



John V. Rossi
General Manager

Kevin D. Jeffries
President

Elizabeth L. Cunnison
Vice President

Wayne H. Holcomb
Secretary/Treasurer

Donald D. Galleano
Director

S.R. Al Lopez
Director

July 31, 2006

Mr. Michael Bacich
Riverside Public Utilities
3900 Main Street
Riverside, California 92522

Dear Mr. Bacich:

Enclosed is a fully executed original of Agreement No. C06-207 between Western Municipal Water District ("Western") and The City of Riverside, Public Utilities ("The City of Riverside") for your records. This Agreement allows The City of Riverside to participate in Metropolitan Water District's ("Metropolitan") water conservation incentive programs.

Under this Agreement, The City of Riverside is eligible for Metropolitan funding as designated by Exhibit A of the Agreement. The City of Riverside will be responsible for all of its program costs in excess of Metropolitan's fixed funding amounts. Agreement C06-207 is effective through June 30, 2015.

Sincerely,

A handwritten signature in black ink that reads "Melodie D. Johnson". The signature is written in a cursive, flowing style.

MELODIE D. JOHNSON
Public Information Officer

Enclosure



John V. Rossi
General Manager

Kevin D. Jeffries
President

Elizabeth L. Cunnison
Vice President

Wayne H. Holcomb
Secretary/Treasurer

Donald D. Galleano
Director

S.R. Al Lopez
Director

June 5, 2006

David Wright
Public Utilities Director
The City of Riverside, Public Utilities
3900 Main Street
Riverside, California 92522

Dear Mr. Wright:

Enclosed are two copies of Agreement C06-207 between Western Municipal Water District and The City of Riverside, Public Utilities for your signature. This agreement allows The City of Riverside, Public Utilities to participate in Metropolitan Water District's ("Metropolitan") water conservation incentive programs.

Under this Agreement, The City of Riverside, Public Utilities is eligible for Metropolitan funding as designated by this Agreement. The City of Riverside, Public Utilities will be responsible for all of its program costs in excess of Metropolitan's fixed funding amounts.

Agreement C06-207 replaces all previously executed agreements.

Please return both originals, signed, by June 15, 2006. One signed copy will be returned to you.

If you have questions regarding this Agreement, I can be reached at (951) 789-5055 or via email at mjohnson@wmwd.com.

Sincerely,

MELODIE JOHNSON
Public Information Officer

Enclosures

/rgh

cc: Michael Bacich

AGREEMENT NO. C06-207

FY 2007-2015

WESTERN MUNICIPAL WATER DISTRICT
WATER CONSERVATION FUNDING AGREEMENT
BETWEEN

WESTERN MUNICIPAL WATER DISTRICT
AND
THE CITY OF RIVERSIDE, PUBLIC UTILITIES

AGREEMENT NO. C06-207

FY 2007-2015

WESTERN MUNICIPAL WATER DISTRICT
WATER CONSERVATION FUNDING AGREEMENT
BETWEEN
WESTERN MUNICIPAL WATER DISTRICT
AND
THE CITY OF RIVERSIDE, PUBLIC UTILITIES

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AGREEMENT NO. C06-207

FY 2007-2015

WESTERN MUNICIPAL WATER DISTRICT

WATER CONSERVATION FUNDING AGREEMENT

BETWEEN

WESTERN MUNICIPAL WATER DISTRICT

AND

THE CITY OF RIVERSIDE, PUBLIC UTILITIES

THIS AGREEMENT (Agreement) is made and entered into as of July 1, 2006, by and between Western Municipal Water District (Western) and The City of Riverside, Public Utilities (Participant). Western and Participant may be collectively referred to as "Parties" and individually as "Party."

Recitals

- A. The Metropolitan Water District of Southern California (Metropolitan), through its Conservation Credits Program (Program), assists member agencies in conserving water supplies. The Program was established per authorization detailed in Board Letter No. 7-7 in May 1990 and subsequent authorizations there after. Pursuant to those Board authorizations, Metropolitan established funding for a number of water conservation items.
- B. Western, a Metropolitan Member Agency, has elected to participate in Metropolitan's Program to replace non-conserving items within its service area by way of that certain Water Conservation Funding Agreement between Metropolitan and Western dated July 1, 2006 (Metropolitan Agreement). A copy of the Metropolitan Agreement is attached hereto as Exhibit "A" and incorporated herein by reference.
- C. Participant is a public agency located wholly or partially within Western's service area and is responsible for serving water to persons and property located within Participant's organizational boundaries.
- D. Participant has elected to participate in the Program, by and through Western, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, the Parties do agree as follows:

Section 1: Project Description

- 1.1 Participant elects to participate in the Program to provide financial incentives for water efficient devices within its service area between the effective date of this Agreement and June 30, 2015 (Project).
- 1.2 Western's funding contribution to the Project is dependent on Western's concurrent or prior receipt of equal funding from Metropolitan pursuant to the Metropolitan Agreement. Western's funding contribution is fixed at the current amounts that Western expects to receive from Metropolitan pursuant to the Metropolitan Agreement. If Metropolitan approves funding amount changes for one or more items permitted under the Metropolitan Agreement, then Metropolitan will issue the applicable addendum to the Metropolitan Agreement (Metropolitan Addendum). In that event, an addendum will be issued from Western to fix the funding rate(s) and related eligibility conditions as of the addendum's effective date (Western Addendum) and the Parties hereby agree that upon issuance by Western, a Western Addendum will automatically, without any further action or signature by the Parties, amend and supplant the language set forth in the Agreement, to the extent indicated in such Western Addendum.
- 1.3 The funding amounts set forth in the Metropolitan Agreement and any Metropolitan Addendums thereto are the limit of Western's funding obligation for the Project, and Participant shall be responsible for all Project costs in excess of those set forth in the Metropolitan Agreement and any Metropolitan Addendums thereto during the term of this Agreement. The Parties hereby agree that Western's obligation to provide funding to Participant under this Agreement is expressly contingent on Western's receipt of all funds due to Western in accordance with the Metropolitan Agreement. Participant shall be responsible and liable for all costs related to or arising out of the Project that are not funded under this Agreement. If Western fails to receive funds from Metropolitan, Western shall not be liable for any costs incurred by Participant related to or arising out of the Project. However, this waiver of liability shall not apply in the event the failure to receive said funds is caused by negligent or willful misconduct of Western in not complying with Metropolitan's applicable procedures.
- 1.4 Section 5.1 of the Metropolitan Agreement permits Western to independently contract with its own agents under separate agreements for Project administration and management, provided they present no conflict of interest in Project performance or with the terms of the Metropolitan Agreement. Similarly, Participant, at its sole discretion, may independently contract with its own agents under separate agreements for Project administration and management, provided that such arrangements comply with the Metropolitan Agreement and this Agreement and Participant informs Western of such arrangements prior to executing any such agreement. Participant agrees that any independent contractor employed by Participant for the Project shall be the sole agent of Participant and nothing in this Agreement shall be the basis for establishing any employment relationship as between Western and said contractor. Notwithstanding any of the foregoing, the Parties agree that Participant shall remain responsible for ensuring

proper administration and management of the Program for the Project pursuant to the terms of this Agreement.

- 1.5 As part of the Project, Participant shall use and maintain an electronic database similar to the format shown in the Metropolitan Agreement for any conservation items installed, distributed, vouchered, or rebated by Participant or its agents, to avoid duplicate distributions and to determine the saturation rate of items by the appropriate geographic delineation.

Section 2: Agreement Term

- 2.1 This Agreement will be effective upon execution. Participant will complete all item installations, distributions, vouchers, or rebates by June 30, 2015, and provide all final invoicing and verification to Western by said date, or within 45 days after termination, whichever occurs first (Term). Continuance of this Agreement will be subject to annual budget approval by Metropolitan's Board. To the extent Metropolitan's Board determines not to fund one or more items set forth in the Metropolitan Agreement and any Metropolitan Addendums thereto, a Western Addendum to the Agreement will be issued from Western and that Western Addendum will remove that item or items as of the Western Addendum's effective date. The Parties hereby agree that upon issuance by Western, a Western Addendum will automatically, without any further action or signature by the Parties, amend and supplant the language set forth in this Agreement to the extent indicated in the Western Addendum.
- 2.2 This Agreement may be amended at any time by written mutual agreement executed by both of the Parties, or by Western Addendums issued by Western.
- 2.3 This Agreement may be terminated by either Party for any reason 30 days after written notice to the other Party as provided in Section 4. Such termination could occur if the funding mechanism for conservation programs is changed as a result of action by Metropolitan's Board.
- 2.4 Upon termination, Participant shall provide Western with complete documentation for remaining items covered under this Agreement and invoiced as provided in Sections 8 and 9.

Section 3: Agreement Administrators

- 3.1 Ms. Melodie Johnson is appointed Agreement Administrator for Western for the purpose of administering this Agreement and making any decisions in connection therewith on behalf of Western. Michael Bacich is appointed Agreement Administrator for Participant for the purpose of administering this Agreement and making any decisions in connection therewith on behalf of Participant. The designated Agreement Administrators may be changed by providing written notice to the other Party as outlined in Section 4.

Section 4: Written Notice

- 4.1 Any communication required to administer this Agreement shall be in writing and will be deemed received upon personal delivery or 48 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended, as follows:

If to Participant: The City of Riverside, Public Utilities
3900 Main Street
Riverside, California 92522

Attention: Michael Bacich

If to Western: Western Municipal Water District
P.O. Box 5286
Riverside, CA 92517-5286

Attention: Ms. Melodie Johnson

Either Party may change such address by giving notice to the other Party as provided herein.

Section 5: Participant's Responsibility and Ownership

- 5.1 Participant, at its sole discretion, may independently contract with its own agents under separate agreements for Project administration and management, provided they present no conflict of interest in Project performance or with the terms of this Agreement.
- 5.2 Participant and/or its agent shall provide all necessary services and materials for the Project including, but not limited to, the following: program administration, promotion, marketing materials, data collection, analysis, and reporting.
- 5.3 All materials and supplies necessary to implement the Project shall be the exclusive property of Participant. Neither Western nor Metropolitan shall have any ownership, right, title, security interest, or other interest in any Project facilities, materials, or supplies, nor any rights, duties, responsibilities for operation or maintenance thereof.
- 5.4 Participant is responsible for assuring that the Project complies with all federal, state, and local requirements.
- 5.5 Participant is solely responsible for the performance of its staff or representatives in complying with the terms of this Agreement and for the proper allocation of funds provided by Western and Metropolitan for the purpose of achieving water conservation savings under this Agreement.

- 5.6 Participant agrees to cooperate with Western's and Metropolitan's data management activities related to assessing device saturation and program success.
- 5.7 As part of the Project, Participant shall use and maintain an electronic database similar to the format shown in the Metropolitan Agreement for any conservation items installed, distributed, vouchered, or rebated by Participant or its agents, to avoid duplicate distributions and to determine the saturation rate of items by the appropriate geographic delineation.

Section 6: [Reserved]

Section 7: Installation Verification

- 7.1 Participant shall be responsible for selecting a method to verify installation of items installed, distributed, vouchered, and/or rebated by Participant or its agents during the Project and for paying all costs associated with this verification. Participant shall inform Western of methodology used and document verification activities in the database.
- 7.2 Western will accept Participant's certification on the number of items installed and verified to calculate Western's payment to Participant, subject to the provisions of Section 11 of this Agreement.
- 7.3 For informational purposes only, Western reserves the right to conduct installation verification of items within Participant's service area.

Section 8: Invoicing Requirements

- 8.1 Participant shall provide Western monthly invoices for all items installed, distributed, vouchered, and/or rebated by Participant or its agent. The Metropolitan Agreement includes a sample invoice. The sample invoice can be modified for use with any item listed in the Metropolitan Agreement. Invoices are due on the 15th of each month. The invoice shall be signed by Participant's General Manager or designee certifying the number of items installed and verified as specified in Section 7. If Participant's General Manager delegates authority to a designee, Participant shall notify Western of the designee in writing prior to the next billing period as outlined in Section 4.
- 8.2 Upon receipt and approval of Participant's invoice, Western will submit an invoice to Metropolitan for review and approval. Upon Western's receipt of credit from Metropolitan in the amount of Participant's invoice pursuant to the Metropolitan Agreement, Western will issue a check to Participant.

Section 9: Incentive Payment

- 9.1 To receive Metropolitan's incentives, Western must submit to Metropolitan database information on all items installed, distributed, vouchered, and/or rebated by Western with that month's invoice. As a result, Participant shall submit to Western database information on all items installed, distributed, vouchered, and/or rebated by Participant with that month's invoice.

- 9.2 Western and Participant or its agents agree to provide data and information as required by the other Party to implement Project and evaluate Project implementation, costs, and water savings. Western and Participant will make available for inspection to the other Party, upon reasonable advance notice, all records, books, computer files, and other documents relating to Project. Such documents shall be available for inspection for a period of three years following Agreement termination. If Western or any other public entity with jurisdiction conducts an audit and determines that any invoice is in error, funds will either be credited or debited by Western on the next water service invoice in accordance with the findings.

Section 10: [Reserved]

Section 11: Other Terms

- 11.1 Western and Participant agree that each party shall be responsible for its own actions, and the actions of its officers, employees and agents, in performing services under this Agreement. Western and Participant each agree to indemnify and hold the other Party and its officers and agents harmless and agree to defend the other Party against any claim or asserted liability arising out of its actions, either willful or negligent, or the actions of its officers, employees and agents, in performing services pursuant to this Agreement. Such indemnity will include any losses relating to any claim made, whether or not a court action is filed, and will include attorney fees and administrative and overhead costs related to or arising out of such claim or asserted liability.
- 11.2 Participant shall include the following language in its agreement with any consultant or contractor retained by Participant to work on the Project: "(Consultant) agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless Western and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, or water quality problems) that arise out of or relate to Western's approval, or to construction, operation, repair or ownership of the Project. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorneys fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim or asserted liability."
- 11.3 Participant is solely responsible for any compliance and/or actions arising under the California Environmental Quality Act (Pub.Res.Code §21000 et seq.).
- 11.4 Any alteration or variation of the terms of this Agreement will not be valid unless made in writing and signed by both Parties. This Agreement constitutes the entire agreement between both Parties.
- 11.5 This Agreement will inure to the benefit of and be binding upon Western, Participant and their respective successors. This Agreement is not assignable by either Party in whole or in part.

