricity / Gas</td>
<td>2,182.27</td>
<td>2,325.00</td>
<td>-142.73</td>
<td>93.0%</td>
</tr>
<tr>
<td>5635 · Water / Sewer Disposal</td>
<td>135.21</td>
<td>285.00</td>
<td>-149.79</td>
<td>47.4%</td>
</tr>
<tr>
<td>5721 · Meeting/Conferences</td>
<td>2,733.43</td>
<td>10,785.00</td>
<td>-8,051.57</td>
<td>25.3%</td>
</tr>
</tbody>
</table>
### San Mateo County Mosquito & Vector Control
#### Profit & Loss Budget vs. Actual
##### May 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>May 16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>5856 · Services / Consultations</td>
<td>35,670.43</td>
<td>18,583.00</td>
<td>17,087.43</td>
<td>192.0%</td>
</tr>
<tr>
<td>5966 · District Special Expense</td>
<td>18,266.45</td>
<td>11,100.00</td>
<td>7,166.45</td>
<td>164.6%</td>
</tr>
<tr>
<td>6712 · Telephone</td>
<td>2,127.11</td>
<td>2,400.00</td>
<td>-272.89</td>
<td>88.6%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>283,482.39</td>
<td>349,950.00</td>
<td>-66,467.61</td>
<td>81.0%</td>
</tr>
<tr>
<td><strong>Net Ordinary Income</strong></td>
<td>104,661.75</td>
<td>-29,111.00</td>
<td>133,772.75</td>
<td>-359.5%</td>
</tr>
<tr>
<td><strong>Other Income/Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer In</td>
<td>11.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Transfer Out</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>11.00</td>
<td>0.00</td>
<td>11.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Net Other Income</strong></td>
<td>11.00</td>
<td>0.00</td>
<td>11.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>104,662.75</td>
<td>-29,111.00</td>
<td>133,773.75</td>
<td>-359.5%</td>
</tr>
</tbody>
</table>
## San Mateo County Mosquito & Vector Control
### Profit & Loss Budget vs. Actual
#### July 2015 through May 2016

**Accrual Basis**

**DRAFT**

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>Jul '15 - May '16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1021 - Prop. taxes, current, secured</td>
<td>1,674,384.61</td>
<td>1,814,425.00</td>
<td>59,959.61</td>
<td>103.3%</td>
</tr>
<tr>
<td>1024 - PY Secured Rede</td>
<td>1,322.33</td>
<td>2,500.00</td>
<td>-1,177.67</td>
<td>77.3%</td>
</tr>
<tr>
<td>1031 - Prop. taxes, current unsecured</td>
<td>94,255.75</td>
<td>85,405.00</td>
<td>-8,850.75</td>
<td>98.8%</td>
</tr>
<tr>
<td>1033 - Prop. taxes, prior, unsecured</td>
<td>708.49</td>
<td>-1,300.00</td>
<td>2,008.49</td>
<td>47.2%</td>
</tr>
<tr>
<td>1041 - Prop taxes CV secured SB 813</td>
<td>66,971.12</td>
<td>42,440.00</td>
<td>24,531.12</td>
<td>167.8%</td>
</tr>
<tr>
<td>1042 - Prop taxes CV secured SB 813</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1043 - PY SB 813 REDEM</td>
<td>908.08</td>
<td>700.00</td>
<td>208.08</td>
<td>129.7%</td>
</tr>
<tr>
<td>1045 - Prop. taxes unsecured SB 813</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>1046 - ERAF Rebate</td>
<td>226,644.62</td>
<td>225,000.00</td>
<td>1,644.62</td>
<td>118.5%</td>
</tr>
<tr>
<td>1521-11 - VCJPA-Interest Income</td>
<td>6,650.00</td>
<td>3,000.00</td>
<td>3,650.00</td>
<td>221.7%</td>
</tr>
<tr>
<td>1521 - Interest Earned</td>
<td>45,805.64</td>
<td>38,400.00</td>
<td>7,405.64</td>
<td>129.4%</td>
</tr>
<tr>
<td>1831 - Homeowner Prop</td>
<td>9,215.63</td>
<td>9,200.00</td>
<td>15.63</td>
<td>100.2%</td>
</tr>
<tr>
<td>2031 - Special Benefit Assessment</td>
<td>1,396,761.66</td>
<td>1,389,797.00</td>
<td>7,964.66</td>
<td>100.4%</td>
</tr>
<tr>
<td>2439 - Special Mosquito Tax</td>
<td>451,170.36</td>
<td>450,545.00</td>
<td>625.36</td>
<td>101.1%</td>
</tr>
<tr>
<td>2461 - Service Abatement Income</td>
<td>196,199.37</td>
<td>220,573.00</td>
<td>-24,373.63</td>
<td>88.5%</td>
</tr>
<tr>
<td>2647 - RDA / RPTTF</td>
<td>141,133.40</td>
<td>35,000.00</td>
<td>106,133.40</td>
<td>403.2%</td>
</tr>
<tr>
<td>2658-11 - VCJPA-Misc Income</td>
<td>41,538.00</td>
<td>0.00</td>
<td>41,538.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>2658 - Other</td>
<td>14,321.19</td>
<td>3,750.00</td>
<td>10,571.19</td>
<td>318.1%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>4,605,183.27</td>
<td>4,326,235.00</td>
<td>278,948.27</td>
<td>106.4%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>4,605,183.27</td>
<td>4,326,235.00</td>
<td>278,948.27</td>
<td>106.4%</td>
</tr>
</tbody>
</table>

