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11/3/2026

Madeline Dessert
Heber Public Utility District
1078 Dogwood Road, Suite 103
Heber,CA 92249

RE: 2026 Funding Local Opportunities for Water (FLOW) Grant Funding Agreement for **Main Water Distribution Line Reliability Project**

Dear Ms. Dessert,

You are receiving this communication as the authorized representative listed in the application submitted under Imperial Irrigation District's Funding Local Opportunities for Water Grant Program. Enclosed you will find a Funding Agreement for the **"Main Water Distribution Line Reliability Project"** for review and execution. Once the Agreement is fully executed and all the grant conditions are met, the Project will be eligible for FLOW funds available up to the amount of **$250,000.00** or 50 percent of the project's expended amount, whichever is less.

Please review and return a signed copy of the Agreement and your entity's EIN/TIN (or completed W-9 Form), along with any documentation that may be pending for compliance with the California Environmental Quality Act. Our records show we have not received satisfactory CEQA documentation for this Project. The Agreement and support documentation may be mailed to: IID Water Department/FLOW, 333 East Barioni Boulevard, Imperial, California, 92251. A fully executed copy will be returned to you along with guidance on how to complete Project Reimbursement Requests.

I am available to answer any questions you may have during the term of the Agreement. We look forward to working with you and your team on this important project. If you have questions concerning the next steps, please contact me at (760) 339-9085 or via email at jgamboaarce@iid.com.

Sincerely,

Justina Gamboa-Arce
Senior Water Resources Planner

cc: Water Manager/Senior Planner/Budget Controller

## Funding Local Opportunities for Water

## Return Checklist

### Main Water Distribution Line Reliability

1. **Signed Original FLOW Funding Agreement** ☐

2. **Entity's EIN/TIN or W-9 Form for Tax Reporting:** ☐

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3. **CEQA compliance verification:**
   **CEQA Notice of Exemption filed for the Project , or** ☐
   **CEQA Negative Declaration or EIR, and** ☐
   a. Copy of filed Notice of Determination; and ___
   b. Copy of receipt for CDFW Filing Fees Paid ___

4. **Tentative Project dates if different from original schedule:** ☐
   ✓ **Groundbreaking date:** _____ ___
   ✓ **Grand opening date:** _____ ___

# IMPERIAL IRRIGATION DISTRICT FUNDING AGREEMENT

## FUNDING LOCAL OPPORTUNITIES FOR WATER PROGRAM

This Agreement is entered by and between Imperial Irrigation District ("**IID**") and Heber Public Utility District a government owned public utility district ("**Entity**") as identified below. IID and Entity are sometimes referred to individually as "Party" and collectively as "Parties." The Parties agree this Agreement shall be deemed in full force and effect as of the final execution date ("**Effective Date**") by the duly authorized officers of the Parties.

**Entity**: Heber Public Utility District

**Authorized Representative:** Madeline Dessert

**Title:** General Manager

**Address:** 1078 Dogwood Road, Suite 103

**Phone #:** (760) 482-2440 **Fax #:**

**Email:** mdessert@heber.ca.gov

**Approved Project/Funding:** Main Water Distribution Line Reliability for up to **$250,000.**

In consideration of the mutual covenants and agreements herein and for good and valuable consideration, the Parties agree to the following terms and conditions:

### 1. Term

The term of this Agreement shall commence on the Effective Date and end no later than December 31, 2028 ("**Term**"). During the Term, the Parties and awarded project/program shall be subject to all terms, conditions and provisions of this Agreement and the FLOW Program Guidelines, the entirety of which is incorporated herein by reference.

### 2. FLOW Project/Program Description

This Agreement pertains to FLOW Program projects and/or programs. IID shall reimburse Entity in accordance with the terms and conditions of this Agreement. The following documents are incorporated by this reference and are hereby made part of this Agreement:

i) The FLOW Program Guidelines
ii) Entity's FLOW Application for Funding
iii) Entity's Proposal, including Scope of Work (Attachment A)
iv) Entity's Project/Program Detailed Cost Estimate (Attachment B)
v) Entity's Project/Program Milestones (Attachment C)

## 3. Assurances of Eligibility

Entity represents, warrants or acknowledges that the proposed project/program meets the following eligibility for funding:

a. Project/Program is Located Within IID Water Service Area. Entity warrants that the project/program proposed by Entity for cost-share with IID is located entirely within IID's water service area within Imperial County.

b. Commitment of a 50% Cost Share Minimum. Entity commits to a minimum 50% cost-share of total project costs. Entity's committed cost-share contribution may include other awarded grant sources or verifiable partnerships to meet, or exceed, the 50% cost-share requirement. Under no circumstances will entity staff time spent for administration or grant management count as contribution to the required cost-share.

c. Water and/or Agricultural Nexus. Entity warrants that the project/program has a water and/or agricultural nexus as described in Attachment A.

d. Public Benefit. Entity warrants that the project/program will result in a public benefit as described in Attachment A. If project/program is modified, delayed or canceled to the extent that a public benefit is not realized by December 31, 2028, IID retains authority to unilaterally void this funding agreement and refuse release of funds.

e. California Environmental Quality Act Compliance. Entity acknowledges that the project/program must comply with all applicable local, state and federal laws including CEQA and that the required environmental documentation will need to be completed by the Lead Agency carrying out the project/program prior to the release of funds.

## 4. Submittal Requirements for Payment

As a condition of reimbursement, Entity shall submit to IID the documents described below:

a. Tax Identification Number. Form W-9 Request for Taxpayer Identification Number and Certification.

b. California Environmental Quality Act Compliance Documentation. Entity must provide IID proof of CEQA exemption or compliance filing by the Lead Agency. As applicable, IID may need to make Responsible Agency findings prior to payment authorizations.

c. Proof of Project/Program Costs. Entity shall provide proof of project/program costs via copies of executed contracts, copies of invoices or receipt and payment records. A retention consistent with Section 4 (e) will apply for all FLOW funding amounts. A Payment Request Form will be provided to Entity upon Agreement execution for processing of all awarded monies.

d. Milestone Verification. Entity shall provide proof that the funding reimbursement request is consistent with the milestone level achieved. As a condition of payment, Entity is responsible for ensuring that IID has reasonable access to project/program information or site for inspection(s).

e. Final Close-Out Submissions. For infrastructure projects funded, a 10% retention will be reserved with every payment request processed. Before and after photos and a certificate of occupancy shall be necessary prior to receiving final 10% of FLOW funding. For programs funded, a 20% retention will be reserved with every payment request processed. A final program summary report of the program outcomes and accomplishments shall be necessary prior to receiving the final 20% of FLOW funding. Entity shall repay any funding made by IID within 30 calendar days of notification by IID that repayment is required due to IID not receiving all close-out documents as requested.

**5. Terms and Termination Resulting in Loss of Funding**

The following, but not limited to, actions may result in loss of funding:

i. It is determined by IID that Entity misrepresented the Assurances of Eligibility under Section 3 of this Agreement.
ii. Entity fails to submit the documentation requirements under Section 4 of this Agreement.
iii. Entity fails to fully execute a funding agreement with IID.
iv. Entity changes the project scope of work without prior notice to and approval by IID.
v. Entity fails to complete the project or implement the program funded by FLOW.
vi. Entity fails to meet the project/program milestones within the December 31, 2028 term deadline.

**6. No Representation of Project/Program Fitness**

Review and funding of the Project/Program funded by FLOW does not represent under any circumstance that the Entity's selected Project/Program design, construction operation, maintenance or implementation is economically feasible, technically feasible, operationally sound, safe or reliable. Entity is solely responsible for all aspects of the Project/Program selection and implementation.

**7. Permits and Licenses**

Entity shall obtain and maintain and cause its contractors and/or employees to obtain and maintain licenses and permits required by federal, state, local, or other relevant governing or regulatory bodies necessary to perform this Agreement. Any failure by Entity or its employees or contractors to maintain necessary licenses and permits constitutes a material breach of Entity's obligations under this Agreement.

**8. Indemnification and Limited Liability**

a. **Indemnification** - Entity shall indemnify, defend and hold harmless, and release IID, its officers, directors, agents and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any of the following: (i) injury to or death of persons; (ii) injury to or destruction of property; (iii) violation of local, state, and/or federal law, common law, statute, or regulation, including but not limited to environmental laws or regulations; or (iv) strict liability imposed by any provision of law; so long as such injury,

violation, or strict liability (as set forth in i-iv above) arises from or is in any way attributable to Entity's performance of, or failure to perform, this Agreement, however caused, regardless of any fault of IID whether active or passive, excepting only such loss, damage, cost, expense, liability, strict liability, or violation of law or regulation that is caused by IID, its officers, managers or employees. Entity acknowledges that any claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way attributable to the release or spill of any legally designated hazardous material or waste arising from the performance of this Agreement are expressly within the scope of this indemnity, and that the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from strict liability, or violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such releases or spills are expressly within the scope of this indemnity.

b. **Limited Liability** – IID shall not be liable for any special, incidental, indirect, or consequential damages to Entity, or to any third party or entity, based on IID's performance or failure to perform under this Agreement, or any aspect of performance contained herein.

**9. Assignment**

Entity shall not assign its rights or delegate its duties without the prior written consent of IID. Any such assignment or delegation without written consent shall be null and void. Consent to assignment shall not be unreasonably withheld. If an assignment is requested, Entity is obligated to provide IID with information relating to the proposed assignment or as may be subsequently requested by IID.

**10. Retention of Rights**

Nothing in this Agreement or in the Program Description shall transfer, convey, change, alter, modify, or otherwise affect any rights, title or legal interests held by any Party to this Agreement. The Parties to this Agreement reserve all rights, title and legal interests held under any and all applicable laws.

**11. Notices**

Any written notice, demand or request required or authorized in connection with this Agreement, shall be deemed properly given if delivered in person or sent by email, nationally recognized overnight courier, or first-class mail, postage prepaid, to the addresses specified below:

To IMPERIAL IRRIGATION DISTRICT:

Water Department Manager/FLOW Program
333 E. Barioni Blvd. (for personal delivery)
P.O. Box 937 (for mail delivery)
Imperial, CA 92251
FLOW@IID.com and watermanager@iid.com

To HEBER PUBLIC UTILITY DISTRICT:

The address and email on Page 1 of this Agreement.

Any Party may change the addressee or address to which communications or copies are to be sent by giving notice of such change in accordance with this notice provision.

**12. Advertising, Marketing and Use of IID's Name**

Entity will allow IID to use and disseminate the Project/Program's results in its advertising and marketing of IID's FLOW Program. Entity shall allow for use of the organization's name and/or logo in marketing materials and press releases, social media and to develop a brief customer profile for use by IID on its website should IID want to highlight the success of FLOW. Entity further acknowledges that it is not an employee, agent or representative of IID and Entity agrees that it shall make no representations or warranties of any kind to its customers, the public or to any person or entity on behalf of IID.

**13. Contract Documents and Amendments Thereto**

This Agreement, including all exhibits hereto and the FLOW Guidelines and FLOW Application for funding, constitute the entire Agreement between the Parties with regard to the subject matter hereof. This Agreement supersedes all previous communications, representations, or agreements between or among the Parties, written or oral, with respect to the subject matter hereof. This Agreement may not be modified or amended except in writing executed by the Parties.

**14. Governing Law**

a. This Agreement shall be interpreted in accordance with the substantive and procedural laws of the State of California. All actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in State court located in the County of Imperial, State of California and/or Federal Court located in the County of Imperial or San Diego, State of California. The aforementioned choice of venue is mandatory, thereby precluding the possibility of litigation between the Parties with respect to or arising out of this Agreement in any jurisdiction other than that specified in this paragraph. Each Party hereby waives any right it may have to assert the doctrine of forum non conveniens or a similar doctrine or to object to venue with respect to any proceeding brought in accordance with this paragraph, and stipulates that the State and Federal courts located in the Counties of Imperial and San Diego, California, respectively, shall have in personal jurisdiction and venue over each of them for the purpose of litigating any dispute or proceeding arising out of or related to this Agreement. Each party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Agreement.

b. Should a conflict exist between an applicable federal, state, or local law, rule, regulation, order or code and this Agreement, the law, rule, regulation, order or code shall control. Should a conflict exist between the main body of this Agreement and the documents incorporated by reference, the main body of this Agreement shall control. Varying degrees of stringency among the main body of this Agreement, the Documents Incorporated by Reference, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any conflict or inconsistency concerning this Agreement.

**15. Attorney's Fees**

In the event of any legal action or proceeding between the parties arising out of this Agreement, the losing party shall pay the prevailing party's legal costs and expenses, including, but not limited to, reasonable attorneys' fees as determined by the court.

**16. Counterparts**

This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one legal instrument with the same force and effect as though all signatures appeared on a single document.

*[Signatures on following page.]*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last date written below.

DATED: _____

IMPERIAL IRRIGATION DISTRICT, an Irrigation District established under the Irrigation District Law (California Water Code sec.'s 20500 et. seq.)

_____

Jamie Asbury
General Manager

DATED: _____

HEBER PUBLIC UTILITY DISTRICT's Legal Representative

Signature _____

Madeline Dessert
General Manager