- 11.6 The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity of this Agreement.
- 11.7 This Agreement will be deemed a contract under the laws of the State of California, and for all purposes will be interpreted in accordance with such laws. Western and Participant hereby agree and consent to the exclusive jurisdiction of the courts of the State of California, and that the venue of any action brought hereunder will be in Riverside County, California.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

PARTICIPANT

By:

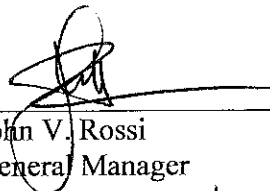

David Wright
Public Utilities Director

Date:

7/20/06

WESTERN MUNICIPAL WATER DISTRICT

By:


John V. Rossi
General Manager

Date:

7/21/06

AGREEMENT NO. 75352

FY 2007-2015

WESTERN MUNICIPAL WATER DISTRICT
WATER CONSERVATION FUNDING AGREEMENT
BETWEEN

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

AND

WESTERN MUNICIPAL WATER DISTRICT

AGREEMENT NO. 75352

FY 2007-2015

WESTERN MUNICIPAL WATER DISTRICT
WATER CONSERVATION FUNDING AGREEMENT

BETWEEN
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AND

WESTERN MUNICIPAL WATER DISTRICT

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Exhibit A: Metropolitan's Incentives	Exhibit E: HECW Agreement No. 4600004214
Exhibit B: Item Database Information	Exhibit F: HECW Allocation
Exhibit C: Conservation Credit Invoice	Exhibit G: Supplemental Purchase Specification
Exhibit D: WBIC Agreement No. 4600003098	Exhibit H: California Friendly Model Home Program

AGREEMENT NO. 75352

FY 2007-2015

WESTERN MUNICIPAL WATER DISTRICT
WATER CONSERVATION FUNDING AGREEMENT

BETWEEN
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AND

WESTERN MUNICIPAL WATER DISTRICT

THIS AGREEMENT (Agreement) is made and entered into as of July 1, 2006, by and between The Metropolitan Water District of Southern California (Metropolitan) and Western Municipal Water District (Western). Metropolitan and Western may be collectively referred to as "Parties" and individually as "Party."

Recitals

- A. Metropolitan, through its Conservation Credits Program (Program), assists member agencies in conserving water supplies. The Program was established per authorization detailed in Board Letter No. 7-7 in May 1990 and subsequent authorizations there after. Pursuant to those Board authorizations, Metropolitan established funding for a number of water conservation items shown in Exhibit A, which is attached hereto and incorporated herein by this reference;
- B. Western, a Metropolitan Member Agency, elects to participate in Metropolitan's Program to replace non-conserving items within its service area;
- C. Metropolitan expects, in the future, by addendum to this Agreement, to establish funding for additional water conservation items and to change some or all of the existing funding rates;
- D. Metropolitan has fiscal responsibility to manage its budget, and hence may have a need to limit availability of funds;
- E. Metropolitan actively pursues grants and other outside funding to increase the incentive funding amount per item and if obtained, allocates and passes these funds to its Member Agencies; and
- F. Metropolitan currently has several grants, with the Department of Water Resources (DWR), that are incorporated into this Agreement. The following Exhibits, which are attached hereto and incorporated herein by this reference, incorporate those grant agreements and allocations: Exhibit A-Metropolitan Incentives, Exhibit B-Database Information for Incentive Programs, Exhibit C-Conservation Credit Invoice, Exhibit D-

DWR Weather-Based Irrigation Controller (WBIC) grant agreement, Exhibit E –DWR High-Efficiency Clothes Washer (HECW) grant agreement, and Exhibit F-Prop. 50 HECW allocation.

- G. As of July 1, 2006, Metropolitan will only fund ultra-low flush toilets (ULFT's) that meet requirements in Exhibit G-Supplemental Purchase Specification (SPS). The SPS was developed by the Los Angeles Department of Water and Power to be used to establish a higher standard for ULFT's. Beginning January 1, 2009 Metropolitan will cease funding for ULFTs and will only fund High-Efficiency Toilets (HETs).

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, the Parties do agree as follows:

Section 1: Project Description

This Agreement combines all conservation programs into one agreement and provides incentives to Metropolitan's Member Agencies. Addendums to this agreement will be issued for changes involving Board approved items, grant funding, and changes to incentive programs including funding and incentive levels.

Section 2: Agreement Term

- 2.1 This Agreement will be effective on July 1, 2006 or upon execution of this Agreement by all Parties, whichever is later. Western will complete all item installations, distributions, vouchers, or rebates by June 30, 2015, and provide all final invoicing and verification to Metropolitan by August 15, 2015, or within 45 days after termination, whichever occurs first (Term). Continuance of this Agreement will be subject to annual budget approval by Metropolitan's Board.
- 2.2 This Agreement may be amended at any time by written mutual agreement executed by both of the Parties, or by Addendums issued by Metropolitan, as set forth in Section 1.
- 2.3 This Agreement may be terminated by either Party for any reason 30 days after written notice to the other Party as provided in Section 4. Such termination could occur if the funding mechanism for conservation programs is changed as a result of action by Metropolitan's Board.
- 2.4 Upon termination, Western shall provide Metropolitan with complete documentation for remaining items covered under this Agreement and invoiced as provided in Sections 8 and 9.

Section 3: Agreement Administrators

- 3.1 Ms. Maria Biel is appointed Agreement Administrator for Metropolitan for the purpose of administering this Agreement and making any decisions in connection therewith on behalf of Metropolitan. Ms. Melodie Johnson is appointed Agreement Administrator for Western for the purpose of administering this Agreement and making any decisions in

connection therewith on behalf of Western. The designated Agreement Administrators may be changed by providing written notice to the other Party as outlined in Section 4.

Section 4: Written Notice

- 4.1 Any communication required to administer this Agreement shall be in writing and will be deemed received upon personal delivery or 48 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended, as follows:

If to Metropolitan: The Metropolitan Water District of Southern California
Post Office Box 54153
Los Angeles, CA 90054-0153

Attention: Ms. Maria Biel

If to Western: Western Municipal Water District
P.O. Box 5286
Riverside, CA 92517-5286

Attention: Ms. Melodie Johnson

Either Party may change such address by giving notice to the other Party as provided herein.

Section 5: Responsibility and Ownership

- 5.1 Western, at its sole discretion, may independently contract with its own agents under separate agreements for Project administration and management, provided they present no conflict of interest in Project performance or with the terms of this Agreement.
- 5.2 Western and/or its agent shall provide all necessary services and materials for the Project including, but not limited to, the following: program administration, promotion, marketing materials, data collection, analysis, and reporting.
- 5.3 All materials and supplies necessary to implement the Project shall be the exclusive property of Western. Metropolitan shall have no ownership, right, title, security interest, or other interest in any Project facilities, materials, or supplies, nor any rights, duties, responsibilities for operation or maintenance thereof.
- 5.4 Western is responsible for assuring that the Project complies with all federal, state, and local requirements.
- 5.5 Western is solely responsible for the performance of its staff or representatives in complying with the terms of this Agreement and for the proper allocation of funds provided by Metropolitan for the purpose of achieving water conservation savings under this Agreement.

- 5.6 Western agrees to cooperate with Metropolitan's data management activities related to assessing device saturation and program success.
- 5.7 As part of the Project, Western shall use and maintain an electronic database similar to the format shown in Exhibit B for any conservation items installed, distributed, vouchered, or rebated by Western or its agents, to avoid duplicate distributions and to determine the saturation rate of items by the appropriate geographic delineation.

Section 6: Funding

- 6.1 Incentives are limited by Board policy to \$195 per acre-foot of water saved, up to the full cost of the device. If at any time during this Agreement Metropolitan determines that the cost of any particular device falls below the incentive level, Metropolitan shall adjust the incentive accordingly per Board policy.
- 6.2 Metropolitan is funding the pilot demonstration project California Friendly Model Home Rebate Program to promote interest in new water-efficient features for the home. Exhibit H, which is attached is Metropolitan's pre-approval form for this program.
- 6.3 Metropolitan funding shall be in the form of a conservation credit on Metropolitan's water service invoice to Western. In recognition of receiving these incentives, Western pledges to increase efforts to achieve landscape and commercial conservation, and support these programs through local cost share. Metropolitan's financial obligation for funding will be for the time period specified and/or until funds are exhausted on that item. To the extent Metropolitan's Board determines not to fund one or more items listed on Exhibit A, Metropolitan will issue an addendum to Exhibit A to adjust funding rate(s).
- 6.4 If Metropolitan secures additional funding from outside sources for one or more items, an addendum will be issued from Metropolitan. Metropolitan will notify Western of outside funding status and should outside funding run out, Metropolitan's funding commitment will revert to the current Board approved amount. Metropolitan may issue allocations or deploy other administrative actions to ensure that grant limits are not over spent. The funding amounts listed on Exhibit A are modified from time to time by addendums. Western shall be responsible for all costs in excess of those listed on Exhibit A of the addendums.

Section 7: Installation Verification

- 7.1 Western shall be responsible for selecting a method to verify installation of items installed, distributed, vouchered, and/or rebated by Western or its agents during the Project and for paying all costs associated with this verification. Western shall inform Metropolitan of methodology used and document verification activities in the database.
- 7.2 Metropolitan will accept Western's certification on the number of items installed and verified to calculate Metropolitan's credit to Western, subject to the provisions of Section 11 of this Agreement.

- 7.3 For informational purposes only, Metropolitan reserves the right to conduct installation verification of items within Western's service area.

Section 8: Invoicing Requirements

- 8.1 Western shall provide Metropolitan monthly invoices for all items installed, distributed, vouchered, and/or rebated by Western or its agent. Exhibit C is a sample invoice. The sample invoice can be modified for use with any item listed in Exhibit A. Invoices are due on the 15th of each month. The invoice shall be signed by Western's General Manager or designee certifying the number of items installed and verified as specified in Section 7. If Western's General Manager delegates authority to a designee, Western shall notify Metropolitan of the designee in writing prior to the next billing period as outlined in Section 4.
- 8.2 Upon receipt and approval of Western's invoice, Metropolitan will issue a credit on Metropolitan's next water service invoice to Western.

Section 9: Incentive Payment

- 9.1 To receive Metropolitan's incentives, Western must submit to Metropolitan database information on all items installed, distributed, vouchered, and/or rebated by Western with that month's invoice.
- 9.2 Metropolitan and Western or its agent agree to provide data and information as required by the other Party to implement Project and evaluate Project implementation, costs, and water savings. Metropolitan and Western will make available for inspection to the other Party, upon reasonable advance notice, all records, books, computer files, and other documents relating to Project. Such documents shall be available for inspection for a period of three years following Agreement termination. If Metropolitan or any other public entity with jurisdiction conducts an audit and determines that any invoice is in error, funds will either be credited or debited by Metropolitan on the next water service invoice in accordance with the findings.

Section 10: Rate Structure

- 10.1 Western agrees and understands that Metropolitan's rate structure as of January 1, 2006 ("Existing Rate Structure") provides the revenue necessary to support the development of new water supplies by local agencies through incentive payments in the Local Resources Program (LRP), Conservation Credits Program (CCP), and the Seawater Desalination Program (SDP). In particular, the Water Stewardship Rate is the component of Existing Rate Structure that provides revenue for the LRP, CCP and SDP. Further, Western acknowledges that Existing Rate Structure and all components within that rate structure were developed with extensive public input and member agency participation, and that the elements of Existing Rate Structure have been properly adopted in accordance with Metropolitan's rules and regulations.
- 10.2 (a) Western agrees that Metropolitan's rates set under the Existing Rate Structure may be reset throughout the term of this Agreement to account for the cost of

service, and that Western will address any and all future issues, concerns and disputes relating to Existing Rate Structure, through administrative opportunities available to them pursuant to Metropolitan's public board process. As such, Western agrees if they file or participate in litigation or support legislation to challenge or modify Existing Rate Structure, including changes in overall rates and charges that are consistent with the current cost-of-service methodology, Metropolitan may initiate termination of this agreement consistent with Paragraph 10.4 below. Metropolitan agrees that any change in Existing Rate Structure, including changes in cost-of-service philosophy or methodology would be enacted only after collaboration and discussion with its member public agencies, and Metropolitan's public board review and approval process.

- (b) Notwithstanding the foregoing, Western retains the right to file and/or participate in litigation and/or to support legislation without triggering the termination of this agreement if there are material changes to Existing Rate Structure or changes in cost-of-service methodology used to set rates by future Metropolitan board action. Western also retains the right to file and/or support litigation should Metropolitan, in setting rates under Existing Rate Structure, fail to comply with public notice, open meeting, or other legal requirements associated with the process of setting water rates and related taxes, fees, and charges. Western agrees that they will not file or participate in litigation, nor will they support legislation affecting Metropolitan's rate structure after any such change in rate structure or violation of the law regarding rate setting processes until, and unless, they have exhausted all administrative opportunities available to them pursuant to Metropolitan's public board process.

10.3 Western agrees that all users of the Metropolitan conveyance and distribution system should support the LRP, CCP, and SDP, that such projects provide benefits to Metropolitan and the users of the system by making existing distribution and conveyance capacity available for additional delivery, and that under Existing Rate Structure, the Water Stewardship Rate is an element of charges properly adopted by the Metropolitan Board and properly applied to water wheeled through the Metropolitan conveyance and distribution system.

10.4 Should Western file or support litigation, or sponsor or support legislation, that would challenge or be adverse to Existing Rate Structure, as described in paragraph (a) of Section 10.2, Metropolitan's General Manager may file a 90-day notice of intent to terminate this Agreement with Metropolitan's Executive Secretary, with copies to all members of Metropolitan's Board of Directors, and contemporaneously provide Western with a copy of the notice. Within 30 days of receipt of such notice, Western shall have the right to request, in writing, mediation of the dispute by a neutral third party with expertise in finance and rate setting. The mediator shall be selected by agreement of the parties, or failing agreement within 60 days of such request for mediation, a mediator shall be selected by the Metropolitan Board of Directors from a list of at least four candidates, one each from Western, and two of which will be supplied by Metropolitan's General Manager. The costs of the mediation shall be borne equally by the parties. The request for mediation shall also serve to stay the 90-day notice of intent to terminate, but

for no more than 90 days beyond the filing of the notice of request for mediation, unless otherwise agreed in writing by the parties. If mediation does not result in an agreement acceptable to each party to this Agreement within the time provided herein, the notice of intent to terminate shall be reinstated. The Metropolitan Board of Directors shall act to approve or disapprove termination of this Agreement, and all of Metropolitan's obligations hereunder shall terminate if approved, on or before the ninetieth day following filing of the notice to terminate or, if mediation has been requested as described above, the ninetieth day following the request for mediation (or other date agreed in writing by the parties.)

- 10.5 Metropolitan and Western agree that should litigation or legislation brought forth or sponsored by third parties result in changes to Existing Rate Structure, this Agreement will continue in effect unless mutually agreed in writing by the parties.
- 10.6 Should Metropolitan and its member agencies agree on an alternative rate and revenue structure that obviates the need for this section on Rate Structure Integrity, this section shall be amended or deleted to conform to such action.