**Expense**

<table>
<thead>
<tr>
<th>Expense</th>
<th>Jul '15 - May '16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4111 - Reg Full-time Position</td>
<td>1,518,289.04</td>
<td>1,690,730.00</td>
<td>-172,440.96</td>
<td>89.8%</td>
</tr>
<tr>
<td>4115 - Severance Pay</td>
<td>31,597.77</td>
<td>31,597.77</td>
<td>0.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>4161 - Reg Part-Time Position</td>
<td>114,688.59</td>
<td>136,120.00</td>
<td>-21,431.41</td>
<td>61.8%</td>
</tr>
<tr>
<td>4311 - Social Security</td>
<td>7,246.93</td>
<td>11,540.00</td>
<td>-4,293.07</td>
<td>62.8%</td>
</tr>
<tr>
<td>4321 - County Retirement Plan</td>
<td>498,548.18</td>
<td>537,781.00</td>
<td>-39,232.82</td>
<td>92.7%</td>
</tr>
<tr>
<td>4322 - Suppli Contrib to Retirement PIn</td>
<td>1,510,429.00</td>
<td>1,510,429.00</td>
<td>0.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>4412 - Health Insurance</td>
<td>295,527.82</td>
<td>370,270.00</td>
<td>-74,742.18</td>
<td>79.8%</td>
</tr>
<tr>
<td>4413 - OPEB Trust Contribution</td>
<td>1,834,246.00</td>
<td>1,834,246.00</td>
<td>0.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>4414 - Great-West Deferred Comp</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4415 - Medicare Insurance</td>
<td>24,545.38</td>
<td>27,215.00</td>
<td>-2,669.62</td>
<td>90.2%</td>
</tr>
<tr>
<td>4422 - Dental Insurance</td>
<td>28,795.36</td>
<td>38,000.00</td>
<td>-9,204.64</td>
<td>73.8%</td>
</tr>
<tr>
<td>4431 - Vision Insurance Plan</td>
<td>4,932.11</td>
<td>5,775.00</td>
<td>-842.89</td>
<td>85.4%</td>
</tr>
<tr>
<td>4440 - Employee Commute Benefit</td>
<td>1,010.05</td>
<td>4,800.00</td>
<td>-3,789.95</td>
<td>20.4%</td>
</tr>
<tr>
<td>4442 - Long Term Disability</td>
<td>10,608.99</td>
<td>12,100.00</td>
<td>-1,491.01</td>
<td>86.2%</td>
</tr>
<tr>
<td>4451 - Unemployment Insurance</td>
<td>13,711.59</td>
<td>16,240.00</td>
<td>-2,528.11</td>
<td>84.4%</td>
</tr>
<tr>
<td>4621 - AFLAC Insurance</td>
<td>5,532.24</td>
<td>6,540.00</td>
<td>-1,007.76</td>
<td>84.6%</td>
</tr>
<tr>
<td>5111 - Pesticides</td>
<td>141,293.31</td>
<td>190,000.00</td>
<td>-48,706.69</td>
<td>74.4%</td>
</tr>
<tr>
<td>5121 - Clothing</td>
<td>13,899.26</td>
<td>17,483.00</td>
<td>-3,583.74</td>
<td>79.6%</td>
</tr>
<tr>
<td>5156 - Household</td>
<td>1,236.34</td>
<td>1,925.00</td>
<td>-688.66</td>
<td>64.2%</td>
</tr>
<tr>
<td>5171 - Laboratory Supplies</td>
<td>29,972.06</td>
<td>35,610.00</td>
<td>-5,637.94</td>
<td>77.5%</td>
</tr>
<tr>
<td>5199 - Office Expenditures</td>
<td>11,246.89</td>
<td>13,960.00</td>
<td>-2,713.11</td>
<td>80.6%</td>
</tr>
<tr>
<td>5233 - Special Tools / Equipment</td>
<td>16,418.00</td>
<td>33,200.00</td>
<td>-16,782.00</td>
<td>49.5%</td>
</tr>
<tr>
<td>5331 - Membership Dues</td>
<td>13,302.00</td>
<td>21,345.00</td>
<td>-8,043.00</td>
<td>61.1%</td>
</tr>
<tr>
<td>5416 - Gasoline / Oil / Grease</td>
<td>37,294.83</td>
<td>54,511.00</td>
<td>-17,216.17</td>
<td>68.4%</td>
</tr>
<tr>
<td>5428 - Vehicle / Equip Maint &amp; Repair</td>
<td>25,594.13</td>
<td>52,600.00</td>
<td>-27,005.87</td>
<td>50.6%</td>
</tr>
<tr>
<td>5472 - Facility Maintenance &amp; Repair</td>
<td>11,986.29</td>
<td>27,390.00</td>
<td>-15,403.71</td>
<td>43.8%</td>
</tr>
<tr>
<td>5631 - Electricity / Gas</td>
<td>24,193.46</td>
<td>24,295.00</td>
<td>-111.54</td>
<td>99.5%</td>
</tr>
<tr>
<td>5635 - Water / Sewer Disposal</td>
<td>6,882.81</td>
<td>8,916.00</td>
<td>-2,033.19</td>
<td>75.0%</td>
</tr>
</tbody>
</table>

