

## AGREEMENT

THIS AGREEMENT ("Agreement") is made this 9th day of December, 2025 ("Effective Date"), by and between the County of Fresno, a political subdivision of the State of California ("County"), and the Malaga County Water District ("District").

## WITNESSETH

WHEREAS, the County has been designated as the sponsoring agency to administer and implement the Community Development Block Grant ("CDBG") Program activities for the County, and its participating cities, in accordance with the provisions of Title I of the Housing and Community Development Act of 1974, as amended, and the laws of the State of California; and

WHEREAS, CDBG funding has been made available to the County for housing and community development activities; and

WHEREAS, the District has submitted the Malaga Wastewater Treatment Plant Disposal Pond Rehabilitation, Phase I, Project No. 25451 ("Project"), to the County for CDBG funding; and

WHEREAS, the District has estimated that the total cost of the Project is \$40,000, and the District has requested the sum of \$40,000 in CDBG funding be made available for the Project; and

WHEREAS, at a public hearing conducted on August 5, 2025, the County Board of Supervisors approved as part of the County's 2025-2026 Annual Action Plan, the usage of \$40,000 in CDBG funds for the Project, as requested by the District; and

WHEREAS, there are \$40,000 in CDBG funds that may be made available to the District for the Project this fiscal year; and

WHEREAS, the Project is consistent with the objectives of the Fresno County Consolidated Plan, including the 2025-2026 Annual Action Plan.

NOW THEREFORE, in consideration of their mutual promises as hereinafter set forth, the District and County agree as follows:

I. PROJECT DESCRIPTION, LOCATION AND BUDGET

A. The Project consists of the preparation of design plans and specifications for improvements to the percolation capability of the disposal ponds, including the removal of percolation-inhibiting material in the soil of the disposal ponds at the Malaga County Water District

1 Wastewater Treatment Plant, located at 3749 S. Maple Avenue, Fresno. A future phase of the  
2 Project will consist of the installation of the improvements to the percolation capability of the  
3 disposal ponds, including the removal of percolation-inhibiting material in the soil of the disposal  
4 ponds.

5 B. The Project site is owned by the District.

6 C. The work to be funded with CDBG funds is as follows:

- 7 1. Obtain all necessary permits.
- 8 2. Perform all necessary design engineering, including, but not limited  
9 to, surveying, testing, preparation of plans, specifications, and cost estimates, bid documents and  
10 a cost or price analysis, review of bids and recommendation for award.

11 D. The Project budget is estimated by the District as follows:

Design Engineering	\$ 25,000
Contingency, Permits & Misc.	<u>\$ 15,000</u>
Total	\$ 40,000

14 E. Notwithstanding District's estimates described in the above-described  
15 Project budget, payments for the Project from CDBG funds shall be limited to the District's actual  
16 costs, and in any event shall not exceed the total amount of \$40,000. In the event CDBG funds  
17 are not sufficient, the District shall in any event complete the Project using its own funds.

18 F. The proposed funding for the Project shall be provided from the following  
19 sources:

CDBG	\$ 40,000
Local Financial Contribution	<u>\$ 0</u>
Total	\$ 40,000

22 G. Prior to any proposed changes that may occur which would modify the  
23 scope of the Project, the District shall submit a written request to the County. The District shall  
24 send its written request to:

25  
26 Community Development Grants  
27 County of Fresno  
28 Department of Public Works and Planning  
Community Development Division  
2220 Tulare Street, 6<sup>th</sup> Floor  
Fresno, CA 93721

1 If the Director of the County Department of Public Works and Planning ("Director") determines the  
2 modified Project is still eligible under the Federal CDBG regulations, the Director is authorized to  
3 permit such modifications. The Director shall specify in a letter to the District whether such  
4 modifications to the scope of the Project are authorized, and if the District may proceed.

5 II. OBLIGATIONS OF THE COUNTY

6 A. The County shall reimburse the District up to, but not more than, \$40,000 in  
7 CDBG funds for the Project for the District's performance of its obligations under this Agreement.  
8 All funds shall be paid in accordance with Section V of this Agreement.