Section 11: Other Terms

- 11.1 Metropolitan and Western agree that each party shall be responsible for its own actions, and the actions of its officers, employees and agents, in performing services under this Agreement. Metropolitan and Western each agree to indemnify and hold the other Party and its officers and agents harmless and agree to defend the other Party against any claim or asserted liability arising out of its actions, either willful or negligent, or the actions of its officers, employees and agents, in performing services pursuant to this Agreement. Such indemnity will include any losses relating to any claim made, whether or not a court action is filed, and will include attorney fees and administrative and overhead costs related to or arising out of such claim or asserted liability.
- 11.2 Western shall include the following language in its agreement with any consultant or contractor retained by Western to work on the Project: "(Consultant) agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, or water quality problems) that arise out of or relate to Western's approval, construction, operation, repair or ownership of the Project. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorneys fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim or asserted liability."
- 11.3 Western is solely responsible for any such actions arising under the California Environmental Quality Act (Pub.Res.Code §21000 et seq.).

- 11.4 Any alteration or variation of the terms of this Agreement will not be valid unless made in writing and signed by both Parties. This Agreement constitutes the entire agreement between both Parties.
- 11.5 This Agreement will inure to the benefit of and be binding upon Metropolitan, Western and their respective successors. This Agreement is not assignable by either Party in whole or in part.
- 11.6 The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity of this Agreement.
- 11.7 This Agreement will be deemed a contract under the laws of the State of California, and for all purposes will be interpreted in accordance with such laws. Metropolitan and Western hereby agree and consent to the exclusive jurisdiction of the courts of the State of California, and that the venue of any action brought hereunder will be in Los Angeles County, California.

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

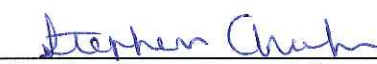
APPROVED AS TO FORM:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Sydney B. Bennion
Acting General Counsel

Jeffrey Kightlinger
General Manager

By: 
Senior Deputy
General Counsel

By: 
Stephen N. Arakawa, Manager
Water Resource Management

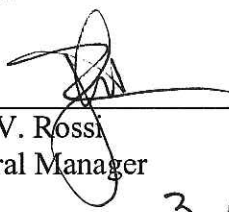
Date: 5/10/06

Date: 5/12/06

APPROVED AS TO FORM:

WESTERN MUNICIPAL WATER
DISTRICT

By: _____

By: 
John V. Rossi
General Manager

Date: _____

Date: 3-14-06

In Duplicate

o:\adminwrm\shared\conservation\Western75352.doc

Exhibit A

Metropolitan Incentives

Subject to Available Funding

Section	Device/Item	Incentive Amount																																
1	Toilets																																	
	Ultra Low Flush Toilet (ULFT) <i>has a maximum flush of 1.6 gallons/flush</i>	\$ 60.00																																
	High-Efficiency Toilet (HET) – <i>flush at a maximum of 1.28 gallons per flush; replacing 3.0 gallons per flush or greater</i>	\$ 165.00																																
	HET Upgrade – <i>flush at a maximum of 1.28 gallons per flush; replacing ULFT (1.6 gallons per flush)</i>	\$ 30.00																																
2	High Efficiency Clothes Washer (HECW)																																	
	HECW (Metropolitan's base per unit incentive) <i>HECW with a water factor 6.0 or less. Water Factor represents the amount of water needed to clean a standard load of laundry.</i>	\$ 75.00																																
	HECW (Total incentive including DWR Prop. 50 grant funds subject to the allocation limits in Exhibit F)	\$110.00																																
3	Residential Surveys																																	
	Single-family survey – <i>Partially offsets cost to audit willing customers; requires onsite visit to generate survey report for customers and maintain program database and water saving calculations. Survey can be combined with either irrigation evaluation below:</i>	\$ 12.50																																
	Irrigation Evaluation (w/o timer) – <i>provides list of factors adversely affecting operation of site's irrigation system and provides a watering schedule.</i>	\$ 8.00																																
	Irrigation Evaluation (with timer) – <i>provides list of factors adversely affecting operation of site's irrigation system; sets controller with recommended irrigation schedule.</i>	\$ 18.00																																
4	Weather-Based Irrigation Controller (WBIC)																																	
	WBIC using DWR grant funds:																																	
* Self means installed by customer - Direct means installed by member agency or its agent.																																		
	<table><tr><th>Irrigation Controller Stations</th><th>Installation Method</th><th>DWR</th><th>MWD</th><th>Total</th></tr><tr><td rowspan="2">Up to 12</td><td>Direct</td><td>\$ 235</td><td>\$80</td><td>\$315</td></tr><tr><td>Self</td><td>\$ 160</td><td>\$80</td><td>\$240</td></tr><tr><td rowspan="2">13-24</td><td>Direct</td><td>\$1,150</td><td>\$6.50/station</td><td>Up to \$1,306</td></tr><tr><td>Self</td><td>\$ 550</td><td>\$6.50/station</td><td>Up to \$706</td></tr><tr><td rowspan="2">25 or greater</td><td>Direct</td><td>\$1,700</td><td>\$6.50/station</td><td>Case-by-case</td></tr><tr><td>Self</td><td>\$1,100</td><td>\$6.50/station</td><td>Case-by-case</td></tr></table>	Irrigation Controller Stations	Installation Method	DWR	MWD	Total	Up to 12	Direct	\$ 235	\$80	\$315	Self	\$ 160	\$80	\$240	13-24	Direct	\$1,150	\$6.50/station	Up to \$1,306	Self	\$ 550	\$6.50/station	Up to \$706	25 or greater	Direct	\$1,700	\$6.50/station	Case-by-case	Self	\$1,100	\$6.50/station	Case-by-case	
Irrigation Controller Stations	Installation Method	DWR	MWD	Total																														
Up to 12	Direct	\$ 235	\$80	\$315																														
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	Self	\$ 550	\$6.50/station	Up to \$706																														
25 or greater	Direct	\$1,700	\$6.50/station	Case-by-case																														
	Self	\$1,100	\$6.50/station	Case-by-case																														
	WBIC not using DWR grant funds:																																	
	Residential (less than one acre)	\$80.00 plus \$6.50 per station over 12 stations																																
	Residential (one acre or larger) <i>(Up to 100 percent of cost of device)</i>	\$630 per acre																																
	Commercial <i>(Up to 100 percent of cost of device)</i>	\$630 per acre																																
WBICs are controllers that "monitor and use information about environmental conditions for a specific location and landscape – information such as soil moisture, rain, wind, the plants' evaporation and transpiration ((I/T) rates, and, in some cases, plant type and more – to decide for themselves when to water, and when not to, providing exactly the right amount of water to maintain lush, healthy growing conditions." These controllers water landscapes by automatically adjusting irrigation schedules based on historic or real time data.																																		
5	California Friendly Home (New Construction)																																	
	Model Home																																	
	HET New Construction	\$100 (3/home max \$300)																																
	HECW	\$400 (1/home)																																
	WBIC	\$200 (1/home)																																
	CA Friendly Landscape	\$0.80/sq. ft. irrigated area (max \$1,600)																																
	Production Units																																	
	HET	\$30																																
	HECW	\$75																																
	WBIC	\$80 each plus (\$6.50 per station > 12)																																
Continued on next page																																		

Exhibit A
Metropolitan Incentives
Continued

Subject to Available Funding

Section	Device/Item Continued	Incentive Amount
6	Large Landscape	
	Water Use Accountability, if using Metropolitan's Professional Protector Del Agua (PPDA) for training up to half the project costs maximum term: 5 years	\$2.50 per acre/month
	Water Use Accountability, if agency provides training similar to PPDA up to half the project costs maximum term: 5 years	\$3.50 per acre/month
<i>Water Use Accountability: Water agency provides water-use versus water-budget comparisons at no charge to site owner, property manager and landscape contractor.</i>		
	Measured Water Savings, if using Metropolitan's PPDA for training	\$156 per acre-foot
	Measured Water Savings, if agency provides training similar to PPDA.	\$195 per acre-foot
<i>Measured Water Savings: Permits landscape site owner to make whatever equipment retrofits it deems cost-effective. MWD incentive is up to one-half project cost based on water savings verified by dedicated meters, paid up to 5 years..</i>		

Agency _____

For activity occurring between

Filed by _____
certify the information provided has been verified.

[illegible]

Agency

For activity occurring between

Filed by _____ certify the information provided has been verified.

[illegible]

Prop 13 WBIC Database Information

certify the information provided has been verified.

[illegible]



Metropolitan Water District of Southern California
700 North Alameda
Los Angeles, CA 90012

Conservation Credit
Invoice

Activity Period _____

Date: _____

Member Agency _____

Agreement No. _____

Quantity	Item	Unit Price	Item Total	Met Funding	Grant Contribution	Member Agency Contribution	Number of Items Verified
Comments:							
Total Invoice			\$				

Rebate Activity Cost Breakdown

Rebate Cost	\$	
Marketing	\$	
Administration	\$	
Other	\$	

I, _____ General Manager or designee of _____ certify that the information provided is verified, in accordance with the guidelines provided in section 7 of the Agreement, by our staff/agent who has no conflict of interest in the verification.

Note: Total credit amount may differ due to database information received.

Narrative

Describe Administration activities, including quality assurance and verifications activities performed during the activity period:

Describe promotional and outreach activities:

Describe any problems or delays: What solutions do you plan to implement?

Other comments, suggestions, or lessons learned?

Customer Satisfaction Survey Questionnaire

How did you hear about the rebate program?

Was the rebate price the contributing factor in purchasing a HECW?

Do you believe you are saving water and energy by using a HECW?

Did you receive rebate funds from another source?

Did you receive your rebate in a timely manner?

How satisfied are you with your purchase?

Agreement No. 4600003098
Urban Water Conservation
Capital Outlay Grant

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

AND

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FOR AN URBAN WATER CONSERVATION CAPITAL OUTLAY GRANT UNDER THE
CALIFORNIA SAFE DRINKING WATER, CLEAN WATER, WATERSHED
PROTECTION AND FLOOD PROTECTION ACT

STATE OF CALIFORNIA

Agreement No. 4600003098

This agreement is entered into between the State of California, acting by and through the Department of Water Resources, (State) and Metropolitan Water District of Southern California (Grantee).

The State and Grantee agree as follows:

SECTION 1. PURPOSE OF GRANT

This State Grant is made by the State to the Grantee to assist in financing an Urban Water Conservation Project pursuant to the California Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act, (Chapter 8 (commencing with Section 79150) of Division 26 of the California Water Code). Grant funds may be used only as provided in this Agreement for such Eligible Project Costs as set forth in the Project description and Budget, copies of which are incorporated herein and attached as Exhibit B, "Statement of Work & Timeline" and Exhibit C, "Budget".

SECTION 2. TERM OF STATE GRANT

The term of this Agreement is from the date of execution of this agreement through April 15, 2007.

SECTION 3. PROJECT COSTS

The Project Costs (identified in Exhibit C) are estimated to be \$2,851,633.00.

SECTION 4. STATE GRANT

Subject to the availability of funds, the State will grant to the Grantee in accordance with the terms of this Agreement an amount not to exceed \$1,778,700.00 for Eligible Project Costs.

SECTION 5. GRANTEE'S COST SHARE AMOUNT

The Grantee agrees to fund the difference, if any, between the estimated Project Cost (Section 3) and the State Grant (Section 4). Grantee's Costs are estimated to be \$1,072,933.00.

SECTION 6. INCORPORATION OF STANDARD CONDITIONS AND GRANTEE COMMITMENTS

In addition to Exhibits B and C, this agreement incorporates Exhibit A, "Standard Terms". The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations and statements made by the Grantee in the application, documents, amendments and communications filed in support of its request for financing.

SECTION 7. CONDITIONS FOR DISBURSEMENT

The Grantee shall meet all conditions for disbursement of money under this Agreement, including the provisions of Exhibit A-6. Failure by Grantee to comply may, at the option of the State, result in termination of the Agreement.

Agreement No. 4600003098

SECTION 8. PROGRESS REPORTS AND STATEMENT OF COSTS

The Grantee shall submit quarterly progress reports, January 15, April 15, July 15 and October 15, on the status of the Project to the Department of Water Resources. The submittal and approval by the State of these reports is a requirement for continued disbursement of State Grant funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the Project schedule, and provide a comparison of costs to date compared to the approved scope of work and Project budget.

SECTION 9 FINAL REPORTS

Within 60 days of Project completion or termination, the Grantee shall submit a final report on Project completion or termination and expenditures for the State's review and comment. The report shall be modified to incorporate the State's comments, if any, and resubmitted within sixty (60) days of the Grantee's receipt of the State's comments.

SECTION 10 OPERATIONS AND MAINTENANCE OF "CONSTRUCTION" PROJECT

In consideration of the State Grant, the Grantee agrees, for the useful life of the Project to expeditiously commence and to continue operation of the Project and shall cause the Project to be operated in an efficient and economical manner; shall provide for all repairs, renewals, and replacements necessary to the efficient operation of the Project; and shall cause the Project to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Refusal of the Grantee to operate and maintain the Project in accordance with this provision may, at the option of the State, be considered a material breach of contract and may be treated as default under default provisions Exhibit A-25.

SECTION 11 RELATIONSHIPS OF PARTIES

The Grantee, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Agreement shall act in an independent capacity and not as officers, employees, or agents of the State.

The Grantee is solely responsible for planning and implementation of the Project. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of State Grant funds and shall not be deemed to relieve or restrict the Grantee's responsibility.

SECTION 12 PERMITS, LICENSES, APPROVALS AND LEGAL OBLIGATIONS

The Grantee shall be responsible for obtaining any and all permits, licenses and approvals required for performing any work under this Agreement, including those necessary for planning and implementing the Project. The Grantee shall be responsible for complying with all applicable federal, State and local laws, rules or regulations affecting any such work, specifically including, but not limited to, environmental, labor, procurement and safety laws, rules, regulations and ordinances.

SECTION 13 GRANTEE'S RESPONSIBILITIES FOR WORK

The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers and providers of services. The Grantee shall give personal supervision to any work required under this Agreement or employ a competent

Agreement No. 4600003098
representative, satisfactory to the State, with the authority to act for the Grantee. The Grantee or its authorized representative shall be present while work is in progress. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Grantee's contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

SECTION 14 PROJECT OFFICIALS AND NOTICES

The State Project Manager shall be the Chief, Office of Water Use Efficiency, Department of Water Resources. The State Project Manager shall be the State's representative and shall have the authority to make determination and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under the Agreement.

The Grantee Project Director shall be Andrew Hui. The Grantee Project Director shall be the Grantee's representative for the administration of the Agreement and shall have full authority to act on behalf of the Agency, including authority to execute all payment requests. All communications given to the Project Director shall be as binding as if given to the Grantee.