Page 1
## San Mateo County Mosquito & Vector Control
### Profit & Loss Budget vs. Actual
#### July 2015 through May 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul '15 - May 16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>5721 · Meeting/Conferences</td>
<td>86,872.12</td>
<td>115,025.00</td>
<td>-48,152.88</td>
<td>58.0%</td>
</tr>
<tr>
<td>5856 · Services / Consultations</td>
<td>262,601.60</td>
<td>250,118.00</td>
<td>12,483.60</td>
<td>105.0%</td>
</tr>
<tr>
<td>5966 · District Special Expense</td>
<td>182,393.33</td>
<td>159,600.00</td>
<td>22,793.33</td>
<td>114.3%</td>
</tr>
<tr>
<td>6712 · Telephone</td>
<td>25,962.02</td>
<td>24,935.00</td>
<td>1,027.02</td>
<td>104.2%</td>
</tr>
<tr>
<td>6725 · Liability Insurance</td>
<td>41,721.00</td>
<td>41,721.00</td>
<td>0.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>6731 · Other Insurance</td>
<td>109,886.00</td>
<td>117,303.00</td>
<td>-7,417.00</td>
<td>93.7%</td>
</tr>
<tr>
<td>7311 · Equipment</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>6,925,205.77</strong></td>
<td><strong>7,441,872.00</strong></td>
<td><strong>-516,666.23</strong></td>
<td><strong>93.1%</strong></td>
</tr>
<tr>
<td><strong>Net Ordinary Income</strong></td>
<td><strong>-2,320,022.50</strong></td>
<td><strong>-3,115,037.00</strong></td>
<td><strong>795,014.50</strong></td>
<td><strong>74.5%</strong></td>
</tr>
<tr>
<td><strong>Other Income/Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer In</td>
<td>11.00</td>
<td>0.00</td>
<td>-11.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Transfer Out</td>
<td>-161,890.71</td>
<td>0.00</td>
<td>-161,890.71</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>-161,779.71</td>
<td>0.00</td>
<td>-161,779.71</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Net Other Income</strong></td>
<td>-161,779.71</td>
<td>0.00</td>
<td>-161,779.71</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>-2,481,812.21</strong></td>
<td><strong>-3,115,837.00</strong></td>
<td><strong>633,824.79</strong></td>
<td><strong>79.7%</strong></td>
</tr>
</tbody>
</table>
San Mateo County Mosquito & Vector Control  
Balance Sheet  
As of May 31, 2016  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>May 31, 16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Checking/Savings</td>
<td></td>
</tr>
<tr>
<td>1010 · Cash</td>
<td>4,874,378.92</td>
</tr>
<tr>
<td>1010a · Union Bank Clearing Account</td>
<td>-353,702.28</td>
</tr>
<tr>
<td>1010A01 · Cash-VCJPA Property Contingency</td>
<td>37,217.00</td>
</tr>
<tr>
<td>1010A02 · Cash-VCJPA Member Contingency</td>
<td>382,035.00</td>
</tr>
<tr>
<td>1020 · Cash - Petty Cash</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Checking/Savings</strong></td>
<td>4,940,328.64</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
</tr>
<tr>
<td>1012 · Accounts Receivable-001</td>
<td>4,166.20</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td>4,166.20</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td></td>
</tr>
<tr>
<td>1120 · Inventory - Pesticides</td>
<td>81,882.75</td>
</tr>
<tr>
<td><strong>Total Other Current Assets</strong></td>
<td>81,882.75</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>5,026,357.59</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>5,026,357.59</td>
</tr>
</tbody>
</table>