9 B. The County shall review, within thirty (30) calendar days of receipt from the  
10 District, the engineer selection process description and summary of the analysis, as prepared by  
11 the District, to verify that a competitive process was conducted in accordance with U.S. Department  
12 of Housing and Urban Development (HUD) procurement standards. If such conditions have been  
13 met, the Department of Public Works and Planning, Community Development Division (Division)  
14 shall specify in a letter to the District that these conditions have been met, and that the engineering  
15 contract can be awarded.

16 C. The County shall review, within forty-five (45) calendar days of receipt from  
17 the District, the design plans and specifications for the Project and construction cost estimate, as  
18 prepared by the District, for compliance with Federal regulations. If such conditions have been  
19 met, the Division shall specify in a letter to the District that these conditions have been met and  
20 the plans and specifications are approved. If such conditions have not been met, the Division shall  
21 specify required corrections in a letter to the District.

22 D. Notwithstanding anything to the contrary in this Section II or Section III of  
23 this Agreement, the County's determinations and actions under this Section II and Section III of  
24 this Agreement are solely for the benefit of the County, as the provider of the CDBG funding stated  
25 herein, and do not relieve the District of its obligations, or lessen the District's obligations, under  
26 this Agreement.

27 III. OBLIGATIONS OF THE DISTRICT

28 A. The District shall provide any and all sums of money in excess of \$40,000

1 which may be necessary to complete the Project. The bid documents shall include any proposed  
2 additive or deduct alternatives.

3 B. The District shall demonstrate in writing, and to the County's satisfaction,  
4 that it has the authority, operational ability, and financial resources for maintaining the  
5 improvements constructed with CDBG funds under this Agreement, prior to award of construction  
6 of the Project.

7 C. The District shall perform, or cause to be performed, all engineering work  
8 required for the Project.

9 D. In selecting an engineer to perform any engineering work required for the  
10 Project, the District shall go through a competitive process in accordance with Chapter 4.10 of the  
11 Ordinance Code of Fresno County, and HUD procurement standards. Prior to selection of the  
12 engineer, the District shall prepare a written description of the process, perform a cost or price  
13 analysis, and submit the process description and summary of the analysis to the Division for  
14 review. The District shall obtain a letter from the Division specifying that the conditions of this  
15 Section have been met.

16 E. The District shall specify in agreements with its consultants that all  
17 engineering work funded with CDBG funds shall become the property of the District upon payment  
18 by the District for the cost of such engineering work.

19 F. The District shall furnish evidence, to the satisfaction of the Division, that it  
20 has free and clear title to all parcels of real property on which Project improvements will be located,  
21 with any liens or encumbrances noted, and/or that it has obtained or can obtain all necessary  
22 easements, rights-of-way, licenses, permits, and State and local approvals required for the  
23 completion of the Project.

24 G. Upon completion of the design engineering, the District shall submit the  
25 plans and specifications to the Division. The Division will ensure Federal CDBG requirements  
26 have been adhered to, and will review cost estimates to ensure sufficient funds are available. The  
27 District shall obtain a letter from the Division specifying these conditions have been met and the  
28 plans and specifications are approved.

1 H. The District shall send its written description of the engineer selection  
2 process, cost or price analyses, design plans, specifications, and all written correspondence to:

3 Community Development Grants  
4 County of Fresno  
5 Department of Public Works and Planning  
6 Community Development Division  
7 2220 Tulare Street, 6th Floor  
8 Fresno, CA 93721

9 I. The scope of work specified in Section I-A has been determined to be  
10 exempt under the provisions of the National Environmental Policy Act (NEPA) and the California  
11 Environmental Quality Act (CEQA).

12 J. The Project does not involve any activities that will result in  
13 accomplishments reportable to HUD.

14 K. The District must inform the County in writing of any program income  
15 generated by the expenditure of CDBG funds. Any program income generated as a result of the  
16 Project must be paid to the County. For purposes of this Agreement, program income is defined  
17 as proceeds from the disposition of CDBG-acquired real property, and principal and interest on  
18 CDBG loans. If the District contributed financially to the improvement Project, the District may  
19 retain a share of the program income in proportion to the District's contribution to the Project, after  
20 the District has provided a written accounting acceptable to the County.