Either party may change its Project Manager or Director upon written notice to the other party. Notices required to be given to the State in writing by the Grantee under this Agreement shall generally be sent to:

State of California
Department of Water Resources
Office of Water Use Efficiency
Attention: Program Manager
Post Office Box 942836
Sacramento, California 94236-0001

Notices required to be given to the Grantee in writing by the State under this Agreement shall be sent to:

Andrew Hui
(Representative)
Metropolitan Water District of Southern California
(Agency Name)
P.O. Box 54153
(Mailing Address)
Los Angeles, CA 90054-0153
(City, State, Zip Code)

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

All such notices shall be enclosed in a properly addressed, postage prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

Agreement No. 4600003098

Approved as to Legal Form
and Sufficiency:

By [Signature]
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By [Signature]
Chief, Office of Water Use Efficiency
Department of Water Resources

APPROVED AS TO FORM
Jeffrey Kightlinger

By: ADAM C. KEAR
Deputy General Counsel

METROPOLITAN WATER DISTRICT OF SO. CAL.
GRANTEE

By [Signature]
Signature

Date 12/18/04

B. Anatole Falagan

for Stephen N. Arakawa
Printed Name

Manager, Water Resource Management Group
Title

P.O. Box 54153

Address

Los Angeles, CA 90054-0153

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

2/27/04

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

Agreement No. 4600003098

EXHIBIT A
STANDARD TERMS
URBAN WATER CONSERVATION CAPITAL OUTLAY GRANTS

A-1. **GOVERNING LAW:** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

A-2. **TIMELINESS:** Time is of the essence in this Agreement.

A-3. **AMENDMENT:** This Agreement may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request.

A-4. **SUCCESSORS AND ASSIGNS:** This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.

A-5. **ELIGIBLE PROJECT COSTS:** Grantee shall apply State Grant funds received only to Eligible Project Costs. Eligible Project Costs include the reasonable and necessary costs associated with a Project including, but not limited to, program costs or rebates; engineering, legal and administrative fees; land and easement acquisition; environmental documentation; environmental mitigation and monitoring; and construction costs associated with the Project.

Costs that are not eligible for reimbursement include but are not limited to:

- a) Costs incurred prior to execution of this agreement.
- b) Operation and maintenance costs,
- c) Purchase of equipment not an integral part of the Project,
- d) Payment of principal or interest of existing indebtedness or any interest payment unless:
 - 1. The State agrees in writing to the eligibility of the costs of reimbursement before the debt is incurred; and
 - 2. The purposes for which the debt is incurred are otherwise eligible Project Costs.
- e) Establishing a reserve fund,
- f) Purchase of water supply for the Project,

A-6. **CONDITIONS FOR DISBURSEMENT:** The State shall have no obligation to disburse money under this Agreement unless and until the Grantee has satisfied the State that the disbursement is in accordance with requirements of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, which include:

- (a) For Construction Projects, the Grantee submits to the State, final plans and specifications certified by a California Registered Civil Engineer or equivalent documentation as to compliance with the approved Project.

Agreement No. 4600003098

- (b) The Grantee submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way and approvals as may be required by other state, federal, and/or local agencies, as specified in Section 12 of this Agreement.
- (c) The Grantee demonstrates compliance with the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, legal notices and environmental permits as may be required prior to beginning the Project.
- (d) The Grantee submits timely periodic progress reports as required by Section 8 of this Agreement.
- (e) The Grantee demonstrates continuing availability of sufficient funds to complete the Project.

A-7. STATE GRANT DISBURSEMENTS:

(a) Cost Statements: After the Conditions for Disbursement, Section A-6, are met, the State will disburse the whole or portions of the State Grant commitment to the Grantee following receipt from the Grantee of a statement or statements of incurred Eligible Project Costs, reviewed by the Grantee's designated representative, and timely progress reports as required by Section 8 of this Agreement. Requests for State Grant funds shall be filed quarterly or for such periods as the State and the Grantee may mutually agree. The Grantee shall provide the following information:

(1) A statement of the incurred Eligible Project Costs for work performed under the Agreement during the period identified in the particular statement and which matches the Budget in Exhibit C and tasks in Exhibit B.

(2) A statement of the cost of any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular statement for the implementation of the Project.

The Grantee shall submit two (2) copies of each statement of cost to the Program Manager, Department of Water Resources, P.O. Box 942836, Sacramento, CA 94236 and submit one (1) copy of each invoice simultaneously to DWR Accounting Office, Contracts Payable Unit, P.O. Box 942836, Sacramento, CA 94236 along with supporting documentation to the State with each quarterly progress report. Statement of Costs shall be submitted in arrears, bearing the agreement number.

(b) Disbursement: Following the review and approval of each Statement of Costs, the State will disburse to the Grantee the amount approved, subject to the availability of funds through the State's normal procedures. Funds will be disbursed by the State in response to each approved Statement of Costs on a pro rata basis in accordance with the relative payment obligations of the Grantee, Section 5 of this Agreement, and the State, Section 4 of this Agreement for the Project Costs, Section 3 of this Agreement. Any and all money disbursed to the Grantee under this Agreement and any and all interest earned by the Grantee on such money shall be used solely to pay Eligible Project Costs.

Agreement No. 4600003098

After the Project has been completed or terminated, the Grantee shall furnish to the State, within 60 days, a final statement of incurred Eligible Project Costs, and a final narrative report summarizing the Project process, deliverables and results.

A-8. WITHHOLDING OF GRANT DISBURSEMENTS BY STATE

(a) Withholding clause: The State, at its discretion, may withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of eligible Project Costs until the Project is completed.

(b) Additional Conditions for Withholding: If the State determines that the Project is not being completed substantially in accordance with the provisions of this Agreement or that the Grantee has failed in any other respect to comply substantially with the provisions of this Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State Grant commitment and take any other action that it deems necessary to protect its interests.

(c) Withholding Entire State Grant Commitment: If the State notifies the Grantee of its decision to withhold all of the State Grant commitment from the Grantee pursuant to Subdivision (b) of this Article, this Agreement shall terminate upon receipt of such notice by the Grantee and shall no longer be binding on either party.

(d) Withholding Balance of State Grant Commitment: Where a portion of the State Grant commitment has been disbursed to the Grantee and the State notifies the Grantee of its decision to withhold the balance of the State Grant, the portion that has been disbursed shall thereafter be repaid immediately with interest, as directed by the State. Refusal of the Grantee to so repay may, at the option of the State, be considered a material breach of contract and may be treated as default under Default Provisions, Exhibit A-25.

A-9. DOCUMENTATION OF PROJECT BENEFITS AND COSTS.

(a) Actual Water Savings: After Project completion the Grantee shall revise the estimate of water savings based on records for the first operational year and within 90 days after the first operational year has elapsed, report these findings to the Department of Water Resources, Office of Water Use Efficiency. This recording and reporting process shall be subsequently repeated for a total of five (5) consecutive operational years. Estimates shall include total annual water savings and net annual water savings. The report shall also include a description of how the water produced by the Project is being utilized.

(b) Other Benefits and Costs: The Grantee shall, after the first operational year has elapsed report any other benefits (other than water savings) and any additional costs resulting from the Project, to the Department of Water Resources, Office of Water Use Efficiency.

A-10. TIMING AND MANNER OF PROJECT UNDERTAKING

(a) Project Undertaking Pursuant to Agreement: The Project shall be undertaken in strict accordance with this Agreement.

(b) Determination of Project Completion: For the purposes of this Agreement, the Project shall be considered to be completed or to be terminated when so determined by the State.

(c) Acknowledgement of Credit: The Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under the Agreement.

(d) Audit Requirement: Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit of the State for a period of three (3) years after final payment under this Agreement with respect to all matters connected with the performance of this Agreement, including but not limited to, the cost of administering this Agreement. All records of the Grantee or subcontractors shall be preserved for this purpose for at least three (3) years after completion of the Project.

(e) Competitive Bidding of Contracts and Procurements: Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods, and services and construction of public works with funds provided by the State under this Agreement.

(f) Final Inspection and Certification of Registered Civil Engineer (Construction Projects): Upon completion of the Project the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement. The Grantee shall notify the Office of Water Use Efficiency of the Department of Water Resources of the inspection date at least 10 days prior to the inspection in order to provide the State the opportunity to participate in the inspection.

A-11. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

(a) Separate Accounting of State Grant Disbursements and Interest Records

The Grantee shall account for the money disbursed pursuant to this Agreement separately from all other Grantee's funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

(b) Disposition of Money Disbursed

All money disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

(c) Remittance of Unexpended Funds

The Grantee, within a period of thirty (30) days from the final disbursement from the State to the Grantee of State Grant funds, shall remit to the State any unexpended funds that were disbursed to the Grantee under this Agreement and were not needed to pay Eligible Project Costs.

(d) Interim and Final Audits

The State reserves the right to conduct an audit at any time between the execution of this Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Agreement No. 4600003098

Failure or refusal by the Grantee to comply with this provision shall be considered a substantial failure to comply with this Agreement, and the State may elect to pursue any remedies provided in Article A-5 or take any other action it deems necessary to protect its interests.

A-12. CLAIMS DISPUTE CLAUSE: Any claim that the Grantee may have regarding the performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

A-13. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of any other remedy provided by law.

A-14. STATE TO BE HELD HARMLESS: The Grantee agrees to indemnify the State and its officers, agents, and employees against and to hold the same free and harmless from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to, either in whole or in part, and whether directly or indirectly, arising out of the Project.

A-15. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a substantial failure to comply with this Agreement and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.

A-16. INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Agreement with the State.

A-17. PROHIBITION AGAINST DISPOSAL OF PROPERTY WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State to be applied to the Grantee's indebtedness under this Agreement.

A-18. NO THIRD PARTY RIGHTS: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation or undertaking established herein.

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A-19. NOTICES: All notices that are required either expressly or by implications to be given by one party to the other under this Agreement shall be signed for the State by its contracting officer and for the Grantee by such officers, as from time to time, it may authorize in writing to so act. All such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed postage-prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

A-20. PERFORMANCE AND ASSURANCES: Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted or as later amended and approved by the State under this Agreement and to apply State funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law. In the event the State finds it necessary to enforce this provision or any right or power under this Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs. The State reserves the right to seek further written assurances from the grantee that the work of the Project under this Agreement will be performed consistent with the terms of this Agreement.

A-21. SEVERABILITY: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

A-22. WAIVER OF RIGHTS: None of the provisions of this Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Agreement unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

A-23. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.

A-24. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided including but not limited to reasons of default under A-25.

A-25. DEFAULT PROVISIONS:

(a) The grantee will be in default under this agreement if any of the following occur:

1. Substantial breach of this Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
2. Making any false warranty, representation, or statement with respect to this Agreement; Failure to make any remittance required by this Agreement.
3. Failure to make any remittance required by this Agreement.

(b) Should an event of default occur, the State may do any or all of the following:

Agreement No. 4600003098

1. Demand the State Grant be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default;
2. Terminate any obligation to make future payments to the Grantee;
3. Terminate the Agreement; and
4. Take any other action that it deems necessary to protect its interests.

(c) The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of a breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project.

(d) No waiver by the State of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if signed by the State or its authorized agent.

A-26. CONFLICT OF INTEREST:

(a) Current State Employees:

(1) No State officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.

(2) No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

(b) Former State Employees:

(1) For the two year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.

(2) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

A-27. WORKERS' COMPENSATION CLAUSE: The Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

A-28. AMERICANS WITH DISABILITIES ACT: By signing this Agreement, Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Agreement No. 4800003098

A-29. DRUG-FREE WORKPLACE CERTIFICATION:**(a) Certification of Compliance**

By signing this Agreement, the Grantee, its contractors or subcontractors hereby certify under penalty of perjury under the laws of the State of California compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations, as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors and subcontractors about all of the following:

- (a) The dangers of drug abuse in the workplace,
- (b) The Grantee's policy of maintaining a drug-free workplace,
- (c) Any available counseling, rehabilitation and employee assistance programs, and
- (d) Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse violations.

3. Provide, as required by Government Code Section 8355(c), that every employee, contractor and subcontractor who works under this Agreement:

- (a) Will receive a copy of the Grantee's drug-free policy statement, and
- (b) Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.

(b) Suspension of Payments: This Agreement or State Grant may be subject to suspension of payments or termination, or both, and the Grantee may be subject to debarment if the Department determines that:

- 1. The Grantee, its contractors or subcontractors have made a false certification, or,
- 2. Grantee, its contractors or subcontractors violates the certification by failing to carry out the requirements noted above.

A-30. NON DISCRIMINATION CLAUSE: During the performance of this Agreement, the Grantee, its contractors and subcontractors shall not deny the Contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Grantee shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Grantee, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article.

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

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Agreement.

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The Grantee's signature on this Agreement shall constitute a certification under the penalty of perjury under the laws of the State of California that the Grantee has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

A-31. UNION ORGANIZING: No State funds disbursed by this State Grant will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.

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EXHIBIT B
STATEMENT OF WORK-TASKS & TIMELINE
4600003098

The Metropolitan Water District of Southern California

Project Description

This grant with The Metropolitan Water District of Southern California (MWD) is to implement an incentive program to promote the purchase and installation of weather-based irrigation controllers. The project's principal objective is to install approximately 5,500 weather-based irrigation controllers in residential and small commercial landscapes throughout Metropolitan's service area (excluding Orange County).

It is anticipated that weather-based irrigation controllers will save water by changing irrigation schedules more frequently and accurately than traditional controllers, which need to be manually adjusted by end-users. Projected potential water savings for this program are about 27,500 AF over the estimated 10-year useful lifetime of these devices.

MWD is the Principal Applicant for this program and will act as Program Administrator, distributing incentives regionally to participating customers through its member agencies. MWD will also work in collaboration with East Bay Municipal Utility District (EBMUD), whose proposal has also been funded. The MWD/EBMUD partnership will benefit all parties with program cost economies, management efficiencies, negotiating and purchasing strength, uniform data tracking system, and universal marketing.

Two primary program implementation methods will be used:

1. Self-install by the end user, coupled with training and a voucher/rebate; and
2. Direct-install by member agency staff and/or an independent, qualified installation crew.

Other variations on these two methods may evolve, depending on local situations and the resources of participating agencies implementing this program.

Project Objectives and Deliverables

Project goals and objectives include:

- Installation of up to 5,514 weather-based irrigation controllers at residential and small commercial, industrial and institutional landscapes in Southern California. Market response will determine the actual number and distribution of commercial and residential controllers.
- Projected potential water savings of 27,500 AF over 10 years.
- Inter-regional collaboration in support of statewide market transformation.

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EXHIBIT B
STATEMENT OF WORK – TASKS, TIMELINES
4600003098
The Metropolitan Water District of Southern California

Project deliverables include:

- Installed weather-based irrigation controllers.
- Tracking of water consumption data.
- Quarterly progress reports and annual program evaluation reports.
- Final report at the end of the 3-year program life.

In addition to the deliverable items mentioned above, MWD (in collaboration with EBMUD), will disseminate the knowledge gained and relevant data acquired from this program through the following means:

- Web sites and water planning conferences;
- American Water Works Association conferences;
- California Urban Water Conservation Council;
- Landscape and green industry associations;
- Executive management or boards of directors of MWD Member Agencies; and
- Press releases.

Task List and Time Line

The following is a general procedure for this program:

1. The program is projected to run for 3 years, including a six month start-up period.
2. MWD prepares program operations, monitoring and assessment plan.
3. MOUs and/or agreements executed between MWD and participating member agencies.
4. Participating agencies select implementation method suitable to their service area, and manage development of local marketing tools and resources.
5. A program team will develop general product specifications for weather-based controllers.
6. Quarterly reports are generated for assessment and monitoring purposes. These reports are used for adaptive management purposes.
7. MWD prepares and submits program evaluation reports annually.
8. MWD submits a final report upon completion of the project.

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EXHIBIT B
STATEMENT OF WORK – TASKS, TIMELINES
4600003098
The Metropolitan Water District of Southern California

The following table is a general time line for the major tasks:

General Task	Description	Schedule Year 1 (Months)	Schedule Year 2	Schedule Year 3
1	Contract Executed and Project begins	1		
2	Develop Product Specifications	2 - 3		
3	Develop Data Collection Protocol and Program Database	2 - 9		
4	Produce Templates for Program Documents (Data Collection Forms, Reports and Invoices)	2 - 4		
5	Program Marketing and Production Planning	2 - 6		
6	Develop Program Operations Plan	2 - 6		
7	Develop and Implement Monitoring and Assessment Plan	2 - ongoing	ongoing	ongoing
8	Participating Agencies Define Criteria and Select Qualified Contractors to Conduct Direct Installations	2 - 4	ongoing	ongoing
9	Develop Training for Program Participation	2 - 4		
10	Program Kick Off, Installations, and Rebates Begin	4- ongoing	ongoing	ongoing
11	Quarterly Report and Invoice Submitted to DWR	Beginning 1 st qtr after project begins - 13,	16, 19,22,25	28, 31,34,37,41
12	Annual and Final Program Evaluation Results Submitted to DWR	End of Each Contract Year	End of Each Contract Year	Final,43

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EXHIBIT B
STATEMENT OF WORK – TASKS, TIMELINES
4600003098

The Metropolitan Water District of Southern California

Project Assessment and Monitoring

Project assessment and monitoring is conducted by:

- Developing and maintaining a centralized relational program database
- Performing verification inspections
- Conducting customer satisfaction surveys
- Administering a full-scale process and impact program analysis

The centralized database will be used to generate project status reports on a quarterly basis for comparison against project implementation targets. Yearly reports and a final project report will also be created from the database.

The following questions will be addressed as part of the Process and Impact Evaluation (final report):

- How effective are the different methods of implementation (self-install vs. direct-install) in gaining customer participation?
- What is the net change in water use attributable to installation of weather-based irrigation controllers?
- Was this rebate program cost-effective and sustainable?

Phased Implementation

Assessment and monitoring of this project will be conducted in three phases. Phase I, which will be conducted during the initial months of implementation, will develop the research approach, draft program documents and interview instruments, establish a data collection protocol, and produce a product specification for weather-based irrigation controllers.

During Phase II (beginning in month three and concurrent with parts of Phase I through month 9), participating agencies will seek to define customer participation and potential water-saving targets. Also, preliminary evaluation results will be produced to provide feedback into program design, thus improving overall program effectiveness.

Phase III (month 19 through project conclusion) will involve a higher-resolution examination of the performance of controllers and implementation methods in order to address questions of potential impacts if applied to other customers and/or water agencies.

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EXHIBIT B
STATEMENT OF WORK – TASKS, TIMELINES
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The Metropolitan Water District of Southern California

Methodology

The actual assessment methodology to be used will be determined during Phases I & II, the methods for monitoring water-saving performance of weather-based controllers may include:

- Data collection and analysis: Customer and controller data will be collected and entered into a database.
- A sample set, representing a cross-section of the types of controllers installed under this program will be identified for monitoring. The following information will be monitored for this sample set:
 - a. Baseline historical water use information, if available;
 - b. Actual water use for duration of this program; and
 - c. Comparative evaluation of historical vs. actual water use to estimate water savings.
- Survey instruments may also be used to determine customer satisfaction with irrigation controllers.

A monitoring and assessment plan will be delivered to DWR by the end of month 9.

Project Reporting

Once the appropriate monitoring methodology is identified and developed and project data becomes available, quarterly progress reports to DWR will include water savings projections. Comparisons between pre- and post-installation water use, however, will be addressed in annual progress reports.

Potential database fields may include identification of customer participants, verification of controller installations, determination of baseline consumption, determination of irrigation budgets, estimated water savings potential, tracking of water consumption and costs for duration of grant program. This database will serve to later evaluate project effectiveness (in terms of costs and water savings).

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EXHIBIT B
STATEMENT OF WORK – TASKS, TIMELINES
4600003098

The Metropolitan Water District of Southern California

A comprehensive summary of results will be provided as part of a final report, which will assess overall project effectiveness, measured not only in terms of actual water saved versus project expenditures, but also address advantages and challenges experienced with each implementation method, the relative water-saving performance of various types of weather-based irrigation controllers, the apparent impact of signal fees on customers' controller choice and persistence of water savings, and the ease to the end-user of controller installation and programming. An effort will also be made to estimate decline rates in water savings over time by type of controller.

Methods of Installation and Follow-up

Quarterly reports will identify the number of rebates issued under each type of installation method (self-install or direct-install), and the type of application (commercial or residential). Additionally, MWD and its member agencies will conduct a sample number of random site inspections as a control measure to physically verify installation of rebated controllers. These installation verifications will be reported in the quarterly and annual reports.

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EXHIBIT C**BUDGET****4600003098****The Metropolitan Water District of Southern California****Budget**

Funds requested at the lowest level and granted (state's share)	\$1,778,700
Applicant funds pledged (agency + customer)	\$1,072,933
Total project Costs	\$2,851,633

Extended costs at "low level".

Budget Items		Approximate Total Units	DWR Cost/unit	DWR Grant	MWD Cost Share	Total Project Costs
Administrative Costs				\$342,015	\$345,000	\$687,015
Rebate Costs:		Up to 5,514				
Residential Controllers (approximate total units)	Direct Install	1,441	\$235	\$338,635	\$93,665	\$432,300
	Self-Install	3,520	\$160	\$563,200	\$228,800	\$792,000
Commercial Controllers: 12-24 Stations (approximate total units)	Direct Install	106	\$1,150	\$121,900	\$13,992	\$135,892
	Self-Install	201	\$550	\$110,550	\$26,532	\$137,082
Commercial Controllers: 24-48 Stations (approximate total units)	Direct Install	53	\$1,700	\$90,100	\$13,992	\$104,092
	Self-Install	193	\$1,100	\$212,300	\$50,952	\$263,252
Other Program Implementation Costs (marketing, administrative costs by agencies, training workshops)					\$300,000	\$300,000
TOTALS		Up to 5,514		\$1,778,700	\$1,072,933	\$2,851,633

Exhibit E

HECW Agreement

Agreement 4600004214

Water Use Efficiency Grant

Residential Clothes Washer Rebate

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

AND

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FOR A WATER USE EFFICIENCY GRANT UNDER THE
PROPOSITION 50, WATER SECURITY, CLEAN DRINKING WATER,
COASTAL AND BEACH PROTECTION ACT OF 2002.

STATE OF CALIFORNIA

This Agreement is entered into between the State of California, acting by and through the Department of Water Resources, (State) and the Metropolitan Water District of Southern California, (Grantee).

The State and Grantee agree as follows:

SECTION 1. PURPOSE OF GRANT

This State Grant is made by the State to the Grantee to assist in financing an Urban Water Conservation Project pursuant to the California Proposition 50, Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. This Grant program implements Water Code Chapter 7, Section 79550(g) of Proposition 50.

Grant funds may be used only as provided in this Agreement for such Eligible Project Costs as set forth in the Project description and Budget, copies of which are incorporated herein Exhibit B, "Statement of Work" and Exhibit C, "Budget".

SECTION 2. TERM OF STATE GRANT

The term of this Agreement is from the date of execution of this Agreement through December 30, 2008.

SECTION 3. PROJECT COSTS

The Total Project Costs (identified in Exhibit C) are estimated to be \$3,652,000.00.

SECTION 4. STATE GRANT

Subject to the availability of funds, the State will grant to the Grantee in accordance with the terms of this Agreement an amount not to exceed \$1,660,000.00 for Eligible Project Costs.

SECTION 5. GRANTEE'S COST SHARE AMOUNT

The Grantee agrees to fund the difference, if any, between the estimated Project Cost (Section 3) and the State Grant (Section 4). Grantee's Costs are estimated to be \$1,992,000.00.

SECTION 6. INCORPORATION OF STANDARD CONDITIONS AND GRANTEE COMMITMENTS

In addition to Exhibits B and C, this Agreement incorporates Exhibit A, "Standard Terms". The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations and statements made by the Grantee in the Application, documents, amendments and communications filed in support of its request for financing.

SECTION 7. CONDITIONS FOR DISBURSEMENT

The Grantee shall meet all conditions for disbursement of money under this Agreement, including the provisions of Exhibit A-6. Failure by Grantee to comply may, at the option of the State, result in termination of the Agreement.

SECTION 8. PROGRESS REPORTS AND STATEMENT OF COSTS

The Grantee shall submit quarterly progress reports, January 15, April 15, July 15, and October 15, on the status of the Project and a Statement of Costs to the Department of Water Resources. The submittal and approval by the State of these reports is a requirement for continued disbursement of State Grant funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the Project schedule, and provide a comparison of costs to date compared to the approved scope of work and Project budget.

SECTION 9. FINAL REPORTS

The Grantee shall submit a Draft Final Report on Project completion or termination and expenditures for the State's review and comment. The Draft Final Report shall be modified to incorporate the State's comments, if any, and resubmitted, as Final Report within sixty (60) days of the Grantee's receipt of the State's comments. The Grantee shall also submit post-completion Annual Reports and Updates. Reports will follow the format requirements set forth in Exhibit B, Attachment 1.

SECTION 10. OPERATIONS AND MAINTENANCE OF "CONSTRUCTION" PROJECT

In consideration of the State Grant, the Grantee agrees, for the useful life of the Project, to expeditiously commence and to continue operation of the Project and shall cause the Project to be operated in an efficient and economical manner; shall provide for all repairs, renewals, and replacements necessary to the efficient operation of the Project; and shall cause the Project to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Refusal of the Grantee to operate and maintain the Project in accordance with this provision may, at the option of the State, be considered a material breach of Agreement and may be treated as default under default provisions Exhibit A-25.

SECTION 11. RELATIONSHIPS OF PARTIES

The Grantee, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Agreement shall act in an independent capacity and not as officers, employees, or agents of the State.

The Grantee is solely responsible for planning and implementation of the Project. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of State Grant funds and shall not be deemed to relieve or restrict the Grantee's responsibility.

SECTION 12. PERMITS, LICENSES, APPROVALS AND LEGAL OBLIGATIONS

The Grantee shall be responsible for obtaining any and all permits, licenses and approvals required for performing any work under this Agreement, including those necessary for planning and implementing the Project. The Grantee shall be responsible for complying with all applicable federal, State and local laws, rules or regulations affecting any such work, specifically including, but not limited to, environmental, labor, procurement and safety laws, rules, regulations and ordinances.

SECTION 13. GRANTEE'S RESPONSIBILITIES FOR WORK

The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers and providers of services. The Grantee shall give personal supervision to any work required under this Agreement or employ a competent representative, satisfactory to the State, with the authority to act for the Grantee. The Grantee or its authorized representative shall be present while work is in progress. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Grantee's contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

SECTION 14. PROJECT OFFICIALS AND NOTICES

The Chief, Office of Water Use Efficiency and Transfers, Department of Water Resources, shall be the State's representative and shall have the authority to sign Agreement and amendments to the Agreement, if needed, and to make determinations with respect to each controversy or discrepancy arising under or in connection with the interpretation, performance, or payment for work performed under this Agreement.

The Grantee Project Director shall be Andrew Hui.
The Grantee Project Director shall be the Grantee's representative for the administration of the Agreement and shall have full authority to act on behalf of the Grantee, including authority to execute all payment requests. All communications given to the Project Director shall be as binding as if given to the Grantee.

Agreement 4600004214
Water Use Efficiency Grant
Residential High Efficiency Clothes Washer Rebate Program

Either party may change its representative upon written notice to the other party.

Notices required to be given to the State in writing by the Grantee under this Agreement shall be sent to:

State of California
Department of Water Resources
Office of Water Use Efficiency and Transfers
Attention: Project Manager
901 P Street, Room 313A
Post Office Box 942836
Sacramento, California 94236-0001

Notices required to be given to the Grantee in writing by the State under this Agreement shall be sent to:

Maria G. Biel (213)217-6416 mbiel@mwdh2o.com
(Representative, Telephone Number and E-mail)
Metropolitan Water District of So. CA
(Agency Name) P.O. Box 54153
(Mailing Address)
Los Angeles, CA 900-0153
(City, State, Zip Code)

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

All such notices shall be enclosed in a properly addressed, postage prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

Agreement 4600004214
Water Use Efficiency Grant
Residential High Efficiency Clothes Washer Rebate Program

Approved as to Legal Form and Sufficiency:

4/25
3/28/05
By

[Signature]
Chief Counsel

12/29/05
Date

Department of Water Resources

Metropolitan Water District of So. CA.
GRANTEE

By Stephen M. Arakawa 12/16/05
Signature Date

Stephen N. Arakawa
Printed Name

Manager, Water Resource Management Group
Title

P.O. Box 54153

Address

Los Angeles, CA 90054-0153

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By

[Signature]
Chief, Office of Water Use Efficiency and
Transfers

William J. BENNETT
Printed Name

APPROVED AS TO FORM
Jeffrey Kightlinger
General Counsel

[Signature]
By: LAUREN R. BRAINARD
Sr. Deputy General Counsel

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

Date

12/29/05

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

EXHIBIT A
STANDARD TERMS
URBAN WATER CONSERVATION GRANTS

- A-1. **GOVERNING LAW:** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- A-2. **TIMELINESS:** Time is of the essence in this Agreement.
- A-3. **AMENDMENT:** This Agreement may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request.
- A-4. **SUCCESSORS AND ASSIGNS:** This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.
- A-5. **ELIGIBLE PROJECT COSTS:** Grantee shall apply State Grant funds received only to Eligible Project Costs, as identified in Exhibit C.
- A-6. **CONDITIONS FOR DISBURSEMENT:** The State shall have no obligation to disburse money under this Agreement unless and until the Grantee has satisfied the State that the disbursement is in accordance with the requirements of the Water Code Chapter 7, Section 79550(g) of Proposition 50, and the following:
- (a) For Construction Projects, the Grantee submits to the State, final plans and specifications certified by a California Registered Civil Engineer or equivalent documentation as to compliance with the approved Project.
 - (b) The Grantee submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way and approvals as may be required by other state, federal, and/or local agencies, as specified in Section 12 of this Agreement.

- (c) The Grantee demonstrates compliance with the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, legal notices and environmental permits as may be required prior to beginning the Project.
- (d) The Grantee submits timely progress reports, annual reports, and annual updates as required by Section 8 of this Agreement.
- (e) The Grantee demonstrates continuing availability of sufficient funds to complete the Project.

A-7. STATE GRANT DISBURSEMENTS:

- (a) Cost Statements: After the Conditions for Disbursement, Section A-6, are met, the State will disburse the whole or portions of the State Grant commitment to the Grantee following receipt from the Grantee of a statement or statements of incurred Eligible Project Costs, reviewed by the Grantee's designated representative, and timely progress reports as required by Section 8 of this Agreement. Requests for State Grant funds shall be filed quarterly or for such periods as the State and the Grantee may mutually agree. The Grantee shall provide the following information:
 - (1) A statement of the incurred Eligible Project Costs for work performed under the Agreement during the period identified in the particular statement and which matches the Budget in Exhibit C and tasks in Exhibit B.
 - (2) A statement of the cost of any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular statement for the implementation of the Project.

The Grantee shall submit two (2) copies of quarterly progress reports and 2 copies of statement of costs associated with work accomplished during that quarter, as well as 2 copies of invoice to the:

Project Manager
Department of Water Resources
Office of Water Use Efficiency and Transfers
901 P Street, Room 313A
P.O. Box 942836
Sacramento, CA 94236-0001

The statement of costs must be detailed and provide supporting documentation for both State and Local Share of costs for each quarterly progress report. Statement of costs shall be submitted in arrears, bearing the Agreement number.

The Grantee must also submit one (1) original copy of each invoice simultaneously to:

DWR Accounting Office
Contracts Payable Unit
Post Office Box 942836
Sacramento, CA 94236

All progress reports, statement of costs, and invoices must be on the Grantee's letterhead, have agency name, project title, Agreement number, invoice number, and the quarter and tasks for which progress reports and invoices cover.

- (b) Disbursement: Disbursements are subject to the availability of funds and budget contingencies. Following the review and approval of each statement of costs, the State will disburse to the Grantee the amount approved, subject to the availability of funds through the State's normal procedures. Funds will be disbursed by the State in response to each approved statement of costs on a pro rata basis in accordance with the relative payment obligations of the Grantee, Section 5 of this Agreement, and the State, Section 4 of this Agreement for the Project Costs, Section 3 of this Agreement. Any and all money disbursed to the Grantee under this Agreement and any and all interest earned by the Grantee on such money shall be used solely to pay Eligible Project Costs.

Along with submittal of Draft Final Report, Grantee shall submit to the State a final statement of costs for incurred Eligible Project Costs.

A-8. WITHHOLDING OF GRANT DISBURSEMENTS BY STATE

- (a) Withholding Clause: The State, at its discretion, may withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of eligible Project Costs until the Project is completed and Final Report is received.
- (b) Additional Conditions for Withholding: If the State determines that the Project is not being completed substantially in accordance with the provisions of this Agreement or that the Grantee has failed in any other respect to comply substantially with the provisions of this Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State Grant commitment and take any other action that it deems necessary to protect its interests.

- (c) Withholding Entire State Grant Commitment: If the State notifies the Grantee of its decision to withhold all of the State Grant commitment from the Grantee pursuant to Subdivision (b) of this Article, this Agreement shall terminate upon receipt of such notice by the Grantee and shall no longer be binding on either party.
- (d) Withholding Balance of State Grant Commitment: Where a portion of the State Grant commitment has been disbursed to the Grantee and the State notifies the Grantee of its decision to withhold the balance of the State Grant, the portion that has been disbursed shall thereafter be repaid immediately with interest, as directed by the State. Refusal of the Grantee to so repay may, at the option of the State, be considered a material breach of Agreement and may be treated as default under Default Provisions, Exhibit A-25.

A-9. DOCUMENTATION OF PROJECT BENEFITS AND COSTS

Actual Water Savings and Other Benefits and Costs: The Grantee shall submit Annual Reports of Benefits and Costs after the first operational year has elapsed and report any other benefits such as water savings, water quality, flow and timing, and any other/additional benefits and costs resulting from the Project, as detailed in the Exhibit B (B-6, Benefits; B-7, Deliverables; and B-8, Schedule for Progress Reports & Payments), and Exhibit C to the project manager. If appropriate, the Grantee shall revise the estimate of water savings based on records of each consecutive year for five years. Estimates shall include total annual water savings, net annual water savings, and costs. The report shall also include a description of how the water produced by the Project is being utilized. This recording and reporting process shall be subsequently repeated for a total of five (5) consecutive operational years.

A-10. TIMING AND MANNER OF PROJECT UNDERTAKING

- (a) Project Undertaking Pursuant to Agreement: The Project shall be undertaken in strict accordance with this Agreement.
- (b) Determination of Project Completion: For the purposes of this Agreement, the Project shall be considered to be completed or to be terminated when so determined by the State.
- (c) Acknowledgement of Credit: The Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under the Agreement.

- (d) Audit Requirement: Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit of the State for a period of three (3) years after final payment under this Agreement with respect to all matters connected with the performance of this Agreement, including but not limited to, the cost of administering this Agreement. All records of the Grantee or subcontractors shall be preserved for this purpose for at least three (3) years after completion of the Project.
- (e) Competitive Bidding of Contracts and Procurements: Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods, and services and construction of public works with funds provided by the State under this Agreement.
- (f) Final Inspection and Certification of Registered Civil Engineer (Construction Projects): Upon completion of the Project the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement. The Grantee shall notify the Office of Water Use Efficiency and Transfers of the Department of Water Resources of the inspection date at least 10 days prior to the inspection in order to provide the State the opportunity to participate in the inspection.

A-11. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

- (a) Separate Accounting of State Grant Disbursements and Interest Records

The Grantee shall account for the money disbursed pursuant to this Agreement separately from all other Grantee's funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

- (b) Disposition of Money Disbursed

All money disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

(c) Remittance of Unexpended Funds

The Grantee, within a period of thirty (30) days from the final disbursement from the State to the Grantee of State Grant funds, shall remit to the State any unexpended funds that were disbursed to the Grantee under this Agreement and were not needed to pay Eligible Project Costs.

(d) Interim and Final Audits

The State reserves the right to conduct an audit at any time between the execution of this Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Failure or refusal by the Grantee to comply with this provision shall be considered a substantial failure to comply with this Agreement, and the State may elect to pursue any remedies provided in Article A-5 or take any other action it deems necessary to protect its interests.

- A-12. **CLAIMS DISPUTE CLAUSE:** Any claim that the Grantee may have regarding the performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Project Manager, Department of Water Resources, within thirty (30) days of the Grantee's knowledge of the claim. Project Manager and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- A-13. **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of any other remedy provided by law.
- A-14. **STATE TO BE HELD HARMLESS:** The Grantee agrees to indemnify the State and its officers, agents, and employees against and to hold the same free and harmless from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to, either in whole or in part, and whether directly or indirectly, arising out of the Project.
- A-15. **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under

this Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a substantial failure to comply with this Agreement and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.

- A-16. **INSPECTIONS OF PROJECT BY STATE:** The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Agreement with the State.
- A-17. **PROHIBITION AGAINST DISPOSAL OF PROPERTY WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all of any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State to be applied to the Grantee's indebtedness under this Agreement.
- A-18. **NO THIRD PARTY RIGHTS:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation or undertaking established herein.
- A-19. **NOTICES:** All notices that are required either expressly or by implications to be given by one party to the other under this Agreement shall be signed for the Project Manager and for the Grantee by such officers, as from time to time, it may authorize in writing to so act. All such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed postage-prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.
- A-20. **PERFORMANCE AND ASSURANCES:** Grantee agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted or as later amended and approved by the State under this Agreement and to apply State funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law. In the event the State finds it necessary to enforce this provision or any right or power under this Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs. The State reserves the right to seek further written assurances from the grantee that the work of the Project under this Agreement will be performed consistent with the terms of this Agreement.

Agreement 4600004214
Water Use Efficiency Grant
Residential High Efficiency Clothes Washer Rebate Program

- A-21. **SEVERABILITY:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
- A-22. **WAIVER OF RIGHTS:** None of the provisions of this Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Agreement unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- A-23. **TERMINATION WITHOUT CAUSE:** The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- A-24. **TERMINATION FOR CAUSE:** The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided including but not limited to reasons of default under A-25.
- A-25. **DEFAULT PROVISIONS:**
- (a) The grantee will be in default under this Agreement if any of the following occur:
 - (1) Substantial breach of this Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
 - (2) Making any false warranty, representation, or statement with respect to this Agreement;
 - (3) Failure to make any remittance required by this Agreement.
 - (b) Should an event of default occur, the State may do any or all of the following:
 - (1) Demand the State Grant be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default;
 - (2) Terminate any obligation to make future payments to the Grantee;
 - (3) Terminate the Agreement; and
 - (4) Take any other action that it deems necessary to protect its interests.

- (c) The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of a breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project.
- (d) No waiver by the State of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if signed by the State or its authorized agent.

A-26. CONFLICT OF INTEREST:

(a) Current State Employees:

- (1) No State officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.
- (2) No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

(b) Former State Employees:

- (1) For the two year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the Agreement while employed in any capacity by any State agency.
- (2) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed Agreement within the twelve-month period prior to his or her leaving State service.

A-27. WORKERS' COMPENSATION CLAUSE: The Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

A-28. **AMERICANS WITH DISABILITIES ACT:** By signing this Agreement, Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

A-29. **DRUG-FREE WORKPLACE CERTIFICATION:**

(a) Certification of Compliance

By signing this Agreement, the Grantee, its contractors or subcontractors hereby certify under penalty of perjury under the laws of the State of California compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations, as required by Government Code Section 8355(a).
- (2) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors and subcontractors about all of the following:
 - a. The dangers of drug abuse in the workplace,
 - b. The Grantee's policy of maintaining a drug-free workplace,
 - c. Any available counseling, rehabilitation and employee assistance programs, and
 - d. Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse violations.
- (3) Provide, as required by Government Code Section 8355(c), that every employee, contractor and subcontractor who works under this Agreement:
 - a. Will receive a copy of the Grantee's drug-free policy statement, and
 - b. Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.

(b) Suspension of Payments: This Agreement or State Grant may be subject to suspension of payments or termination, or both, and the Grantee may be subject to debarment if the Department determines that:

- (1) The Grantee, its contractors or subcontractors have made a false certification, or;
- (2) Grantee, its contractors or subcontractors violates the certification by failing to carry out the requirements noted above.

A-30. **NONDISCRIMINATION CLAUSE**: During the performance of this Agreement, the Grantee, its contractors and subcontractors shall not deny the Contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Grantee shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Grantee, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article.

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

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Agreement.

The Grantee's signature on this Agreement shall constitute a certification under the penalty of perjury under the laws of the State of California that the Grantee has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

A-31. **UNION ORGANIZING**: No State funds disbursed by this State Grant will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.

EXHIBIT B

STATEMENT OF WORK METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA 4029

B-1 Project Description

The project will sustain momentum of the Proposition 13 High Efficiency Clothes Washer (HECW) program, transition clothes washer market to the 2010 State standards for water efficiency, and provide member agencies a \$110 incentive. Customers would be offered a minimum rebate of \$100 per retrofit and \$10 per unit for marketing and/or project administration costs. Metropolitan will provide a total of 33,200 rebates to residential customers through its participating member agencies. Rebates will be issued over the two-year period of the grant.

B-2 Objectives and Goals

- Transition clothes washer market towards year 2010 State standards.
- Assist clothes washer industry in transitioning to year 2010 State standards.
- Successfully obtain a federal waiver to enact into law the State clothes washer water efficiency standards for year 2010.
- Sustain the momentum and success of the customer response and retrofits under the current Proposition 13 grant program.
- Reduce demand for imported water including Bay-Delta supplies.
- Achieve year 2000 Regional Urban Water Management Plan objectives.
- Meet the 2025 conservation goal for Metropolitan's Integrated Water Resources Plan.
- Comply with obligations as signatory to the Memorandum of Understanding Regarding Urban Water Conservation in California in meeting Best Management Practice No. 6.

B-3 Tasks/Statement of Work

The feasibility and technical adequacy and work plan are described in this section.

B-3.1 Feasibility and Technical Adequacy

Agreements and program mechanics are already in-place because of funding from previous grants. Member agencies will be able to rapidly implement their HECW programs to target

increased water savings with more efficient machines and drive market towards 2010 State clothes washer efficiency standards.

B-3.2 Work Plan and Tasks

	Task	Month Due	Deliverable
1	MWD addendum to Master Agreement for member agencies to implement their Prop. 50 HECW programs	1	Execution of addendum to Master Agreement.
2	Develop promotional strategy	3	Advertisement plan
3	Add nonparticipating member agencies to the program	On-going	Addition of member agencies previously not participating
4	Implement program	5, 17, 26	Placed advertisements
5	Outreach and Community Involvement	On-going	As outlined in proposal
6	Assess performance	On-going	Documentation of findings
7	Provide Quarterly Reports	3,6,9,12...30	Quarterly Reports
8	Environmental Documentation and Permitting	On-going	As set forth in Section 12, Exhibit A; Grantee is responsible to obtain all necessary permits, licenses, and approvals, including the California Environmental Quality Act, the California Endangered Species Act, and all applicable engineering and design permits.
9	Final Report	35	Submittal of Final Report

B-4 Monitoring and Verification

Member agencies are requested to submit the following information with their monthly invoices:

- Rebate Activity data (an electronic database or hard copy) that provides customer, resident, washer, rebate processing, demographic, and marketing information.

For this grant program, member agencies will be required to provide the water factor and purchase date for each unit, because Metropolitan will only provide reimbursement for HECWs with a water factor of 6.0 or less.

- Monthly activity report that member agencies sign certifying the quantity of HECW rebates, unit costs, number of verifications, number of inspections, and a narrative describing activities performed during the reporting period.

For this grant program, member agencies will be required to certify that all units rebated will have a water factor of 6.0 or less.

