



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

DEAN D. EFSTATHIOU, Acting Director

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **AS-0**

October 29, 2008

NOTICE OF REQUEST FOR PROPOSALS FOR WATER CONSERVATION BEST MANAGEMENT PRACTICES (2008-AN049)

PLEASE TAKE NOTICE that Public Works requests proposals for the contract for Water Conservation Best Management Practices (2008-AN049). The total annual contract amount of this service is estimated to be \$450,000. The Request for Proposals (RFP) with contract specifications, forms, and instructions for preparing and submitting proposals may be accessed at <http://dpw.lacounty.gov/asd/contracts> or may be requested from Ms. Lorena Calderon at (626) 458-4169 or lcalderon@dpw.lacounty.gov, Monday through Thursday, 7 a.m. to 5 p.m.

Minimum Requirement(s): Proposers must meet all minimum requirements set forth in the RFP document, including, but not limited to, Proposer shall have at least one Certified Landscape Irrigation Auditor certified by the Irrigation Association or one Certified Landscape Technician certified by the California Landscape Contractor Association on staff in a supervisory capacity.

A Proposers' Conference will be held on **Wednesday, November 12, 2008, at 10 a.m.** at Public Works Headquarters, 900 South Fremont Avenue, Alhambra, California 91803, in Conference Room C. **ATTENDANCE BY THE PROPOSER OR AN AUTHORIZED REPRESENTATIVE AT THE CONFERENCE IS MANDATORY.** Public Works will reject proposals from those whose attendance at the conference cannot be verified. Attendees should be prepared to ask questions at that time about the specifications, proposal requirements, and contract terms. After the conference, it may be impossible to respond to further requests for information.

The deadline to submit proposals is Wednesday, November 26, 2008, at 5:30 p.m. Please direct your questions to Ms. Calderon at the number above.

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The conference facility complies with the Americans with Disabilities Act (ADA). With four business days' notice, Public Works will make all reasonable efforts to provide information in alternate formats and other accommodations for people with disabilities. For the ADA Coordinator, please call (626) 458-4081 or TDD at (626) 282-7829, Monday through Thursday, 7 a.m. to 5:30 p.m.

Very truly yours,

DEAN D. EFSTATHIOU
Acting Director of Public Works

A handwritten signature in black ink, appearing to read "Fred Rubin". The signature is fluid and cursive, with a large, sweeping loop at the end.

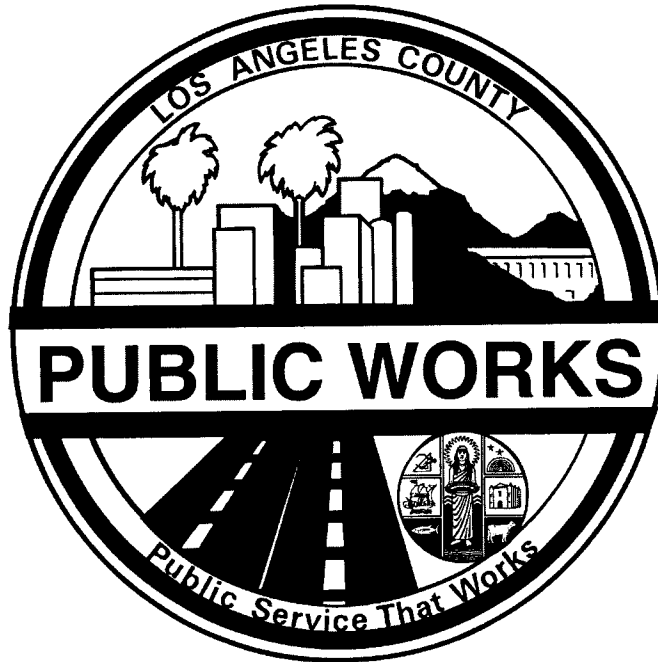
FRED M. RUBIN
Acting Deputy Director

LC


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Enc.

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS
REQUEST FOR PROPOSALS
FOR
WATER CONSERVATION BEST MANAGEMENT
PRACTICES (2008-AN049)



Approved OCT 29, 2008
Dean D. Efstathiou
Acting Director of Public Works

By: 
Acting Deputy Director

REQUEST FOR PROPOSALS
FOR
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PART I

REQUEST FOR PROPOSALS

SECTION 1

INTRODUCTION

A. Proposers' Conference

Each Proposer or an authorized representative must attend a Proposers' Conference to be held at the place, date, and time announced in the Notice of Request for Proposals. **ALL INTERESTED PROPOSERS OR THEIR AUTHORIZED REPRESENTATIVE MUST ATTEND THIS CONFERENCE.** Proposals received from Proposers not signed in as attending this Conference will be rejected as nonresponsive. Proposers are encouraged to be prepared to ask questions concerning the Request for Proposals (RFP), contract requirements, specifications, terms, and conditions. For example, questions may address concerns, if any, that the application of minimum mandatory requirements, evaluation criteria, and/or business requirements would unfairly disadvantage Proposers or, due to unclear instructions, may result in Public Works not receiving the best possible responses from Proposers. Upon conclusion of the Proposers' Conference, Public Works will only provide further clarifications and/or answers concerning this solicitation through an addendum(s) to all who attended the Conference.

B. Minimum Mandatory Requirements

Interested and qualified Proposers, who can demonstrate their ability to successfully provide the required services outlined in Exhibit A, Scope of Work, of this RFP are invited to submit a proposal, provided they meet the following requirement(s) at the time of proposal submission:

- Proposer shall have at least one Certified Landscape Irrigation Auditor certified by the Irrigation Association or one Certified Landscape Technician certified by the California Landscape Contractor Association on staff in a supervisory capacity.

C. Contract Analyst

All contact regarding this RFP or any matter relating thereto must be in writing and may be mailed, e-mailed, or sent via facsimile to:

County of Los Angeles Department of Public Works
Administrative Services Division – 9th Floor
Attention Ms. Lorena Calderon
P.O. Box 1460
Alhambra, California 91802-1460

E-mail: lcalderon@dpw.lacounty.gov
Telephone: (626) 458-4169
Facsimile: (626) 458-4194

If it is discovered that a Proposer contacted and received material information from any County personnel, other than the contract analyst named in the Notice of Request for Proposals and above, regarding this solicitation, the County, in its sole determination, may disqualify their proposal from further consideration.

D. Child Support Compliance Program

Proposers shall: 1) fully comply with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and 2) comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and continue to maintain compliance during the term of any contract that may be awarded pursuant to this solicitation. Failure to comply may be cause for termination of a contract and/or initiation of debarment proceedings against the noncompliant contractor (County Code Chapter 2.202).

E. County Rights and Responsibilities

The County has the right to amend this RFP by written addendum prior to the proposal submission deadline. The County is responsible only for that which is expressly stated in this solicitation document and any authorized written addenda. Addendums shall be made available to each person or organization that attended the Proposers' Conference. Should an addendum(s) require additional information not previously requested, failure to address the requirements of such addendum may result in the proposal not being considered, as determined in the sole discretion of the County. The County is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf.

F. GAIN and GROW Programs

As a threshold requirement for consideration for contract award, Proposers shall demonstrate a proven record of hiring participants in the County's Department of Public Social Services' Greater Avenue for Independence (GAIN) and General Relief Opportunity for Work (GROW) Programs or shall attest to a willingness to consider GAIN and GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposers shall attest to a willingness to provide employed GAIN and GROW participants access to Proposer's employee mentoring program, if available, to assist these individuals in

obtaining permanent employment and/or promotional opportunities. Proposers who are unable to meet this requirement shall not be considered for contract award. Proposers shall certify compliance on Form PW-10, GAIN and GROW Employment Commitment.

G. Indemnification and Insurance

The successful contractor will be required to comply with the indemnification provisions contained in Exhibit B, Section 5, Indemnification and Insurance Requirements. The contractor will be required to procure, maintain, and provide the County proof of insurance coverage for all programs of insurance along with associated amounts specified throughout the entire term of the proposed contract, without interruption or break in coverage.

H. Injury and Illness Prevention Program

The successful contractor will be required to comply with the State of California's Cal/OSHA's regulations. Section 3203 of Title 8 in the California Code of Regulations requires all California employers to have a written, effective Injury and Illness Prevention Program that addresses hazards pertaining to the particular workplace covered by the program.

I. Interpretation of Request for Proposals

The definitions and other rules of interpretation set forth in Part II, Sample Agreement and Exhibit B, Section 1, Interpretation of Contract, also apply to interpretation of this RFP.

J. Jury Service Program

1. The resultant contract from this RFP will be subject to the requirements of the County's Contractor Employee Jury Service Ordinance (Jury Service Program, Los Angeles County Code Chapter 2.203). Proposers should carefully read the pertinent jury service provisions in the Sample Agreement (Part II, Exhibit B, Service Contract General Requirements, Section 7, Compliance with County's Jury Service Program). The Jury Service Program applies to both Contractors and their Subcontractors. Proposals that fail to comply with the requirements of the Jury Service Program will be considered nonresponsive and excluded from further consideration.
2. The Jury Service Program requires Contractors and their Subcontractors to have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employee's regular pay the fees received for jury service. For purposes of the Jury Service Program, "employee" means any California resident who is a full-time employee of a Contractor, and

"full-time" means 40 hours or more worked per week or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County; or 2) the Proposer has a long-standing practice that defines the lesser number of hours as full-time. Therefore, the Jury Service Program applies to all of a Contractor's full-time California employees, even those not working specifically on the County project. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program.

3. There are two ways in which a Contractor might not be subject to the Jury Service Program. The first is if the Contractor does not fall within the Jury Service Program's definition of "Contractor." The Jury Service Program defines "Contractor" to mean a person, partnership, corporation, or other entity which has a contract with the County or a Subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. The second is if the Contractor meets one of the two exceptions to the Jury Service Program. The first exception concerns small businesses and applies to Contractors that have: 1) ten or fewer employees; and 2) annual gross revenues in the preceding 12 months which, if added to the annual amount of this proposed contract is less than \$500,000; and 3) is not an "affiliate or subsidiary of a business dominant in its field of operation." The second exception applies to Contractors that possess a collective bargaining agreement that expressly supersedes the provisions of the Jury Service Program. The Contractor is subject to any provision of the Jury Service Program not expressly superseded by the collective bargaining agreement.
4. If a Contractor does not fall within the Jury Service Program's definition of "Contractor" or if it meets any of the exceptions to the Jury Service Program, then the Contractor must so indicate in the Contractor Employee Jury Service Program Application for Exception and Certification Form (Form PW-3) and include with its submission all necessary documentation to support the claim, such as tax returns or a collective bargaining agreement, if applicable. Upon reviewing the Contractor's application, the County will determine, in its sole discretion, whether the Contractor falls within the definition of "Contractor" or meets any of the exceptions to the Jury Service Program. The County's decision will be final.

K. Local Small Business Enterprise Preference Program

1. To the extent permitted by State and federal law, the County will give Local SBE preference during the solicitation process to businesses that meet the definition of a Local Small Business Enterprise (Local SBE), consistent with Chapter 2.204.030C.1 of the Los Angeles County Code. A Local SBE is defined as: 1) A business certified by the State of California as a small business and 2) has had its principal office located in Los Angeles County

for at least one year. The business must be certified by the Office of Affirmative Action Compliance as meeting the requirements set forth in 1 and 2 above prior to requesting the Local SBE Preference in a solicitation.

2. To apply for certification as a Local SBE, businesses may register at the Office of Affirmative Action Compliance's website at:

<http://oaac.co.la.ca.us/contract/sbemain.html>

3. Certified Local SBEs must request the SBE Preference in their solicitation responses and may not request the preference unless the certification process has been completed and certification affirmed. Businesses must attach their Local SBE Certification Letter to a completed Form PW-9, Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form with their proposal. Sanctions and financial penalties may apply to a business that knowingly, and with intent to defraud, seeks to obtain or maintain certification as a certified Local SBE.
4. Information about the State's small business enterprise certification regulations is in the California Code of Regulations, Title 2, Subchapter 8, Section 1896 et seq., and is also available on the California Department of General Services Office of Small Business Certification and Resources website at <http://www.pd.dgs.ca.gov/smbus/default>.

L. Notification to County of Pending Acquisitions/Mergers by Proposing/Bidding Company

The Proposer shall notify the County of any pending acquisitions/mergers of their company. This information shall be provided by the Proposer on Form PW-1, Verification of Proposal. The proposed contract will only be awarded to the entity that submitted the proposal. Any acquisitions and merger will be handled pursuant to Exhibit B, Section 2.B, Assignment and Delegation and evaluated in accordance with the Board's policy regarding contractors engaged in mergers and acquisitions. Failure of the Proposer to provide this information may eliminate its proposal/bid from any further consideration.

M. Prompt Payment Program

It is the intent of the County that Certified Local SBEs receive prompt payment for services they provide to County departments. Prompt payment is defined as 15 calendar days after the receipt of an undisputed and approved invoice.

N. Proposal Requirements and Contract Specifications

1. Persons who wish to contract with the County may respond to this RFP by submitting a proposal in the form described in the following Sections and Attachments. Proposers are instructed to carefully read these Terms, Requirements, Specifications, Conditions, Attachments, and Exhibits.

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2. Requirements for proposals are explained in Part I of this RFP.
3. The proposed contract's specifications and requirements are fully described in Part II, Sample Agreement; Exhibit A, Scope of Work; and Exhibit B, Service Contract General Requirements. Proposers are also requested to review Attachment 1, Policy on Doing Business with Small Business; Attachment 2, Debarred Vendors Report; and Attachment 3, County of Los Angeles Lobbyist Ordinance.
4. Dates and times of the Proposers' Conference and for the submission of Proposals are set forth in the Notice of Request for Proposals.

O. Proposer's Charitable Contributions Compliance

California's "Supervision of Trustees and Fundraisers for Charitable Purposes Act" regulates receiving and raising charitable contributions. Among other requirements, those subject to the Charitable Purposes Act must register. The 2004 Nonprofit Integrity Act (SB 1262, Chapter 919) increases Charitable Purposes Act requirements. New rules cover California public benefit corporations, unincorporated associations, trustee entities, and may include similar foreign corporations doing business or holding property in California. Key Nonprofit Integrity Act requirements affect executive compensation, fund-raising practices, and documentation. Charities with over \$2 million of revenues (excluding funds that must be accounted for to a governmental entity) have new audit requirements.

All prospective contractors must determine if they receive or raise charitable contributions, which subject them to the Charitable Purposes Act and complete the certification form attached as Form PW-12. A completed Form PW-12 is a required part of any agreement with the County.

In Form PW-12, prospective contractors certify either that:

1. They have determined that they do not now receive or raise charitable contributions regulated under the California Charitable Purposes Act (including the Nonprofit Integrity Act) but will comply if they become subject to coverage of those laws during the term of a County contract; or
2. They are currently complying with their obligations under the Charitable Purposes Act, attaching a copy of their most recent filing with the Registry of Charitable Trusts.

Prospective County contractors that do not complete Form PW-12 as part of the solicitation process may, in the County's sole discretion, be disqualified for contract award. A County contractor that fails to comply with its obligations under the Charitable Purposes Act is subject to either contract termination or debarment proceedings or both (County Code Chapter 2.202).

P. Transitional Job Opportunities Preference Program

To the extent permitted by State and federal law in evaluating proposals, the County will give preference to businesses that are certified by the County as Transitional Job Opportunity vendors, consistent with Chapter 2.205 of the Los Angeles County Code. A Certified Transitional Job Opportunity vendor is, and has been such for three years, an entity: that is a nonprofit organization recognized as tax exempt pursuant to section 501 (c)(3) of the Internal Revenue Services Code; set forth, under penalty of perjury, such information as requested by the County on either electronic or hard copy forms, along with their application form and three most recent annual tax returns to Public Works with their proposal response to contracting solicitation for which they are competing; has been in services to program participants; and provided a profile of their program a description of their program components designed to assist program participants, number of past program participants, and any other information requested by Public Works. Transitional Job Opportunities vendors must request the preference in their solicitation responses (Form PW-13) and may not receive the preference until their certification has been affirmed by Public Works. County must verify the Transitional Job Opportunity vendor certification prior to applying the preference. Sanctions and financial penalties may apply to a vendor that knowingly and with intent to defraud seeks to obtain or maintain certification as a Transitional Job Opportunities vendor.

Q. Vendor Registration

Proposers must register on-line with the County's web-based vendor registration system to facilitate the contract award process. Registration can be accomplished online via the Internet by accessing the County's home page at http://lacounty.info/doing_business/main_db.htm and click on "Vendor Registration Information – Self Registration." Being registered will assist the Proposer in receiving notifications of the release of County solicitations that may be of interest to the Proposer.

SECTION 2

PROPOSAL PREPARATION AND SUBMISSION

A. Proposal Format and Content Requirements

Proposals shall be bound and presented in the sequence, with the content, and tabbed in the format stated below. Failure to provide the required information or to strictly comply with these guidelines may be a basis for rejection of the Proposal as nonresponsive at the County's sole discretion:

1. Title page

The title page shall show the Proposer's name, title of the service requested, local address, telephone number, and date of submittal.

2. Table of Contents

A comprehensive table of contents shall list all material included in the Proposal.

3. Letter of Transmittal

A person legally authorized to enter into contracts for the Proposer shall sign the Letter of Transmittal. The letter must include a brief statement of the Proposer's understanding of the work to be accomplished and a list of names of individuals authorized to make representations for the Proposer, their titles, addresses, and telephone numbers.

4. Support Documents for Corporations and Limited Liability Companies

a. Corporations

Proposer must provide a copy of the corporation's "Certificate of Good Standing" with the State of California or state of incorporation and the most recent "Statement by Domestic (or Foreign) Stock Corporation" as filed with the California Secretary of State or state of incorporation. If Proposer's most recent Statement has only the "No change in information" box checked, the Proposer must also submit the most recent Statement, which includes a list of corporate officers. The "Statement of Information" must list the corporate officers.

b. Limited Liability Companies

Proposer must provide a copy of the most recent "Statement by Domestic (or Foreign) Stock Corporation" as filed with the California Secretary of State or state of incorporation. If Proposer's most recent Statement has only the "No change in information" box checked, the Proposer must also submit the most recent Statement,

which includes a list of corporate officers. The "Statement of Information" must list the corporate officers.

5. Experience

Proposer's capabilities and experience shall be described comprehensively in order to provide for a meaningful evaluation, comparison, and assessment. The narrative should discuss each of the following subject areas:

- Background;
- Organization (provide a chart or outline of the firm's organizational structure); and
- Specific information regarding length and quality of experience providing services of the type described in these Specifications. **(Part I, Section 4.E, Evaluation Criteria)**. Identify the roles of and submit resumes for the firm, principal staff members, project manager, on-site supervisors, other key staff, and subcontractors.

Principal Staff Members – Provide information on key individuals providing the offered services including relevant experience, education, and past experience. Describe the role of each member and provide a table of organization delineating their responsibilities. Provide a resume or curriculum vitae for each staff member. Describe plan for hiring, training, retaining, and compensating employees.

Project Manager – Designate an experienced, certified senior individual as the supervisor/administrator of the Consultant's staff who will be responsible for the delivery of services in accordance with the established Scope of Work in the Consultant Services Agreement with Public Works.

- Demonstrate how the Proposer complies with requirements outlined in Part I, Section 1.B, Minimum Mandatory Requirements, if any.

6. Work Plan

FAILURE TO PREPARE AND INCLUDE A WORK PLAN MAY RESULT IN DISQUALIFICATION OF THE PROPOSAL.

Describe comprehensively and in detail how the service will be performed to meet or exceed the requirements of Exhibit A, Scope of Work. Prepare and include a staffing plan that specifically describes the number of staff who will be committed to the project and their qualifications. If possible, list them by name. Describe and include the schedules, procedures, techniques, and methods that will be employed in meeting the objectives outlined in the

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Scope of Work. These may include personnel management, training, subcontracting, emergency and contingency planning, recruitment and replacement, supervision, supplies, equipment, uniforms, identification badges, safety, communications, and quality control. The work plan must include the following specific information:

Schedule of Work – Provide a schedule of activities showing total time needed to complete the project, outlining the duration for each task and activity, deliverables and milestones, including a minimum of two weeks review time by Public Works. Proposers are encouraged to propose the best possible work plan to achieve the CUWCC BMP goals. If the consultant is aware of an improvement over the proposed work methods set forth in this scope of work, it should be presented with the benefits and advantages clearly explained.

Resource Estimate – Provide an estimate of man-hours broken down by project team members, tasks, and deliverables, with hourly rates shown for each team member. In addition, provide the total cost of the Project broken down by tasks and man-hours. Describe and detail any agency fees or overhead charges. Consultant must submit information about each staff member including their curriculum vitae, certification and rate of pay as they are hired.

7. Quality Assurance and Customer Service Programs

Proposer must provide a description of the customer service training program used to ensure high quality customer service which will be provided to Districts' customers and the Quality Control program used to ensure high quality, accurate reports. Proposer shall describe its Quality Assurance Program (Program) that will be utilized by the Proposer as a self-monitoring tool to ensure that these services are performed in accordance with the County's contract requirements and recommendations. The Program must ensure service deliveries outlined in Exhibit A, Scope of Work, are completed in a timely manner, the services will be free of defects, and how those results will be achieved. The Program must comprehensively address the Proposer's organizational process for consistently delivering those requirements. At a minimum, the Program outlined in your proposal shall address in detail:

- a. Policies and Procedures – Quality control procedures for the Proposer, subcontractors, and suppliers must be described. The Proposer's staffing plan must include a qualified inspector to monitor compliance with the Program and deal with customer complaints and inquiries. If a subcontractor is to perform work, the Program must detail how that subcontractor will interface with the Proposer and how the Proposer will ensure that the subcontractor complies with the Program.

- b. Inspection Fundamentals – The Proposer shall provide samples of forms that outline required operations and quality levels. The Proposal must indicate the Proposer's inspection schedules, a methodology to correct deficiencies, level of supervision, and how the inspections are to be performed. The Proposal shall document the name, authority, relevant experience, and qualifications of the person with overall responsibility for the inspection system.
- c. Quality Control Documentation, Review, and Reporting – The Program shall describe and list the records to be maintained. The Program shall detail how the Proposer will maintain inspection records and make them available to the County.

8. Subcontractors

If subcontractors are to be used, submit a description of their proposed assignments, qualifications, experience, staffing, and schedules.

9. Licenses and Certifications

Submit copies of the supervising employee's valid Landscape Irrigation Auditor Certification or Landscape Technician Certification.

10. Insurance

Submit proof of current, valid insurance coverage that meets the requirements of the RFP or a statement acknowledging that the required insurance coverage will be provided prior to commencing work under the proposed contract.

11. Forms List

Complete and submit the following forms which are included in the RFP package:

- PW-1 Verification of Proposal;
- PW-2 Schedule of Prices;
- PW-3 County of Los Angeles Contractor Employee Jury Service Program Application for Exception and Certification Form;
- PW-4 Contractor's Industrial Safety Record;
- PW-5 Conflict of Interest Certification;
- PW-6 Proposer's Reference List;
- PW-7 Proposer's Equal Employment Opportunity Certification;

- PW-8 List of Subcontractors;
- PW-9 Request for Local Small Business Enterprise (SBE) Preference Program Consideration and CBE Firm/Organization Information Form (Attach Local SBE certification form if requesting SBE preference);
- PW-10 GAIN and GROW Employment Commitment;
- PW-11 Transmittal Form to Request an RFP Solicitation Requirements Review (Submit only if requesting a review. If requesting a review, please submit form as early as possible before the proposal submission to the listed Contract Analyst);
- PW-12 Charitable Contributions Certifications;
- PW-13 Transitional Job Opportunities Preference Application;
- PW-14 Statement of Terminated Contracts; and
- PW-15 Proposer's Pending Litigations and Judgments.

(Proposer should note that any change, edit, deletion, etc., of these forms by the Proposer may subject the Proposer's Proposal to disqualification, at the sole discretion of the County.)

12. Subcontractors' Forms List

The County seeks diverse, broad-based participation in its contracting. Subcontractors, if any, shall be subject to all requirements set forth in the RFP that are applicable to contractors in general. If subcontractors are to be employed, Proposer must submit a statement of their proposed assignments, qualifications, experience, staffing, and schedules. In addition to this statement, the following forms must be completed and submitted for each subcontractor contemplated:

- PW-3 County of Los Angeles Contractor Employee Jury Service Program Application for Exception and Certification Form;
- PW-4 Contractor's Industrial Safety Record;
- PW-5 Conflict of Interest Certification;
- PW-7 Proposer's Equal Employment Opportunity Certification;
- PW-9 Request for Local Small Business Enterprise (SBE) Preference Program Consideration and CBE Firm/Organization Information Form (Part II of form only);
- PW-10 GAIN and GROW Employment Commitment Form; and

PW-12 Charitable Contributions Certifications

13. Additional Information

Additional information that is not presented elsewhere and is essential to a fair evaluation must appear in the last Section of the Proposal and be labeled "Additional Information." If there is no additional information the Proposer wishes to present, this Section will consist of the statement: "There is no additional information we wish to present."

B. Proposal Submission

1. Proposals shall be submitted with four complete sets (one original and three copies) of the Proposal and any related information. Proposals received after the closing date and time specified in the Notice of Request for Proposals will be rejected by Public Works as nonresponsive.
2. Submit Proposals to the County of Los Angeles Department of Public Works Cashier, located on the Mezzanine Floor, 900 South Fremont Avenue, Alhambra, California 91803, in a package that clearly identifies the Proposer and this RFP. Proposals are received only when accepted and time stamped by the Cashier. All other indications of apparent timely delivery may be disregarded.
3. It is the responsibility of the Proposer to instruct delivery services, such as United Parcel Service and Federal Express, to deliver Proposals directly to the Cashier. Proposals submitted via facsimile or e-mail will not be accepted.
4. Proposals delivered by other means, including United States Postal Service, may be delayed in Public Works' mail system, resulting in untimely delivery to the Cashier and possible failure to meet the Proposal submission deadline. Delayed and missed deadlines for submission of proposals not delivered in strict compliance with this RFP shall be the sole responsibility of the Proposer, not of the County, Public Works, or any Special District.

SECTION 3

GENERAL CONDITIONS OF REQUEST FOR PROPOSALS

A. Acceptance or Rejection of Proposals

The right is reserved to reject any or all proposals that, in the judgment of the Board or Director, are not in the best interests of the County/Public Works/Special Districts. In the event of any such rejection, the County will not be liable for any costs incurred in connection with the preparation and submittal of a Proposal.

Proposals signed by an agent other than the president and secretary of a corporation or a member of a general copartnership must be submitted with a power of attorney or corporate resolution, certified by the secretary or assistant secretary, authorizing such signature; otherwise, the Proposal may be rejected as unauthorized and nonresponsive.

No proposal will be considered unless the Proposer submits a Proposal for all requested items. If the solicitation document requests multiple quotations, no Proposal will be considered unless the Proposer submits a price on all items within each category; however, the solicitation document may not require the Proposer to submit a price on all of the categories.

B. Altering Solicitation Document

The wording of the solicitation document shall not be changed. Any additions, conditions, limitations, or provisions inserted by the Proposer will render their Proposal irregular and may cause its rejection as nonresponsive.

C. County Responsibility

The County will not be responsible for representation made by any of its officers or employees prior to the execution of the proposed contract unless such understanding or representation is included in the proposed contract.

D. Determination of Proposer Responsibility

1. A responsible Proposer is a Proposer who has demonstrated the attribute of trustworthiness as well as quality, fitness, capacity, and experience to satisfactorily perform the proposed contract. It is the County's policy to conduct business only with responsible contractors.
2. Proposers are hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, the County may determine whether the Proposer is responsible based on a review of the Proposer's performance on any contracts, including, but not limited to, County contracts. Particular attention will be given to violations of labor laws related to employee compensation and benefits and evidence of false claims made by the Proposer against public entities. Labor law violations which are the fault of

subcontractors and of which the Proposer had no knowledge shall not be the basis of a determination that the Proposer is not responsible.

3. The County may declare a Proposer to be nonresponsible for purposes of the proposed contract if the Board, in its discretion, finds that the Proposer has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Proposer's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.
4. If there is evidence that the highest-rated Proposer may not be responsible, Public Works will notify the Proposer in writing of the evidence relating to the Proposer's responsibility and its intention to recommend to the Board that the Proposer be found not responsible. Public Works will provide the Proposer and/or the Proposer's representative with an opportunity to present evidence as to why the Proposer should be found to be responsible and to rebut evidence, which is the basis for Public Works' recommendation.
5. If the Proposer presents evidence in rebuttal to Public Works, Public Works will evaluate the merits of such evidence, and based on that evaluation, make a recommendation to the Board. The final decision concerning the responsibility of the Proposer will reside with the Board.
6. These terms shall also apply to proposed subcontractors of Proposer on County contracts.

E. Disqualification of Proposers

More than one proposal from an individual, firm, partnership, corporation, or association under the same or different names will not be considered. Reasonable grounds for believing that any proposer has an interest in more than one proposal for the work contemplated may cause the rejection of all proposals in which such Proposer has interest on the basis of nonresponsibility and/or nonresponsiveness. If there is reason for believing that collusion exists among the proposers, such collusion by the participants may be cause for the rejection of their proposals or future proposals on the basis of nonresponsibility and/or nonresponsiveness and may subject such proposers to debarment.

F. Gratuities

1. It is improper for any County officer, employee, or agent to solicit consideration, in any form, from a proposer with the implication, suggestion, or statement that the Proposer's provision of the consideration may secure

more favorable treatment for the Proposer in the award of the proposed contract or that the Proposer's failure to provide such consideration may negatively affect the County's consideration of the Proposer's submission. A Proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the proposed contract.

2. A Proposer shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861. Failure to report such a solicitation may result in the Proposer's submission being rejected on the basis of nonresponsibility and/or nonresponsiveness.
3. Among other items, such improper consideration may take the form of cash; discounts; services; and the provision of travel, entertainment, or tangible gifts.

G. Knowledge of Work to be Done

By submitting a Proposal, Proposer shall be held to have carefully read this RFP, all attachments, and exhibits; satisfied themselves before the delivery of their Proposal as to their ability to meet all of the requirements and difficulties attending the execution of the proposed work; and agreed that if awarded a contract, no claim will be made against the County based on this RFP, including, without limitation, claims based on any ambiguity or misunderstanding. Furthermore, the Proposer has carefully examined the location(s) of the proposed work, and is familiar with all of the physical and climatic conditions, and makes this Proposal solely upon the Proposer's own knowledge. The Proposer has carefully examined these specifications and requirements, both in general and in detail, any drawings attached, and any additional communications sent and makes their Proposal in accordance therewith. If Proposer's Proposal is accepted, the Proposer will enter into a written contract with the County for the performance of the proposed work and will accept payment based on the prices shown in Form PW-2, Schedule of Prices, as full compensation for work performed. It is understood and agreed that the quantities set forth in Form PW-2, Schedule of Prices and this RFP are only estimates, and the unit prices will apply to the actual quantities, whatever they may be.

H. Notice to Proposers Regarding the Public Records Act

1. All proposals in response to the solicitation document will become the exclusive property of the County. At such time as County recommends the award of the contract to the Board and that letter appears on the Board's agenda, all proposals will become a matter of public record and will be regarded as public records, except those parts of each proposal which are defined by the Proposer as business or trade secrets, plainly marked as

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"trade secret," "confidential," or "proprietary." The County will not in any way be liable or responsible for the disclosure of any such records, or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law. A blanket statement of confidentiality or the marking of each page of the proposal as confidential shall not be deemed sufficient notice of exception. The Proposer must specifically label only those provisions of the proposal, which are "trade secrets," "confidential," or "proprietary" in nature.

2. In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret," "confidential," or "proprietary," Proposer agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in connection with any requested action or liability arising under the Public Records Act.

I. Notice to Proposers Regarding the County Lobbyist Ordinance

The Board has enacted an ordinance regulating the activities of persons who lobby County officials. This ordinance, referred to as the "Lobbyist Ordinance," defines a County Lobbyist and imposes certain registration requirements upon individuals meeting the definition. The complete text of the ordinance can be found in Los Angeles County Code Chapter 2.160. In effect, each person, corporation, or other entity that seeks a County permit, license, franchise, or contract must certify compliance with the ordinance. As part of this solicitation process, it will be the responsibility of each proposer to review the ordinance independently as the text of the ordinance is not contained in this RFP. Each person, corporation, or other entity submitting a response to this solicitation, must certify that each County Lobbyist, as defined by Los Angeles County Code Section 2.160.010, retained by the Proposer is in full compliance with Chapter 2.160 of the Los Angeles County Code and each County Lobbyist is **not** on the Executive Office's List of Terminated Registered Lobbyist. The Proposer's signature on the Proposal submission is its certification that it is in full compliance with Los Angeles County Code Chapter 2.160. See Attachment 3 regarding County Lobbyist.

J. Opening of Proposals

Proposals will not be publicly opened.

K. Proposer Debarment

1. The Proposer is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, the County may debar the Proposer from bidding or proposing on, or being awarded, and/or performing work on other County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstance, and the County may terminate any or all of the Proposer's existing contracts with County, if the Board finds, in its

discretion, that the Proposer has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Proposer's quality, fitness, or capacity to perform a contract with the County or any other public entity, or a nonprofit corporation created by the County or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.

2. If there is evidence that the highest-rated Proposer may be subject to debarment, Public Works will notify the Proposer in writing of the evidence, which is the basis for the proposed debarment, and will advise the Proposer of the scheduled date for a debarment hearing before the Contractor Hearing Board.
3. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Proposer and/or the Proposer's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will contain a recommendation regarding whether the Proposer should be debarred, and, if so, the appropriate length of time of the debarment. The Proposer and Public Works shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
4. After consideration of any objections, or if no objections are received, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
5. If a Proposer has been debarred for a period longer than five years, that Proposer may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Proposer has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
6. The Contractor Hearing Board will consider requests for review of a debarment determination only where (1) the Proposer has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment and includes supporting documentation. Upon receiving an

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appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedure as for a debarment hearing.

7. The Contractor Hearing Board's proposed decision will contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
8. These terms shall also apply to proposed subcontractors of Proposer on County contracts.
9. Attachment 2 is a listing of contractors currently debarred.

L. Proposal Prices and Agreement of Figures

If the total amount arrived at by multiplying the unit price times the quantity does not agree with the total amount entered for the item or if the total amount is not entered, the unit price and the corrected total amount will be considered as representing the Proposer's intentions. If the total amount is entered for the item, but not the unit price, the unit price will be that which is derived by dividing the total amount proposed for the item by the number of units in the item as representing the Proposer's intentions. If the items are incorrectly calculated, the corrected total will be considered as representing the Proposer's intentions.

M. Proposer's Safety Record

A review of the Proposer's safety record will be made before the award. Proposers are required to submit this information, with their Proposal, on Form PW-4, Contractor's Industrial Safety Record form provided. Nonsubmission or an adverse finding as to the Proposer's safety record may be cause for rejection of the Proposal on the basis of nonresponsibility and/or nonresponsiveness.

N. Qualification of Proposer

No award will be made to any proposer who cannot give satisfactory assurance as to its ability to carry out the intended contract, based both on financial strength and experience as a contractor on work of the nature contemplated in the proposed contract. Proposers are encouraged to submit records of work of similar nature, size, or extent to that proposed under these specifications and requirements. A reasonable inquiry to determine the responsibility of a Proposer will be conducted. The unreasonable failure of a Proposer to promptly supply information in connection with such inquiry, including, but not limited to, information regarding

past performance, financial stability, and ability to perform on schedule, may be grounds for a determination of nonresponsibility and/or nonresponsiveness with respect to such Proposer. Unfamiliarity with the type of work required by Public Works may be cause for rejection of the Proposal on the basis of nonresponsibility and/or nonresponsiveness.

O. Qualifications of Subcontractors

Proposers shall list all subcontractors to be used on the List of Subcontractors (Form PW-8). The use of subcontractors shall be subject to Public Works' approval. Subcontractors shall be properly licensed under the laws of the State of California for the type of work, which they are to perform. Alternate subcontractors shall not be listed for the same work.

P. Safely Surrendered Baby Law

The Proposer shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Part II, Exhibit D of this solicitation document and is also available on the Internet at www.babysafela.org for printing purposes.

Q. Term of Proposals

All proposals shall be firm offers and may not be withdrawn for a period of 270 days following the deadline for submission of proposals.

R. Truth and Accuracy of Representations

False, misleading, incomplete, or deceptively unresponsive statements in connection with a proposal will be sufficient cause for the rejection of the proposal. The evaluation and determination in this area will be at the Director's sole judgment and the Director's judgment will be final.

S. Wages, Materials, and Other Costs

It is the responsibility of the Proposer to calculate the Proposal price to take into consideration a possible escalation of wages, materials, and other costs during the contract period. The Board, County, Public Works, District(s), or Director make no representations regarding future costs or the rate of wages that may become necessary to pay employees of the contractor for the work performed during the contract period.

T. Withdrawal of Proposals

Proposers may withdraw their Proposal anytime before the date and hour set for submission set forth in the Notice for Request for Proposals upon presentation of a written request to the Director signed by an authorized representative of the Proposer or by the person filing the Proposal.

SECTION 4

EVALUATION OF PROPOSALS; AWARD AND EXECUTION OF CONTRACT

A. Award of Contract

Subject to the right of the Board to make the ultimate decisions concerning the award of contracts, the County intends to award a contract to the highest-rated Proposer or Proposers based on the evaluation criteria in Part I, Section 4.E, Evaluation Criteria, whose Proposal(s) provide(s) the most beneficial program and price, with all other factors considered. The County retains the right to select a proposal other than the proposal receiving the highest number of points, if County determines, in its sole discretion, another proposal is the most overall qualified, cost-effective, responsive, responsible, and in the best interest of the County. The awardee shall sign and return the agreement within 14 calendar days of its mailing to the awardee for signature by Public Works. The awardee shall submit copies of its proof of insurance coverage, within 14 days after Board approval of the proposed contract or at least 14 days prior to the proposed contract's start date, whichever occurs last. Work under the proposed contract cannot begin before proof of valid insurance coverage is submitted to Public Works.

B. Final Contract Award by Board

Notwithstanding a recommendation by Public Works and/or the Chief Executive Office, the Board retains the right to exercise its judgment concerning the selection of a proposal, the terms of any resultant agreement, and to determine which proposal best serves the interests of the County. The Board is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision to award, or not award, a contract.

C. Evaluation of Proposals

1. All responses to this RFP become the property of the County. Upon receipt of the Proposal as specified and evaluation of Proposals in accordance with the evaluation criteria set forth below, Public Works may recommend the award of a contract to one or more of those submitting Proposals. The proposed contract may be submitted to the Board for consideration and possible approval.
2. The County may require whatever evidence it deems necessary to determine the Proposer's overall and specific abilities to meet the requirements of proposed contract over the entire contract term. This determination will be based on, but not limited to, on an evaluation of the proposer's experience, personnel, financial stability and resources, work plan, cost to perform requested services, and staffing plan.
3. The County reserves the sole right to judge the Proposer's written and oral representations and to review, evaluate, and select the successful proposal(s).

4. The County may make on-site inspections of Proposer's current jobs and/or facilities.
5. The County, in its sole discretion, may elect to waive any error in the form of a proposal or any other disparity, if, as a whole, the proposal substantially complies with the RFP's requirements.
6. The County may utilize the services of appropriate experts to assist in the evaluation process.

D. Initial Review

Proposals will first be reviewed on a Pass/Fail basis. Proposals not meeting all of these requirements may be rejected as nonresponsive:

1. Proposer shows an ability to meet insurance requirements, outlined in Exhibit B, Section 5, Indemnification and Insurance Requirements.
2. Proposer and any subcontractors have met the GAIN and GROW Programs requirements (Form PW-10).
3. Proposer and any subcontractors have completed and submitted the Charitable Contributions Certification (Form PW-12).
4. Proposer and any subcontractors have submitted the Jury Service Program Application for Exception and Certification Form (Form PW-3) stating that they accept and will comply with the program requirements or establish their entitlement to an exception to the program.
5. Proposer and subcontractors, if any, have completed and signed all appropriate forms, and Proposer has completed and signed Form PW-2, Schedule of Prices.
6. Proposer complies with all minimum requirements as outlined in Part I, Section 1.B, Minimum Mandatory Requirements.
7. Proposer has submitted copies of the Certified Landscape Irrigation Auditor certified by the Irrigation Association or of the Certified Landscape Technician certified by the California Landscape Contractor Association.

Proposers who do not possess and/or have listed subcontractors who do not possess the required licenses/certifications/permits at the proposal deadline date will be disqualified as nonresponsive.

8. Proposer is signed in as attending the Proposers' Conference.
9. Proposal was time stamped by the Cashier prior to the deadline for submission of the Proposal.

E. Evaluation Criteria

An evaluation committee selected by Public Works will evaluate proposals passing the Initial Review. All proposals will receive a composite score (rating) and be ranked in numerical sequence from high to low based on the following criteria:

1. Proposed Price (50 points)

The proposed price should accurately reflect the Proposer's cost of providing the required products and services and any profit expected during the contract term. Prior to scoring, the proposed prices must be adjusted in accordance with the Transitional Job Opportunities Preference or the Local Small Business Preference or both, as applicable.

- Transitional Job Opportunities Preference. To the extent permitted by State and federal law, should one or more of the Proposers qualify for the Transitional Job Opportunities Preference (Form PW 13), the price component points will be adjusted prior to scoring as follows: Five percent of the lowest price proposed will be calculated, and that amount will be deducted from the prices submitted by all Proposers who requested and were granted the Transitional Job Opportunities Preference. The Transitional Job Opportunities Preference will not reduce or change the Proposer's payment, which will be based on the Proposer's bid amount.
- Local Small Business Enterprise (SBE) Preference. To the extent permitted by State and federal law, should one or more of the Proposers qualify for the Local SBE Preference (Form PW-9), the price component points will be adjusted prior to scoring as follows: Five percent of the lowest price proposed will be calculated, which shall not exceed \$50,000, and that amount will be deducted from the prices submitted by all Local SBE Proposers who requested and were granted the Local SBE Preference. The Local SBE Preference will not reduce or change the Proposer's payment, which is based on the Proposer's bid amount.

Subject to such adjustment(s), the lowest Total Proposed Annual Price quoted in the Schedule of Prices (Form PW-2) will receive the full weight of this evaluated item. Other Proposals will receive a prorated score calculated as follows: divide the lowest Total Proposed Annual Price by each other Proposer's Total Proposed Annual Price and multiply the result by the maximum possible points for this evaluation criterion. The Proposal with the lowest Total Proposed Annual Price may not necessarily be awarded a contract.

2. References (5 points)

Public Works will check at least three of the Proposer's references for overall satisfaction with Proposer's services, with priority given to services provided to County departments. Proposer may receive up to a maximum of 5/3 points for each responding reference up to a total of three responding references. Proposer's references for all contracts with the County during the previous three years must be listed on Form PW-6, Proposer's Reference List. Public Works reserves the right to utilize any reference of Proposer, County or other, listed or not listed. In addition to the references provided, the review will include the County's Contract Database, if applicable, reflecting past performance history on County contracts, and an evaluation of any terminated contract(s) reported on Form PW-14, Statement of Terminated Contracts. If references fail to substantiate Proposer's description of services provided; references fail to support that Proposer has a continuing pattern of providing capable, productive, and skilled personnel and services; or a significant unacceptable weakness in references may result in a low or zero score. Additionally, a Proposer's unacceptable performance on another County contract(s), as documented by either the County's Contract Database or by an unfavorable reference, may result in a low or zero score for this evaluation category. A score of zero in this evaluation category may result in rejection of the Proposal as nonresponsive.

References may be contacted by telephone, facsimile, mail, express delivery, or e-mail. It is the Proposer's responsibility to ensure that accurate and timely contact information is included in the proposal. Public Works will ordinarily not make repeated attempts to contact references and will ordinarily not contact the Proposer to correct bad phone numbers, etc. It is the Proposer's responsibility to ensure that its references respond promptly to Public Works' requests for information.

3. Experience (10 points)

The evaluators may award higher points for the higher quality and quantity of experience of the Proposer, its key personnel, and subcontractors in providing the requested services to organizations. Higher scores may be awarded if 60 percent or more of the Proposer's staff have at least two years' experience performing the service solicited. Greater weight will be given to services provided to agencies of similar size and nature. The evaluators may consider the Proposer's description of its capabilities, resumes of key personnel (Part I, Section 2.A.5), and any other relevant information, including, but not limited to, pending litigation and judgments. The evaluators may consider the safety record of the Proposer and any subcontractors to ensure that they have provided services in a safe manner. Significant unacceptable weakness in quality or quantity of experience may result in a low or zero score. A score of zero in this evaluation category may result in rejection of the Proposal as nonresponsive.

4. Work Plan/ Quality Assurance and Customer Service Programs (35 points)

Evaluation and scoring of the Proposer's Work Plan will be based on the extent to which it demonstrates that the Proposer is likely to meet or exceed the performance requirements set forth in Exhibit A, Scope of Work; to demonstrate creativity and innovation that exceed the minimum requirements of the Scope of Work; to render timely and responsive service to Public Works; to respond to contingencies and emergencies; and to provide a professional level of quality in the service and work product. The highest scores will be awarded to the most comprehensive and detailed work plans that are highly likely to lead the contractor to exceed minimum performance expectations.

The evaluators will award higher scores to work plans that commit to specific staffing levels and staff qualifications that meet or exceed the requirements of the work.

Comprehensiveness of the Work Plan will be evaluated based on detailed, specific discussion of all issues relevant to the work. These may include personnel management, training, subcontracting, recruitment and replacement, supervision, supplies, equipment, identification badges, safety, communications, quality control, and other issues.

The evaluation committee may make these determinations from all relevant information presented in the Proposal, which may include the work plan, staffing plan, quality assurance plan, schedules, and other documents. If an interview or presentation is scheduled, it may also be considered.

The evaluation committee may also make this determination from all relevant information presented in the Proposer's written Quality Assurance Program (Program), which may include, but is not limited to, policies and procedures, inspection fundamentals as well as a description of quality control documentation, review, and reporting. Failure of the Proposer to designate a qualified inspector that will be provided by Proposer to monitor compliance of the Program and deal with customer complaints and inquiries will result in a reduced score in this category. If a subcontractor is to perform Quality Assurance, the Program must detail how that subcontractor will interface with the Proposer and comply with the Program.

Significant unacceptable weakness in any of the Work Plan subject areas or omission of a Work Plan from the Proposal at the time of submission may result in a low or zero score. A score of zero in this evaluation category may result in rejection of the Proposal as nonresponsive.

5. Optional Interview

The County may, at its option, invite one or more proposers to make a presentation and/or participate in an interview before a final selection is made. Evaluation criteria for presentations and interviews are the same as

those for written Proposals. A separate score will not be given for a presentation or interview, but the Proposer's performance may be considered as part of the overall evaluation. The evaluators may, in their sole discretion, limit the offer to give a presentation or interview, if any, to the two or more Proposers who receive the highest scores in a preliminary scoring of Proposals in accordance with the evaluation criteria set forth in this Part I, Section 4.E, Evaluation Criteria.

6. Additional Criteria

These criteria are not exclusive. The County reserves the right to apply additional evaluation criteria.

F. Negotiation

The County reserves the right to negotiate the terms, conditions, and price of the Proposal(s), in the sole discretion of the County, to achieve the most beneficial program and price for the County. The County, in its sole discretion, may limit the negotiation, if any, to one or more responsive and responsible Proposers in accordance with the evaluation criteria set forth in this Part I, Section 4.E, Evaluation Criteria. The negotiation with the Proposers will not result in a change in the rating of the Proposers. If a satisfactory contract cannot be negotiated, the County may, at its sole discretion, begin contract negotiations with the next highest-rated Proposer who submitted a proposal, as determined by the County.

SECTION 5

PROTEST POLICY

A. Protest Process

1. Any actual or prospective Proposer may file a protest in connection with the solicitation or award of a Board-approved service contract. The Proposer challenging the decision of Public Works bears the burden of proof in its claim that Public Works committed a sufficiently material error in the solicitation process to justify invalidation of a proposed award.
2. Throughout the review process, the County has no obligation to delay or otherwise postpone an award of contract based on a Proposer protest. In all cases, the County reserves the right to make an award when it is determined to be in the best interest of the County to do so.

B. Grounds for Review

Unless State or Federal statutes or regulations otherwise provide, the grounds for review of any departmental determination or action should be limited to the following:

- Review of Solicitation Requirements;
- Review of a Disqualified Proposal; and
- Review of Public Works' Proposed Contractor Selection.

C. Solicitation Requirements Review

A person or entity may seek a Solicitation Requirements Review by submitting Form PW-11, Transmittal Form to Request an RFP Solicitation Requirements Review, along with supporting documentation. A Solicitation Requirements Review shall only be granted under the following circumstances:

1. The request for a Solicitation Requirements Review is received by Public Works not more than 10 business days after issuance of the RFP;
2. The request for a Solicitation Requirements Review includes documentation, which demonstrates the underlying ability of the person or entity to submit a proposal;
3. The request for a Solicitation Requirements Review itemizes, in appropriate detail, each matter contested and factual reasons for the requested review; and

4. The request for a Solicitation Requirements Review asserts either that:
 - Application of the minimum requirements, evaluation criteria, and/or business requirements unfairly disadvantage the Proposer; or
 - Due to unclear instructions, the process may result in the County not receiving the best possible responses from the Proposers.
5. The Solicitation Requirements Review will be completed and Public Works' determination will be provided to the Proposer, in writing, within a reasonable time prior to the proposal due date.

D. Place to Submit Requests for Review

All Requests for Review should be submitted to the Contract Analyst.

E. Disqualification Review

1. A proposal may be disqualified from consideration because Public Works determined it was a nonresponsive proposal at any time during the evaluation process. If Public Works determines that a proposal is disqualified due to nonresponsiveness, Public Works will notify the Proposer in writing.
2. Upon receipt of the written determination of nonresponsiveness, the Proposer may submit a written request for a Disqualification Review by the date specified. Requests for a Disqualification Review not timely submitted will be denied.
3. A Disqualification Review shall only be granted under the following circumstances:
 - a. The firm/person requesting a Disqualification Review is a Proposer;
 - b. The request for a Disqualification Review is submitted timely; and
 - c. The request for a Disqualification Review asserts that the determination of disqualification due to proposal nonresponsiveness was erroneous (e.g., factual errors, etc.) and provides factual support on each ground asserted as well as copies of all documents and other material that support the assertions.
4. The Disqualification Review shall be completed and the determination shall be provided to the Proposer, in writing, prior to the conclusion of the evaluation process.

F. Proposed Contractor Selection Review

1. Debriefing Process

- a. Upon completion of the evaluation, and prior to entering negotiations with the selected Proposer, Public Works will notify the remaining Proposers in writing that Public Works is entering negotiations with another Proposer. Upon receipt of the letter, the Proposer may request a debriefing within the time specified in the letter. A debriefing will not be provided unless the request is made within the timeframe specified.
- b. The purpose of the debriefing is to compare the Proposer's response to the solicitation document with the evaluation document. The Proposer shall be debriefed only on its response. Because the contract process has not been completed, responses from other Proposers shall not be discussed.
- c. If the Proposer is not satisfied with the results of the debriefing, it may, within five business days of the debriefing, request a review on the grounds and in the manner set forth below for review of Public Works' recommendation for contract award.

2. Proposed Contractor Selection Review

- a. The Proposer may submit a written request for a Proposed Contractor Selection Review if it asserts that its Proposal should have been determined to be the highest-scored Proposal but was not because of one of the following reasons:
 - i. Public Works materially failed to follow procedures specified in the RFP. This includes:
 - (1) Failure to correctly apply the standards for reviewing the Proposal format requirements.
 - (2) Failure to correctly apply the standards and/or follow the prescribed methods for evaluating the Proposals specified in the RFP.
 - (3) Use of evaluation criteria that were different from the evaluation criteria disclosed in the RFP.
 - ii. Public Works made identifiable mathematical or other errors in evaluating Proposals, resulting in the Proposer receiving an incorrect score and not being selected as the recommended Contractor.
 - iii. A member of the evaluation committee demonstrated bias in the conduct of the evaluation.

- iv. Another basis for review as provided by State or Federal law.
- b. Upon completing the Proposed Contractor Selection Review, Public Works will issue a written decision to the Proposer within a reasonable time following receipt of the request for a Proposed Contractor Selection Review, and always before the date the Contract award recommendation is to be heard by the Board. If the Proposer is not satisfied with the results of the Proposed Contractor Selection Review, it may request a review on the grounds and in the manner set forth below for a County Review Panel.

G. County Review Panel Process

- 1. If the Proposer is not in agreement with the results of Public Works' Proposed Contractor Selection Review, the Proposer may submit a written request for a review by a County Review Panel.
- 2. Upon completion of the Panel's Review, the Panel will forward its report to Public Works, which will provide a copy to the Proposer.

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TABLE OF FORMS

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ATTACHMENTS

1. COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS
2. DEBARRED VENDORS REPORT
3. COUNTY OF LOS ANGELES LOBBYIST ORDINANCE

VERIFICATION OF PROPOSAL

DATE: _____, 200__		THE UNDERSIGNED HEREBY DECLARES AS FOLLOWS:	
1. THIS DECLARATION IS GIVEN IN SUPPORT OF A PROPOSAL FOR A CONTRACT WITH THE COUNTY OF LOS ANGELES.			
2. NAME OF SERVICE: _____			
DECLARANT INFORMATION			
3. NAME OF DECLARANT: _____			
4. I AM DULY VESTED WITH THE AUTHORITY TO MAKE AND SIGN INSTRUMENTS FOR AND ON BEHALF OF THE PROPOSER(S).			
5. MY TITLE, CAPACITY, OR RELATIONSHIP TO THE PROPOSER(S) IS: _____			
PROPOSER INFORMATION			
6. Proposer's full legal name: _____			Telephone No.: _____
Address: _____			Fax No.: _____
e-mail: _____	County WebVen No.: _____	IRS No.: _____	Business License No.: _____
7. Proposer's fictitious business name(s) or dba(s) (if any): _____			
County(s) of Registration: _____		State: _____	Year(s) became DBA: _____
8. The Proposer's form of business entity is (CHECK ONLY ONE):			
<input type="checkbox"/> Sole proprietor	Name of Proprietor: _____		
<input type="checkbox"/> A corporation:	Corporation's principal place of business: _____		Year incorporated: _____
	State of incorporation: _____		
<input type="checkbox"/> Non-profit corporation certified under IRS 501(c) 3 and registered with the CA Attorney General's Registry of Charitable Trusts	President/CEO: _____		
	Secretary: _____		
<input type="checkbox"/> A general partnership:	Names of partners: _____		
<input type="checkbox"/> A limited partnership:	Name of general partner: _____		
<input type="checkbox"/> A joint venture of:	Names of joint venturers: _____		
<input type="checkbox"/> A limited liability company:	Name of managing member: _____		
9. The only persons or firms interested in this proposal as principals are the following:			
Name(s)	Title	Phone	Fax
Street	City	State	Zip
Name(s)	Title	Phone	Fax
Street	City	State	Zip
10. Is your firm wholly or majority owned by, or a subsidiary of another firm? <input type="checkbox"/> No <input type="checkbox"/> Yes			
If yes, name of parent firm: _____			
State of incorporation/registration of parent firm: _____			
11. Has your firm done business under any other name(s) within the last five years? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, please list the other name(s):			
Name(s): _____		Year of name change: _____	
Name(s): _____		Year of name change: _____	
12. Is your firm involved in any pending acquisition or merger? <input type="checkbox"/> No <input type="checkbox"/> Yes			
If yes, indicate the associated company's name: _____			
13. Proposer acknowledges that if any false, misleading, incomplete, or deceptively unresponsive statements in connection with this proposal are made, the proposal may be rejected. The evaluation and determination in this area shall be at the Director's sole judgment and the Director's judgment shall be final.			
14. CHECK ONE:	<input type="checkbox"/> (a) I am making these representations and all representation contained in this proposal on my personal knowledge;		
	<input type="checkbox"/> (b) I am making these representations all representation contained in this proposal based on information and belief that they are true.		
I declare under penalty of perjury under the laws of California that is true and correct.			Date: _____
Signature of Proposer or Authorized Agent: _____			
Type name and title: _____			

**SCHEDULE OF PRICES
WATER CONSERVATION BEST MANAGEMENT PRACTICES (2008-AN049)**

The undersigned Proposer offers to perform the work described in the Request for Proposals for the following price(s). The Proposer shall furnish all labor, materials, transportation, transportation costs, gas, vehicle maintenance, taxes, equipment, food, entertainment, supplies, and additional reprographic services. Cost of reprographics for Proposer's work product (surveys, reports, forms, logs, flyers, applications, etc.) shall be included in the proposed task prices quoted below unless stated otherwise in the Request for Proposals. **It is understood and agreed that the County, at its sole discretion, may delete some deliverables. Additionally, if there are surplus funds or during the option years, Public Works may increase the quantity of the deliverable items provided in the Schedule of Prices, Form PW-2. If Public Works determines a need to increase the quantity of any such deliverable(s), any increase in a particular deliverable item will be paid a mutually agreed to percentage of the unit price indicated in the Schedule of Prices when requested by the Contract Manager in writing.**

Using the examples given below calculate your Proposed Price.

Deliverable and Quantity	Price per unit	# of Units	Proposed Price (Price per unit X # of Units)
TASK A – Deliverables			
Completed Single Family Residential surveys verified by an updated electronic copy of the database that includes evaluation results and water savings recommendations made for each customer, payable monthly.	\$ Per Survey	500	\$
Completed Multifamily Residential surveys verified by an updated electronic copy of the database that includes evaluation results and water savings recommendations made for each customer, payable monthly.	\$ Per Survey	500	\$
SUBTOTAL			\$
TASK B – Deliverables			
Completed Large Landscape surveys verified by an updated electronic copy of the database that includes evaluation results and water savings recommendations made for each customer, payable monthly.	\$ Per Survey	200	\$

Deliverable and Quantity	Price per unit	# of Units	Proposed Price (Price per unit X # of Units)
TASK C – Deliverables			
Completed Commercial, Industrial, Institutional surveys verified by an updated electronic copy of the database that includes evaluation results and water savings recommendations made for each customer, payable monthly.	\$ Per Survey	400	\$
TASK D – Meetings			
Meetings with Public Works staff, as necessary	\$ Per Meeting	4	\$
TASK E – BMP Reporting			
Completed information about program implementation in the format required by the CUWCC for annual BMP reporting. Payable annually.	\$ Per Report	1	\$
TASK F – New BMPs			
Completed Work Plan and schedule for implementation of new BMPs to achieve compliance as required by the CUWCC, the Governor's Office or other regulations.	\$ Per Work Plan	1	\$
TOTAL PROPOSED ANNUAL PRICE		\$	

LEGAL NAME OF PROPOSER		
SIGNATURE OF PERSON AUTHORIZED TO SUBMIT PROPOSAL		
TITLE OF AUTHORIZED PERSON		
DATE	STATE CONTRACTOR'S LICENSE NUMBER	LICENSE TYPE
PROPOSER'S ADDRESS:		
PHONE	FACSIMILE	E-MAIL

**COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM
APPLICATION FOR EXCEPTION AND CERTIFICATION FORM**

This contract is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All contractors and subcontractors must complete this form to either (1) request an exception from the Program requirements or (2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:		
(Type of Goods or Services):		

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (you must attach documentation to support your claim). If the Jury Service Program applies to your business, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, sign and date this form.

Part I: Jury Service Program Is Not Applicable to My Business

- ☐ My business does not meet the definition of "contractor," as defined in the Program as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.
- "Dominant in its field of operation" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.
- "Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.
- ☐ My business is subject to a Collective Bargaining Agreement that expressly provides that it supersedes all provisions of the Program. **ATTACH THE AGREEMENT.**

Part II: Certification of Compliance

- ☐ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

CONTRACTOR'S INDUSTRIAL SAFETY RECORD

PROPOSED CONTRACT FOR: WATER CONSERVATION AND BEST MANAGEMENT PRACTICES (2008-AN049)

SERVICE BY PROPOSER _____

PROPOSAL DATE: _____

This information must include all work undertaken in the State of California by the proposer and any partnership, joint venture, or corporation that any principal of the proposer participated in as a principal or owner for the last five calendar years and the current calendar year prior to the date of proposal submittal. Separate information shall be submitted for each particular partnership, joint venture, corporate, or individual proposer. The proposer may attach any additional information or explanation of date which the proposer would like taken into consideration in evaluating the safety record. An explanation must be attached to the circumstances surrounding any and all fatalities.

5 CALENDAR YEARS PRIOR TO CURRENT YEAR

	2003	2004	2005	2006	2007	Total	Current Year to Date
1. Number of contracts.							
2. Total dollar amount of Contracts (in thousands of dollars).							
3. Number of fatalities.							
4. Number of lost workday cases.							
5. Number of lost workday cases involving permanent transfer to another job or termination of employment.							
6. Number of lost workdays.							

The above information was compiled from the records that are available to me at this time, and I declare under penalty of perjury that the information is true and accurate within the limitations of those records.

Name of Proposer or Authorized Agent (print) _____

Signature _____

Date _____

CONFLICT OF INTEREST CERTIFICATION

I, _____

- ☐ sole owner
☐ general partner
☐ managing member
☐ President, Secretary, or other proper title) _____

of _____
Name of proposer

make this certification in support of a proposal for a contract with the County of Los Angeles for services within the scope of Los Angeles County Code Section 2.180.010, which provides as follows:

Contracts Prohibited. A. Notwithstanding any other section of this code, the county shall not contract with, and shall reject any bid or proposal submitted by, the persons or entities specified below, unless the board of supervisors finds that special circumstances exist which justify the approval of such contract.

1. Employees of the county or of public agencies for which the board of supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in subdivision 1 of subsection A serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of subdivision 1 of subsection A, and who:
 - (a) Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - (b) Participated in any way in developing the contract of its service specifications; and
4. Profit-making firms or businesses in which the former employees described in subdivision 3 of subsection A, serve as officers, principals, partners, or major shareholders.

I hereby certify I am informed and believe that personnel who developed and/or participated in the preparation of this contract do not fall within scope of the Los Angeles County Code Section 2.180.010 as cited above. Furthermore, that no County employee whose position in the County enables him/her to influence the award of this contract, or any competing contract, and no spouse or economic dependent of such employee is or shall be employed in any capacity by the Contractor herein, or has or shall have any direct or indirect financial interest in this contract. I understand and agree that any falsification in this Certificate will be grounds for rejection of this Proposal and cancellation of any contract awarded pursuant to this Proposal.

I certify under penalty of perjury under the laws of California that the foregoing is true and correct.

Signed _____

Date _____

PROPOSER'S REFERENCE LIST

PROPOSED CONTRACT FOR: WATER CONSERVATION AND BEST MANAGEMENT PRACTICES
(2008-AN049)

Provide a comprehensive reference list of all contracts for goods and/or services provided by the Proposer during the previous three years. Please verify all contact names, telephone and fax numbers, and e-mail addresses before listing. Incorrect names, telephone and/or fax numbers, or e-mail addresses will be disregarded. Use additional pages if required.

A. COUNTY OF LOS ANGELES AGENCIES

All contracts with the County during the previous three years must be listed.

SERVICE:	SERVICE DATES:
DEPT/ DISTRICT:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	SERVICE DATES:
DEPT/DISTRICT:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	SERVICE DATES:
DEPT/ DISTRICT:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	SERVICE DATES:
DEPT/DISTRICT:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

B. OTHER GOVERNMENTAL AGENCIES AND PRIVATE COMPANIES

SERVICE:	SERVICE DATES:
AGENCY/ FIRM:	
ADDRESS:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	SERVICE DATES:
AGENCY/ FIRM:	
ADDRESS:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	SERVICE DATES:
AGENCY/ FIRM:	
ADDRESS:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	SERVICE DATES:
AGENCY/ FIRM:	
ADDRESS:	
CONTACT:	
TELEPHONE:	
FAX:	
E-MAIL:	

PROPOSER'S EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

Proposer's Name
Address
Internal Revenue Service Employer Identification Number

In accordance with Los Angeles County Code Section 4.32.010, the Proposer certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

1.	The proposer has a written policy statement prohibiting any discrimination in all phases of employment.	<input type="checkbox"/> YES <input type="checkbox"/> NO
2.	The proposer periodically conducts a self- analysis or utilization analysis of its work force.	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.	The proposer has a system for determining if its employment practices are discriminatory against protected groups.	<input type="checkbox"/> YES <input type="checkbox"/> NO
4.	Where problem areas are identified in employment practices, the proposer has a system for taking reasonable corrective action to include establishment of goals and timetables.	<input type="checkbox"/> YES <input type="checkbox"/> NO

Authorized representative	
Signature	Date

LIST OF SUBCONTRACTORS

Proposer is required to complete the following. Any Subcontractors listed must be properly licensed under the laws of the State of California for the type of service that they are to perform, AND THEIR LICENSE NUMBERS MUST BE LISTED HEREIN. Failure to do so may result in delay of the award of contract. Do not list alternate subcontractors for the same service.

☐ Proposer in providing the requested services will not utilize Subcontractors. Proposer will perform all required services.

[illegible]

County of Los Angeles
Request for Local Small Business Enterprise (SBE) Preference Program Consideration and
CBE Firm/Organization Information Form

All proposers responding to the Request for Proposals must complete and return this form for proper consideration of the proposal.

FIRM NAME:

My County (WebVen) Vendor Number:

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

☐ As Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bid's submission, I request this proposal/bid be considered for the Local SBE Preference.

☐ Attached is a copy of Local SBE certification issued by the County.

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure:	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> Nonprofit	<input type="checkbox"/> Franchise	
<input type="checkbox"/> Other (Please Specify):						
Total Number of Employees (including owners):						
Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:						
Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American						
Hispanic/Latino						
Asian or Pacific Islander						
American Indian						
Filipino						
White						

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/ Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	%
Women	%	%	%	%	%	%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.

Authorized Signature:	Title:	Date:
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GAIN and GROW EMPLOYMENT COMMITMENT

The undersigned:

- ☐ has hired participants from the County's Department of Social Services' Greater Avenue for Independence (GAIN) and General Relief Opportunity for Work (GROW) employment programs.

OR

- ☐ declares a willingness to consider GAIN and GROW participants for any future employment opening if participant(s) meet the minimum qualification for that opening, and

declares a willingness to provide employed GAIN and GROW participants access to proposer's employee mentoring program(s), if available, to assist those individuals in obtaining permanent employment and/or promotional opportunities.

Signature	Title
Firm Name	Date

TRANSMITTAL FORM TO REQUEST AN RFP SOLICITATION REQUIREMENTS REVIEW

***A Solicitation Requirements Review must be received by the County
within 10 business days of issuance of the solicitation document***

Proposer Name:	Date of Request:
Project Title:	Project No.

A **Solicitation Requirements Review** is being requested because the Proposer asserts that they are being unfairly disadvantaged for the following reason(s): *(check all that apply)*

- ☐ Application of **Minimum Requirements**
- ☐ Application of **Evaluation Criteria**
- ☐ Application of **Business Requirements**
- ☐ Due to **unclear instructions**, the process may result in the County not receiving the best possible responses

I understand that this request must be received by the County within **10 business days** of issuance of the solicitation document.

For each area contested, Proposer must explain in detail the factual reasons for the requested review.
(Attach additional pages and supporting documentation as necessary.)

Request submitted by:

(Name)
(Title)

For County use only

Date Transmittal Received by County: _____ Date Solicitation Released: _____

Reviewed by: _____

Results of Review - Comments:

Date Response sent to Proposer: _____

CHARITABLE CONTRIBUTIONS CERTIFICATION

Company Name

Address

Internal Revenue Service Employer Identification Number

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

CERTIFICATION

YES

NO

Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed. () ()

OR

Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586. () ()

Signature

Date

Name and Title (please type or print)

TRANSITIONAL JOB OPPORTUNITIES PREFERENCE APPLICATION

COMPANY NAME:		
COMPANY ADDRESS:		
CITY:	STATE:	ZIP CODE:

- ☐ I am not requesting consideration under the County's Transitional Job Opportunities Preference Program.

I hereby certify that I meet all the requirements for this program:

- ☐ My business is a non-profit corporation qualified under Internal Revenue Services Code - Section 501(c)(3) and has been such for three years (*attach IRS Determination Letter*);
- ☐ I have submitted my three most recent annual tax returns with my application;
- ☐ I have been in operation for at least one year providing transitional job and related supportive services to program participants; and
- ☐ I have submitted a profile of our program; including a description of its components designed to help the program participants, number of past program participants and any other information requested by the contracting department.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct.

PRINT NAME:	TITLE:
SIGNATURE:	DATE:

REVIEWED BY COUNTY:

SIGNATURE OF REVIEWER	APPROVED	DISAPPROVED	DATE

PROPOSER'S LIST OF TERMINATED CONTRACTS

PROPOSER'S NAME: _____

☐ Proposer has not had any contracts terminated in the past three years.

Proposer must list all contracts that have been terminated within the past three years. Terminated contracts are those contracts terminated by an agency or firm before the contract's expiration date.

SERVICE:	TERMINATING DATE:
NAME OF TERMINATING FIRM	
ADDRESS OF FIRM	
CONTACT PERSON:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	TERMINATING DATE:
NAME OF TERMINATING FIRM	
ADDRESS OF FIRM	
CONTACT PERSON:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	TERMINATING DATE:
NAME OF TERMINATING FIRM	
ADDRESS OF FIRM	
CONTACT PERSON:	
TELEPHONE:	
FAX:	
E-MAIL:	

SERVICE:	TERMINATING DATE:
NAME OF TERMINATING FIRM	
ADDRESS OF FIRM	
CONTACT PERSON:	
TELEPHONE:	
FAX:	
E-MAIL:	

SIGNATURE _____

DATE: _____

PROPOSER'S PENDING LITIGATIONS AND JUDGMENTS

Proposer's Name: _____

- ☐ Proposer and/or principals are **not** currently involved in any pending litigation; are not aware of any threatened litigation were they would be a party; and have not had any judgments placed against them within the last five years as of the date of proposal submission.

Proposer and/or principals of the Proposer must list below (use additional pages if necessary) all pending litigation, threatened litigation, and/or any judgments placed against them within the last five years as of the date of proposal submission.

A. ☐ Pending Litigation ☐ Threaten Litigation ☐ Judgment (check one)

1. Against ☐ Proposer; ☐ Principal; ☐ Both (check as appropriate)
2. Name of Litigation/Judgment: _____
3. Case Number: _____
4. Court of Jurisdiction: _____
5. Please provide a statement describing the size and scope of the pending/threaten litigation or judgment (use additional page if necessary):

B. ☐ Pending Litigation ☐ Threaten Litigation ☐ Judgment (check one)

1. Against ☐ Proposer; ☐ Principal; ☐ Both (check as appropriate)
2. Name of Litigation/Judgment: _____
3. Case Number: _____
4. Court of Jurisdiction: _____
5. Please provide a statement describing the size and scope of the pending/threaten litigation or judgment (use additional page if necessary):

Signature of Proposer: _____ Date: _____



COUNTY OF LOS ANGELES

Policy on Doing Business With Small Business

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE...

The importance of small business to the County:

- In fueling local economic growth.
- Providing new jobs.
- Creating new local tax revenues.
- Offering new entrepreneurial opportunity to those historically under-represented in business.

The County can play a positive role in helping small business grow:

- As a multi-billion dollar purchaser of goods and services.
- As a broker of intergovernmental cooperation among numerous local jurisdictions.
- By greater outreach in providing information and training.
- By simplifying the bid/proposal process.
- By maintaining selection criteria which are fair to all.
- By streamlining the payment process.

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully coordinated among our departments and districts, as well as other participating governments to: (a) inform and assist the local business community in competing to provide goods and services; and, (b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting, and conduct business with our vendors, in order to: (a) expand opportunity for small business to compete for our business; and, (b) to further opportunities for all businesses to compete regardless of size.
4. Ensure that staff who manage and carry out the business of purchasing goods and services are well-trained, capable, and highly motivated to carry out the letter and spirit of this policy.

Listing of Contractors Debarred in Los Angeles County

Vendor Name:	G COAST CONSTRUCTION INC.		
Alias:			
Debarment Start Date:	9/11/2007	Debarment End Date:	9/10/2012
Principal Owners and/or Affiliates:	Ezra Levi		
Vendor Name:	INSPECTION ENGINEERING CONSTR		
Alias:	Inspection Engineering Construction		
Debarment Start Date:	6/13/2006	Debarment End Date:	6/12/2016
Principal Owners and/or Affiliates:	Jamal Deaifi		
Vendor Name:	ARROWHEAD EMANCIPATION PROGRAM, INC.,		
Alias:			
Debarment Start Date:	7/08/2008	Debarment End Date:	PERMANENT DEBARMENT
Principal Owners and/or Affiliates:	Irma F. Reed and Charlene Williams		

County of Los Angeles *Lobbyist Ordinance*



IT'S THE LAW

It may affect you!

Chapter 2.160 of the Los Angeles County Code requires Lobbyists, Lobbying Firms and Lobbyist Employers to register with the Executive Office of the Board of Supervisors. This ordinance imposes extensive reporting requirements on individuals, businesses and other organizations. It places restrictions on the activities of anyone seeking to influence an official action of the County of Los Angeles including actions of the Board of Supervisors or the granting or denial of County contracts, licenses, permits, grants and franchises.

YOU MAY BE CONSIDERED A COUNTY LOBBYIST

If you are compensated to communicate directly (or through agents) with any County official for the purpose of influencing official action, then you may be required to register with the Executive Office of the Board of Supervisors. The requirement to register is the same whether you are an employee of, or on contract with, a firm or organization with business before the County. Additionally, an individual or business entity may be considered a County Lobbying Firm if it receives compensation to influence the County on behalf of any **other** persons or businesses. An individual, business entity or organization that employs or contracts with another individual or firm to represent or make contacts with a County agency on their behalf to influence County action may be considered a County Lobbyist Employer who must also register. If in doubt, it is best to register.

Furthermore, each person or entity who is not otherwise required to register as a County Lobbyist, Lobbying Firm or Lobbyist Employer, but who directly or indirectly expends \$5,000 or more during a calendar quarter to influence official action need not register BUT must report the expenditure to the Executive Office of the Board of Supervisors on a form available from the Executive Office.

REGISTERING IS IMPORTANT

Failure to comply with the ordinance may subject offending Lobbyists, Lobbying Firms, and Lobbyist Employers to **serious penalties including fines up to \$2,000 and denial of contracts, licenses, permits, grants or franchises. Moreover, some violators may be refused permission to address the Board of Supervisors or any County commission.**

HERE'S HOW TO COMPLY WITH THE LAW

Within 10 days of qualifying as a County Lobbyist, Lobbying Firm, or Lobbyist Employer as described in the ordinance, you must register with the Executive Office of the Board of Supervisors.

Registering with the County is easy. To receive a copy of the ordinance and registration forms, or to receive additional information or answers to specific questions, please contact the Executive Office of the Board of Supervisors at the following address or you may call one of the following telephone numbers:

Executive Office of the Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall Of Administration
500 West Temple Street
Los Angeles, California 90012

(213) 974-1093 (213) 974-1578

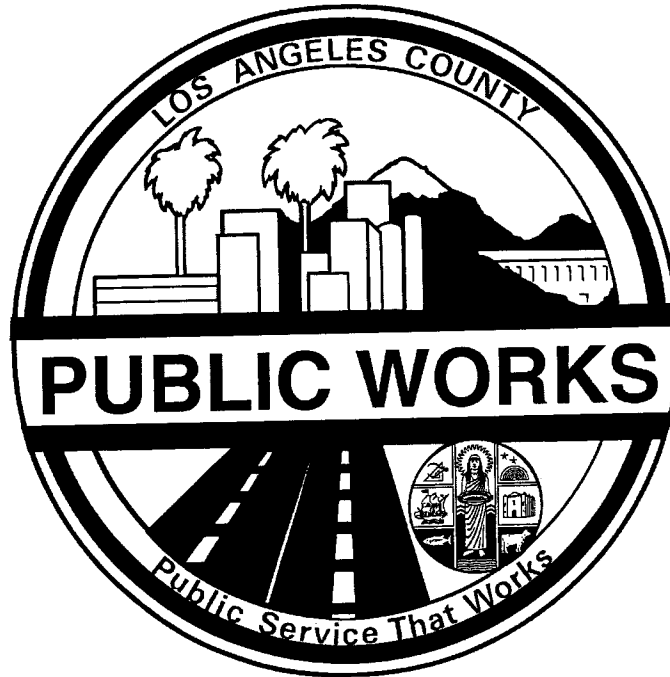
A copy of the ordinance is available for your review at this County facility or on the Internet.

<http://bos.co.la.ca.us/>

Thank you for your cooperation and attention.

Part II

Sample Agreement



BY AND BETWEEN

THE COUNTY OF LOS ANGELES,
DEPARTMENT OF PUBLIC WORKS

AND

[NAME OF CONTRACTOR]

FOR

WATER CONSERVATION BEST MANAGEMENT PRACTICES
(2008-AN049)

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EXHIBIT E Memorandum of Understanding – Urban Water Conservation in California

EXHIBIT F Residential Water-Use Survey

EXHIBIT G Water Use Survey Report (for Pt. Dume Elementary School)

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AGREEMENT FOR

WATER CONSERVATION BEST MANAGEMENT PRACTICES

THIS AGREEMENT, made and entered into this ____ day of _____, 2008, by and between the COUNTY OF LOS ANGELES, a subdivision of the State of California, a body corporate and politic (hereinafter referred to as COUNTY) and [NAME OF CONTRACTOR], a [Form of Entity] (hereinafter referred to as CONTRACTOR).

WITNESSETH

FIRST: The CONTRACTOR, for the consideration hereinafter set forth and the acceptance by the Board of Supervisors of said COUNTY of the CONTRACTOR'S Proposal filed with the COUNTY on _____, 2008, hereby agrees to provide services as described in the attached specifications for Water Conservation Best Management Practices, including, but not limited to, Exhibit A, Scope of Work.

SECOND: This AGREEMENT, together with Exhibit A, Scope of Work; Exhibit B, Service Contract General Requirements; Exhibit C, Internal Revenue Service Notice 1015; Exhibit D, Safely Surrendered Baby Law Posters; Exhibit E, Memorandum of Understanding – Urban Water Conservation in California; Exhibit F, Residential Water-Use Survey; Exhibit G, Water Use Survey Report (for Pt. Dume Elementary School); the CONTRACTOR'S Proposal, all attached hereto; the Request for Proposals; and Addenda to the Request for Proposals, all of which are incorporated herein by reference, are agreed by the COUNTY and the CONTRACTOR to constitute the Contract.

THIRD: The COUNTY agrees, in consideration of satisfactory performance of the foregoing services in strict accordance with the Contract specifications to the satisfaction of the Director, to pay the CONTRACTOR pursuant to the Schedule of Prices set forth in the Proposal and attached hereto as Form PW-2, an amount not to exceed \$_____ per year (Maximum Contract Sum), or such greater amount as the Board may approve.

FOURTH: This Contract's initial term shall be for a period of one year commencing on _____. At the sole discretion of the COUNTY, this Contract may be extended in increments of one year, not to exceed a total contract period of four years. The COUNTY, acting through the Director, may give a written notice of intent to extend this Contract at least 30 days prior to the end of each term.

FIFTH: The CONTRACTOR shall bill in arrears for each task and deliverable upon acceptance in accordance with Exhibit A, Scope of Work and Form PW-2, Schedule of Prices. Work performed shall be billed at the unit prices quoted in Form PW-2, Schedule of Prices.

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SIXTH: Public Works will reimburse the CONTRACTOR for additional water saving devices, copies of reports or other items outside the Scope of Work only if prior approval for such items was submitted by Public Works in writing. Mileage and travel time are not reimbursable.

Invoices shall include a detailed backup for work completed and all authorized reimbursable expenses incurred. Payment will be withheld for any unresolved customer complaints for a particular deliverable.

SEVENTH: Public Works will make payment to the CONTRACTOR within 30 days of receipt and approval of a properly completed invoice. However, should the CONTRACTOR be certified by the COUNTY as a Local Small Business Enterprise, payment will be made in accordance with Board of Supervisors Policy No. 3.035, Small Business Liaison and Prompt Payment Program. Each invoice shall be in triplicate (original and two copies) and shall itemize the work completed. The invoices shall be submitted to:

County of Los Angeles Department of Public Works
Attention Fiscal Division, Accounts Payable
P.O. Box 7508
Alhambra, CA 91802-7508

EIGHTH: In no event shall the aggregate total amount of compensation paid to the CONTRACTOR exceed the amount of compensation authorized by the Board. Such aggregate total amount is the Maximum Contract Sum.

NINTH: The CONTRACTOR understands and agrees that only the designated Public Works Contract Manager is authorized to request or order work under this Contract. The CONTRACTOR acknowledges that the designated Contract Manager is not authorized to request or order any work that would result in the CONTRACTOR earning an aggregate compensation in excess of this Contract's Maximum Contract Sum.

TENTH: The CONTRACTOR shall not perform or accept work requests from the Contract Manager or any other person that will cause the Maximum Contract Sum of this Contract to be exceeded. CONTRACTOR shall monitor the balance of this Contract's Maximum Contract Sum. When the total of the CONTRACTOR'S paid invoices, invoices pending payment, invoices yet to be submitted, and ordered services reaches 75 percent of the Maximum Contract Sum, the CONTRACTOR shall immediately notify the Contract Manager in writing. The CONTRACTOR shall send written notification to the Contract Manager when this Contract is within six months from expiration of the term as provided for hereinabove.

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TWELFTH: In the event that terms and conditions which may be listed in the **CONTRACTOR'S** Proposal, conflict with the **COUNTY'S** specifications, requirements, and terms and conditions as reflected in this **AGREEMENT**, including, but not limited to, Exhibits A through G, inclusive, the **COUNTY'S** provisions shall control and be binding.

FOURTEENTH: This Contract constitutes the entire agreement between the COUNTY and the CONTRACTOR with respect to the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings.

Page 3 of 4

IN WITNESS WHEREOF, the COUNTY has, by order of its Board of Supervisors, caused these presents to be subscribed by the Acting Director of Public Works, and the CONTRACTOR has subscribed its name by and through its duly authorized officers, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By _____
Acting Director of Public Works

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

[NAME OF CONTRACTOR]

By _____
Its President

Type or Print Name

By _____
Its Secretary

Type or Print Name

SCOPE OF WORK

WATER CONSERVATION BEST MANAGEMENT PRACTICES

A. Public Works Contract Manager

Public Works Contract Manager will be Ms. Melinda Barrett of Waterworks Division, who may be contacted at (626) 300-3362, e-mail address: mbarrett@dpw.lacounty.gov , Monday through Thursday 7 a.m. to 5:30 p.m. The Contract Manager is the only person authorized by Public Works to request work of the Contractor. From time to time, Public Works may change the Contract Manager. The Contractor will be notified in writing when there is a change in the Contract Manager.

B. Background

The purpose of the Contract is to assist the Los Angeles County Waterworks Districts (District) in implementing Water Conservation Best Management Practices (BMPs) required by the California Urban Water Conservation Council (CUWCC) in the Memorandum of Understanding (MOU) regarding Urban Water Conservation in California. A copy of the MOU is included for reference as Exhibit E. Public Works is seeking a highly qualified, professional firm to implement BMPs 1, 2, 5, and 9. The Districts may also request assistance from the contractor in distributing information to customers during the audit process related to BMPs 6 and 7. BMPs are to be implemented and managed in the following Districts:

1. Los Angeles County Waterworks District No. 21, Kagel Canyon;
2. Los Angeles County Waterworks District No. 29, Malibu;
3. Los Angeles County Waterworks District No. 36, Val Verde;
4. Los Angeles County Waterworks District No. 37, Acton;
5. Los Angeles County Waterworks District No. 40, Antelope Valley;
6. Marina Del Rey Water System.

C. Work Description

The Scope of Work includes, but is not limited to, all services necessary to meet the requirements of the specified BMPs in the MOU. These services include implementation and administration, meeting all requirements for coverage and documentation, meeting the criteria to determine implementation status as described in the MOU, and meeting or exceeding the water savings assumptions. The consultant shall also evaluate the water savings achieved by the programs, manage a database (existing database represents the minimum acceptable information system and it is desirable but not mandated that the Consultant offer improvements to this system) that includes customer information and water savings information, and provide reporting information required by the CUWCC, the Department of Water Resources, the Waterworks Districts or other entities.

The County reserves the right to determine if any work is or will be needed and/or requested under this Contract, at the County's sole and absolute discretion. The Contractor waives all claims against the County for consequential damages resulting from the County's failure to use the Contractor's services, including, but not limited to, lost profit.

D. Schedule of Services

The Consultant shall submit a schedule for review and approval by the District within ten working days after the date of the notice to proceed. The schedule shall be prepared to complete the appropriate tasks required to meet the implementation schedule deadlines specified in the CUWCC's MOU.

E. Utilities

The County will not provide utilities.

F. Storage Facilities

The County will provide storage facilities for the Contractor to store items necessary to surveys such as low-flow shower heads, hose nozzles, and faucet aerators. Contractor must coordinate with County staff to effectively manage the inventory and ensure access to the stored items when necessary.

G. Special Safety Requirements

All Contractor's operators shall be expected to observe all applicable State of California Occupational Safety and Health Administration (Cal/OSHA) and Public Works' safety requirements while at Public Works' jobsites.

H. Responsibilities of the Contractor

Under this contract, the contractor shall:

Task A – BMP 1 and BMP 2, Water Survey Programs and Plumbing Retrofit for single-family residential and multi-family residential customers.

The Consultant shall conduct water use surveys for single-family residential and multi-family residential customers. The goal of the program is to conduct a technical evaluation of the site and provide information to the residents and/or property manager that will improve water use efficiency and reduce overall water use. Information must be easy to understand and simple to implement. Installations, timer programming and other actions will be performed by the consultant whenever possible to ensure that actions are implemented. In the case of multi-family residences, it will be impractical to visit every dwelling unit, therefore a representative unit will be surveyed and attention will be given to common areas, landscaping, pool, laundry room, etc., where water use efficiency

can be improved. Water saving devices can be provided to property managers for installation, or installed at a later date.

- a) Consultant shall serve as the public contact to receive and answer inquiries from customers by telephone or e-mail regarding the water use surveys. Customer inquiries will be answered within 24 hours of receipt and a log will be kept. The Log will be provided to Public Works along with monthly billing. Customer service is an important part of Public Works' operations and the consultant shall provide its customer service program and training regimen as part of its proposal.
- b) Consultant shall schedule water use surveys for customers who request them. Surveys shall be conducted at times convenient to customers including evenings and weekends and shall last approximately 1-1/2 hours or whatever length of time is necessary to determine current water use, identify areas for improved efficiency and communicate this information clearly to the customer.
- c) Consultant shall market and promote the survey program in collaboration with Public Works and other Public Works' marketing contractors to reach approximately 15 percent of single-family residential accounts and 15 percent of multi-family residential accounts by the end of each annual contract term. Emphasis shall be placed on reaching those customers with the highest usage to achieve maximum water savings.
- d) Consultant shall provide customers with information about other Public Works programs available to them including rebates and native plant partnership opportunities. Public Works shall provide some information to the consultant for distribution. Consultant shall also be informed about programs and policies and share that information with Public Works to determine if it is appropriate to distribute to customers.
- e) Surveys will be conducted in such a way to reach customers in all Waterworks Districts. The distribution of customers among the Districts is as follows:
 - i. District No. 21, Kagel Canyon, 1 percent.
 - ii. District No. 29, Malibu, and Marina del Rey Water System, 12 percent.
 - iii. District No. 36, Val Verde, 2 percent.

- iv. District No. 37, Acton, 4 percent.
 - v. District No. 40, Antelope Valley, 62 percent.
- f) Surveys will require a site visit and shall consist of collecting data on both indoor and outdoor water use, focusing on outdoor use as it offers the greatest potential for water savings. Surveys shall result in a written report that will be reviewed by Public Works and mailed to the customer. Consultant shall propose both survey particulars and written report format (See Exhibit F, Residential Water-Use Survey, for sample) but each survey may include, but not be limited to, the following:
- i. Verifying customer name, address, account number, and phone number;
 - ii. Determining the approximate year residence was constructed;
 - iii. Checking for leaks in all toilets, faucets, and spigots by observation, providing and installing new water conservation devices when appropriate such as toilet flappers, low flow shower heads, faucet aerators, etc., and showing customers how to replace washers in faucets and spigots;
 - iv. If leaks are corrected after they are identified, the Consultant will record all corrected leaks per residence;
 - vii. Distributing ULFT and high efficiency washing machine rebate materials and a vendor list, as necessary, to customers with high volume toilets or low efficiency washing machines;
 - viii. Obtaining the number of residents, the number of showers taken per week, the average length of showers, and the number of loads of laundry done per week per household;
 - ix. Determining whether the resident has a warm season or cool season lawn, plants types and water use levels, the type of soil, and the appropriate application rate to irrigate the landscape;
 - x. Observing outdoor irrigation systems to check for sufficient coverage, overspray, and checking timers for appropriate watering schedule, distributing information about

weather-based controllers, rotary spray sprinkler nozzles, artificial turf, water brooms, and other rebate programs as appropriate;

- xi. Measuring total outdoor landscaped area and observing and recording the types of plant material and the area of coverage for each;
 - xii. Reviewing or developing customer irrigation schedules and assisting customers in setting their irrigation controllers (impressing upon customers the benefits of irrigating in the early morning hours); and
 - xii. Entering the information from items i-xi into a database compatible with Public Works' current database that will also estimate each customer's normal monthly water use and total potential water and cost savings, and water saving recommendations for their residence.
- g) Consultant shall submit to the District, on a monthly basis, an updated electronic copy of the database via email, ftp site, or CD.
 - h) Consultant shall provide toilet flappers, low-flow shower heads, faucet aerators, and other water saving devices and shall submit original receipts for such items with their monthly invoice for reimbursement at a County approved rate. Water saving devices must be compatible and/or equivalent to water saving devices purchased and provided by Public Works to customers at community events.
 - i) Consultant shall report to the District via email, on a monthly basis, the number of customers contacted, number of water budgets set, number of surveys offered, and number of surveys rejected.

Task B – BMP 5, Large Landscape Conservation Programs and Incentives

The Consultant shall assist the District in providing non-residential customers with support and incentives to improve their landscape water use efficiency. The District has more than 700 large landscape customers (District No. 21, 1; District No. 29, 110; District No. 36, 5; District No. 37, 4; and District No. 40, 600).

- a) District shall provide Consultant with information about large landscape customers with dedicated irrigation meters including customer name, address, account number, phone number,

number of meters at the site and annual water use for the previous year.

- b) Surveys will be provided to customers on a voluntary basis. Consultant shall contact customers with dedicated irrigation meters in person, by phone or by mail to determine whether an on-site survey is desired. Consultant shall schedule all appointments to conduct water use surveys. These surveys shall be conducted, for the most part, during normal working hours and last approximately one and a half hours or as long as necessary to evaluate the actual water use, identify areas for improved efficiency, install devices when appropriate, and communicate this information to the customer.
- c) Surveys shall include, but not be limited to, the following:
 - i. Determine landscaped areas of each type of vegetation and entire irrigable area, and record each in the database;
 - ii. Determine the water application rate for each irrigated area from the existing irrigation schedule and record this value in the database;
 - iii. Review the customer's landscape maintenance procedures or contract to verify that maintenance personnel regularly check for broken sprinkler heads, set the irrigation program in the control box, adjust application rates based on the time of year or weather, and monitor sprinklers to prevent overspray and over-watering. Record the frequency that these tasks are performed in the database;
 - iv. Based on the information obtained, make recommendations to improve current maintenance procedures or contract and record these recommendations in the database;
 - v. Determine an appropriate irrigation rate and schedule for each irrigated area based on the type of vegetation and soil. Record these recommended rates and schedules in the database;
 - vi. Conduct training for landscape staff in appropriate water-conservation techniques, use of water broom or other devices such as weather-based sprinkler controllers. Training may be conducted periodically for a number of large landscape customers and other interested customers in a

central location or it may be conducted in small groups onsite.

- d) Using the database and annual information obtained, the Consultant shall determine an appropriate water budget for each customer.
- e) Consultant shall provide to each surveyed customer a report generated by the database detailing the recommended maintenance improvements, recommended water application rates and schedules on a monthly basis for an entire year, and recommended water budget. The report shall document the potential water and cost savings per year based on the volume of water the customer used during a previous year. Consultant shall provide customers with informational material supplied as appropriate.
- f) Consultant shall submit to the District, on a monthly basis, an updated electronic copy of the database via email, ftp site, or CD.
- g) Consultant shall report to the District via email, on a monthly basis, the number of dedicated irrigation meter customers contacted, number of water budgets set, number of surveys offered, and number of surveys turned down.
- h) Consultant shall provide to customers information regarding evapotranspiration or moisture sensitive irrigation system controls, and explain to customers the benefits of installing such a system at appropriate locations, as well as information about the Districts' and other rebate programs.

Task C – BMP 9, Conservation Programs for Commercial, Industrial, and Institutional (CII) Accounts

The Consultant shall assist the District in its efforts to reduce total annual water use by 20% for CII customers in each of the Districts' service areas by December 2020. Baseline use is defined as the use by CII customers in 1997. The following is the District's number of accounts and water use for the baseline year, 1997: District No. 21: 0 accounts, 0 acre-feet water use; District No. 29, 152 accounts, 426 acre-feet water use; District No. 36, 0 accounts, 0 acre-feet water use; District No. 37, 31 accounts, 20 acre-feet water use; and District No. 40, 1,425 accounts, 4,985 acre-feet water use.

The goal of this program is to provide useful information that is easy to implement to assist CII customers in improving water use efficiency and reducing allover water use. A report shall be generated and mailed to customers who

shall be similar to Exhibit G, Water Use Survey Report (for Pt. Dume Elementary School).

- a) The District will provide a list of customers to Consultant. Consultant shall identify and rank all CII customers according to water usage and water savings potential. This list will include property owner contact information and type of facility.
- b) Consultant shall contact CII customers in person, by phone or by mail in order of priority to request voluntary participation in an on-site CII water use survey. The consultant shall maintain a phone log to record the contact at each location, whether a survey was requested, and the date the survey was conducted.
- c) Consultant shall schedule site visits for CII customers, in order of priority based on water savings potential. Each customer shall be provided with the evaluation results and water saving recommendations. Surveys shall include, but not be limited to, the following:
 - i. Recording the number of toilets in the facility and the number that are ULFT, waterless urinals, or dual flush.
 - ii. Recording the number of clothes washing machines in the facility and the number that are not high efficiency.
 - iii. Recording the number of dishwashing stations in the facility and the number of pre-rinse spray valves installed.
 - iv. Recording the number of sinks in the facility and whether they are equipped with aerators.
 - v. Observing and recording other water demanding procedures undertaken by the individual customer.
 - vi. Observing and recording outdoor water use.
 - vii. Assessing and making recommendations to improve water use efficiency and reduce overall water consumption.
- d) Consultant shall recommend in their proposal a strategy to target and market dedicated landscape meters to appropriate CII customers and shall implement this strategy as part of the contract.
- e) Consultant shall distribute information and vendor information concerning high-efficiency washing machines, ULFTs, waterless

urinals, faucet aerators, pre-rinse spray valves and dual flush toilets and rebate programs to customers during site visits, as appropriate.

- f) Consultant shall prepare and distribute information on the incentives and payback period for the recommended high-efficiency measures to be mailed as part of the report to each customer.
- g) Within one year of a completed survey, Consultant shall follow-up via phone or site visit with the customer regarding facility water use and water saving improvements.
- h) Consultant shall track the number of CII customers offered a water use survey, the number of surveys completed, the type and number of water saving recommendations, and the estimated reduction in annual water use for each customer in a database, and send monthly progress reports of this information to the District.

Task D – Consultant shall conduct meetings with District representatives at District's office upon request, and send monthly progress reports with each monthly invoice.

Task E – Consultant shall provide information about BMPs in the format required by the CUWCC for BMP reporting. This reporting is required annually but information shall be kept current so that it is available upon the Districts' request.

Task F – Upon request, Consultant shall provide a work plan and implementation schedule to meet the requirements of any new BMPs issued by the CUWCC during the contract term, or to meet any substantial revisions of the existing CUWCC BMPs, Governor's Office or other regulations during the contract term.

I. **Responsibilities of Public Works**

- 1. Public Works will provide access to all relevant data in its possession. However, the County assumes no responsibility whatsoever with respect to the sufficiency or accuracy of any information supplied. The Consultant shall be responsible for evaluation of all information supplied by Public Works.
- 2. Public Works will provide Consultant with a database of all large landscape customers with dedicated irrigation meters.
- 3. Public Works will provide Consultant with a database of CII customers.
- 4. Public Works will provide Consultant with access to existing database that estimates each customer's normal monthly water use and total potential water and cost savings to be utilized for customer surveys in BMP1.

J. Liquidated Damages

1. In any case of the Contractor's failure to meet certain specified performance requirements, the County may, in lieu of other remedies provided by law or the Contract, assess liquidated damages in specified sums and deduct them from any regularly scheduled payment to the Contractor. However, neither the provision of a sum of liquidated damages for nonperformance or untimely or inadequate performance nor the County's acceptance of liquidated damages shall be construed to waive the County's right to reimbursement for damage to its property or indemnification against third-party claims.
2. The amounts of liquidated damages have been set in recognition of the following circumstances existing at the time of the formation of the Contract:
 - a. All of the time limits and acts required to be done by both parties are of the essence of the Contract;
 - b. The parties are both experienced in the performance of the Contract work;
 - c. The Contract contains a reasonable statement of the work to be performed in order that the expectations of the parties to the Contract are realized. The expectation of the County is that the work will be performed with due care in a workmanlike, competent, timely, and cost-efficient manner while the expectation of the Contractor is a realization of a profit through the ability to perform the Contract work in accordance with the terms and conditions of the Contract at the Proposal price;
 - d. The parties are not under any compulsion to contract;
 - e. The Contractor's acceptance of the assessment of liquidated damages against it for unsatisfactory and late performance is by agreement and willingness to be bound as part of the consideration being offered to the County for the award of the Contract;
 - f. It would be difficult for the County to prove the loss resulting from nonperformance or untimely, negligent, or inadequate performance of the work; and
 - g. The liquidated sums specified represent a fair approximation of the damages incurred by the County resulting from the Contractor's failure to meet the performance standard as to each item for which an amount of liquidated damages is specified.

3. The Contractor shall pay Public Works, or Public Works may withhold and deduct from monies due the Contractor, liquidated damages in the sum of \$250 for each consecutive calendar day that the Contractor fails to complete work within the time specified unless otherwise provided in this Contract.

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SERVICE CONTRACT GENERAL REQUIREMENTS

SECTION 1

INTERPRETATION OF CONTRACT

A. Ambiguities or Discrepancies

Both parties have either consulted or had the opportunity to consult with counsel regarding the terms of this Contract and are fully cognizant of all terms and conditions. Should there be any uncertainty, ambiguity, or discrepancy in the terms or provisions hereof, or should any misunderstanding arise as to the interpretation to be placed upon any position hereof or the applicability of the provisions hereunder, neither party shall be deemed as the drafter of this Contract and the uncertainty, ambiguity, or discrepancy shall not be construed against either party.

B. Definitions

Whenever in the Request for Proposals, Contract, Scope of Work, Specifications, Terms, Requirements, and/or Conditions the following terms are used, the intent and meaning shall be interpreted as follows:

Agreement. The written, signed accord covering the performance of the requested service.

Board. The Board of Supervisors of County of Los Angeles and Ex-Officio Board of Supervisors of the Los Angeles County Flood Control District.

Contract. The written agreement covering the performance of the service and the furnishing of labor, materials, supervision, and equipment in the performance of the service. The contract includes the Agreement, Exhibit A - Scope of Work (Specifications), Exhibit B - Service Contract General Requirements, Exhibit C - Internal Revenue Service Notice 1015, Exhibit D - Safely Surrendered Baby Law Posters, and other appropriate exhibits and amendments. Included are all supplemental agreements amending or extending the service to be performed, which may be required to supply acceptable services specified herein.

Contractor. The person or persons, sole proprietor, partnership, joint venture, corporation, or other legal entity who has entered into an agreement with County to perform or execute the work covered by this Contract.

Contract Work or Work. The entire contemplated work of maintenance and repair to be performed, and services rendered as prescribed in this Contract.

County. Includes County of Los Angeles, County of Los Angeles Department of Public Works, Los Angeles County Road Department, and/or Los Angeles County Engineer.

Day. Calendar day(s) unless otherwise specified.

Direct Employee. Worker employed by Contractor under Contractor's state and federal taxpayer identification.

Director. The Director of Public Works, County of Los Angeles, as used herein, includes the Road Commissioner, County of Los Angeles; County Engineer, County of Los Angeles; Chief Engineer, Los Angeles County Flood Control District; and/or authorized representative(s).

District. Los Angeles County Flood Control District, or Los Angeles County Waterworks Districts, or Los Angeles County Consolidated Sewer Maintenance District.

Employee Leasing. Any agreement to employ any worker, at any tier, that is neither a subcontract nor a direct employee relationship.

Fiscal Year. The 12 month period beginning July 1st and ending the following June 30th.

Maximum Contract Sum. The Maximum Contract Sum is the aggregate total amount of compensation authorized by the Board.

Proposal. The written materials that a Proposer submits in response to a solicitation document (Request for Proposals).

Proposer. Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity submitting a Proposal for the work, acting directly or through a duly authorized representative.

Public Works. County of Los Angeles Department of Public Works.

Solicitation. Request for Proposals, Invitation for Bids, Request for Statement of Qualifications, or Request for Quotation.

Specifications. The directions, provisions, and requirements contained herein, as supplemented by such special provisions as may be necessary pertaining to method, manner, and place of performing the work under this Contract.

Subcontract. An agreement by the Contractor to employ a subcontractor at any tier; to employ or agree to employ a subcontractor, at any tier.

Subcontractor. Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to Contractor in furtherance of the Contractor's performance of this Contract, at any tier, under oral or written agreement.

C. Headings

The headings herein contained are for convenience and reference only and are not intended to define or limit the scope of any provision thereof.

SECTION 2

STANDARD TERMS AND CONDITIONS PERTAINING TO CONTRACT ADMINISTRATION

A. Amendments

1. For any change which affects the scope of work, contract sum, payments, or any term or condition included in this Contract, an amendment shall be prepared and executed by Contractor and the Board or if delegated by the Board, the Director and Contractor.
2. The Board or County's Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in this Contract during the term of this Contract. County reserves the right to add and/or change such provisions as required by the Board or the Chief Executive Officer. To implement such changes, an amendment or a change order to this Contract shall be prepared by Public Works for execution by Contractor and the Director.
3. County may, at its sole discretion, authorize extensions of time to this Contract's term. Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an amendment to this Contract shall be prepared and executed by Contractor and the Board or if delegated by the Board, the Director and Contractor. To the extent that extensions of time for Contractor performance do not impact either scope or amount of this Contract, Public Works may, at its sole discretion, grant Contractor extensions of time, provided the aggregate of all such extensions during the life of this Contract shall not exceed 120 days.
4. For any change which does not materially affect the scope of work or any other term or condition included under this Contract, a *Change Order* shall be prepared and signed by the County and the Contractor.

B. Assignment and Delegation

1. Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to this Contract, which is formally approved and executed by Contractor and the Board or if delegated by the Board, the Director and Contractor. Any payments by County to any approved delegate or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.

2. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.
3. Any assumption, assignment, delegation, or takeover of any of Contractor's duties, responsibilities, obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Contract, which may result in the suspension or termination of this Contract. In the event of such a termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default of Contractor.

C. Authorization Warranty

Contractor represents and warrants that the person(s) executing this Contract for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of this Contract and that all requirements of Contractor have been fulfilled to provide such actual authority.

D. Budget Reduction

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions.

E. Complaints

Contractor shall develop, maintain, and operate procedures for receiving, investigating, and responding to any complaints by any individual.

1. Within 12 business days after this Contract's effective date, Contractor shall provide County with Contractor's policy for receiving, investigating, and responding to any complaints by any individual.
2. County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
3. If County requests changes in Contractor's policy, Contractor shall make such changes and resubmit the plan within five business days for County approval.
4. If, at any time, Contractor wishes to change Contractor's policy, Contractor shall submit proposed changes to County for approval before implementation.
5. Contractor shall preliminarily investigate all complaints and notify the Contract Manager of the status of the investigation within five business days of receiving the complaint.
6. When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
7. Copies of all written responses shall be sent to the Contract Manager within three business days of mailing to the complainant.

F. Compliance with Applicable Laws

1. Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, or directives, and all provisions required thereby to be included in this Contract are hereby incorporated by reference.
2. Contractor shall defend, indemnify, and hold County harmless from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees arising from or related to any violation on the part of Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

G. Compliance with Civil Rights Laws

Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e)(1) through 2000 (e)(17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical disability, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be

otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. Contractor shall comply with its EEO Certification (Form PW-7).

H. Confidentiality

1. Contractor shall maintain the confidentiality of all records obtained from County under this Contract in accordance with all applicable Federal, State, and local laws, ordinances, regulations, and directives relating to confidentiality.
2. Contractor shall inform all of its officers, employees, agents, and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

I. Conflict of Interest

1. No County employee whose position with County enables such employee to influence the award of this Contract or any competing contract, and no spouse or economic dependent of such employee shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of Contractor who may financially benefit from the performance of the work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.
2. Contractor represents and warrants that it is aware of, and its authorized officers have read, the provisions of Los Angeles County Code, Section 2.180.010, "Certain Contracts Prohibited," and that execution of this Agreement will not violate those provisions. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Contract subjecting Contractor to either contract termination for default or debarment proceedings or both. Contractor must sign and adhere to the "Conflict of Interest Certification" (Form PW-5).

J. Consideration of Hiring County Employees Targeted for Layoffs or Former County Employee on Reemployment List

Should Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff or qualified, former County employees who are on a reemployment list during the life of this Contract.

K. Consideration of Hiring GAIN and GROW Participants

1. Should Contractor require additional or replacement personnel after the effective date of this Contract, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN and GROW participants by category to Contractor.
2. In the event that both laid-off County employees and GAIN and GROW participants are available for hiring, County employees shall be given first priority.

L. Contractor's Acknowledgment of County's Commitment to Child Support Enforcement

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's L.A.'s Most Wanted: Delinquent Parents poster in a prominent position at Contractor's place of business. County's Child Support Services Department will supply Contractor with the poster to be used.

M. Contractor's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring contractors to complete the Charitable Contributions Certification (Form PW-12), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect County and its taxpayers. A contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract

termination for default or debarment proceedings or both. (Los Angeles County Code Chapter 2.202)

N. Contractor's Warranty of Adherence to County's Child Support Compliance Program

1. Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.
2. As required by County's Child Support Compliance Program (Los Angeles County Code Chapter 2.200), and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with the employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

O. County's Quality Assurance Plan

County or its agent will evaluate Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all this Contract's terms and conditions and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of this Contract in jeopardy, if not corrected, will be reported to the Board. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may suspend or terminate this Contract for default or impose other penalties as specified in this Contract.

P. Damage to County Facilities, Buildings, or Grounds

1. Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor.
2. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than 30 days after the occurrence. If Contractor fails to make timely repairs, County may make

any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand. County may deduct from any payment otherwise due Contractor for costs incurred by County to make such repairs.

Q. Employment Eligibility Verification

1. Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all of its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603), or as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.
2. Contractor shall indemnify, defend, and hold harmless, County, its Board, agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of Federal or State statutes or regulations pertaining to the eligibility for employment of persons performing services under this Contract.

R. Facsimile Representations

At the discretion of County, County may agree to regard facsimile representations of original signatures of Contractor's authorized officers, when appearing in appropriate places on the change notices and amendments prepared pursuant to this Exhibit's Amendments, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to change notices and amendments to this Contract, such that the Contractor need not follow up facsimile transmissions of such documents with subsequent (nonfacsimile) transmission of "original" versions of such documents.

S. Fair Labor Standards

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless County and its Board, agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by Contractor's employees for which County may be found jointly or solely liable.

T. Governing Laws, Jurisdiction, and Venue

This Contract shall be governed by, and construed in accordance with the laws of the State of California. To the maximum extent permitted by applicable law, Contractor and County agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes concerning this Contract and further agree and consent that venue of any action brought in connection with or arising out of this Contract, shall be exclusively in the County of Los Angeles.

U. Nondiscrimination and Affirmative Action

1. Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State antidiscrimination laws and regulations.
2. Contractor shall certify to, and comply with, the provisions of Contractor's EEO Certification (Form PW-7).
3. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State antidiscrimination laws and regulations. Such action shall include, but not be limited to, employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection of training, including apprenticeship.
4. Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
5. Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

6. Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this paragraph when so requested by County.
7. If County finds that any of the above provisions have been violated, such violation shall constitute a material breach of this Contract upon which County may terminate for default or suspend this Contract. While County reserves the right to determine independently that the antidiscrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated Federal or State antidiscrimination laws or regulations shall constitute a finding by County that Contractor has violated the antidiscrimination provisions of this Contract.
8. The parties agree that in the event Contractor violates any of the antidiscrimination provisions of this Contract, County shall, at its sole option, be entitled to a sum of \$500 for each violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

V. Nonexclusivity

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict County from acquiring similar, equal, or like goods and/or services from other entities or sources.

W. No Payment for Services Provided Following Expiration/Suspension/Termination of Contract

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration, suspension, or other termination of this Contract. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/suspension/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration/suspension/termination of this Contract.

X. Notice of Delays

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one business day,

give notice thereof, including all relevant information with respect thereto, to the other party.

Y. Notice of Disputes

Contractor shall bring to the attention of the Contract Manager any dispute between County and Contractor regarding the performance of services as stated in this Contract. If the Contract Manager is not able to resolve the dispute, the Director will resolve it.

Z. Notice to Employees Regarding the Federal Earned Income Credit

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015 (Exhibit C).

AA. Notices

Notices desired or required to be given under these Specifications, Conditions, or Terms herein or any law now or hereafter in effect may, at the option of the party giving the same, be given by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope with postage prepaid with the United States Post Office and any such notice and the envelope containing the same shall be addressed to Contractor at its place of business, or such other place as may be hereinafter designated in writing by Contractor. The notices and envelopes containing the same to County shall be addressed to:

Chief, Administrative Services Division
County of Los Angeles Department of Public Works
P.O. Box 1460
Alhambra, CA 91802-1460

In the event of suspension or termination of this Contract, notices may also be given upon personal delivery to any person whose actual knowledge of such suspension or termination would be sufficient notice to Contractor. Actual knowledge of such suspension or termination by an individual Contractor or by a copartner, if Contractor is a partnership; or by the president, vice president, secretary, or general manager, if Contractor is a corporation; or by the managing agent regularly in charge of the work on behalf of said Contractor shall in any case be sufficient notice.

BB. Publicity

Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by

law. However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publicizing its role under this Contract within the following conditions:

1. Contractor shall develop all publicity material in a professional manner.
2. During the term of this Contract, Contractor shall not, and shall not authorize another to, publish or disseminate commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the Contract Manager. County shall not unreasonably withhold such written consent.
3. Contractor may, without prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with County, provided that the requirements of this paragraph shall apply.

CC. Public Records Act

1. Any documents submitted by Contractor; all information obtained in connection with County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to this Exhibit's Record Retention and Inspection/Audit Settlement, of this Contract; as well as those documents which were required to be submitted in response to the RFP used in the solicitation process for this Contract, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records, except those documents that are marked "trade secret," "confidential," or "proprietary" and are deemed excluded from disclosure under Government Code 6250 et seq. (Public Records Act). County shall not in any way be liable or responsible for the disclosure of any such records including, with limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.
2. In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret," "confidential," or "proprietary," Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in connection with any requested action or liability arising under the Public Records Act.

DD. Record Retention and Inspection/Audit Settlement

Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract.

Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks, or other proof of payment, timecards, sign-in/sign-out sheets, and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Contract and for a period of five years thereafter unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in County, provided that if any such material is located outside County, then, at County's option, Contractor shall pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy, or transcribe such material at such other location.

1. In the event that an audit of Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Auditor-Controller within 30 days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
2. Failure on the part of Contractor to comply with any of the provisions of this paragraph shall constitute a material breach of this Contract upon which County may suspend or terminate for default or suspend this Contract.
3. If, at any time during the term of this Contract or within five years after the expiration or termination of this Contract, representatives of County conduct an audit of Contractor regarding the work performed under this Contract, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference shall be either: a) repaid by Contractor to County by cash payment upon demand or b) at the sole option of County's Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Contract or otherwise. If such audit finds that County's dollar liability for such work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's maximum obligation for this Contract exceed the funds appropriated by County for the purpose of this Contract.

EE. Recycled-Content Paper Products

Consistent with Board policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible under this Contract.

FF. Subcontracting

The requirements of this Contract may not be subcontracted by Contractor without the advance written approval of County. Any attempt by Contractor to subcontract without the prior written consent of County may be deemed a material breach of this Contract and the County may suspend or terminate for this Contract default.

1. If Contractor desires to subcontract, Contractor shall provide the following information promptly at County's request:
 - a. A description of the work to be performed by the subcontractor;
 - b. A draft copy of the proposed subcontract; and
 - c. Other pertinent information and/or certifications requested by County.
2. Contractor shall indemnify and hold County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
3. Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract.
4. County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. Contractor is responsible to notify its subcontractors of this County right.
5. County's Contract Manager is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor employees.
6. Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding County's consent to subcontract.
7. Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by County from each approved subcontractor. Contractor shall ensure delivery of all such documents to Administrative Services Division, P.O. Box 1460, Alhambra, California 91802-1460, before any subcontractor employee may perform any work hereunder.
8. Employee Leasing is prohibited.

GG. Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

HH. Waiver

No waiver by County of any breach of any provision of this Contract shall constitute a waiver of any other breach of said provision or of any other provision of this Contract. Failure of County to enforce at anytime, or from time to time, any provision of this Contract shall not be construed as a waiver thereof.

II. Warranty Against Contingent Fees

1. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.
2. For breach of this warranty, County shall have the right, in its sole discretion, to suspend or terminate this Contract for default, deduct from amounts owing to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

SECTION 3

TERMINATIONS

A. Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of Contractor to maintain compliance with the requirements set forth in this Exhibit's Contractor's Warranty of Adherence to County's Child Support Compliance Program shall constitute a default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which the County may suspend or terminate this Contract pursuant to this Exhibit's Termination/Suspension for Default, and pursue debarment of Contractor pursuant to Los Angeles County Code Chapter 2.202.

B. Termination for Convenience

1. This Contract may be suspended or terminated, in whole or in part, from time to time, when such action is deemed by County, in its sole discretion, to be in its best interest. Suspension or termination of work hereunder shall be effected by notice of suspension or termination to Contractor specifying the extent to which performance of work is suspended or terminated and the date upon which such suspension or termination becomes effective. The date upon which such suspension or termination becomes effective shall be no less than 10 days after the notice is sent.
2. After receipt of a notice of suspension or termination and except as otherwise directed by County, Contractor shall:
 - a. Stop work under this Contract on the date and to the extent specified in such notice; and
 - b. Complete performance of such part of the work as shall not have been terminated by such notice.
3. All material including books, records, documents, or other evidence bearing on the costs and expenses of Contractor under this Contract shall be maintained by Contractor in accordance with this Exhibit's Record Retention and Inspection/Audit Settlement.
4. If this Contract is suspended or terminated, Contractor shall complete within the Director's suspension or termination date contain within the notice of suspension or termination, those items of work which are in various stages of completion, which the Director has advised the Contractor are necessary to bring the work to a timely, logical, and orderly

end. Reports, samples, and other materials prepared by Contractor under this Contract shall be delivered to County upon request and shall become the property of County.

C. Termination/Suspension for Default

1. County may, by written notice to Contractor, suspend or terminate the whole or any part of this Contract, if, in the judgment of the County:
 - a. Contractor has materially breached this Contract; or
 - b. Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required under this Contract; or
 - c. Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure.
2. In the event County suspends or terminates this Contract in whole or in part pursuant to this paragraph, County may procure, upon such terms and in such manner, as County may deem appropriate, goods and services similar to those so suspended or terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Contract to the extent not suspended or terminated under the provisions of this paragraph.
3. Except with respect to defaults of any subcontractor, Contractor shall not be liable for any excess costs of the type identified in subparagraph "2" above, if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of Contractor. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of County in either its sovereign or contractual capacity, acts of the Federal or State government in its sovereign capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without the fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor

were obtainable from other sources in sufficient time to permit Contractor to meet the required delivery schedule.

4. If, after County has given notice of termination under the provisions of this paragraph, it is determined by County that Contractor was not in default under the provisions of this paragraph or that the default was excusable under the provisions of this paragraph, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to this Exhibit's Termination for Convenience.
5. The rights and remedies of County provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
6. As used herein, the terms "subcontractor" and "subcontractors" mean subcontractor at any tier.

D. Termination for Improper Consideration

1. County may, by written notice to Contractor, immediately suspend or terminate the right of Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, extension of this Contract, or the making of any determinations with respect to Contractor's performance pursuant to this Contract. In the event of such termination, County shall be entitled to pursue those same remedies against Contractor as it could pursue in the event of default by Contractor.
2. Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County Auditor-Controller's Employee Fraud Hotline at (800) 554-6861.
3. Among other items, such improper consideration may take the form of cash; discounts; services; the provision of travel, entertainment, or tangible gifts.

E. Termination/Suspension for Insolvency

1. County may suspend or terminate this Contract forthwith in the event of the occurrence of any of the following:
 - a. Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least 60 days in the ordinary

course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code, and whether or not Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- b. The filing of a voluntary or involuntary bankruptcy petition relative to Contractor under the Federal Bankruptcy Code;
 - c. The appointment of a bankruptcy Receiver or Trustee for Contractor; or
 - d. The execution by Contractor of a general assignment for the benefits of creditors.
2. The rights and remedies of County provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

F. Termination for Nonadherence to County Lobbyists Ordinance

Contractor, and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County Lobbyists or County Lobbying firm retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which County may in its sole discretion, immediately suspend or terminate for default or suspend this Contract.

G. Termination/Suspension for Nonappropriation of Funds

Notwithstanding any other provision of this Contract, County shall not be obligated for Contractor's performance hereunder or by any provision of this Contract during any of County's future fiscal years unless and until the Board appropriates funds for this Contract in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract may be suspended or terminated as of June 30 of the last fiscal year for which funds were appropriated. County will notify Contractor in writing of any such nonallocation of funds at the earliest possible date.

SECTION 4

GENERAL CONDITIONS OF CONTRACT WORK

A. Authority of Public Works and Inspection

The Director will have the final authority in all matters affecting the work covered by this Contract's Terms, Requirement, Conditions, and Specifications. On all questions relating to work acceptability or interpretations of these Terms, Requirements, Conditions, and Specifications, the decision of the Director will be final.

B. Cooperation

Contractor shall cooperate with Public Works' forces engaged in any other activities at the jobsite. Contractor shall carry out all work in a diligent manner and according to instructions of the Director.

C. Cooperation and Collateral Work

Contractor shall perform work as directed by the Director. The Director will be supported by other Public Works personnel in assuring satisfactory performance of the work under these Specifications and that satisfactory contract controls and conditions are maintained.

D. Equipment, Labor, Supervision, and Materials

All equipment, labor, supervision, and materials required to accomplish this Contract, except as might be specifically outlined in other sections, shall be provided by Contractor.

E. Gratuitous Work

Contractor agrees that should work be performed outside the Scope of Work indicated and without Public Works' prior written approval in accordance with this Exhibit's Amendments, such work shall be deemed to be a gratuitous effort by Contractor, and Contractor shall have no claim, therefor, against County.

F. Jobsite Safety

Contractor shall be solely responsible for ensuring that all work performed under this Contract is performed in strict compliance with all applicable Federal, State, and local occupational safety regulations. Contractor shall provide at its expense all safeguards, safety devices, and protective equipment and shall take any and all actions appropriate to providing a safe jobsite.

G. Labor

No person shall be employed on any work under this Contract who is found to be intemperate, troublesome, disorderly, or is otherwise objectionable to Public Works. Any such person shall be reassigned immediately and not again employed on Public Works' projects or providing services.

H. Labor Law Compliance

Contractor, its agents, and employees shall be bound by and shall comply with all applicable provisions of the Labor Code of the State of California as well as all other applicable Federal, State, and local laws related to labor. Contractor shall comply with Labor Code Section 1777.5 with respect to the employment of apprentices.

I. Overtime

Eight hours labor constitutes a legal day's work. Work in excess thereof, or greater than 40 hours during any one week, shall be permitted only as authorized by and in accordance with Labor Code Section 1815 et seq.

J. Permits/Licenses

Contractor shall be fully responsible for possessing or obtaining all permits/licenses, except as might be specifically outlined in other sections, from the appropriate Federal, State, or local authorities relating to work to be performed under this Contract.

K. Prohibition Against Use of Child Labor

1. Contractor shall:

- a. Not knowingly sell or supply to County any products, goods, supply, or other personal property manufactured in violation of child labor standards set by the International Labor Organization through its 1973 Convention Concerning Minimum Age for Employment;
- b. Upon request by County, identify the country/countries of origin of any products, goods, supplies, or other personal property Contractor sells or supplies to County;
- c. Upon request by County, provide to County the manufacturer's certification of compliance with all international child labor conventions; and
- d. Should County discover that any products, goods, supplies, or other personal property sold or supplied by Contractor to County are produced in violation of any international child labor

conventions, Contractor shall immediately provide an alternative, compliant source of supply.

2. Failure by Contractor to comply with provisions of this paragraph will constitute a material breach of this Contract and will be grounds for immediate suspension or termination of this Contract for default.

L. Public Convenience

Contractor shall conduct operations to cause the least possible obstruction and inconvenience to public traffic or disruption to the peace and quiet of the area within which the work is being performed.

M. Public Safety

It shall be Contractor's responsibility to maintain security against public hazards at all times while performing work at Public Works' jobsites.

N. Quality of Work

Contractor shall provide the County high and consistent quality work under this Contract and which is at least equivalent to that which Contractor provides to all other clients it serves. All work shall be executed by experienced and well-trained workers. All work shall be under supervision of a well-qualified supervisor. Contractor also agrees that work shall be furnished in a professional manner and according to these Specifications.

O. Quantities of Work

Contractor shall be allowed no claims for anticipated profits or for any damages of any sort because of any difference between the work estimated by Contractor in responding to County's solicitation and actual quantities of work done under this Contract or for work decreased or eliminated by County.

P. Safety Requirements

Contractor shall be responsible for the safety of equipment, material, and personnel under Contractor's jurisdiction during the work.

Q. Storage of Material and Equipment

Contractor shall not store material or equipment at the jobsite, except as might be specifically authorized by this Contract. County will not be liable or responsible for any damage, by whatever means, or for the theft of Contractor's material or equipment from any jobsite.

R. Transportation

County will not provide transportation to and from the jobsite and will not provide travel around the limits of the jobsite.

S. Work Area Controls

1. Contractor shall comply with all applicable laws and regulations. Contractor shall maintain work area in a neat, orderly, clean, and safe manner. Contractor shall avoid spreading out equipment excessively. Location and layout of all equipment and materials at each jobsite will be subject to the Contract Manager's approval.
2. Contractor shall be responsible for the security of any and all of Public Works/County facilities in its care. Contractor shall provide protection against vandalism and accidental and malicious damage, both during working and nonworking hours.

SECTION 5

INDEMNIFICATION AND INSURANCE REQUIREMENTS

A. Independent Contractor Status

1. This Contract is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
2. Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.
3. Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of Contractor and not employees of County. Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of Contractor pursuant to this Contract.

B. Indemnification

Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs, and expenses of any nature whatsoever (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Contract.

C. Workplace Safety Indemnification

In addition to and without limiting the indemnification required by this Exhibit's Section 5.B (above), and to the extent allowed by law, Contractor agrees to defend, indemnify, and hold harmless County, its Board, Special Districts, officers, employees, and agents from and against any and all investigations, complaints, citations, liability, expense (including defense costs and legal fees), claims, and/or causes of action for damages of any nature whatsoever, including, but not limited to, injury or death to employees of Contractor, its subcontractors or County, attributable to any alleged act or omission of Contractor and/or its subcontractors

which is in violation of any Cal/OSHA regulation. The obligation to defend, indemnify, and hold harmless County includes all investigations and proceedings associated with purported violations of Section 336.10 of Title 8 of the California Code of Regulations pertaining to multiemployer worksites. Contractor shall not be obligated to indemnify for liability and expenses arising from the active negligence of County. County may deduct from any payment otherwise due Contractor any costs incurred or anticipated to be incurred by County, including legal fees and staff costs, associated with any investigation or enforcement proceeding brought by Cal/OSHA arising out of the work being performed by Contractor under this Contract.

D. General Insurance Requirements

1. Without limiting Contractor's indemnification of County and during the term of this Contract, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County. Such coverage shall be provided and maintained at Contractor's own expense.
2. Evidence of Insurance - Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Administrative Services Division, P.O. Box 1460, Alhambra, California 91802-1460, prior to commencing work under this Contract. Such certificates or other evidence shall:
 - a. Specifically identify this Contract;
 - b. Clearly evidence all coverage required in this Contract;
 - c. Contain the express condition that County is to be given written notice by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance;
 - d. Include copies of the additional insured endorsement to the commercial general liability policies, adding County, its Special Districts, its officials, officers, and employees as insureds for all activities arising from this Contract; and
 - e. Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insurance retentions as they apply to County, or require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be

executed by a corporate surety licensed to transact business in the State of California.

3. Insurer Financial Rating: Insurance is to be provided by an insurance company acceptable to County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.
4. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of this Contract upon which County may immediately terminate or suspend this Contract. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.
5. Notification of Incidents, Claims, or Suits: Contractor shall report to County's Contract Manager:
 - a. Any accident or incident relating to work performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within 24 hours of occurrence.
 - b. Any third-party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Contract.
 - c. Any injury to a Contractor's employee which occurs on County property. This report shall be submitted on a County "Nonemployee Injury Report" to the Contract Manager.
 - d. Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Contract.

E. Compensation for County Costs

In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors

Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

1. Contractor providing evidence of insurance covering the activities of subcontractor; or
2. Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

G. Insurance Coverage Requirements

1. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (Can be met by a combination of primary and excess insurance coverage)
 - a. General Aggregate: \$2 million
 - b. Products/Completed Operations Aggregate: \$1 million
 - c. Personal and Advertising Injury: \$1 million
 - d. Each Occurrence: \$1 million
2. Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "nonowned," and "hired" vehicles, or coverage for "any auto." (Can be met by a combination of primary and excess insurance coverage).
3. Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act, or any other Federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

- a. Each Accident: \$1 million
- b. Disease - policy limit: \$1 million
- c. Disease - each employee: \$1 million

As a condition precedent to its performance pursuant to this Contract, Contractor, by and through its execution of this Contract, certifies that it is aware of, and understands, the provisions of Section 3700 of the Labor

Code, which requires every employer to be insured against liability of Workers' Compensation or to undertake self-insurance in accordance with those provisions before commencing the performance of work under this Contract, and agrees to fully comply with said provisions.

SECTION 6

CONTRACTOR RESPONSIBILITY AND DEBARMENT

A. Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Chapter 2.202 of County Code

Contractor is hereby notified that, in accordance with Chapter 2.202 of County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Contract, debar Contractor from bidding or proposing on, being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and suspend or terminate any or all existing contracts Contractor may have with County.

C. Nonresponsible Contractor

County may debar a contractor if the Board finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County or a nonprofit corporation created by County; (2) committed an act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against County or any other public entity.

D. Contractor Hearing Board

1. If there is evidence that Contractor may be subject to debarment, Public Works will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before Contractor Hearing Board.
2. Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, Contractor Hearing Board will prepare a tentative proposed decision, which shall contain a recommendation

regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and Public Works shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.
4. If a contractor has been debarred for a period longer than five years, that contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.
5. Contractor Hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by Contractor Hearing Board pursuant to the same procedure as for a debarment hearing.
6. Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of Contractor Hearing Board.

E. Subcontractors of Contractor

These terms shall also apply to subcontractors of County contractors.

SECTION 7

COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

A. Jury Service Program

This Contract is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (Jury Service Program) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

B. Written Employee Jury Service Policy

1. Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employee deposit any fees received for such jury service with Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Section, "Contractor" means a person, partnership, corporation, or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when this Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the

Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during this Contract and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

4. Contractor's violation of this Section of this Contract may constitute a material breach of this Contract. In the event of such material breach, County may, in its sole discretion, suspend or terminate this Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

SECTION 8

SAFELY SURRENDERED BABY LAW PROGRAM

A. Contractor's Acknowledgment of County's Commitment to the Safely Surrendered Baby Law

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

B. Notice to Employees Regarding the Safely Surrendered Baby Law

Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit D of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

SECTION 9

TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM

This Contract is subject to the provisions of the County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunities vendor.

If Contractor has obtained County certification as a Transitional Job Opportunities vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in the amount of not more than ten percent of the amount of this Contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Nonresponsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify Public Works of this information prior to responding to a solicitation or accepting a contract award.

SECTION 10

LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

- A. This Contract is subject to the provisions of County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.
- B. Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- C. Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- D. If Contractor has obtained County certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Contract to which it would not otherwise have been entitled, shall:
 - 1. Pay to County any difference between this Contract amount and what County's costs would have been if this Contract had been properly awarded;
 - 2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of this Contract; and
 - 3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Nonresponsibility and Contractor Debarment).
- E. The above penalties shall also apply if Contractor is no longer eligible for certification as a result of a change of its status and Contractor failed to notify the State and County's Office of Affirmative Action Compliance of this information.

SECTION 11

PROPRIETARY CONSIDERATIONS

A. Ownership of County Materials

Contractor and County agree that all materials, including, but not limited to, designs, specifications, techniques, plans, reports, deliverables, data photographs, diagrams, maps, images, graphics, text, videos, advertising, software, source codes, website plans and designs, interactive media, drafts, working papers, outlines, sketches, summaries, edited and/or unedited versions of deliverables, and any other materials or information developed under this Contract and any and all Intellectual Property rights to these materials, including any copyrights, trademarks, service marks, trade secrets, trade names, unpatented inventions, patent applications, patents, design rights, domain rights, know-how, and any other proprietary rights and derivatives thereof, is and shall be the sole property of County (hereafter collectively, "County Materials"). Contractor hereby assigns and transfers to County all Contractor's rights, titles, and interest in and to all such County Materials developed under this Contract.

Notwithstanding such County ownership in the County Materials, Contractor may retain possession of working papers and materials prepared by Contractor under this Contract. During and for a minimum of five years subsequent to the term of this Contract, County shall have the right to inspect any and all such working papers and materials, make copies thereof and use the working papers and materials and the information contained therein.

B. Transfer to County

Contractor shall execute all documents requested by County and shall perform all other acts requested by County to assign and transfer to, and vest in County, all Contractor's rights, titles, and interest in and to the County Materials, including, but not limited to, any and all copyrights, trademarks, service marks, trade names, unpatented inventions, patent applications, patents, design rights, domain name rights, know-how, and any other proprietary rights and derivatives thereof resulting from this Contract. County shall have the right to register all applicable copyrights, trademarks and patents in the name of the County of Los Angeles. Further, County shall have the right to assign, license, or otherwise transfer any and all County's rights, titles, and interest, including, but not limited to, copyrights, trademarks, and patents, in and to the County Materials.

C. Indemnity

Contractor represents and warrants that the County Materials prepared herein under this Contract, is the original work of Contractor and does not infringe upon any Intellectual Property or proprietary rights of third parties. For those portions of the County Materials that are not the original work of Contractor, Contractor

represents and warrants that it has secured all appropriate licenses, rights, and/or permission from appropriate third parties to include such materials in the County Materials.

Contractor shall defend, indemnify and hold County harmless against any claims by third parties based on infringement of copyright, patent, trade secret, trademark, or any other claimed Intellectual Property or proprietary right, arising from County's use of County Materials created and/or prepared by Contractor. Contractor will also indemnify and defend at its sole expense, any action brought against County based on a claim that County Materials furnished hereunder by Contractor and used within the scope of this Contract infringe any copyright, patent, trade secret, trademark, or any other claimed intellectual property or proprietary right of third parties, and Contractor shall pay any costs, damages and attorney's fees incurred by County. County will notify Contractor promptly and in writing of any such action or claim and will permit Contractor to fully participate in the defense thereof.

D. Copyright Notices

Contractor shall affix the following notice to all County Materials: "@ Copyright 2007 (or such other appropriate date of first publication), County of Los Angeles. All Rights Reserved." Contractor shall affix such notice on the title page of all images, photographs, documents and writings; and otherwise as County may direct.

E. Acknowledgement/Attribution

County shall also have the sole right to control the preparation, modification and revisions to, all acknowledgment and/or attribution language for all County Materials resulting from this Contract. County will however, exercise reasonable efforts to honor requests by Contractor seeking removal of all acknowledgment and/or attribution language relating to the Contractor, should Contractor no longer wish to receive attribution for its work on the County Materials.

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Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2007)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2007 are less than \$39,783 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2008.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from the IRS website at www.irs.gov or by calling 1-800-829-3676.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2007 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

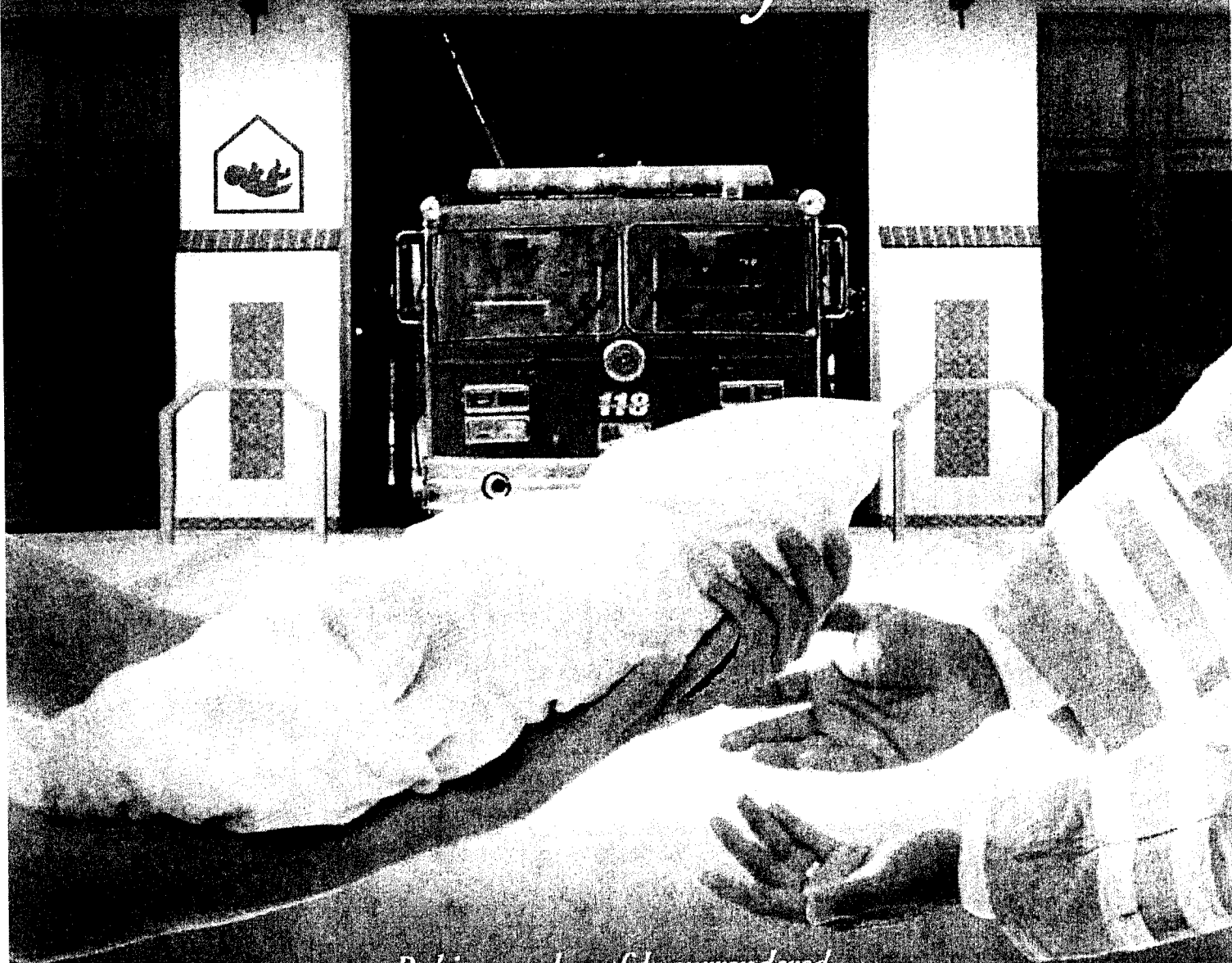
Eligible employees claim the EIC on their 2007 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2007 and owes no tax but is eligible for a credit of \$825, he or she must file a 2007 tax return to get the \$825 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2008 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15 (Circular E), Employer's Tax Guide.

Notice 1015 (Rev. 12-2007)
Cat. No. 205991

Safely Surrendered *Baby Law*



*Babies can be safely surrendered
to staff at any hospital or fire station in Los Angeles County*

No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafein.org



In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

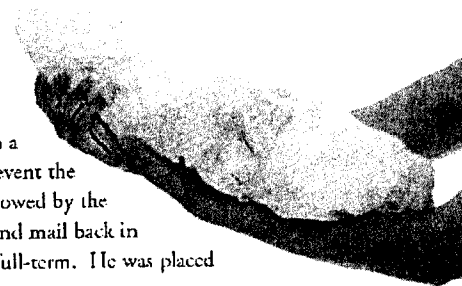
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

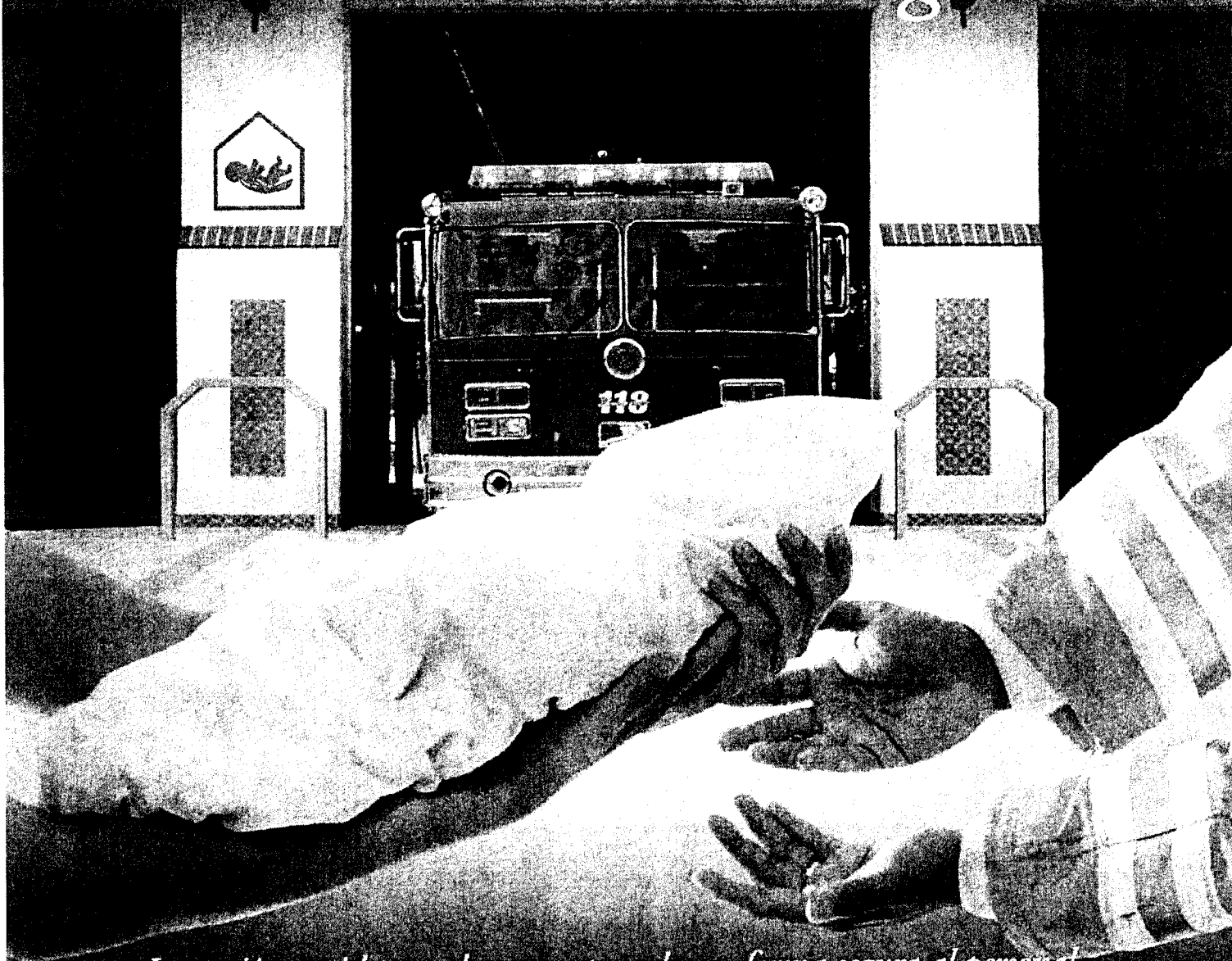
The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Angeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafeLA.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal; es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen *custodia legal*.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

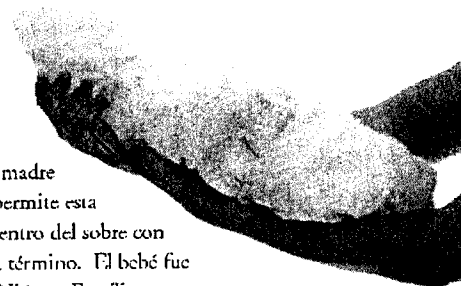
Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



MEMORANDUM OF UNDERSTANDING
REGARDING
URBAN WATER CONSERVATION
IN CALIFORNIA

As Amended March 10, 2004

**MEMORANDUM OF UNDERSTANDING REGARDING
URBAN WATER CONSERVATION IN CALIFORNIA**

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**MEMORANDUM OF UNDERSTANDING
REGARDING
URBAN WATER CONSERVATION
IN CALIFORNIA**

This **Memorandum of Understanding Regarding Urban Water Conservation in California ("MOU")** is made and entered into on the dates set forth below among the undersigned parties ("signatories"). The signatories represent urban water suppliers, public advocacy organizations and other interested groups as defined in Section 1 of this MOU.

AMENDED

September, 1991
February 10, 1993
March 9, 1994
September 30, 1997
April 8, 1998
December 9, 1998 (By-Laws only)
September 16, 1999
September 21, 2000
March 14, 2001
December 11, 2002
March 10, 2004

RECITALS

- A. The signatories to this MOU recognize that California's economy, quality of life and environment depend in large part upon the water resources of the State. The signatories also recognize the need to provide reliable urban water supplies and to protect the environment. Increasing demands for urban, agricultural and environmental water uses call for conservation and the elimination of waste as important elements in the overall management of water resources. Many organizations and groups in California have an interest in urban water conservation, and this MOU is intended to gain much needed consensus on a complex issue.
- B. The urban water conservation practices included in this MOU (referred to as "Best Management Practices" or "BMPs") are intended to reduce long-term urban demands from what they would have been without implementation of these practices and are in addition to programs which may be instituted during occasional water supply shortages.
- C. The combination of BMPs and urban growth, unless properly accounted for in water management planning, could make reductions in urban demands during short-term emergencies such as droughts or earthquakes more difficult to achieve. However, notwithstanding such difficulties, the signatory water suppliers will carry out the urban water conservation BMP process as described in this MOU.
- D. The signatories recognize that means other than urban water conservation may be needed to provide long-term reliability for urban water suppliers and long-term protection of the environment. However, the signatories may have differing views on what additional measures might be appropriate to provide for these needs. Accordingly, this MOU is not intended to address these issues.
- E. A major benefit of this MOU is to conserve water which could be used for the protection of streams, wetlands and estuaries and/or urban water supply reliability. This MOU leaves to other forums the issue of how conserved water will be used.
- F. It is the intent of this MOU that individual signatory water suppliers (1) develop comprehensive conservation BMP programs using sound economic criteria and (2) consider water conservation on an equal basis with other water management options.
- G. It is recognized that present urban water use throughout the State varies according to many factors including, but not limited to, climate, types of housing and landscaping, amounts and kinds of commercial, industrial and recreational development, and the extent to which conservation measures have already been implemented. It is further recognized that many of the BMPs identified in Exhibit 1 to this MOU have already been implemented in some areas and that even with broader employment of BMPs, future urban water use will continue to vary from area to area. Therefore, this MOU is not intended to establish uniform per capita water use allotments throughout the urban areas of the State. This MOU is also not intended to limit the amount or types of conservation a water supplier can pursue or to limit a water supplier's more rapid implementation of BMPs.
- H. It is recognized that projections of future water demand should include estimates of anticipated demand reductions due to changes in the real price of water.

TERMS

SECTION 1. DEFINITIONS

For purposes of this MOU, the following definitions apply:

- 1.1 **Best Management Practices.** A Best Management Practice ("BMP") means a policy, program, practice, rule, regulation or ordinance or the use of devices, equipment or facilities which meets either of the following criteria:

- (a) An established and generally accepted practice among water suppliers that results in more efficient use or conservation of water;
- (b) A practice for which sufficient data are available from existing water conservation projects to indicate that significant conservation or conservation related benefits can be achieved; that the practice is technically and economically reasonable and not environmentally or socially unacceptable; and that the practice is not otherwise unreasonable for most water suppliers to carry out.

Although the term "Best Management Practices" has been used in various statutes and regulations, the definitions and interpretations of that term in those statutes and regulations do not apply to this MOU. The term "Best Management Practices" or "BMPs" has an independent and special meaning in this MOU and is to be applied for purposes of this MOU only as defined above.

- 1.2 **Implementation.** "Implementation" means achieving and maintaining the staffing, funding, and in general, the priority levels necessary to achieve the level of activity called for in the descriptions of the various BMPs and to satisfy the commitment by the signatories to use good faith efforts to optimize savings from implementing BMPs as described in Section 4.4 of this MOU. Section B of Exhibit 1 to this MOU establishes the schedule for initial implementation of BMPs.

- 1.3 **Signatory Groups.** For purposes of this MOU, signatories will be divided into three groups as follows:

- (a) Group 1 will consist of water suppliers. A "water supplier" is defined as any entity, including a city, which delivers or supplies water for urban use at the wholesale or retail level.
- (b) Group 2 will consist of public advocacy organizations. A "public advocacy organization" is defined as a non profit organization:
 - (i) whose primary function is not the representation of trade, industrial, or utility entities, and
 - (ii) whose prime mission is the protection of the environment or who has a clear interest in advancing the BMP process.

TERMS

- (c) Group 3 will consist of other interested groups. "Other interested groups" is defined as any other group which does not fall into one of the two groups above.

- 1.4 **California Urban Water Conservation Council.** The California Urban Water Conservation Council or "Council" will have responsibility for monitoring the implementation of this MOU and will be comprised of signatories to this MOU grouped according to the definitions in Section 1.3 above. The duties of the Council are set forth in Section 6 and in Exhibit 2 to this MOU.

SECTION 2. PURPOSES

- 2.1 **This MOU has two primary purposes:**

- (1) to expedite implementation of reasonable water conservation measures in urban areas; and
- (2) pursuant to Section 5 of this MOU, to establish assumptions for use in calculating estimates of reliable future water conservation savings resulting from proven and reasonable conservation measures. Estimates of reliable savings are the water conservation savings which can be achieved with a high degree of confidence in a given service area. The signatories have agreed upon the initial assumptions to be used in calculating estimates of reliable savings. These assumptions are included in Exhibit 1 to this MOU. It is probable that average savings achieved by water suppliers will exceed the estimates of reliable savings.

SECTION 3. LIMITS TO APPLICABILITY OF MOU

- 3.1 **Relationship Between Water Suppliers.** No rights, obligations or authorities between wholesale suppliers, retail agencies, cities or other water suppliers are created or expanded by this MOU. Moreover, wholesale water suppliers are not obligated to implement BMPs at the retail customer level except within their own retail service area, if any.
- 3.2 **Agriculture.** This MOU is intended to apply only to the delivery of water for domestic, municipal and industrial uses. This MOU is not intended to apply directly or indirectly to the use of water for irrigated agriculture.
- 3.3 **Reclamation.** The signatory water suppliers support the reclamation and reuse of wastewater wherever technically and economically reasonable and not environmentally or socially unacceptable, and agree to prepare feasibility studies on water reclamation for their respective service areas. However, this MOU does not apply to that aspect of water management, except where the use of reclaimed water may otherwise qualify as a BMP as defined above.
- 3.4 **Land Use Planning.** This MOU does not deal with the question of growth management. However, each signatory water supplier will inform all relevant land planning agencies at least annually of the impacts that planning decisions involving projected growth would have

TERMS

upon the reliability of its water supplies for the water supplier's service area and other areas being considered for annexation.

- 3.5 **Use of Conserved Water.** A major benefit of this MOU is to conserve water which could be used for the protection of streams, wetlands and estuaries and/or urban water supply reliability. This MOU leaves to other forums the issue of how conserved water will be used.

SECTION 4. IMPLEMENTATION OF BEST MANAGEMENT PRACTICES

- 4.1 **The Best Management Practices List, Schedule of Implementation and Assumptions.**
Exhibit 1 to this MOU contains:

- (a) In Section A: A list identifying those practices which the signatories believe presently meet the definition of a BMP as set forth in Section 1.1 of this MOU.
- (b) In Section B: A schedule for implementing the BMPs to be followed by signatory water suppliers unless exempted under Section 4.5 of this MOU or an alternative schedule is prepared pursuant to Section 4.6 of this MOU.
- (c) In Section C: Coverage requirements for implementing BMPs. Coverage requirements are the expected level of implementation necessary to achieve full implementation of BMPs. Coverage requirements may be expressed either in terms of activity levels by water suppliers or as water savings achieved.
- (d) In Section D: Reporting Requirements for Documenting BMP Implementation. These requirements vary by BMP, are considered the minimum record keeping and reporting requirements for water suppliers to document BMP implementation levels, and will provide the basic data used evaluate BMP implementation progress by water suppliers.
- (e) In Section E: Criteria to determine BMP implementation status of water suppliers. These criteria will be used to evaluate BMP implementation progress. Evaluation criteria vary by BMP, and are derived from the implementation guidelines and schedules presented in Sections A, B, and C.
- (f) In Section F: Assumptions for use in developing estimates of reliable savings from the implementation of BMPs. Estimates of reliable savings are the water conservation savings which can be achieved with a high degree of confidence in a given service area. The estimate of reliable savings for each BMP depends upon the nature of the BMP and upon the amount of data available to evaluate potential savings. For some BMPs (e.g., public information) estimates of reliable savings may never be generated. For others, additional data may lead to significant changes in the estimate of reliable savings. It is probable that average savings achieved by water suppliers will exceed the estimates of reliable savings.
- (g) In Section G: A list of "Potential Best Management Practices" ("PBMPs"). PBMPs are possible conservation practices which have not been promoted to the BMP list.

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4.2 **Initial BMPs, PBMPs, Schedules, and Estimates of Reliable Savings.** The initial position of conservation practices on the BMP and PBMP lists, the initial schedule of implementation and study for the BMP list, the initial schedule of study for the PBMP list, and the initial estimates of reliable savings represent compromises by the signatories to move the process forward both for purposes of the present Bay/Delta proceedings as defined in Section 5 and to promote water conservation generally. The signatories agree that as more and better data are collected in the future, the lists, the schedules, and the estimates of reliable savings will be refined and revised based upon the most objective criteria available. However, the signatories agree that the measures included as initial BMPs in Section A of Exhibit 1 are economically justified on a statewide basis.

4.3 **Future Revision of BMPs, PBMPs, Schedules, and Estimates of Reliable Savings.** After the beginning of the initial term of the MOU as provided in Section 7.1, the California Urban Water Conservation Council ("Council") will, pursuant to Section 6 of this MOU and Exhibit 2, alter the composition of the BMP and PBMP lists, redefine individual BMPs, alter the schedules of implementation, and update the assumptions of reliable savings as more data becomes available. This dynamic BMP assessment process includes the following specific commitments:

- (a) The assumptions of reliable savings will be updated at least every 3 years.
- (b) The economic reasonableness of a BMP or PBMP will be assessed by the Council using the economic principles in Sections 3 and 4 of Exhibit 3.
- (c) A BMP will be removed from the BMP list if, after review of data developed during implementation, the Council determines that the BMP cannot be made economically reasonable or determines that the BMP otherwise fails to conform to the definition of BMPs in Section 1.1.
- (d) A PBMP will be moved to the BMP list and assigned a schedule of implementation if, after review of data developed during research, and/or demonstration projects, the Council determines that the PBMP is economically reasonable and otherwise conforms to the definition of BMPs in Section 1.1.

[Note: In 1997, the Council substantially revised the BMP list, definitions, and schedules contained in Exhibit 1. These revisions were adopted by the Council September 30, 1997.]

4.4 **Good Faith Effort.** While specific BMPs and results may differ because of varying local conditions among the areas served by the signatory water suppliers, a good faith effort to implement BMPs will be required of all signatory water suppliers. The following are included within the meaning of "good faith effort to implement BMPs":

- (a) The proactive use by a signatory water supplier of legal authorities and administrative prerogatives available to the water supplier as necessary and reasonable for the implementation of BMPs.
- (b) Where implementation of a particular BMP is not within the legal authority of a signatory water supplier, encouraging timely implementation of the BMP by other

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entities that have the legal authority to carry out the BMP within that water supplier's service area pursuant to existing legal authority. This encouragement may include, but is not limited to, financial incentives as appropriate.

- (c) Cooperating with and encouraging cooperation between other water suppliers and other relevant entities whenever possible and within existing legal authority to promote the implementation of BMPs.
- (d) Optimizing savings from implementing BMPs.
- (e) For each signatory water supplier and all signatory public advocacy organizations, encouraging the removal of institutional barriers to the implementation of BMPs within that water supplier's service area. Examples of good faith efforts to remove institutional barriers include formal presentations and/or written requests to entities requesting approval of, or amendment to, local ordinances, administrative policies or legislation which will promote BMP implementation.

4.5 **Exemptions.** A signatory water supplier will be exempt from the implementation of specific BMPs for as long as the supplier substantiates each reporting period that based upon then prevailing local conditions, one or more of the following findings applies:

- (a) A full cost-benefit analysis, performed in accordance with the principles set forth in Exhibit 3, demonstrates that either the program (i) would not be cost-effective overall when total program benefits and costs are considered; OR (ii) would not be cost-effective to the individual water supplier even after the water supplier has made a good faith effort to share costs with other program beneficiaries.
- (b) Adequate funds are not and cannot reasonably be made available from sources accessible to the water supplier including funds from other entities. However, this exemption cannot be used if a new, less cost-effective water management option would be implemented instead of the BMP for which the water supplier is seeking this exemption.
- (c) Implementation of the BMP is (i) not within the legal authority of the water supplier; and (ii) the water supplier has made a good faith effort to work with other entities that have the legal authority to carry out the BMP; and (iii) the water supplier has made a good faith effort to work with other relevant entities to encourage the removal of institutional barriers to the implementation of BMPs within its service area.

Signatory water suppliers shall submit exemptions to the Council within two months following the start of the reporting period for which the exemptions are being claimed.

4.6 **Schedule of Implementation.** The schedule of implementation for BMPs is set forth in Section B of Exhibit 1 to this MOU. However, it is recognized by the signatories that deviations from this schedule by water suppliers may be necessary. Therefore, a water supplier may modify, to the minimum extent necessary, the schedule for implementation of BMPs if the water supplier substantiates one or more of the following findings:

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- (a) That after a good faith effort to implement the BMP within the time prescribed, implementation is not feasible pursuant to the schedule. However, implementation of this BMP is still required as soon as feasible within the initial term of this MOU as defined in Section 7.1.
- (b) That implementation of one or more BMPs prior to other BMPs will have a more positive effect on conservation or water supplies than will adherence to the schedule.
- (c) That implementation of one or more Potential BMPs or other conservation measures prior to one or more BMPs will have a more positive effect on conservation or water supplies than will adherence to the schedule.

SECTION 5. BAY/DELTA PROCEEDINGS

[Note: The following section was adopted with the initial MOU and has been retained in subsequent revisions. The "present proceedings" refers to the State Water Resources Control Board water rights process then underway to implement new Bay-Delta flow and export standards. As of the date this note was adopted (April 8, 1998), proceedings to implement updated standards are still underway. Therefore, the joint recommendations of the signatories to the SWRCB contained in this letter continue to apply.]

- 5.1 **Use of MOU for Bay/Delta Proceedings.** The BMPs, the estimates of reliable savings and the processes established by this MOU are agreed to by the signatories for purposes of the present proceedings on the San Francisco Bay/Sacramento-San Joaquin Delta Estuary ("Bay/Delta") and in order to move the water conservation process forward. "Present Bay/Delta proceedings" is intended to mean those Bay/Delta proceedings presently underway and those conducted until a final water rights decision is reached by the State Water Resources Control Board ("State Board"). The willingness of the signatories to enter into this MOU for purposes of the present Bay/Delta proceedings in no way limits the signatories' ability to propose different conservation practices, different estimates of savings, or different processes in a forum other than the present Bay/Delta proceedings, or for non-urban water suppliers or for other water management issues. By signing this MOU, public advocacy organization signatories are not agreeing to use the initial assumptions of reliable conservation savings in proceedings other than the present Bay/Delta proceedings. The signatories may present other assumptions of reliable conservation savings for non-signatory water suppliers in the present Bay/Delta proceedings, provided that such assumptions could not have adverse impacts upon the water supplies of any signatory water supplier. Furthermore, the signatories retain the right to advocate any particular level of protection for the Bay/Delta Estuary, including levels of freshwater flows, and do not necessarily agree on population projections for California. This MOU is not intended to address any authority or obligation of the State Board to establish freshwater flow protections or set water quality objectives for the Estuary, or to address any authority of the Environmental Protection Agency.
- 5.2 **Recommendations for Bay/Delta Proceedings.** The signatories will make the following recommendations to the State Board in conjunction with the present Bay/Delta proceedings and to the EPA to the extent the EPA concerns itself with the proceedings:

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- (a) That for purposes of the present Bay/Delta proceedings, implementation of the BMP process set forth in this MOU represents a sufficient long-term water conservation program by the signatory water suppliers, recognizing that additional programs may be required during occasional water supply shortages;
 - (b) That for purposes of the present Bay/Delta proceedings only, the State Board and EPA should base their estimates of future urban water conservation savings on the implementation of all of the BMPs included in Section A of Exhibit 1 to this MOU for the entire service area of the signatory water suppliers and only on those BMPs, except for (i) the conservation potential for water supplied by urban agencies for agricultural purposes, or (ii) in cases where higher levels of conservation have been mandated;.
 - (c) That for the purposes of the present Bay/Delta proceedings, the State Board and EPA should make their estimates of future urban water conservation savings by employing the reliable savings assumptions associated with those BMPs set forth in Section C of Exhibit 1 to this MOU;
 - (d) That the State Board should include a policy statement in the water rights phase of the Bay/Delta proceedings supporting the BMP process described in this MOU and that the BMP process should be considered in any documents prepared by the State Board pursuant to the California Environmental Quality Act as part of the present Bay/Delta proceedings.
- 5.3 **Letter to State Board.** Within 30 days of signing this MOU, each signatory will jointly or individually convey the principles set forth in Sections 5.1 and 5.2 above by sending a letter to the State Board, copied to the EPA, in the form attached to this MOU as Exhibit 4.
- 5.4 **Withdrawal from MOU.** If during the present Bay/Delta proceedings, the State Board or EPA uses future urban water conservation savings that are inconsistent with the use of BMPs as provided in this MOU, any signatory shall have the right to withdraw from the MOU by providing written notice to the Council as described in Section 7.4(a)(i) below.

SECTION 6. CALIFORNIA URBAN WATER CONSERVATION COUNCIL

- 6.1 **Organization.** The California Urban Water Conservation Council ("Council") will be comprised of all signatories to this MOU grouped according to the definition in Section 1. The signatories agree to the necessary organization and duties of the Council as specified in Exhibit 2 to this MOU. Within 30 days of the effective date of this MOU, the Council will hold its first meeting.
- 6.2 **BMP Implementation Reports.** The signatory water suppliers will submit standardized reports every other year to the Council providing sufficient information to inform the Council on the progress being made towards implementing the BMP process. The Council will make annual reports to the State Board. An outline for the Council's annual report to the State Board is attached as Exhibit 5 to this MOU.

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SECTION 7. GENERAL PROVISIONS

- 7.1 **Initial Term of MOU.** The initial term of this MOU shall be for a period of 10 years. This initial term shall commence on September 1, 1991.
- 7.2 **Signatories.** Signatories shall consist of three groups: water suppliers, public advocacy organizations and other interested groups, arranged according to the definition in Section 1.3. Such arrangement will be made by a Council membership committee comprised of three representatives from the water suppliers' group and three representatives from the public advocacy organizations' group.
- 7.3 **Renewal of MOU.** The MOU shall be automatically renewed after the initial term of 10 years on an annual basis as to all signatories unless a signatory withdraws as described below in Section 7.4.
- 7.4 **Withdrawal from MOU.** Signatories to the MOU may withdraw from the MOU in three separate ways as described in sections (a), (b) and 8 below.
- (a) **Withdrawal prior to expiration of initial term.** Before the expiration of the initial term of 10 years, a signatory may withdraw by providing written notice to the Council declaring its intent to withdraw. This written notice must include a substantiated finding that one of the two provisions (i) or (ii) below applies:
- (i) During the present Bay/Delta proceedings, the State Board or EPA used future urban water conservation savings that are inconsistent with the use of BMPs as provided in this MOU; OR
 - (ii) After a period of 5 years from the commencement of the initial term of the MOU:
 - (1) Specific signatory water suppliers representing more than 10 percent of the population included within the combined service areas of the signatory water suppliers have failed to act in good faith pursuant to Section 4.4 of the MOU; and
 - (2) The signatory wishing to withdraw has attached findings to its past two annual reports to the Council beginning no earlier than the fourth annual report identifying these same signatory water suppliers and giving evidence based upon the information required to be submitted in the annual reports to the Council to support the allegations of failure to act in good faith; and
 - (3) The State Board has failed to require conservation efforts by the specific water suppliers adequate to satisfy the requirements of this MOU; and
 - (4) Discussions between the signatory wishing to withdraw and the specific signatories named have failed to satisfy the objections of the signatory wishing to withdraw.

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After a signatory declares an intent to withdraw under Section 7.4(a), the MOU shall remain in effect as to that signatory for 180 days.

- (b) **Withdrawal after expiration of initial term.** After the initial term of 10 years, any signatory may declare its intent to withdraw from the MOU unconditionally by providing written notice to the Council. After a signatory has declared its intent to withdraw as provided in this section, the MOU will remain in effect as to that signatory for 180 days.
- (c) **Immediate withdrawal.** Any signatory who does not sign a modification to the MOU requiring a 2/3 vote as described in Exhibit 2 of this MOU may withdraw from the MOU by providing written notice to the Council. The withdrawing signatory's duties under this MOU will be terminated effective immediately upon providing such written notice.

If a signatory withdraws from the MOU under any of the above methods, the MOU shall remain in effect as to all other signatories.

- 7.5 **Additional Parties.** Additional parties may sign the MOU after September 1, 1991 by providing written notice to and upon approval by the Council. Additional parties will be assigned by the Council to one of the three signatory groups defined in Section 1.3 before entry into the Council. All additional signatory water suppliers shall be subject to the schedule of implementation provided in Exhibit 1.
- 7.6 **Legal Authority.** Nothing in this MOU is intended to give any signatory, agency, entity or organization expansion of any existing authority. No organization formed pursuant to this MOU has authority beyond that specified in this MOU.
- 7.7 **Non-Contractual Agreement.** This MOU is intended to embody general principles agreed upon between and among the signatories and is not intended to create contractual relationships, rights, obligations, duties or remedies in a court of law between or among the signatories.
- 7.8 **Modifications.** The signatories agree that this writing constitutes the entire understanding between and among the signatories. The general manager, chief executive officer or executive director of each signatory or their designee shall have the authority to vote on any modifications to this MOU and its exhibits. Any modifications to the MOU itself and to its exhibits shall be made by the Council as described in Exhibit 2.

EXHIBIT 1. BMP DEFINITIONS, SCHEDULES AND REQUIREMENTS

This Exhibit contains Best Management Practices (BMPs) that signatory water suppliers commit to implementing. Suppliers' water needs estimates will be adjusted to reflect estimates of reliable savings from this category of BMPs. For some BMPs, no estimate of savings is made.

It is recognized by all parties that a single implementation method for a BMP would not be appropriate for all water suppliers. In fact, it is likely that as the process moves forward, water suppliers will find new implementation methods even more effective than those described. Any implementation method used should be at least as effective as the methods described below.

Best Management Practices will be implemented by signatory water suppliers according to the schedule set forth in Section B of each BMP's definition. These schedules set forth the latest dates by which implementation of BMPs will be underway. It is recognized that some signatories are already implementing some BMPs, and that these schedules do not prohibit signatories from implementing BMPs sooner than required.

"Implementation" means achieving and maintaining the staffing, funding, and in general, the priority levels necessary to achieve the level of activity called for in Section A of each BMP's definition, and to satisfy the commitment by the signatories to use good faith efforts to optimize savings from implementing BMPs as described in Section 4.4 of the MOU. BMPs will be implemented at a level of effort projected to achieve at least the coverages specified in Section C of each BMP's definition, and in accordance with each BMP's implementation schedule.

Section D of each BMP definition contains the minimum record keeping and reporting requirements for agencies to document BMP implementation levels and efforts, and will be used to guide Council development of BMP implementation report forms and database.

The evaluation criteria presented in Section E of each BMP definition shall be used to evaluate compliance with the implementation definitions, schedules, and coverage requirements specified in Sections A, B, and C of each BMP definition.

Section F of each BMP definition contains the assumptions of reliable savings to be used in accordance with Sections 5.1 and 5.2 of the MOU

EXHIBIT 1

1. WATER SURVEY PROGRAMS FOR SINGLE-FAMILY RESIDENTIAL AND MULTI-FAMILY RESIDENTIAL CUSTOMERS

A. Implementation

Implementation shall consist of at least the following actions:

- a) Develop and implement a strategy targeting and marketing water use surveys to single-family residential and multi-family residential customers.
- b) Directly contact via letter or telephone not less than 20% of single-family residential customers and 20% of multi-family residential customers each reporting period.
- c) Surveys shall include indoor and outdoor components, and at minimum shall have the following elements:

Indoor

- i) Check for leaks, including toilets, faucets, and meter check
- ii) Check showerhead flow rates, aerator flow rates, and offer to replace or recommend replacement, as necessary
- iii) Check toilet flow rates and offer to install or recommend installation of displacement device or direct customer to ULFT replacement program, as necessary; replace leaking toilet flapper, as necessary

Outdoor

- iv) Check irrigation system and timers
- v) Review or develop customer irrigation schedule

Recommended but not required

- vi) Measure currently landscaped area
- vii) Measure total irrigable area
- d) Provide customer with evaluation results and water saving recommendations; leave information packet with customer.
- e) Track surveys offered, surveys completed, survey results, and survey costs.

EXHIBIT 1

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the year following the year the agency signed or became subject to the MOU.
- c) Agencies shall develop and implement a strategy targeting and marketing water use surveys to single-family residential and multi-family residential customers by the end of the first reporting period following the date implementation was to commence.
- d) The coverage requirement for this BMP, as specified in Section C of this Exhibit, shall be realized within 10 years of the date implementation was to commence.

C. Coverage Requirements

- a) Not less than 15% of single-family residential accounts to receive water use surveys within 10 years of the date implementation was to commence. For the purposes of calculating coverage, 15% of single-family residential accounts means the number of accounts equal to 15% of single-family accounts in 1997 or the year the agency signed the MOU, whichever is later.
- b) Not less than 15% of multi-family residential units to receive water use surveys within 10 years of the date implementation was to commence. For the purposes of calculating coverage, 15% of multi-family residential units means the number of units equal to 15% of multi-family units in 1997 or the year the agency signed the MOU, whichever is later.

D. Requirements for Documenting BMP Implementation

- a) Number of single-family residential accounts in service area.
- b) Number of multi-family residential accounts in service area.
- c) Number of single-family residential surveys offered during reporting period.
- d) Number of single-family residential surveys completed during reporting period.
- e) Number of multi-family residential surveys offered during reporting period.
- f) Number of multi-family residential surveys completed during reporting period.

EXHIBIT 1

E. Criteria to Determine BMP Implementation Status

- a) Agency has developed and implemented a strategy targeting and marketing water use surveys to single-family residential and multi-family residential customers by the end of the first reporting period following the date implementation was to commence.
- b) Agency has directly contacted not less than 20% of single-family residential accounts and 20% of multi-family residential units during period being reported.
- c) Agency is on schedule to complete surveys for 15% of single-family residential accounts and 15% of multi-family units within 10 years of the date implementation was to commence. Agencies will receive credit against the coverage requirement for previously completed residential water use surveys according to the following schedule*:

	<u>% Credit</u>
Before 1990	0.0%
1990	12.5%
1991	25.0%
1992	37.5%
1993	50.0%
1994	62.5%
1995	75.0%
1996	87.5%
1997	100.0%

- d) Agencies will be considered on track if the percent of single-family accounts and the percent of multi-family accounts receiving water use surveys equals or exceeds the following: 1.5% by end of first reporting period following date implementation to commence; 3.6% by end of second reporting period; 6.3% by end of third reporting period; 9.6% by end of fourth reporting period; and 13.5% by end of fifth reporting period.

*. In its study "What is the Reliable Yield from Residential Home Water Survey Programs: The Experience of LADWP" (AWWA Conf. Proceedings, 1995), A & N Technical Services, Inc., found that the average level of savings from home water surveys decreased over time, reaching about 50% of initial yield by the fourth year following the survey, on average. The above decay schedule used for crediting past surveys utilizes these findings to recognize and account for the limited persistence of water savings over time from home water use surveys

EXHIBIT 1

F. Water Savings Assumptions

	<u>Pre-1980 Construction</u>	<u>Post-1980 Construction</u>
Low-flow showerhead retrofit	7.2 gcd	2.9 gcd
Toilet retrofit (five year life)	1.3 gcd	0.0 gcd
Leak repair	0.5 gcd	0.5 gcd
Landscape survey (outdoor use reduction)	10%	10%

EXHIBIT 1

2. RESIDENTIAL PLUMBING RETROFIT

A. Implementation

Implementation shall consist of at least the following actions:

- a) Identify single-family and multi-family residences constructed prior to 1992. Develop a targeting and marketing strategy to distribute or directly install high-quality, low-flow showerheads (rated 2.5 gpm or less), toilet displacement devices (as needed), toilet flappers (as needed) and faucet aerators (rated 2.2 gpm or less) as practical to residences requiring them.
- b) Maintain distribution and/or direct installation programs so that devices are distributed to not less than 10% of single-family connections and multi-family units each reporting period, or require through enforceable ordinance the replacement of high-flow showerheads and other water using fixtures with their low-flow counterparts, until it can be demonstrated in accordance with Section E of this Exhibit that 75% of single-family residences and 75% of multi-family units are fitted with high-quality, low-flow showerheads.
- c) Track the type and number of retrofits completed, devices distributed, and program costs.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the year following the year the agency signed or became subject to the MOU.
- c) Agencies shall develop and implement a strategy targeting the distribution and/or installation of high-quality, low-flow plumbing devices to single-family residential and multi-family residential customers by the end of the first reporting period following the date implementation was to commence.
- d) An agency may elect to discontinue its device distribution programs without filing a formal budget or cost-effectiveness exemption when it can demonstrate that 75% of its single-family residences and 75% of its multi-family units constructed prior to 1992 are fitted with high-quality, low-flow showerheads.

EXHIBIT 1

C. Coverage Requirements

- a) Plumbing device distribution and installation programs to be maintained at a level sufficient to distribute high-quality, low-flow showerheads to not less than 10% of single-family residences and 10% of multi-family units constructed prior to 1992 each reporting period; or the enactment of an enforceable ordinance requiring the replacement of high-flow showerheads and other water use fixtures with their low-flow counterparts.
- b) Plumbing device distribution and installation programs to be operated until it can be demonstrated in accordance with Section E of this Exhibit that 75% of single-family residences and 75% of multi-family units are fitted with high-quality, low-flow showerheads.

D. Requirements for Documenting BMP Implementation

- a) The target population of pre-1992 single-family residences and multi-family units to be provided showerheads and other water saving devices.
- b) The number of showerhead retrofit kits distributed during previous reporting period.
- c) The number of device retrofits completed during the previous reporting period.
- d) The estimated percentage of pre-1992 single-family residences and multi-family units in service area fitted with low-flow showerheads.

E. Criteria to Determine BMP Implementation Status

- a) Agency has developed and implemented a strategy targeting and marketing water use surveys to single-family residential and multi-family residential customers by the end of the first reporting period following the date implementation was to commence.
- b) Agency has tracked the type and number of retrofits completed, devices distributed, and program costs.
- c) Agency EITHER
 - i) has distributed or directly installed high-quality, low-flow showerheads and other low-flow plumbing devices to not less than 10% of single-family residences and 10% of multi-family units constructed prior to 1992 during the reporting period; and/or has enacted an ordinance requiring the

EXHIBIT 1

replacement of high-flow shower-heads and other water use fixtures with their low-flow counterparts.

OR

- ii) can demonstrate through customer surveys with 95% statistical confidence and a $\pm 10\%$ error that 75% of single-family residences and 75% of multi-family units constructed prior to 1992 are fitted with low-flow showerheads.

F. Water Savings Assumptions

	<u>Pre-1980 Construction</u>	<u>Post-1980 Construction</u>
Low-flow showerhead retrofit	7.2 gcd	2.9 gcd
Toilet retrofit (five year life)	1.3 gcd	0.0 gcd

EXHIBIT 1

3. SYSTEM WATER AUDITS, LEAK DETECTION AND REPAIR

A. Implementation

Implementation shall consist of at least the following actions:

- a) Annually complete a prescreening system audit to determine the need for a fullscale system audit. The prescreening system audit shall be calculated as follows:
 - i) Determine metered sales;
 - ii) Determine other system verifiable uses;
 - iii) Determine total supply into the system;
 - iv) Divide metered sales plus other verifiable uses by total supply into the system. If this quantity is less than 0.9, a fullscale system audit is indicated.
- b) When indicated, agencies shall complete water audits of their distribution systems using methodology consistent with that described in AWWA's *Water Audit and Leak Detection Guidebook*.
- c) Agencies shall advise customers whenever it appears possible that leaks exist on the customer's side of the meter; perform distribution system leak detection when warranted and cost-effective; and repair leaks when found.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

- a) Agency shall maintain an active distribution system auditing program.
- b) Agency shall repair identified leaks whenever cost-effective.

EXHIBIT 1

D. **Requirements for Documenting BMP Implementation**

- a) Prescreening audit results and supporting documentation;
- b) Maintain in-house records of audit results or the completed AWWA Audit Worksheets for each completed audit period.

E. **Criteria to Determine BMP Implementation Status**

- a) Agency has annually completed a pre-screening distribution system audit.
- b) Agency has conducted a full system audit consistent with methods described by AWWA's *Manual of Water Supply Practices, Water Audits and Leak Detection* whenever indicated by a pre-screening audit.

F. **Water Savings Assumptions**

Unaccounted water losses assumed to be no more than 10% of total water into the water supplier's system.

EXHIBIT 1

4. METERING WITH COMMODITY RATES FOR ALL NEW CONNECTIONS AND RETROFIT OF EXISTING CONNECTIONS

A. Implementation

Implementation shall consist of at least the following actions:

- a) Requiring meters for all new connections and billing by volume of use.
- b) Establishing a program for retrofitting existing unmetered connections and billing by volume of use.
- c) Identifying intra- and inter-agency disincentives or barriers to retrofitting mixed use commercial accounts with dedicated landscape meters, and conducting a feasibility study to assess the merits of a program to provide incentives to switch mixed use accounts to dedicated landscape meters.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1999.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the second year following the year the agency signed or became subject to the MOU.
- c) A plan to retrofit and bill by volume of use existing unmetered connections to be completed by end of the first reporting period following the date implementation was to commence.
- d) A feasibility study examining incentive programs to move landscape water uses on mixed-use meters to dedicated landscape meters to be completed by end of the first reporting period following the date implementation was to commence.

C. Coverage Requirements

100% of existing unmetered accounts to be metered and billed by volume of use within 10 years of date implementation was to commence.

EXHIBIT 1

D. Requirements for Documenting BMP Implementation

- a) Confirmation that all new connections are metered and are being billed by volume of use.
- b) Number of unmetered accounts in the service area. For the purposes of evaluation, this shall be defined as the baseline meter retrofit target, and shall be used to calculate the agency's minimum annual retrofit requirement.
- c) Number of unmetered connections retrofitted during the reporting period.
- d) Number of CII accounts with mixed-use meters.
- e) Number of CII accounts with mixed-use meters retrofitted with dedicated irrigation meters during reporting period.

E. Criteria to Determine BMP Implementation Status

- a) Agency with existing unmetered connections has completed a meter retrofit plan by end of first reporting period following the date implementation was to commence.
- b) Agency has completed a feasibility study examining incentive programs to move landscape water uses on mixed-use meters to dedicated landscape meters by end of first reporting period following the date implementation was to commence.
- c) Agency with existing unmetered connections is on track to meter these connections within 10 years of the date implementation was to commence. An agency will be considered on track if the percent of unmetered accounts retrofitted with meters equals or exceeds the following: 10% by end of first reporting period following date implementation to commence; 24% by end of second reporting period; 42% by end of third reporting period; 64% by end of fourth reporting period; and 90% by end of fifth reporting period.

F. Water Savings Assumptions

Assume meter retrofits will result in a 20% reduction in demand by retrofitted accounts.

EXHIBIT 1

5. LARGE LANDSCAPE CONSERVATION PROGRAMS AND INCENTIVES

A. Implementation

Implementation shall consist of at least the following actions:

Customer Support, Education and Assistance

- a) Agencies shall provide non-residential customers with support and incentives to improve their landscape water use efficiency. This support shall include, but not be limited to, the following:

Accounts with Dedicated Irrigation Meters

- a) Identify accounts with dedicated irrigation meters and assign ETo-based water use budgets equal to no more than 100% of reference evapotranspiration per square foot of landscape area in accordance with the schedule given in Section B of this Exhibit.
- b) Provide notices each billing cycle to accounts with water use budgets showing the relationship between the budget and actual consumption in accordance with the schedule given in Section B of this Exhibit; agencies may choose not to notify customers whose use is less than their water use budget.

Commercial/Industrial/Institutional Accounts with Mixed-Use Meters or Not Metered

- a) Develop and implement a strategy targeting and marketing large landscape water use surveys to commercial/industrial/institutional (CII) accounts with mixed-use meters. Each reporting period, directly contact via letter or telephone not less than 20% of CII accounts with mixed-use meters and offer water use surveys. (Note: CII surveys that include both indoor and outdoor components can be credited against coverage requirements for both BMP 5 and BMP 9.)
- b) Unmetered service areas will actively market landscape surveys to existing accounts with large landscapes, or accounts with landscapes which have been determined by the purveyor not to be water efficient.
- c) Offer the following measures when cost-effective:
 - i) Landscape water use analysis/surveys

EXHIBIT 1

- ii) Voluntary water use budgets
 - iii) Installation of dedicated landscape meters
 - iv) Training (multi-lingual where appropriate) in landscape maintenance, irrigation system maintenance, and irrigation system design.
 - v) Financial incentives to improve irrigation system efficiency such as loans, rebates, and grants for the purchase and/or installation of water efficient irrigation systems.
 - vi) Follow-up water use analyses/surveys consisting of a letter, phone call, or site visit where appropriate.
- d) Survey elements will include: measurement of landscape area; measurement of total irrigable area; irrigation system check, and distribution uniformity analysis; review or develop irrigation schedules, as appropriate; provision of a customer survey report and information packet.
- e) Track survey offers, acceptance, findings, devices installed, savings potential, and survey cost.

New or Change of Service Accounts

Provide information on climate-appropriate landscape design, efficient irrigation equipment/management to new customers and change-of-service customer accounts.

Recommended

- a) Install climate appropriate water efficient landscaping at water agency facilities, and dual metering where appropriate.
- b) Provide customer notices prior to the start of the irrigation season alerting them to check their irrigation systems and make repairs as necessary. Provide customer notices at the end of the irrigation season advising them to adjust their irrigation system timers and irrigation schedules.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1999.

EXHIBIT 1

- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the second year following the year the agency signed or became subject to the MOU.
- c) Develop ETo-based water use budgets for all accounts with dedicated irrigation meters by the end of the second reporting period from the date implementation was to commence.
- d) Develop and implement a plan to target and market landscape water use surveys to CII accounts with mixed-use meters by the end of the first reporting period from the date implementation was to commence.
- e) Develop and implement a customer incentive program by the end of the first reporting period from the date implementation was to commence.

C. Coverage Requirements

- a) ETo-based water use budgets developed for 90% of CII accounts with dedicated irrigation meters by the end of the second reporting period from the date implementation was to commence.
- b) Not less than 20% of CII accounts with mixed-use meters contacted and offered landscape water use surveys each reporting period.
- c) Irrigation water use surveys completed for not less than 15% of CII accounts with mixed-use meters within 10 years of the date implementation was to commence. (Note: CII surveys that include both indoor and outdoor components can be credited against coverage requirements for both BMP 5 and BMP 9.) For the purposes of calculating coverage, 15% of CII accounts means the number of accounts equal to 15% of CII accounts with mixed-use meters in 1997 or the year the agency signed the MOU, whichever is later.

D. Requirements for Documenting BMP Implementation

Dedicated Landscape Irrigation Accounts

Agencies shall preserve water use records and budgets for customers with dedicated landscape irrigation accounts for a period of not less than two reporting periods. This information may be used by the Council to verify the agency's reporting on this BMP.

- a) Number of dedicated irrigation meter accounts.
- b) Number of dedicated irrigation meter accounts with water budgets.

EXHIBIT 1

- c) Aggregate water use for dedicated landscape accounts with budgets.
- d) Aggregate budgeted water use for dedicated landscape accounts with budgets.

Mixed Use Accounts

- a) Number of mixed use accounts.
- b) Number, type, and dollar value of incentives, rebates, and no, or low interest loans offered to, and received by, customers.
- c) Number of surveys offered.
- d) Number of surveys accepted.
- e) Estimated annual water savings by customers receiving surveys and implementing recommendations.

E. Criteria to Determine BMP Implementation Status

- a) Agency has developed water use budgets for 90% of accounts with dedicated irrigation meters by end of second reporting period from date implementation was to commence.
- b) Agency has implemented irrigation water use survey program for CII accounts with mixed-use meters, and directly contacts and offers surveys to not less than 20% of accounts each reporting period. (A program to retrofit mixed-use accounts with dedicated landscape meters and assigning water use budgets, or a program giving mixed-use accounts ETo-based budgets for irrigation uses satisfies this criterion.)
- c) Agency is on track to provide water use surveys to not less than 15% of CII accounts with mixed-use meters within 10 years of the date implementation was to commence. Agency may credit 100% of the number of landscape water use surveys for CII accounts with mixed-use meters completed prior to July 1, 1996, that have received a follow-up inspection against the coverage requirement; and 50% of surveys that have not received follow-up inspections. Agency may credit 100% of the number of landscape water use surveys completed for CII accounts with mixed-use meters after July 1, 1996 against the coverage requirement. (A program to retrofit mixed-use accounts with dedicated landscape accounts, or a program giving mixed-use accounts ETo-based budgets for irrigation uses satisfy this criterion.)

EXHIBIT 1

- d) An agency will be considered on track if the percent of CII accounts with mixed-use meters receiving a landscape water use survey equals or exceeds the following: 1.5% by end of first reporting period following date implementation to commence; 3.6% by end of second reporting period; 6.3% by end of third reporting period; 9.6% by end of fourth reporting period; and 13.5% by end of fifth reporting period. (A program to retrofit mixed-use accounts with dedicated landscape accounts, or a program giving mixed-use accounts ETo-based budgets for irrigation uses satisfy this criterion.)
- e) Agency has implemented and is maintaining customer incentive program(s) for irrigation equipment retrofits.

F. Water Savings Assumptions

Assume landscape surveys will result in a 15% reduction in demand for landscape uses by surveyed accounts.

EXHIBIT 1

6. HIGH-EFFICIENCY WASHING MACHINE REBATE PROGRAMS

(This version expires June 30, 2004)

A. Implementation

Implementation shall consist of at least the following actions:

Council Actions and Responsibilities

- a) Within 6 months from the adoption of this BMP, the Council will develop interim estimates of reliable water savings attributable to the use of high-efficiency washing machines based on the results of the THELMA Study and other available data. Water purveyors may defer implementing this BMP until the Council has adopted these interim estimates. [NOTE: INTERIM ESTIMATE OF RELIABLE WATER SAVINGS ADOPTED BY COUNCIL PLENARY APRIL 8, 1998, SEE SECTION F.]
- b) Within two years from the adoption of this BMP, the Council will complete studies quantifying reliable savings attributable to the use of high-efficiency washing machines.
- c) At the end of two years following the adoption of this BMP, the Council will appoint a committee to evaluate the effectiveness of triggering high-efficiency washing machine financial incentive programs operated by MOU signatories with programs operated by energy service providers. This committee will consist of 2 group 1 representatives, 2 group 2 representatives, and the Council Administrator or Executive Director or his/her designee. This BMP will be modified by the appointed committee to require agencies to implement financial incentive programs for high-efficiency washing machines whenever cost-effective and regardless of the absence of a program operated by an energy service provider if the committee concludes from available evidence the following:
 - i) the Council has verified that significant water savings are available from high-efficiency washing machines;
 - ii) there is widespread product availability; and
 - iii) financial incentive programs offered by energy service providers in California have either not materialized, been largely discontinued or significantly scaled back.

EXHIBIT 1

Water Purveyor Responsibilities

- a) In conjunction with the Council, support local, state, and federal legislation to improve efficiency standards for washing machines.
- b) If an energy service provider or waste water utility within the service territory is offering a financial incentive for the purchase of high-efficiency washing machines, then the water agency shall also offer a cost-effective financial incentive based on the marginal benefits of the water savings. Incentive levels shall be calculated by using methods found in *A Guide to Customer Incentives for Water Conservation* prepared by Barakat and Chamberlain for the CUWA, CUWCC, and US EPA, February 1994. A water purveyor is not required to implement a financial incentive program if the maximum cost-effective rebate is less than \$50.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1999.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the second year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Cost-effective customer incentive for the purchase of high-efficiency washing machine offered if incentives are being offered by local energy service providers or waste water utility.

D. Requirements for Documenting BMP Implementation

- a) Customer incentives to purchase high-efficiency washing machines being offered by local energy service providers, if any.
- b) Customer incentives to purchase high-efficiency washing machines being offered by agency, if any.

E. Criteria to Determine BMP Implementation Status

- a) Agency has determined if energy service providers or waste water utilities operating within service territory offer financial incentives for the purchase of high-efficiency washing machines.

EXHIBIT 1

- b) If energy service provider or waste water utility operating within agency's service territory is offering financial incentives, agency has calculated cost-effective customer incentive using methods found in *A Guide to Customer Incentives for Water Conservation* prepared by Barakat and Chamberlain for the CUWA, CUWCC, and US EPA, February 1994, and is offering this incentive to customers in service territory.

F. Water Savings Assumptions

The interim estimate of reliable annual water savings per replacement of a low-efficiency washing machine with a high-efficiency washing machine is 5,100 gallons, which is the mean yearly water savings derived from THELMA study data on water savings and washing machine load frequencies. Signatory water suppliers may use an estimate of annual water savings exceeding 5,100 gallons at their discretion, and may also select a lower estimate, so long as it is not below 4,600 gallons per year per retrofit, and there is a data supported reason for adopting an estimate lower than 5,100 gallons.

EXHIBIT 1

6. HIGH-EFFICIENCY CLOTHES WASHING MACHINE FINANCIAL INCENTIVE PROGRAMS

(This version adopted March 10, 2004 and effective July 1, 2004)

A. Implementation

Implementation shall consist of at least the following actions:

1. Until January 1, 2007, the water agency shall offer a financial incentive, if cost effective, for the purchase of high-efficiency clothes washing machines (HEWS) meeting a water factor value of 9.5 or less.
2. Any financial incentive offered shall be not less than the marginal benefits of the water savings, reduced by the necessary expense of administering the incentive program. Incentive levels shall be calculated by using methods found in *A Guide to Customer Incentives for Water Conservation* prepared by Barakat and Chamberlain for the CUWA, CUWCC, and US EPA, February 1994. A water agency is not required to implement a financial incentive program if the maximum cost-effective financial incentive is less than \$50.

The Council shall begin to review this BMP before July 1, 2005. This review shall determine appropriate agency implementation activities after 2007. The purpose of this review is to revise this BMP to account for potential Federal and State standards, the market share of HEWs with various water factors, further advances in washer efficiency, funding partner activities, and consumer participation.

B. Implementation Schedule

1. For Agencies signing the MOU prior to July 1, 2003, implementation shall commence no later than July 1, 2004.
2. For Agencies signing the MOU or becoming subject to the MOU after July 1, 2003, implementation shall commence no later than July 1 of the second year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Overview

The Council's objective is to transform the clothes washer market by increasing sales of HEWs. The Council anticipates this interim program will have a positive and long-lasting effect on the market share of HEWs; thus decreasing the future efforts needed by the Council and its members to achieve water efficiency in this sector.

EXHIBIT 1

The goal for this BMP is to at least triple the market share of HEWs purchased for use inside residential dwelling units, where no incentive program exists. For purposes of determining coverage requirements, the Council's estimates a non-incentive market share of HEWs at 12% of all clothes washing machine sales (derived from year 2000 Energy Star data). The coverage requirements are based upon the goal of increasing the market share of HEWs to thirty-six percent (36%) of all clothes washing machine sales.

Coverage Goal

The Council developed a Coverage Goal (CG) system to more easily determine coverage progress, and allow agencies to obtain additional credit for promoting the purchase of ultra high efficiency machines with water factor values of 8.5 or less. The CG is based on the total quantity of dwelling units (single-family and multi-family) in each agency's service territory. The Council chose to use the quantity of both single-family and multi-family dwelling units because US Census data on in-home clothes washing machines includes both types of dwelling units.

Agency determines its CG by the following calculation:

$$CG = \text{Total Dwelling Units} \times 80\% \times 6.67\% \times 12\% \times 3 \times 2.5$$

Where: CG = Coverage Goal
Dwelling Units = total SF and MF dwelling units in agency service territory
80% = percentage of all dwelling units with in-home clothes washers
6.67% = percentage of washers requiring replacement each year
12% = Average HEW market share when no incentives exist
3 = tripling non-incentive market share
2.5 = years of program activity from July-2004 to January-2007

Simplified Formula: $CG = \text{Total Dwelling Units} \times 0.048$

Agencies may request an adjusted CG where US Census data or other statistically valid surveys prove that less than 80% of all dwelling units (single-family and multi-family) in their service territory include a clothes washing machine. Agencies signing the MOU after July 1, 2003, shall use a prorated CG based on implementation period of less than 2.5 years.

Coverage Points

Agency shall earn points towards its Coverage Goal for the purchase and installation of HEWs in its service territory where agency provides a financial incentive of \$25 or more per HEW. In efforts to transform the market place towards ultra-high efficiency washers, agency may earn additional points for HEWs with water factor values of 8.5 or less.

EXHIBIT 1

1. Agency shall earn 1 point for each HEW incentive issued on or after July 1, 2004, which results in the purchase and installation of a HEW with a water factor value greater than 8.5 but not exceeding 9.5.
2. Agency shall earn 2 points for each HEW incentive issued on or after July 1, 2004 resulting in the purchase and installation of a HEW with a water factor value greater than 6.0 but not exceeding 8.5.
3. Agency shall earn 3 points for each HEW incentive issued on or after July 1, 2004 resulting in the purchase and installation of a HEW with a water factor value of 6.0 or less.

Past Credit Points

Agency shall have the option to receive points towards its Coverage Goal for past efforts (efforts prior to July 1, 2004) by one of the following methods of agency's choosing:

1. Agencies shall earn points according to point scale described above in "Coverage Points; 1, 2 and 3" for each HEW incentive issued before July 1, 2004, resulting from agency incentive program, where agency has documentation of participation. Agency shall not receive any credit for HEWs with water factors greater than 9.5. Agencies shall not receive credit for any HEW sales or installations where the agency did not materially and substantially participate in the incentive program, and agency did not provide a financial incentive of \$25 or more.

OR

2. Agencies shall earn 1 point for each HEW incentive issued before July 1, 2004, resulting from agency incentive program, where agency has documentation of participation. Agencies shall not receive credit for any HEW sales or installations where the agency did not materially and substantially participate in the incentive program, and agency did not provide a financial incentive of \$25 or more.

D. Requirements for Documenting BMP Implementation

1. Agency shall provide documentation for all of the following items:
 - a) The quantity of single-family and multi-family dwelling units in the agency service area and the calculated Coverage Goal.
 - b) The quantity and value of financial incentives issued for HEWs with water factor values greater than 8.5, but not exceeding 9.5.