21 L. The District acknowledges that the Malaga Wastewater Treatment Plan  
22 Disposal Pond Rehabilitation, Phase II project must be completed in order to meet a national  
23 objective per HUD regulations. The District shall not receive CDBG project funding for any other  
24 project or activity until an agreement is executed for the Malaga Wastewater Treatment Plan  
25 Disposal Pond Rehabilitation, Phase II project, or until the Project has been terminated pursuant  
26 to the provisions of Section IX of this Agreement.

27 IV. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

28 A. The District shall, and shall cause its consultants, contractors, and  
subcontractors to, comply with all applicable State and Federal laws and regulations governing the  
Project.

1                   B.       The District must comply with the requirements of the Build America, Buy  
2 America (BABA) Act, 41 USC 8301 et. seq., and all applicable rules and notices, as may be  
3 amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice,  
4 "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy  
5 America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR  
6 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject  
7 to BABA requirements, unless excepted by a waiver. The District shall ensure that all plans and  
8 specifications include requirements that all construction materials subject to BABA are noted as  
9 such.

10                   C.       Whenever the District uses the services of a contractor, the District shall  
11 require that the contractor comply with all Federal, State and local laws, ordinances, regulations,  
12 and Charter of the County of Fresno provisions applicable in the performance of their work.

13                   D.       Phase II of this Project is subject to the requirements of Section 3 of the  
14 Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701(u), and all documents  
15 prepared for the Project shall reflect this requirement. Accordingly, the District shall require the  
16 prime contractor to complete and submit documentation prior to award of the construction contract,  
17 and upon Project completion that compliance with the Section 3 of the Housing and Urban  
18 Development Act of 1968 clause have been met.

19                   E.       Non-Discrimination: The District agrees to comply with the non-  
20 discrimination in employment and contracting opportunities laws, regulations, and executive orders  
21 referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-  
22 discrimination provisions in Section 109 of the Housing and Community Development Act of 1974  
23 are still applicable.

24                   F.       Records Retention: The District shall retain all financial records, supporting  
25 documents, statistical records, and all other records pertinent to this Agreement for a period of four  
26 (4) years from the date of the submission of the County's consolidated annual performance and  
27 evaluation report to HUD in which the activities assisted under this Agreement are reported on for  
28 the final time. If there is litigation, claims, audits, negotiations, or other actions that involve any of



1 the records cited, and that have started before the expiration of the four-year record retention  
2 period, such records must be retained until completion of the actions and resolution of all issues,  
3 or the expiration of the four-year period, whichever occurs later (24 CFR 570.502, 570.503(b)(2),  
4 570.506).

5 V. PAYMENT FOR THE PROJECT

6 A. At monthly intervals, the District shall submit a written request to the County  
7 for payment of specified costs incurred in the performance of this Agreement. The request for the  
8 County to make such a payment shall be in accordance with the exemplar Project Pay Request  
9 Form, attached as Exhibit 1, and incorporated by this reference. The request shall also be  
10 accompanied by a written certification from the District that the request for payment is consistent  
11 with the amount of work that has been completed, and that the work is in accordance with the  
12 construction contract documents and this Agreement. The request for payment shall also be  
13 accompanied by documentation acceptable to the County, such as checks, invoices, or vouchers  
14 for services or materials purchased, contractor's costs, or other costs chargeable to the Project.  
15 The first construction progress payment request shall also be accompanied by documentation  
16 demonstrating that all construction-related required permits have been issued by the County. After  
17 appropriate review and inspection, the County shall make payment from CDBG funds provided in  
18 this Agreement for all eligible costs specified herein up to the maximum amount payable under  
19 Section I.

20 B. CDBG regulations at 24 CFR 570.200(h) permit the District, as a  
21 subrecipient, to incur pre-award costs for the Project beginning with the start of the 2025-2026  
22 program year on July 1, 2025, and submit such costs for payment under this Agreement.