- Member agencies are responsible for verification, however Metropolitan may perform random inspections of HECW installations.
- Customer satisfaction surveys will be completed to assess the success of the program from the customer's perspective. The results of those surveys will also be used as promotional testimony.
- Metropolitan and its member agencies quantify the number of rebates issued to conduct water savings evaluations (based on washer savings of about 8,000 gallons per year, which translates to a WF = 6.0 for HECW units). This will be done as part of Metropolitan's ongoing effort to substantiate the water savings generated from the financial investments it makes
- Metropolitan will provide program information and data to DWR as part of its quarterly progress reports and final report.

B-5 Budget

The total State share shall not exceed \$1,660,000 for all expenditures identified in Exhibit C.

B-6 Benefits

Benefits Accruing to the Bay-Delta:

1. Avoided Future Withdrawals from the Bay-Delta System: Metropolitan's implementation of this and other water use efficiency programs either offsets or defers State Water Project deliveries from the Bay-Delta to meet urban water demands.
2. Participation in Flexible Storage Programs: In the past, Metropolitan has participated in statewide flexible storage programs that support CALFED's environmental restoration objectives (e.g. Environmental Water Account). In general, southern California's ability to participate in this type of program is a function of storage and distribution system operational flexibility. Growing demands over time may erode system flexibility, potentially reducing our ability to participate in such programs, which are linked to direct environmental benefits within the Bay-Delta estuary. This grant will assist ongoing regional efforts to preserve system flexibility and strengthen the ability to continue flexible storage programs into the future.
3. Innovation and Knowledge Transfer: Metropolitan continues to play a leadership role in the development and implementation of innovative water use efficiency programs. Existing Metropolitan programs cover a wide range of conservation initiatives, from financial incentives for water efficient appliances to educational resources, such as the *Protector del Agua* program, which provides classroom instruction to promote outdoor water conservation among professionals and homeowners. This program would achieve higher-water savings than standard clothes washer programs, which could be transferable elsewhere in the State.

Benefits to Southern California Watersheds:

1. Water Efficient Appliances and Fixtures: Under this program, Metropolitan is promoting the latest water-efficient technology for the home, providing financial incentives for high efficiency clothes washers. It is generally acknowledged that indoor water conservation programs yield significant direct benefits to the region's wastewater sector and coastal watersheds through lower discharge volumes.
2. Other Public and Fiscal Benefits: This program warrants consideration based on potentially large cost savings to public agencies and ratepayers by reducing requirements for future capital improvements and water importation.

Water Savings

The total water savings for the project will be approximately 12,226 AF
(0.02455 AF/Year/Unit x 33,200 units x 15-year life).

B-7 Deliverables

Grantee is responsible for following deliverables:

- Quarterly Progress Reports and associated documents
- Final Report and associated documents
- Any applicable engineering and permitting documents
- Annual Reports of Benefits and Costs for 5 years

B-8 Schedule for Progress Reports and Payments

The following chart is based on a Project start date of November 1, 2005. This agreement will be completed by December 30, 2008.

Schedule for Completion of Project Tasks and Deliverables

Project Progress

Reports/Invoices/Deliverables	Completion Date
1 st Quarterly Report and Invoice	January-15-2006
2 nd Quarterly Report and invoice	April-15-2006
3 rd Quarterly Report and Invoice	July-15-2006
4 th Quarterly Report and Invoice	October-15-2006
5 th Quarterly Report and Invoice	January-15-2007
6 th Quarterly Report and Invoice	April-15-2007
7 th Quarterly Report and Invoice	July-15-2007
8 th Quarterly Report and Invoice	October-15-2007
9 th Quarterly Report and Invoice	January-15-2008
10 th Quarterly Report and Invoice	April-15-2008
Draft Final Report and Invoice	June-15-2008
Final Report and Retention Invoice	September-15-2008
Project Completion	December-30-2008

Annual Reports of Benefits and Costs

1 st Annual Report:	December-30-2009
2 nd Annual Report	December-30-2010
3 rd Annual Report	December-30-2011
4 th Annual Report	December-30-2012
5 th Annual Report	December-30-2013

B-9 Cooperator (s)

Metropolitan's participating member agencies will be cooperating agencies for this Project. Metropolitan offers financial incentives to 26-member agencies to co-fund their HECW rebate programs.

EXHIBIT B – Attachment 1

FINAL REPORT REQUIREMENTS

Final Reports, including Annual Reports and Updates, should include following, but are not limited to the following information:

Description of the Project:

- Description of project
- Detail of changes and/or adjustments made throughout the project
- Detail of causes to support changes and/or adjustments

Description of Objectives and Goals:

- Description of original objectives and goals
- Detail of changes and/or adjustments made throughout the project (if any)
- Detail of causes to support changes and/or adjustments

Description of Benefits (As stated in the project proposal and actually achieved):

- Water Savings
 1. CALFED
 2. Local
 3. State
 4. Other Benefits (economic/environmental, etc...)
- Water Quality
 1. CALFED
 2. Local
 3. State
 4. Other Benefits (economic/environmental, etc...)
- Flow and Timing
 1. CALFED
 2. Local
 3. State
 4. Other Benefits (economic/environmental, etc.)

Post Project Completion Benefits and Costs: (for post project completion annual reports and updates)

- Describe benefits and costs occurred since completion of the project
- Was there any revision in benefits and costs of project since its completion
- Describe impacts of implementation of this project on Grantee's water management for post completion years.

Tasks and Statement of Work

- Tasks as stated in the project proposal
- Tasks actually performed
- Detail of changes and/or adjustments made throughout the project (if any)
- Detail of causes to support changes and/or adjustments

Monitoring and Assessment:

- Describe in detail, qualitatively/quantitatively, pre-project condition(s) which are expected to be improved by implementation of this project.
- Describe in detail how monitoring and assessment was conducted for pre-project condition(s) and tools/methods/measures used for monitoring and assessment.
- Describe in detail, qualitatively/quantitatively, post-project condition(s) and improvements made by implementation of this project,
- Describe in detail how monitoring and assessment was conducted for post-project condition(s) and tools/methods/measures used for monitoring and assessment.
- Describe in detail main indicators of success to achieve goals/ objectives of this project
- Describe how you will continue monitoring and assessment for the next 5 years post project updates and reports (as described in the Statement of Work)
- Provide a detail of changes and/or adjustments made throughout the project (if any)
- Provide a detail of causes to support changes and/or adjustments.

Budget:

- Describe costs of this project including local, State share, and any other costs
- Detail of changes and/or adjustments made throughout the project (if any)
- Detail of causes to support changes and/or adjustments

Deliverables:

- What deliverables (reports, maps, flyers, environmental documents, etc) were delivered to the Department as part of implementation of this project?
- Detail of changes and/or adjustments made throughout the project (if any)
- Detail of causes to support changes and/or adjustments

Schedule or Timeline for Progress/Payment/Final Report:

- Were project timelines and schedule of progress reports and payments appropriate for this project?
- Detail of changes and/or adjustments made throughout the project (if any)
- Detail of causes to support changes and/or adjustments

Cooperators:

- Description of each cooperator/sub-contractor
- Detail of each cooperator's performance and impact on the outcome of this project
- Detail of each cooperator's impact on the project outcome

Final Statement:

- Summary of expected and realized benefits/costs

Agreement 4600004214
Water Use Efficiency Grant
Residential High Efficiency Clothes Washer Rebate Program

EXHIBIT C – BUDGET

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA 4029

	Category (I)	MWD Adjusted Share (II)	California Bay Delta Program Share Grant (III)	Total Project Costs (IV)=(II + III)
(a)	Administration	0	0	0
	Salaries, wages	0	0	0
	Fringe benefits	0	0	0
	Supplies	0	0	0
	Equipment	0	0	0
	Consulting services	0	0	0
	Travel	0	0	0
Two and a Half Yrs	Other	0	0	0
(b)	Planning/Design/Engineering	0	0	0
(c)	Equipment Purchases/Rentals/Rebates/Vouchers	1,660,000	1,660,000	3,320,000
(d)	Materials/Installation/Implementation	0	0	0
(e)	Implementation Verification	0	0	0
(f)	Project Legal/License Fees	0	0	0
(g)	Structures	0	0	0
(h)	Land Purchase/Easement	0	0	0
(i)	Environmental Compliance/Mitigation/Enhancement	0	0	0
(j)	Construction	332,000	0	332,000
(k)	Program Marketing or Program Administration	0	0	0
(l)	Monitoring and Assessment	0	0	0
(m)	Report Preparation	0	0	0
	Discretionary Funding	1,992,000	1,660,000	3,652,000
(n)	SUBTOTAL (a +..... +m)	0	0	0
(o)	Contingency (specify % used; example: 5 or 10)	1,992,000	1,660,000	3,652,000
(p)	TOTAL (n +o)			
(q)	Capital Recovery Factor: Use Table C-8			0
(r)	Annual Project Costs (p x q)			
(s)	Applicant Cost Share -Proportion (row p columns II / IV)	0.55		

Notes: Applicant claims locally cost effective, but application data and economist evaluation indicates the application not locally cost effective. Moved to not locally cost effective. Limit grant to two thirds, two years of program at \$1,660,000. Applicant cost shall be \$1,992,000.

High-Efficiency Clothes Washer Rebate Program
Proposition 50 Allocation
Effective January 1, 2006

Member Agency	Prop. 50 Allocation
Anaheim	820
Beverly Hills	25
Burbank	370
Calleguas	985
Central Basin	570
Eastern	475
Foothill	125
Glendale	425
Inland Empire	1,265
Las Virgenes	200
Long Beach	870
Los Angeles	6,885
MWDOC	5,885
Pasadena	645
San Diego	8,245
San Fernando	25
San Marino	25
Santa Monica	100
Three Valleys	345
Torrance	75
USGV	620
West Basin	1,415
Western	2,804
Total:	33,200

LOS ANGELES DEPARTMENT OF WATER AND POWER

Requirements for Ultra-Low-Flush Toilets

Supplementary Purchase Specification to ASME A112.19.2-2003

Revised: November 16, 2005

Toilets conforming to the applicable requirements of this specification will be listed as "SPS Certified" by LADWP. Sections I, II, III, IV and V of the following requirements shall apply to tank-type gravity fed toilets. Sections I, II and VI of the following requirements shall apply to tank-type flushometer (pressure-assist) and tank-type electrohydraulic toilets. Contact information regarding this specification can be found in Appendix A.

- I. Conform to ASME A112.19.2-2003 and listed by the City of Los Angeles or listing agency approved by the City of Los Angeles. Evidence of listing has been provided to the LADWP.
- II. Evidence of listing by the City of Los Angeles or listing agency approved by the City of Los Angeles as meeting the requirements of the Supplementary Purchase Specification has been provided to the LADWP.
- III. Conform to supplementary requirements regarding flapper replacement marking and fill valve. Conformance defined as follows:

- A. Flapper Replacement Marking: The interior of the toilet tank, underside of the toilet tank lid or the overflow tube shall be marked with the manufacturer's part number for a replacement flapper valve, and a manufacturer's telephone number to be used for obtaining a replacement flapper valve. Marking shall be permanent, visible (3/16 inch letter height minimum) and legible.

NOTE: *Flapper replacement marking requirement becomes effective on February 1, 2006.*

- B. Fill Valve: The fill valve shall be the pilot valve type only OR, alternatively, the fill valve shall be classified "Compliant" after being subjected to the test protocol included in Appendix B. LADWP must be provided hard copy documentation showing that a non-pilot valve type fill valve is classified as "Compliant" before the subject toilet may be certified as meeting this supplementary specification.

NOTE: *Fill Valve requirement becomes effective on February 1, 2006.*

- IV. Conform to supplementary requirements regarding toilet flush valve seal durability. Conformance defined as follows:

- A. Tanks equipped with a flush valve shall contain a flush valve seal that is classified "Compliant" after being subjected to the test protocol included in Appendix C¹ of this specification. All other flappers/seals must first be subjected to that protocol by a City of Los Angeles approved listing agency or by the Metropolitan Water District of Southern California (Metropolitan). Test results must show that the subject flapper/seal is "Compliant" when tested in the two consumer products: Clorox® (bleach) and 2000 Flushes® (bleach) as defined herein. Those results must be reported to LADWP.

¹ This test protocol has been adapted from Appendix C of the study "Toilet Flappers, Material Integrity Tests," by the Metropolitan Water District of Southern California (Metropolitan), dated January 2000. Inclusion of this test protocol is with the permission of the Metropolitan Water District of Southern California.

- B. LADWP must be provided hard copy documentation showing that the flapper/seal is classified as "Compliant" before the subject toilet may be certified as meeting this supplementary specification.
- V. Conform to supplementary requirements regarding toilet tank capacity. Conformance defined as follows:

- A. Any barrier, bucket, "dam", displacement device, etc., used in a toilet tank to affect flush volume shall be tamper-resistant and permanently affixed to the tank (i.e., any device that can be tampered with or removed such that the toilet can be made to flush with greater than 2.0 gallons when tested in accordance with Section B below shall be deemed noncompliant).

NOTE: *A manufacturer or its representative may, at its option, submit proposed tank designs to LADWP for evaluation prior to production. Should the submitting party designate those designs as proprietary, all information and ensuing discussions will be kept confidential. LADWP will render a written decision on compliance with this requirement within 15 working days of receipt.*

AND

- B. Either one of the following requirements (1 or 2):

1. The maximum capacity of the tank or, alternatively, the water containment vessel inside the tank, shall not exceed 2.0 gallons, measured as follows:

Purpose of Test: The objective of this test is to determine the maximum water holding capacity of the toilet tank or other containment vessel internal to the tank.

Test Procedure:

- a. Set an empty toilet tank (with complete tank trim installed) on a leveled test stand.
- b. Fill the tank or containment vessel to a level 0.25 inches +/- 0.06 inches below the top of the overflow tube. Where the tank utilizes an internal containment vessel and does not possess an overflow tube, the vessel shall be filled to a level 0.25 inches +/- 0.06 inches below the top rim of the vessel or to the manufacturer's designated water line, whichever is higher.
- c. Drain the tank (or vessel) into a container by activating/flushing the tank trip lever and holding it until no more water drains out.

Performance Requirement: Water collected in the container shall not exceed 2.0 gallons.

NOTE: *The volume of water may be determined visually using a graduated container or by weight calculated as a unit to volume unit.*

2. Supplementary requirements regarding adjustability and flush performance for original equipment and after-market flush valve seals shall be as follows:

For Original Equipment

The maximum volume of water that may be discharged by the toilet, when field adjustment of original equipment tank trim is set at its maximum water-use setting, shall not exceed 2.0 gallons. The following test procedure shall be followed to verify that the toilet meets this requirement:

Purpose of Test: The objective of this Adjustability Test is to determine the upper limit to the volume of water that may be discharged by the field adjustment of tank trim components.