| LIABILITIES & EQUITY                                                 |           |
| Liabilities                                                          |           |
| Current Liabilities                                                  |           |
| Accounts Payable                                                     |           |
| 4300-1 · Accounts Payable                                           | 80,635.91 |
| **Total Accounts Payable**                                           | 80,635.91 |
| Credit Cards                                                         |           |
| US Bank Credit Card                                                  | 0.00      |
| **Total Credit Cards**                                               | 0.00      |
| **Total Current Liabilities**                                        | 80,635.91 |
| **Total Liabilities**                                                | 80,635.91 |
| Equity                                                               |           |
| 32000 · Retained Earnings                                            | 7,427,533.89 |
| Net Income                                                           | -2,481,812.21 |
| **Total Equity**                                                     | 4,946,721.68 |
| **TOTAL LIABILITIES & EQUITY**                                       | 5,026,357.59 |
San Mateo County MVCD - Capital Project Fund
Balance Sheet
As of May 31, 2016

May 31, 16

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td>Checking/Savings</td>
<td></td>
</tr>
<tr>
<td>1010a · Union Bank Cleared Account</td>
<td>-10,125.99</td>
</tr>
<tr>
<td>1011 · 1010-05 Cash-Capital Project</td>
<td>149,489.79</td>
</tr>
<tr>
<td>Total Checking/Savings</td>
<td>139,363.80</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>139,363.80</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>139,363.80</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES &amp; EQUITY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
</tr>
<tr>
<td>32000 · Retained Earnings</td>
<td>89,697.46</td>
</tr>
<tr>
<td>Net Income</td>
<td>49,666.34</td>
</tr>
<tr>
<td>Total Equity</td>
<td>139,363.80</td>
</tr>
<tr>
<td>TOTAL LIABILITIES &amp; EQUITY</td>
<td>139,363.80</td>
</tr>
</tbody>
</table>
### San Mateo County MVCD - Capital Project Fund
**Profit & Loss Budget vs. Actual**
**July 2015 through May 2016**