23 C. Any savings realized in the final cost of the Project, due to Project cost  
24 and/or scope of work reductions, liquidated damages, or any other reason, shall be used to reduce  
25 the amount of this Project paid for with CDBG funds in the same pro rata share that CDBG funds  
26 were used in payment of the Project. If the District is required to provide any additional funds  
27 toward the Project other than described in this Agreement, any cost savings shall be first used to  
28 reimburse the District for its contribution in excess of the total amount provided by this Agreement.

1                   D.     The County shall not be bound by any agreement between the District and  
2 its agents.

3                   E.     The County may withhold payment of the final payment request made by  
4 the District until evidence is submitted to the County that a maintenance plan has been prepared  
5 and adopted for the improvements constructed with CDBG funds.

6                   F.     Upon the completion of the Project, the District shall submit to the  
7 Division a written request for final payment of costs, which shall provide a detailed description  
8 of the Project pay items and costs. The final pay request shall be in accordance with Exhibit 1  
9 to this Agreement. The County shall not be obligated to make any payments under this  
10 Agreement if the request for payment is submitted by the District more than sixty (60) calendar  
11 days after the County completes its review of the Project plans and specifications and issues its  
12 approval. An extension to the sixty (60) calendar day period may be granted by the Director  
13 prior to the deadline if the District can demonstrate just cause for the delay.

14                  G.     The County may withhold payment of the final payment request made by  
15 the District until a final written summary of all Project work completed with CDBG and other funds,  
16 as specified in Section V-F, have been submitted to the County.

17                  H.     All requests for payment and supporting documentation shall be sent to:

18                           PWP Finance Division Mgr.  
19                           County of Fresno  
20                           Department of Public Works and Planning  
21                           Financial Services Division  
22                           2220 Tulare Street, 6<sup>th</sup> Floor  
23                           Fresno, CA 93721  
24                           [pwpbusinessoffice@fresnocountyca.gov](mailto:pwpbusinessoffice@fresnocountyca.gov) (if submitted by email)

25                  I.     The District shall establish accounting and bookkeeping procedures in  
26 accordance with standard accounting and bookkeeping practices, including, but not limited to,  
27 employee timecards, payrolls, and other records of all transactions to be paid with CDBG funds in  
28 accordance with the performance of this Agreement. All records and accounts shall be available  
for inspection by the County, the State of California, if applicable, the Comptroller General of the  
United States, and HUD or any of their duly authorized representatives, at all reasonable times for  
a period as specified in Section IV-F. The District shall certify accounts when required or requested



1 by the County.

2 J. The District, as a subrecipient of Federal financial assistance, is required to  
3 comply with the provisions of the Single Audit Act Amendments of 1996 (31 U.S.C. Sections 7501  
4 et seq.). Whenever the District receives CDBG funds from the County for the Project, a copy of  
5 any audit performed by the District in accordance with said Act shall be forwarded to the County  
6 Community Development Grants Program Manager within nine (9) months of the end of any  
7 District fiscal year in which funds were expended and/or received for the Project. Failure to perform  
8 the requisite audit functions as required by this paragraph may result in the County performing any  
9 necessary audit tasks or, at the County's option, the County contracting with a public accountant  
10 to perform the audit. All audit costs related to the District's failure to perform the requisite audit are  
11 the sole responsibility of the District, and such audit work costs incurred by the County shall be  
12 billed to the District, as determined by County's Auditor-Controller/Treasurer-Tax Collector. In the  
13 event the District is only required to perform an audit under the provisions of the Act because the  
14 District is receiving CDBG funds, the County may perform, or cause to be performed, the required  
15 audit to determine whether funds provided through this Agreement have been expended in  
16 accordance with applicable laws and regulations. Any audit-related costs incurred by the County  
17 under this provision shall be charged to the County CDBG Program. The District agrees to take  
18 prompt and appropriate corrective action on any instance of material non-compliance with  
19 applicable laws and regulations.

20 K. The District shall send a copy of the audit to:

21 Community Development Grants  
22 County of Fresno  
23 Department of Public Works and Planning  
24 Community Development Division  
25 2220 Tulare Street, 6<sup>th</sup> Floor  
26 Fresno, CA 93721

25 VI. INDEMNIFICATION

26 The District shall indemnify and hold harmless and defend the County (including its  
27 officers, agents, employees, and volunteers) against all claims, demands, injuries, damages,  
28 costs, expenses (including attorney fees and costs), fines, penalties, and liabilities of any kind to

1 the County, the District, or any third party that arise from or relate to the performance or failure to  
2 perform by the District (or any of its officers, agents, subcontractors, or employees) under this  
3 Agreement. The County may conduct or participate in its own defense without affecting the  
4 District's obligation to indemnify and hold harmless or defend the County. The provisions of this  
5 Section VI shall survive the expiration or termination of this Agreement.

6 VII. TIME OF PERFORMANCE

7 A. The following schedule shall commence on the date this Agreement is  
8 executed by the County:

9 1. Complete Design Engineering and Submit to the County for Review  
10 – January 7, 2026.

11 2. Complete County Review and Approval of Plans – April 9, 2026.

12 B. The final written summary of all work completed and request for final  
13 payment shall be submitted to the County no later than June 8, 2026.

14 C. This Agreement shall remain in effect until January 10, 2028, to provide the  
15 District time to complete the planned Malaga Wastewater Treatment Plan Disposal Pond  
16 Rehabilitation, Phase II project, which must be completed in order to meet a national objective per  
17 HUD regulations. Satisfaction of this requirement shall be evidenced by the recording of a Notice  
18 of Completion for the Malaga Wastewater Treatment Plan Disposal Pond Rehabilitation, Phase II  
19 project.

20 D. The District shall give immediate written notification to the Division of any  
21 events that occur which may affect the above time schedule and completion date, and the time  
22 schedule specified in the contract documents, or any event that may have significant impact upon  
23 the Project or affect the attainment of the Project's objectives. The Director is authorized to adjust  
24 the above schedule if, in the Director's judgment, any delay is beyond the control of the parties  
25 involved.

26 E. Time is of the essence in the District's performance of this Agreement.

27 VIII. BREACH OF AGREEMENT

28 In the event the District fails to comply with any of the terms of this Agreement, the

County may, at its option, deem the District's failure a material breach of this Agreement, and utilize any remedies permitted by law that the County deems appropriate. Should the County deem a breach of this Agreement material, the County shall immediately be relieved of its obligations to make further payment as provided herein and District shall return to County within 30 days all CDBG funds paid by the County to the District pursuant to this Agreement. Termination of this Agreement due to breach shall not, in any way whatsoever, limit the rights of the County in seeking any other legal relief in a court of law or equity, including the recovery of damages. In addition to the termination of the Agreement by the County due to a material breach of this Agreement by the Subrecipient, the County may also terminate this Agreement for convenience, in accordance with state and federal law.

IX. TERMINATION OF PROJECT

A. If the District wishes to cancel the Project covered by this Agreement, the District shall submit a request in writing to the Division explaining just cause for the request. The Director is authorized to approve such a request if, in the Director's judgment, there is just cause for the Project's cancellation.

B. If the District's request to cancel the Project covered by this Agreement is approved by the County, the District shall promptly return to the County all CDBG funds paid by the County to the District for the Project. The reimbursed amount of funds shall be applied towards the next project on the back-up list of the Annual Action Plan for the program year at the date of repayment.

C. Failure to initiate and complete the Malaga Wastewater Treatment Plan Disposal Pond Rehabilitation, Phase II project by the date specified in Section VII-C and in accordance with Section VII-C shall be considered a cancellation of the Project covered by this Agreement, and the District shall return to the County within 30 days all CDBG funds paid by the County to the District pursuant to this Agreement.

X. VENUE; GOVERNING LAW

Venue for any action arising out of or relating to this Agreement shall only be in Fresno County, California. The rights and obligations of the parties and all interpretation and

1 performance of this Agreement shall be governed in all respects by the laws of the State of  
2 California.

3 XI. ENTIRE AGREEMENT

4 This Agreement constitutes the entire agreement between the District and the  
5 County with respect to the subject matter hereof, and supersedes all previous negotiations,  
6 proposals, commitments, writings, advertisements, publications, and understandings of any nature  
7 whatsoever unless expressly included in this Agreement.

8 XII. NO THIRD-PARTY BENEFICIARIES

9 This Agreement does not and is not intended to create any rights or obligations for  
10 any persons or entity except the parties. This Agreement is solely for the benefit of the County and  
11 the District and HUD, and there are no intended third party beneficiaries of this Agreement.

12 XIII. AUTHORIZED SIGNATURES

13 The District represents and warrants to the County that:

14 A. The District is duly authorized and empowered to sign and perform its  
15 obligations under this Agreement.

16 B. The individual signing this Agreement on behalf of the District is duly  
17 authorized to do so, and his or her signature on this Agreement legally binds the District to the  
18 terms of this Agreement.

19 XIV. ELECTRONIC SIGNATURES

20 The parties agree that this Agreement may be executed by electronic signature as  
21 provided in this section.

22 A. An "electronic signature" means any symbol or process intended by an  
23 individual signing this Agreement to represent their signature, including but not limited to (1) a  
24 digital signature; (2) a faxed version of an original handwritten signature; or (3) an electronically  
25 scanned and transmitted (for example by PDF document) version of an original handwritten  
26 signature.

27 B. Each electronic signature affixed or attached to this Agreement (1) is  
28 deemed equivalent to a valid original handwritten signature of the person signing this

1 Agreement for all purposes, including but not limited to evidentiary proof in any administrative  
2 or judicial proceeding, and (2) has the same force and effect as the valid original handwritten  
3 signature of that person.

4 C. The provisions of this section satisfy the requirements of Civil Code  
5 section 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division  
6 3, Part 2, Title 2.5, beginning with section 1633.1).

7 D. Each party using a digital signature represents that it has undertaken  
8 and satisfied the requirements of Government Code section 16.5, subdivision (a), paragraphs  
9 (1) through (5), and agrees that each other party may rely upon that representation.

10 E. This Agreement is not conditioned upon the parties conducting the  
11 transactions under it by electronic means and either party may sign this Agreement with an  
12 original handwritten signature.

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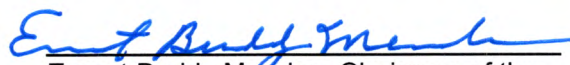
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1 IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth on page  
2 one of this Agreement.

3  
4 MALAGA COUNTY WATER DISTRICT

COUNTY OF FRESNO

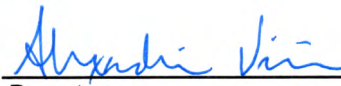
5  
6 By:   
7 Charles E. Garabedian, Jr., President  
8 Board of Directors

  
Ernest Buddy Mendes, Chairman of the  
Board of Supervisors of the  
County of Fresno

9 Date: 10/28/2025

Date: 12/9/25

10 ATTEST:  
11 Bernice E. Seidel  
12 Clerk of the Board of Supervisors  
County of Fresno, State of California

13 By:   
14 Deputy

15  
16  
17  
18  
19 FUND NO: 0001  
20 SUBCLASS NO: 10000  
21 ORG NO: 7205  
ACCOUNT NO: 7885  
PROJECT NO: N25451  
ACTIVITY CODE: 7219

REMIT TO:  
Malaga County Water District  
Attention: Charles E. Garabedian, Jr.,  
President, Board of Directors  
3580 S. Frank Street  
Fresno, CA 93725  
Telephone: (559) 485-7353

22  
23  
24  
25 JA:JN  
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26 September 30, 2025  
27  
28



## Exhibit 1

### Project Pay Request

Date

PWP Finance Division Mgr.  
County of Fresno  
Department of Public Works and Planning  
Financial Services Division  
2220 Tulare Street, 6th Floor  
Fresno, CA 93721

Subject: Request for Payment, CDBG Project No. \_\_\_\_\_  
<District Name>  
<Project Title>

In accordance with the executed Agreement for the above-referenced project, the <District Name> is requesting payment of \$\_\_\_\_\_ for project costs.

The District certifies that this request for payment is consistent with the amount of work that has been completed to date, performed in accordance with the construction contract documents and the executed Agreement, and as evidenced by the enclosed invoices and supporting documents.

Payee	Invoice #	Amount
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Sincerely,

<District Manager>  
<District Name>

Enclosure(s)