Test shall be conducted per section 8.4 of ASME A112.19.2-2003 with the following modification:

Test procedure:

- a. The toilet shall be installed on a leveled test stand and all adjustable tank trim components (any field adjustment features in the tank that might increase the toilet flush volume) shall be adjusted to the maximum water use setting, while taking care not to damage or alter the parts.
- b. The water level in the tank shall be set to 0.25 inches +/- 0.06 inches below the top of the overflow tube. Where the tank utilizes an internal containment vessel and does not possess an overflow tube, the vessel shall be filled to a level 0.25 inches +/- 0.06 inches below the top rim of the vessel or to the manufacturer's designated water line, whichever is higher.
- c. The static pressure of the water supply shall be adjusted to 80 PSI +/- 2 PSI.
- d. The toilet shall be flushed maintaining the activator in the flushing position for a period of one (1) second maximum, the water being drained into a container.
- e. After the flush cycle is complete, the total flush volume shall be observed and recorded.
- f. This procedure shall be repeated until five (5) sets of data are obtained.
- g. The static pressure of the water supply shall be adjusted to 20 PSI +/- 2 PSI or at the manufacturer's recommended minimum pressure as noted in the product literature and product packaging, and test procedure steps d-e-f shall be repeated.

Report: The five (5) individual flush volumes and the average of the five (5) runs shall be reported for each of the two static water supply pressures specified.

Performance Requirement: The average total flush volume for five (5) test runs for each of the two static water supply pressures shall not exceed 2.0 gallons.

NOTE: *The volume of water may be determined visually using a graduated container or by weight calculated as a unit to volume unit.*

For after-market closure seals

The maximum volume of water that may be discharged by the toilet, when the original equipment flush valve seal (flapper or other sealing device) is replaced with a standard seal available in home improvement centers and hardware stores, and the field adjustment of tank trim is set at its maximum water-use setting, shall not exceed 2.0 gallons. The following test procedure shall be followed to verify that the toilet meets this requirement:

Purpose of Test: The objective of this Adjustability and After-Market Seal Test is to determine the upper limit to the volume of water that may be discharged when an off-the-shelf replacement flush valve seal/flapper is installed on the toilet.

Test shall be conducted per section 8.4 of ASME A112.19.2-2003 with the following modification:

Test procedure:

- a. The toilet shall be installed on a leveled test stand and all adjustable tank trim components (any field adjustment features in the tank that might increase the toilet flush volume) shall be adjusted for maximum water use, while taking care not to damage or alter the parts.
- b. Remove the original equipment flush valve seal and replace it with a standard (buoyant) non-adjustable after-market seal/flapper for that toilet. In the case of a standard configuration 2-inch flush valve, a Fluidmaster Bullseye Super flapper (part no. 501) or a Coast Foundry Ultra Blue flapper shall be used. For non-standard flush valves, including 3-inch flush valves, one or more replacement seals available at hardware and building supply stores shall be used².
- c. The water level in the tank shall be set to 0.25 inches +/- 0.06 inches below the top of the overflow tube. Where the tank utilizes an internal containment vessel and does not possess an overflow tube, the vessel shall be filled to a level 0.25 inches +/- 0.06 inches below the top rim of the vessel or to the manufacturer's designated water line, whichever is higher.
- d. The static pressure of the water supply shall be adjusted to 80 PSI +/- 2 PSI.
- e. The toilet shall be flushed maintaining the activator in the flushing position for a period of one (1) second maximum, the water being drained into a container.
- f. After the flush cycle is complete, the total flush volume shall be observed and recorded.
- g. This procedure shall be repeated until five (5) sets of data are obtained.
- h. The static pressure of the water supply shall be adjusted to 20 PSI +/- 2 PSI or at the manufacturer's recommended minimum pressure as noted in the product literature and product packaging, and test procedure steps e-f-g shall be repeated.

Report: The five (5) individual flush volumes and the average of the five (5) runs shall be reported for each of the two static water supply pressures specified.

² Where neither the Fluidmaster Bullseye Super flapper nor the Coast Foundry Ultra Blue flapper fit the flush valve, where a 3-inch flush valve is employed, or in the case of non-standard flush valve seals, the approved listing agency shall have discretion as to which after-market flapper or seal shall be used in the test.

Performance Requirement: The average total flush volume for five (5) test runs for each of the two static water supply pressures shall not exceed 2.0 gallons.

NOTE: *The volume of water may be determined visually using a graduated container or by weight calculated as a unit to volume unit.*

VI. Tank-type flushometer toilets and tank-type electrohydraulic toilets shall have a fixed non-adjustable flush volume **OR** shall conform to supplementary requirements regarding flush volume adjustability. Conformance defined as follows:

The maximum volume of water that may be discharged by the toilet, when the field adjustment of tank trim is set at its maximum water-use setting, shall not exceed 2.0 gallons. The following test procedure shall be followed to verify that the toilet meets this requirement:

Purpose of Test: The objective of this Adjustability Test is to determine the upper limit to the volume of water that may be discharged when tank trim is adjusted to its maximum water-use setting.

Test shall be conducted per section 8.4 of ASME A112.19.2-2003 with the following modification:

Test procedure:

- a. The toilet shall be installed on a leveled test stand and all adjustable tank trim components (any field adjustment features in the tank that might increase the toilet flush volume) shall be adjusted for maximum water use, while taking care not to damage or alter the parts.
- b. The static pressure of the water supply shall be adjusted to 80 PSI +/- 2 PSI.
- c. The toilet shall be flushed maintaining the activator in the flushing position for a period of one (1) second maximum, the water being drained into a container.
- d. After the flush cycle is complete, the total flush volume shall be observed and recorded.
- e. This procedure shall be repeated until five (5) sets of data are obtained.
- f. The static pressure of the water supply shall be adjusted to 20 PSI +/- 2 PSI or at the manufacturer's recommended minimum pressure as noted in the product literature and product packaging, and test procedure steps c-d-e shall be repeated.

Report: The five (5) individual flush volumes and the average of the five (5) runs shall be reported for each of the two static water supply pressures specified.

Performance Requirement: The average total flush volume for five (5) test runs for each of the two static water supply pressures shall not exceed 2.0 gallons.

NOTE: *The volume of water may be determined visually using a graduated container or by weight calculated as a unit to volume unit.*

Appendix A

Contact Information for Supplementary ULFT Specification

**Los Angeles Department of Water and Power
Mr. Thomas Gackstetter, Manager of Water Conservation
(213) 367-0936
thomas.gackstetter@ladwp.com**

**Los Angeles Department of Water and Power
Mr. Steve Johnson, Water Conservation Specialist
(213) 367-0922
steve.johnson@ladwp.com**

**IAPMO Testing and Services
Mr. Ken Wijaya, Laboratory Director
(909) 472-4100
kenwijaya@iapmo.org**

**Koeller and Company
Mr. John Koeller, P.E.
(714) 777-2744
koeller@earthlink.net**

**Metropolitan Water District of Southern California
Mr. William McDonnell, Senior Resource Specialist
(213) 217-7693
bmcdonnell@mwdh2o.com**

**City of Los Angeles Department of Building and Safety
Mr. Amir Tabakh, Director of Mechanical Testing Laboratory
(323) 226-1638
atabakh@ladbs.lacity.org**

Appendix B

Test Protocol – Fill Valve Integrity Test

This requirement shall apply to all fill valves that are not otherwise classified as pilot valves.

Must conform to both of the following requirements (1 and 2):

1. Consistent Water Level

Purpose of Test: To determine whether or not the fill valve shuts off at a consistent water level in a toilet tank independent of any change in inlet water supply pressure.

Test Procedure:

- a. Install the fill valve in the toilet tank provided, install the tank on a leveled test stand, and adjust the water level per the manufacturer's recommendation at an inlet water pressure of 20 PSI +/- 2 PSI or at the manufacturer's recommended minimum pressure as noted in the product literature and product packaging.
- b. Flush the tank to verify and mark water level after completed refill.
- c. Increase the inlet water pressure to 60 PSI +/- 2 PSI.
- d. Flush the tank.
- e. Measure any difference in water level after completed refill.
- f. Repeat steps c-d-e utilizing 80 PSI +/- 2 PSI inlet water pressure.

Performance Requirement: The fill valve shall shut off at the same water level +/- ½ inch for all three inlet water pressures. In addition, water shall not enter the overflow tube or flow out of the tank at all three inlet pressures.

2. Shutoff Integrity with Increased Water Pressure

Purpose of Test: To determine whether or not the fill valve shuts off at a consistent water level in a toilet tank independent of changes in inlet water supply pressure.

Test Procedure:

- a. Install the fill valve in a toilet tank and adjust the water level per the manufacturer's recommendation at an inlet water pressure of 20 PSI +/- 2 PSI or at the manufacturer's recommended minimum pressure as noted in the product literature and product packaging.
- b. Flush the tank to verify and mark water level after completed refill.
- c. Increase the inlet pressure to the fill valve from 20 (or recommended minimum pressure) to 60 PSI, then to 80 PSI at a rate of less than 10 PSI per second.

Performance Requirement: The water level shall remain at the initial mark +/- ½ inch. In addition, water shall not enter the overflow tube or flow out of the tank.

Appendix C

Test Protocol – Formed Flapper Valve Accelerated Test

1. Purpose

To test a flapper valve seal in an accelerated aging environment to determine its likely integrity within a functioning toilet subjected to drop-in bowl cleaners.

2. Scope

This test will assess the sealing characteristics of a formed flapper valve or other seal in two accelerated aging environments, each consisting of one of the following two commonly available consumer products: (a) Clorox®-Bleach and (b) 2000 Flushes® (Bleach). Upon completion of testing, the subject flapper valve will be evaluated as to its ability to withstand these drop-in bowl cleaners and maintain a "Compliant" seal. "Compliant" is defined as no-leak OR does not leak more than the specified rate, 0.25 ml per hour,

3. Procedure

3.1 Leak Rate Test (to be performed prior to and at the end of the accelerated test)

- 3.1.1 Attach test specimen to valve seat (as specified by the manufacturer) in test apparatus. In this case, the apparatus consists of an 8-inch diameter clear PVC pipe attached to a flat piece of 0.25-inch (minimum) PVC flat stock and appropriately sealed. The valve seat is attached to the apparatus through the properly sized hole in the flat stock. The apparatus is then placed on top of a three-liter graduated beaker for the purpose of accurately monitoring and measuring any leaks. (Note: An alternate set of apparatus is permitted if it will enable the tester to provide the required environment for the test.)
- 3.1.2 Fill the test apparatus with tap water to the specified fill line. The temperature of the tap water shall be within a 16°C - 27°C range. The fill line is to be set at 7-inches above the valve seat as this represents the lowest water level in most commercially available residential toilets.
- 3.1.3 Lift the specimen and "flush" the test apparatus. Fill and repeat 2 more times. This allows the specimen to be wetted and to find its "seat."
- 3.1.4 Fill the test apparatus to the fill line. Allow the flapper to seat properly by leaving the set-up undisturbed for 24 hours +/- 1 hour.
- 3.1.5 At the end of the 24-hour period, start test. Test should run for one hour +/- two minutes.

3.1.6 At the conclusion of the test remove the test apparatus from the graduated beaker and inspect the beaker for any water that may have leaked from test apparatus. If the beaker is dry, report "Compliant". If water is present, determine the volume from the graduations on the beaker. If the volume is too small to determine from the large graduations on this size beaker, transfer the water to a smaller graduated beaker or cylinder for determination. Report the volume leaked as "xx ml/hr".

3.1.7 Repeat steps 3.1.1 – 3.1.6 at the conclusion of the "Accelerated Test."

3.1.8 Criteria: Leakage from the flapper in excess of 0.25 ml/hr (three drops) shall be considered a failure.

3.2 Accelerated Test

3.2.1 The following two drop-in bowl cleaners shall each be included as a separate test: (a) Clorox[®]-Bleach and (b) 2000 Flushes[®] (Bleach). A concentrated stock solution shall be made using each bowl cleaner. This concentration shall be at 2,000 ppm of total chlorine in a tap water solvent. For each stock solution, steps 3.2.2 through 3.2.8 shall be followed.

3.2.2 The stock solution shall be analyzed initially upon preparation and at each solution change, at which time the concentration level shall be recorded. In the event that an analysis indicates that the concentration of the stock solution has changed by more than ten percent (10%) from that prepared in accordance with paragraph 3.2.1, the solution shall be discarded and a new stock solution prepared.

3.2.3 The test specimen shall be inserted into a test vessel (jar or other suitable vessel) such that the sealing surface of the test specimen is not under physical stress. No more than one specimen per jar is allowed.

3.2.3 The stock solution shall be added to the test vessel so as to completely cover the test specimen; fill the test vessel with the stock solution as completely as possible.

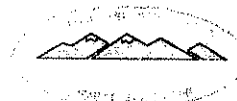
3.2.5 The test vessel containing the stock solution and the test specimen shall then be placed in a mechanically convected oven or other device capable of maintaining a test temperature of 40°C +/- 3°C. The test temperature shall be maintained at 40°C +/- 3°C for the 28-day duration of the accelerated test.

- 3.2.6 The solution in the test vessel shall be changed daily (as permitted) with fresh stock solution.
- 3.2.7 The test specimen shall be removed from the test vessel at the end of 28 days and within one (1) hour +/- two minutes subjected to the leak test as specified in 3.1 above.
- 3.2.8 Steps 3.2.3 - 3.2.7 above shall be repeated for each test specimen.
- 3.2.9 To assist in verifying test accuracy, a minimum of two samples of each specimen shall be tested in each stock solution.



The Metropolitan Water District of Southern California

Family of
Southern California
Water Agencies



California Friendly Model Home Program

Builder's Statement of Interest

Purpose

This information will provide the sponsoring water agencies with details on the timing and location of projects for consideration as potential participants in this program. Submittal of a Statement of Interest to Metropolitan by a participating member agency will enable Metropolitan to assess project eligibility and to reserve rebate funds. Funds are limited and disbursed on a first-come, first-served basis, subject to change.

Builder Name

Division

Project Name

Location

County

Tract No.

Number of Model Homes

Number of Production Units

Total Units

Estimated Construction Start Date

Estimated Construction End Date

Name

Title

Mailing Address

Telephone

E-mail

Proposed Number of "California Friendly" Model Homes

Estimated Opening Date

How long will model home be accessible to the public?

When is landscape design scheduled to start?

Irrigated Landscape Area (square feet excluding hardscape area)

MWD Member Agency

Contact Person

Telephone

Signature

Date

Please mail or fax completed form to:

Metropolitan Water District
of Southern California
Attn: Carlos Michelin
P.O. Box 54153
Los Angeles, CA 90054-0153

Telephone (213) 217-6645
Fax (213) 830-4527

Date Received _____

Eligibility Confirmed _____

Assigned Rebate Number _____

Released By _____

Date _____