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>Jul '16 - May '16</th>
<th>Budget</th>
<th>$ Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1221 - 1521 - Interest Earned</td>
<td>1,224.88</td>
<td>1,340.00</td>
<td>-115.12</td>
<td>91.41%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,224.88</td>
<td>1,340.00</td>
<td>-115.12</td>
<td>91.41%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1,224.88</td>
<td>1,340.00</td>
<td>-115.12</td>
<td>91.41%</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5106 - Other Misc Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1882AD - Bank Fees</td>
<td>388.62</td>
<td>495.00</td>
<td>-128.38</td>
<td>74.47%</td>
</tr>
<tr>
<td><strong>Total 5186 - Other Misc Expense</strong></td>
<td>388.62</td>
<td>495.00</td>
<td>-128.38</td>
<td>74.47%</td>
</tr>
<tr>
<td>5428 - Facility/Auto/Equip Maint/Repal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>428A1AD - HQ Painting</td>
<td>0.00</td>
<td>5,000.00</td>
<td>-5,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>428A3AD - Yard paving Mixture</td>
<td>0.00</td>
<td>5,000.00</td>
<td>-5,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>428A9AD - Misc Bldg Repairs</td>
<td>13,738.46</td>
<td>21,000.00</td>
<td>-7,261.54</td>
<td>66.42%</td>
</tr>
<tr>
<td><strong>Total 5428 - Facility/Auto/Equip Maint/Repal</strong></td>
<td>13,738.46</td>
<td>31,000.00</td>
<td>-17,261.54</td>
<td>44.32%</td>
</tr>
<tr>
<td>5966 - District Special Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5662AD - Microsoft Office Upgrade</td>
<td>0.00</td>
<td>5,000.00</td>
<td>-5,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>5664AD - Accounting System Upgrade</td>
<td>0.00</td>
<td>30,000.00</td>
<td>-30,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total 5966 - District Special Expense</strong></td>
<td>0.00</td>
<td>35,000.00</td>
<td>-35,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>7311 - Equipment-Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>311A1AD - Computer Equipment OP</td>
<td>25,722.32</td>
<td>15,025.00</td>
<td>10,697.32</td>
<td>164.82%</td>
</tr>
<tr>
<td>311A2AD - Computer Equipment LB</td>
<td>5,657.75</td>
<td>5,025.00</td>
<td>632.75</td>
<td>112.59%</td>
</tr>
<tr>
<td>311A3AD - Computer Equipment AD</td>
<td>3,396.52</td>
<td>5,200.00</td>
<td>-1,603.48</td>
<td>65.3%</td>
</tr>
<tr>
<td>311A4AD - Technician Laptops</td>
<td>0.00</td>
<td>9,000.00</td>
<td>-9,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>311A6AD - Misc Electronic Equipment</td>
<td>12,087.89</td>
<td>10,500.00</td>
<td>1,587.89</td>
<td>116.07%</td>
</tr>
<tr>
<td>31IB1AD - Vehicles (Owned)</td>
<td>0.00</td>
<td>29,300.00</td>
<td>-29,300.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>311B4OP - Vehicles (Leased)</td>
<td>18,987.89</td>
<td>18,975.00</td>
<td>-77.89</td>
<td>99.59%</td>
</tr>
<tr>
<td>311C1LB - Lab Equipment</td>
<td>11,020.00</td>
<td>12,000.00</td>
<td>-980.00</td>
<td>91.83%</td>
</tr>
<tr>
<td>311C2AD - Map Vision Software Project</td>
<td>22,390.00</td>
<td>23,000.00</td>
<td>-610.00</td>
<td>97.22%</td>
</tr>
<tr>
<td>311C6OP - Operations Equipment</td>
<td>0.00</td>
<td>33,895.00</td>
<td>-33,895.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total 7311 - Equipment-Capital</strong></td>
<td>92,241.17</td>
<td>152,220.00</td>
<td>-59,978.83</td>
<td>65.2%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>113,348.25</td>
<td>218,715.00</td>
<td>-105,366.75</td>
<td>51.83%</td>
</tr>
<tr>
<td><strong>Net Ordinary Income</strong></td>
<td>-112,123.37</td>
<td>-217,375.00</td>
<td>105,251.63</td>
<td>51.56%</td>
</tr>
<tr>
<td><strong>Other Income/Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer In</td>
<td>181,800.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer Out</td>
<td>-11.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>181,789.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Other Income</strong></td>
<td>181,789.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>46,666.34</td>
<td>-217,375.00</td>
<td>267,041.34</td>
<td>-22.85%</td>
</tr>
</tbody>
</table>
SAN MATEO COUNTY VECTOR CONTROL DISTRICT

Monthly Account Report for the Period

4/1/2016 to 4/30/2016

Dr. Chindi Peavey
District Manager
San Mateo County Vector Control District
1351 Rollins Rd
Burlingame, CA 94010

Account Summary

<table>
<thead>
<tr>
<th>Source</th>
<th>Beginning Balance as of 4/1/2016</th>
<th>Contributions</th>
<th>Earnings</th>
<th>Expenses</th>
<th>Distributions</th>
<th>Transfers</th>
<th>Ending Balance as of 4/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Contribution</td>
<td>$0.00</td>
<td>$1,834,246.00</td>
<td>$1,701.11</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$1,835,947.11</td>
</tr>
<tr>
<td>Totals</td>
<td>$0.00</td>
<td>$1,834,246.00</td>
<td>$1,701.11</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$1,835,947.11</td>
</tr>
</tbody>
</table>

Investment Selection

Moderate HighMark PLUS

Investment Objective

The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

<table>
<thead>
<tr>
<th>1-Month</th>
<th>3-Months</th>
<th>1-Year</th>
<th>3-Years</th>
<th>5-Years</th>
<th>10-Years</th>
<th>Plan's Inception Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.09%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4/15/2016</td>
</tr>
</tbody>
</table>

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value
Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees.