

1B. Eligible Applicant Documentation

The following section demonstrates the District’s applicant eligibility as a local agency.

Is applicant a Local Agency or Non-Profit Organization?

Is the applicant a local public agency as defined in Appendix B of the 2014 Drought Guidelines? Please explain.

Yes. The applicant for the Imperial Integrated Regional Water Management Drought Grant Proposal (Proposal) is a local public agency (City of Imperial). The City of Imperial is a public agency, as defined in Appendix B of the Guidelines, which is defined as any city, county, city and county, special district, joint powers authority, or other political subdivision of the State, a public utility as defined in Sections 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code (CWC §10535).

What is the statutory or other legal authority under which the applicant was formed and is authorized to operate?

The City of Imperial is a General Law City incorporated July 12, 1904 and has the statutory legal authority to enter into contract with the State of California and other legal entities.

Does the applicant have legal authority to enter into a grant agreement with the State of California?

Yes. The City of Imperial is authorized to enter into contracts as a General Law City under the State Laws of Operation.

Describe any legal agreements among partner agencies and/or organizations that ensure performance of the proposal and tracking of funds.

As the proposal administrator, the City of Imperial will ensure performance of the Proposal and tracking of the funds. Each Project Proponent signed a letter stating their intent to execute a Funding Agreement with the City of Imperial, should this Proposal be awarded grant funding. The Funding Agreement will include roles and responsibilities for administration of the grant and distribution of the grant funds, and will be largely based on the terms and conditions of the Grant Agreement with DWR. The Letter of Intent is included in **Exhibit 1.2**.

Attachment 1 Components

- 1A. Authorizing Documentation
- ✓ 1B. Eligible Applicant Documentation (this attachment)
- 1C. Acknowledgement Form – Submittal of Additional Information
- 1D. Adopted IRWM Plan and Proof of Formal Adoption
- 1E. Project Consistency with an adopted IRWM Plan
- 1F. Urban Water Management Compliance
- 1G. Agricultural Water Management Compliance
- 1H. Surface Water Diverter Compliance
- 1I. Groundwater Management Compliance
- 1J. CASGEM Compliance
- 1K. Water Conservation Programs and Measures

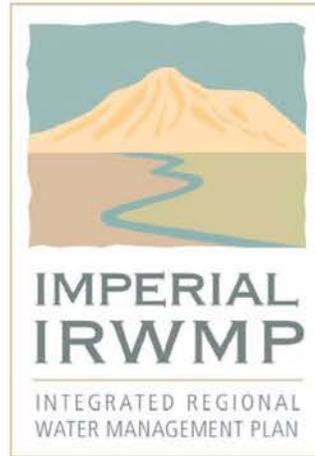
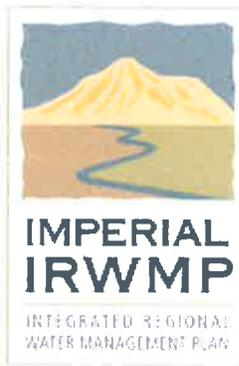


Exhibit 1.2 – Letter of Intent



LETTER OF INTENT

BETWEEN:

City of Imperial
420 South Imperial Avenue
Imperial, CA 92251 (hereinafter "Contracting Agency")

AND:

City of El Centro
1275 Main Street
El Centro, CA. 92243 (hereinafter "Construction Agency")

AND:

Heber Public Utilities District
1078 Dogwood Rd., Ste. 103
Heber, CA 92249 (hereinafter "Heber PUD")

WHEREAS:

- A. the Contracting Agency is submitting a State Department of Water Resources 2014 Drought Grant Proposal on behalf of the Imperial Valley Region Water Forum for the construction and implementation of the *Intertie Projects between the City of El Centro, the City of Imperial, and the Heber Public Utilities District* (Intertie Project);
- B. The Intertie Project objectives are to design and construct the facilities called for in the Grant Proposal, within the identified project budget and schedule;
- C. The Intertie Project is a critical water supply project providing emergency back-up water supplies benefitting the region;
- D. If awarded the State Drought Grant, a collaborative process is needed for successful execution of the project;
- E. It is the intent of this letter to agree to working together in forming a tri-party agreement which provides monetary equity for in-kind services for project related activities during the design and construction of the Intertie Project, and long term operations and maintenance;

NOW THEREFORE, the City of El Centro, the City of Imperial, and the Heber Public Utilities District (hereafter known as the "Parties") agree as follows:

1. The Parties agree that the Project objectives can be best achieved through a relational contract that promotes and facilitates strategic planning, design, construction and commissioning of the project, through the principles of collaboration and lean project delivery.
2. The Parties recognize that each Party's success is tied directly to the success of all other members of this collaborative Project.
3. The Parties understand the need to agree upon a fair spreading of costs for expenses related to the construction, and annual operations and maintenance over the life of the Intertie Project (50 years);
4. The Parties agree that time is of the essence, and that execution of a tri-party agreement will take place not more than 30 days following notification by the State DWR of the 2014 Drought Grant award.

A representative from each of the parties has signed below to indicate, on behalf of their respective organizations, their agreement with the terms of this Letter of Intent.

City of Imperial ("Contracting Agency")

Marlene A. Best

Date:

7/15/14

City of El Centro ("Construction Agency")

Mayor Ruben A. Duran

Date:

7/17/14

Heber Public Utilities District

Laura Zocher

Date:

7-15-14