EXHIBIT 1

- c) The quantity and value of financial incentives issued HEWs with water factor values greater than 6.0 but not exceeding 8.5.
 - d) The quantity and value of financial incentives issued for HEWs with water factors of 6.0 or less.
 - e) Average or estimated administration and overhead costs to operate the program.
 - f) To receive credit for past programs, agency shall provide: quantity and value of financial incentives, water factor values and date of incentives issued for high-efficiency clothes washers installed before July 1, 2004.
2. Agency shall retain records of each participant of the incentive program, including: name, address and telephone number of participant; water account number of building or dwelling unit; make and model of HEW purchased; water factor value; dollar amount of the agency's financial incentive; dollar amount of program partner's financial incentive (if applicable); and name of program partner(s).

E. Criteria to Determine BMP Implementation Status

Agency is offering a financial incentive to customers in its service territory for the purchase of high-efficiency clothes washing machines with water factors of 9.5 or less, and agency is meeting the coverage requirement as stated in this BMP.

Agency shall be considered on-track to meet its coverage requirements according to the following table:

Implementation Status Schedule	
Date	Percent of Points Earned Towards Coverage Goal
January 1, 2005	10%
July 1, 2005	30%
January 1, 2006	50%
July 1, 2006	75%
January 1, 2007	100%

EXHIBIT 1

Agencies signing the MOU after July 1, 2003, shall have a prorated Implementation Status Schedule, based on implementation period of less than 2.5 years.

F. Water Savings Assumptions

Gross water savings (gallons) from financial incentive programs that result in the purchase and installation of High Efficiency Washing Machines with water factors equal to or less than 9.5 shall be calculated using the following formula:

$$GWS = 14 \text{ yr.} \times \sum_i N_i \times (13.3 - i) \times 1,170 \frac{\text{gal.}}{\text{yr.}}$$

Where: N_i is the number of machines replaced with water factor i ($i < 9.5$)

13.3 is the Baseline WF for washers sold in 1994, as supplied to DOE by the Association of Home Appliance Manufacturers (AHAM).

14 yr. is the assumed average useful life of residential washers. (Based on information from the Bern Kansas study)

1,170 gallons/year is the average change in water use for a unit change in water factor. This value was developed by the California Energy Commission.

Net water savings (gallons) from financial incentive programs shall be calculated using the following formula:

$$NWS = GWS \times (1 - FR),$$

Where: FR is the estimated rate of free ridership for the BMP 6 financial incentive program.

EXHIBIT 1

7. PUBLIC INFORMATION PROGRAMS

A. Implementation

Implementation shall consist of at least the following actions:

- a) Implement a public information program to promote water conservation and water conservation related benefits.
- b) Program should include, but is not limited to, providing speakers to employees, community groups and the media; using paid and public service advertising; using bill inserts; providing information on customers' bills showing use in gallons per day for the last billing period compared to the same period the year before; providing public information to promote water conservation practices; and coordinating with other government agencies, industry groups, public interest groups, and the media.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Agencies shall maintain an active public information program to promote and educate customers about water conservation.

D. Requirements for Documenting BMP Implementation

- a) Number of public speaking events relating to conservation during reporting period.
- b) Number of media events relating to conservation during reporting period.
- c) Number of paid or public service announcements relating to conservation produced or sponsored during reporting period.
- d) Types of information relating to conservation provided to customers.
- e) Annual budget for public information programs directly related to conservation.

EXHIBIT 1

E. Criteria to Determine BMP Implementation Status

Agency has implemented and is maintaining a public information program consistent with BMP 7's definition.

F. Water Savings Assumptions

Not quantified.

EXHIBIT 1

8. SCHOOL EDUCATION PROGRAMS

A. Implementation

Implementation shall consist of at least the following actions:

- a) Implement a school education program to promote water conservation and water conservation related benefits.
- b) Programs shall include working with school districts and private schools in the water suppliers' service area to provide instructional assistance, educational materials, and classroom presentations that identify urban, agricultural, and environmental issues and conditions in the local watershed. Education materials shall meet the state education framework requirements, and grade appropriate materials shall be distributed to grade levels K-3, 4-6, 7-8, and high school.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Agencies shall maintain an active school education program to educate students in the agency's service areas about water conservation and efficient water uses.

D. Requirements for Documenting BMP Implementation

- a) Number of school presentations made during reporting period.
- b) Number and type of curriculum materials developed and/or provided by water supplier, including confirmation that curriculum materials meet state education framework requirements and are grade-level appropriate.
- c) Number of students reached.
- d) Number of in-service presentations or teacher's workshops conducted during reporting period.
- e) Annual budget for school education programs related to conservation.

EXHIBIT 1

E. Criteria to Determine BMP Implementation Status

Agency has implemented and is maintaining a school education program consistent with BMP 8's definition.

F. Water Savings Assumptions

Not quantified.

EXHIBIT 1

9. CONSERVATION PROGRAMS FOR COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL (CII) ACCOUNTS

A. Implementation

Implementation shall consist of at least the following actions:

BOTH (a) AND (b)

(a) **CII Accounts**

Identify and rank commercial, industrial, and institutional (CII) accounts (or customers if the agency chooses to aggregate accounts) according to water use. For purposes of this BMP, CII accounts are defined as follows:

Commercial Accounts: any water use that provides or distributes a product or service, such as hotels, restaurants, office buildings, commercial businesses or other places of commerce. These do not include multi-family residences, agricultural users, or customers that fall within the industrial or institutional classifications.

Industrial Accounts: any water users that are primarily manufacturers or processors of materials as defined by the Standard Industrial Classifications (SIC) Code numbers 2000 through 3999.

Institutional Accounts: any water-using establishment dedicated to public service. This includes schools, courts, churches, hospitals, and government facilities. All facilities serving these functions are to be considered institutions regardless of ownership.

(b) **3-Year Interim CII ULFT Program**

Implementation shall consist of at least the following actions:

i) A program to accelerate replacement of existing high-water-using toilets with ultra-low- flush (1.6 gallons or less) toilets in commercial, industrial, and institutional facilities.

ii) *Programs shall be at least as effective as facilitating toilet replacements over a 3-year implementation period, commencing July 1, 2001, sufficient to produce cumulative water savings over 10 years equal to 3% of Total Water Savings Potential, as defined by Exhibit 8 of this MOU.*

EXHIBIT 1

iii) Annual reporting to the Council of all available information described in Section D, subsection (b) of this BMP. The Council shall develop and provide agencies with a concise reporting form by March 31, 2001.

iv) By July 1, 2004, a committee selected by the Steering Committee shall complete for submittal to the Steering Committee a written evaluation of the interim program, including an assessment of program designs, obstacles to implementation, program costs, estimated water savings, and cost-effectiveness. By August 2004, the Steering Committee will reconvene to review the evaluation and recommend to the Plenary the next course of action on BMP 9 targets for CII toilet replacement programs.

AND EITHER (c) OR (d)

(c) CII Water-Use Survey and Customer Incentives Program

Implement a CII Water-Use Survey and Customer Incentives Program. Develop a customer targeting and marketing strategy to provide water use surveys and customer incentives to CII accounts such that 10% of each CII sector's accounts are surveyed within 10 years of the date implementation is to commence. Directly contact (via letter, telephone, or personal visit) and offer water use surveys and customer incentives to at least 10% of each CII sector on a repeating basis. Water use surveys must include a site visit, an evaluation of all water-using apparatus and processes, and a customer report identifying recommended efficiency measures, their expected payback period and available agency incentives. Within one year of a completed survey, follow-up via phone or site visit with customer regarding facility water use and water saving improvements. Track customer contacts, accounts (or customers) receiving surveys, follow-ups, and measures implemented. The method for crediting water use surveys completed prior to the revision of this BMP is described in Section E.

(d) CII Conservation Performance Targets

Achieve a water use reduction in the CII sectors equaling or exceeding the CII Conservation Performance Target. Implement programs to achieve annual water use savings by CII accounts by an amount equal to 10% of the baseline use of CII accounts in the agency's service area over a ten-year period. The target amount of annual water use reduction in CII accounts is a static value calculated from the baseline amount of annual use. Baseline use is defined as the use by CII accounts in 1997. Water purveyors may justify to the Council the use of an alternative baseline year.

EXHIBIT 1

B. Implementation Schedule

- (a) For agencies signing the MOU prior to December 31, 1997, implementation other than CII ULFTs shall commence no later than July 1, 1999. Implementation of Section A (b) -- CII ULFTs -- shall commence July 1, 2001.
- (b) For agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation other than the 3-Year Interim CII ULFT Program shall commence no later than July 1 of the second year following the year the agency signed or became subject to the MOU. Implementation of Section A (b) -- CII ULFTs -- shall commence July 1, 2001. Agencies signing the MOU or becoming subject to the MOU after July 1, 2001 shall not be subject to the Coverage Requirements set forth in Section C, subsection (a) -- 3-Year Interim CII ULFT Program.
- (c) The coverage requirement for this BMP, as specified in Section C of this Exhibit, with the exception of CII ULFTs, shall be realized within 10 years of the date implementation was to commence.

C. Coverage Requirements

(a) 3-Year CII ULFT Program

CII ULFT program water savings equal to 3% of Total Water Savings Potential, as defined by Exhibit 8 of this MOU, by July 1, 2004.

EITHER

(b) CII Water Use Survey and Customer Incentives Program

10% of each of the CII sector's accounts to accept a water use survey within 10 years of the date implementation is to commence. For the purposes of calculating coverage, 10% of CII accounts means the number of accounts equal to 10% of CII accounts in 1997 or the year the agency signed the MOU, whichever is later.

OR

(c) CII Conservation Performance Targets

Reduce annual water use by CII accounts by an amount equal to 10% of the annual baseline water use within 10 years of the date implementation is to commence, including savings resulting from implementation of section A (b) -- CII ULFTs.

EXHIBIT 1

D. Requirements for Documenting BMP Implementation

(a) CII Accounts

The number of accounts (or customers) and amount of water use within each of the CII sectors.

(b) 3-Year Interim CII ULFT Replacement Program

(1) Customer participant information, including retail water utility account ID's, primary contact information, facility address, facility type, number of toilets being replaced, number of toilets in facility (if available), primary reasons for toilet replacement and program participation (if available).

(2) Number of CII ULFTs replaced or distributed by CII sub sector by year.

(3) Total program cost by year, including administration and overhead, labor (staff salaries and benefits), marketing, outside services, incentives, and implementation (agency installation, rebate, permitting and remedial costs), and any required evaluation and reporting by the Council. Costs for program development and program operation shall be reported separately.

(4) Total program budget by year.

(5) Program funding sources by year, including intra-agency funding mechanisms, inter-agency cost-sharing, and state/federal financial assistance sources.

(6) Description of program design and implementation, such as types of incentives, marketing, advertising methods and levels, customer targeting methods, customer contact methods, use of outside services (e.g., consultants or community-based organizations), and participant tracking and follow up.

(7) Description of program acceptance or resistance by customers, any obstacles to implementation, and other issues affecting program implementation or effectiveness.

(8) General assessment of program effectiveness.

AND EITHER (c) OR (d)

(c) CII Water Use Survey and Customer Incentives Program

- 1) The number of CII accounts (or customers) offered water use surveys during the reporting period.

EXHIBIT 1

- 2) The number of new water use surveys completed during the reporting period.
- 3) The number of follow-ups completed during the reporting period.
- 4) The type and number of water saving recommendations implemented.
- 5) Agency's program budget and actual program expenditures.

(d) CII Conservation Performance Target

The estimated reduction in annual water use for all CII accounts due to agency programs, interventions, and actions. Agencies must document how savings were realized and the method and calculations for estimating savings, including the savings resulting from agency-assisted CII ULFTs replacements under section A (b).

E. Criteria to Determine BMP Implementation Status

(a) CII Accounts

Agency has identified and ranked by water use its CII accounts.

(b) CII ULFTs

Agency is on schedule to meet the coverage requirement for section A (b) within 3 years of the start of implementation. An agency will be considered on track if by the end of the first year of implementation the 10-year cumulative water savings equals or exceeds 0.5% of Total Savings Potential; by the end of the second year of implementation the 10-year cumulative water savings equals 1.5% of Total Savings Potential; and by the end of the third year of implementation the 10-year cumulative water savings equals or exceeds 3.0% of Total Savings Potential.

During the 3-year interim implementation period, cumulative savings from CII ULFT replacement programs occurring prior to January 1, 2001, may not be applied towards the interim coverage requirement. However, cumulative savings from *all* previous agency CII ULFT replacement programs may be applied toward any long-term CII ULFT coverage requirement.

AND EITHER (c) OR (d) OR (e)

EXHIBIT 1

(c) CII Water Use Survey and Customer Incentives Program

- 1) Agency has developed and implemented a strategy targeting and marketing water use surveys to CII accounts (or customers) by the end of the first reporting period following the date implementation is to commence.
- 2) Agency is on schedule to complete surveys for 10% of commercial accounts, 10% of industrial accounts, and 10% of institutional accounts within 10 years of the date implementation is to commence. Agencies may credit 50% of the number of surveys completed prior to July 1, 1996 that have not received follow-up verification of implementation, and 100% of the number of surveys completed prior to July 1, 1996 that have received a follow-up survey. Agencies may credit 100% of the number of surveys completed after July 1, 1996 against the coverage requirement.
- 3) Agencies will be considered on track if the percent of CII accounts receiving a water use survey, in aggregate, equals or exceeds the following: 0.5% of the total number of surveys required by end of first reporting period following date implementation is to commence; 2.4% by end of second reporting period; 4.2% by end of third reporting period; 6.4% by end of fourth reporting period; and 9.0% by end of fifth reporting period.

(d) CII Conservation Performance Targets

- 1) Agency is on schedule to reduce water use by CII accounts by an amount equal to 10% of baseline use (as defined in Section A) for CII accounts within 10 years of the date implementation is to commence.
- 2) Agencies will be considered on track if estimated savings as a percent of baseline water use equals or exceeds the following: 0.5% by end of first reporting period following date implementation is to commence; 2.4% by end of second reporting period; 4.2% by end of third reporting period; 6.4% by end of fourth reporting period; and 9.0% by end of fifth reporting period.
- 3) Credited water savings must be realized through agency actions performed to increase water use efficiency within the CII sector. Agencies may credit 100% of estimated annual savings of interventions since 1991 that have been site verified, and 25% of estimated annual savings of interventions that have not been site verified.
- 4) Agencies may claim the estimated savings for regulations, ordinances, or laws intended to increase water use efficiency by the CII sector, subject to the review and approval of the savings estimates by the Council. To avoid double counting, agencies justifying savings on the basis of rate structure

EXHIBIT 1

changes may not claim savings from any other actions undertaken by CII customers, third parties, or the agency.

(e) Combined Targets

Agencies may choose different tracks for different CII sectors, and will be considered in compliance with this BMP if they are on track to meet each applicable coverage requirement for each sector. In addition, agencies may implement both tracks for a given CII sector, and will be considered in compliance with this BMP if the percent of surveys completed and the percent of water savings realized, when added together, equals or exceeds the applicable compliance requirement. For example, at the end of the second reporting cycle an agency would be considered on track to meet the coverage requirement if the percent of surveys completed and the percent of water savings achieved, when added together, equaled or exceeded 2.4%. Agencies may combine tracks only if they make a convincing demonstration that savings attributable to counted surveys are not also included in their estimate of water savings for meeting the water savings performance track.

F. Water Savings Assumptions

Commercial water reduction results from Best Management Practices such as Interior and Landscape Water Surveys, Plumbing Codes, and Other Factors (Includes savings accounted for in other BMPs.) Estimated reduction in gallons per employee per day in year 2000 use occurring over the period 1980-2000: 12%.

Industrial water reduction results from Best Management Practices, Waste Discharge Fee, New Technology, Water Surveys, Plumbing Codes and Other Factors (Includes savings accounted for in other BMPs.) Estimated reduction in gallons per employee per day in year 2000 use occurring over the period 1980-2000: 15%.

EXHIBIT 1

10. WHOLESALE AGENCY ASSISTANCE PROGRAMS (Version adopted March 10, 2004 and effective July 1, 2004)

A. Implementation

Implementation shall consist of at least the following actions:

Financial Support

1. Wholesale water suppliers will provide financial incentives, or equivalent resources, as appropriate, beneficial, and mutually agreeable to their retail water agency customers to advance water conservation efforts and effectiveness.
2. All BMPs implemented by retail water agency customers that can be shown to be cost-effective in terms of avoided cost of water from the wholesaler's perspective, using Council cost-effectiveness analysis procedures, will be supported.

Technical Support

Wholesale water agencies shall provide conservation-related technical support and information to all retail agencies for whom they serve as a wholesale supplier. At a minimum this requires:

3. Conducting, funding or promoting workshops addressing the following topics:
 - a) Council procedures for calculating program savings, costs and cost-effectiveness;
 - b) Retail agencies' BMP implementation reporting requirements; and
 - c) The technical, programmatic, strategic or other pertinent issues and developments associated with water conservation activities in each of the following areas: ULFT replacement; residential retrofits; commercial, industrial and institutional surveys; residential and large turf irrigation; and conservation-related rates and pricing.
4. Having the necessary staff or equivalent resources available to respond to retail agencies' technical and programmatic questions involving the Council's BMPs and their associated reporting requirements.

EXHIBIT 1

Program Management

Wholesale and retail agencies will retain maximum local flexibility in designing and implementing locally cost-effective BMP conservation programs. Cooperatively designed regional programs are encouraged.

5. When mutually agreeable and beneficial, the wholesaler may operate all or any part of the conservation-related activities which a given retail supplier is obligated to implement under the BMP's cost-effectiveness test. The inability or unwillingness of the wholesaler to perform this function, however, in no way relieves or reduces the retailer's obligation to fully satisfy the requirements of all BMPs which are judged cost-effective from the retailer's perspective.

Water Shortage Allocations

6. Wholesale agencies shall work in cooperation with their customers to identify and remove potential disincentives to long-term conservation created by water shortage allocation policies; and to identify opportunities to encourage and reward cost-effective investments in long-term conservation shown to advance regional water supply reliability and sufficiency.

B. Implementation Schedule

1. Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1999.
2. Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the second year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

1. Cost-effectiveness assessments completed for each BMP the wholesale agency is potentially obligated to support. The methodology used will conform to Council standards and procedures, and the information reported will be sufficient to permit independent verification of the cost-effectiveness calculations and of any exemptions claimed on cost-effectiveness grounds. Any subset of the BMPs being directly implemented by a wholesale agency will be reported.

All other BMPs supportable by the retailers located in a wholesaler's service area will be considered for financial and technical support, and will be dependent on agreement between the wholesaler and its retailers.

EXHIBIT 1

2. Agency avoided cost per acre-foot of new water supplies. The methodology used will conform to Council standards and procedures, and the information reported will be sufficient to permit independent verification of the avoided cost calculations.
3. The total monetary amount of financial support, incentives, staff support and equivalent resources provided to retail members to assist, or to otherwise support, the implementation of BMPs.
4. The total amount of verified water savings achieved by each wholesaler-assisted BMP.
5. At each reporting cycle, wholesale agencies shall provide a written offer of support to each of their retailers, and request a response from each retailer. Verification of such offers and responses shall be submitted to the Council at each regular reporting cycle via the "notes" section in the BMP reporting database.

It is recognized that wholesale agencies have limited control over retail agencies that they serve, and must act in cooperation with those retail agencies on implementation of BMPs. Thus, wholesale agencies cannot be held responsible for levels of implementation by individual retailers in their wholesale service areas.

6. Wholesale agencies will receive full credit and acknowledgement for previous BMP implementation.

D. Requirements for Documenting BMP Implementation

1. The total monetary amount of financial incentives and equivalent resources provided to retail members to assist, or to otherwise support, the implementation of BMPs, subtotaled by BMP.
2. The total amount of verified water savings achieved by each wholesaler-assisted BMP.

E. Criteria to Determine BMP Implementation Status

1. Timely and complete reporting of all information as provided for above under "Reporting and Record Keeping Requirements."
2. Offering workshops covering all topics listed above under "Technical Support."

EXHIBIT 1

3. Timely reconciliation of wholesaler and retailer BMP reports as provided for above under "BMP Reporting."

F. Water Savings Assumptions

Not quantified. Wholesalers shall use the Council's Cost and Savings Document to assess the total amount of water savings achieved by each wholesaler-supported BMP.

EXHIBIT 1

11. CONSERVATION PRICING

A. Implementation

Implementation methods shall be at least as effective as eliminating non-conserving pricing and adopting conserving pricing. For signatories supplying both water and sewer service, this BMP applies to pricing of both water and sewer service. Signatories that supply water but not sewer service shall make good faith efforts to work with sewer agencies so that those sewer agencies adopt conservation pricing for sewer service.

- a) Non-conserving pricing provides no incentives to customers to reduce use. Such pricing is characterized by one or more of the following components: rates in which the unit price decreases as the quantity used increases (declining block rates); rates that involve charging customers a fixed amount per billing cycle regardless of the quantity used; pricing in which the typical bill is determined by high fixed charges and low commodity charges.
- b) Conservation pricing provides incentives to customers to reduce average or peak use, or both. Such pricing includes: rates designed to recover the cost of providing service; and billing for water and sewer service based on metered water use. Conservation pricing is also characterized by one or more of the following components: rates in which the unit rate is constant regardless of the quantity used (uniform rates) or increases as the quantity used increases (increasing block rates); seasonal rates or excess-use surcharges to reduce peak demands during summer months; rates based upon the longrun marginal cost or the cost of adding the next unit of capacity to the system.
- c) Adoption of lifeline rates for low income customers will neither qualify nor disqualify a rate structure as meeting the requirements of this BMP.

CUWCC Rate Impact Study

Within one year of the adoption of this BMP revision, the Council shall undertake a study to determine the relative effect of conservation rate structure influence on landscape and indoor water use. The study shall develop sample areas that incorporate varying rate structure environments (e.g., low, uniform commodity rates, high uniform commodity rates, increasing block rates, etc.). As practical, the study shall utilize direct metering of customer end uses, and shall control for weather, climate, land use patterns, income, and other factors affecting water use patterns. If the study shows significant potential savings, as determined by a balanced committee of voting Council representatives, a revised pricing BMP containing numeric targets or other appropriate standards shall be developed for a Council vote.

EXHIBIT 1

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Agency shall maintain rate structure consistent with BMP 11's definition of conservation pricing.

D. Requirements for Documenting BMP Implementation

- a) Report annual revenue requirement by customer class for the reporting period.
- b) Report annual revenue derived from commodity charges by customer class for the reporting period.
- c) Report rate structure by customer class for water service and sewer service if provided.

E. Criteria to Determine BMP Implementation Status

Agency rate design shall be consistent with the BMP 11's definition of conservation pricing.

F. Water Savings Assumptions

Not quantified.

EXHIBIT 1

12. CONSERVATION COORDINATOR

A. Implementation

Implementation shall consist of at least the following actions:

- a) Designation of a water conservation coordinator and support staff (if necessary), whose duties shall include the following:
 - i) Coordination and oversight of conservation programs and BMP implementation;
 - ii) Preparation and submittal of the Council BMP Implementation Report;
 - iii) Communication and promotion of water conservation issues to agency senior management; coordination of agency conservation programs with operations and planning staff; preparation of annual conservation budget; participation in the Council, including regular attendance at Council meetings; and preparation of the conservation elements of the agency's Urban Water Management Plan.
- b) Agencies jointly operating regional conservation programs are not expected to staff duplicative and redundant conservation coordinator positions.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Agency shall staff and maintain the position of conservation coordinator and provide support staff as necessary.

D. Requirements for Documenting BMP Implementation

- a) Conservation Coordinator name, staff position, and years on job.
- b) Date Conservation Coordinator position created by agency.

EXHIBIT 1

- c) Number of Conservation Coordinator staff.
- d) Duties of Conservation Coordinator and staff.

E. Criteria to Determine BMP Implementation Status

- a) Creating and staffing a Conservation Coordinator position within the agency organization.
- b) Providing the Conservation Coordinator with the necessary resources to implement cost-effective BMPs and prepare and submit Council BMP Implementation Reports.

F. Water Savings Assumptions

Not quantified.

EXHIBIT 1

13. WATER WASTE PROHIBITION

A. Implementation

Implementation methods shall be enacting and enforcing measures prohibiting gutter flooding, single pass cooling systems in new connections, non-recirculating systems in all new conveyer car wash and commercial laundry systems, and non-recycling decorative water fountains.

Signatories shall also support efforts to develop state law regarding exchange-type water softeners that would: (1) allow the sale of only more efficient, demand-initiated regenerating (DIR) models; (2) develop minimum appliance efficiency standards that (a) increase the regeneration efficiency standard to at least 3,350 grains of hardness removed per pound of common salt used; and (b) implement an identified maximum number of gallons discharged per gallon of soft water produced; (3) allow local agencies, including municipalities and special districts, to set more stringent standards and/or to ban on-site regeneration of water softeners if it is demonstrated and found by the agency governing board that there is an adverse effect on the re-claimed water or groundwater supply.

Signatories shall also include water softener checks in home water audit programs and include information about DIR and exchange-type water softeners in their educational efforts to encourage replacement of less efficient timer models.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.

C. Coverage Requirements

Agency shall adopt water waste prohibitions consistent with the provisions for this BMP specified in Section A of this Exhibit.

D. Requirements for Documenting BMP Implementation

Description of water waste prohibition ordinances enacted in service area.

EXHIBIT 1

E. Criteria to Determine BMP Implementation Status

Agency's water waste prohibition ordinances meet the requirements of the BMP definition.

F. Water Savings Assumptions

Not quantified.

EXHIBIT 1

14. RESIDENTIAL ULFT REPLACEMENT PROGRAMS

A. Implementation

Implementation shall consist of at least the following actions:

- a) Implementation of programs for replacing existing high-water-using toilets with ultra-low- flush (1.6 gallons or less) toilets in single-family and multi-family residences.
- b) Programs shall be at least as effective as requiring toilet replacement at time of resale; program effectiveness shall be determined using the methodology for calculating water savings in Exhibit 6 of this MOU.

After extensive review, on July 30 1992, the Council adopted Exhibit 6, "ASSUMPTIONS AND METHODOLOGY FOR DETERMINING ESTIMATES OF RELIABLE WATER SAVINGS FROM THE INSTALLATION OF ULF TOILETS." Exhibit 6 provides a methodology for calculating the level of effort required to satisfy BMP 14.

B. Implementation Schedule

- a) Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 1998.
- b) Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.
- c) The coverage requirement for this BMP, as specified in Section C of this Exhibit, shall be realized within 10 years of the date implementation was to commence.

C. Coverage Requirements

Water savings from residential ULFT replacement programs to equal or exceed water savings achievable through an ordinance requiring the replacement high-water-using toilets with ultra-low-flow toilets upon resale, and taking effect on the date implementation of this BMP was to commence and lasting ten years.

D. Requirements for Documenting BMP Implementation

- a) The number of single-family residences and multi-family units in service area constructed prior to 1992.

EXHIBIT 1

- b) The average number of toilets per single-family residence; the average number of toilets per multi-family unit.
- c) The average persons per household for single-family residences; the average persons per household for multi-family residences.
- d) The housing resale rate for single-family residences in service area; the housing resale rate for multi-family residences in service area.
- e) The number of ULFT installations credited to the agency's replacement program, by year.
- f) Description of ULFT replacement program
- g) Estimated cost per ULFT replacement.
- h) Estimated water savings per ULFT replacement

E. Criteria to Determine BMP Implementation Status

Calculated ULFT replacement program water savings at the end of each reporting period are within 10% of calculated retrofit-on-resale water savings, using Exhibit 6 methodology and water savings estimates.

F. Water Savings Assumptions

See Exhibit 6.

EXHIBIT 1

POTENTIAL BEST MANAGEMENT PRACTICES

This section contains Potential Best Management Practices (PBMPs) that will be studied. Where appropriate, demonstration projects will be carried out to determine if the practices meet the criteria to be designated as BMPs. Within one year of the initial signing of this MOU, the Council will develop and adopt a schedule for studies of these PBMPs.

1. Rate Structure and other Economic Incentives and Disincentives to Encourage Water Conservation.

This is the top priority PBMP to be studied. Such studies should include seasonal rates; increasing block rates; connection fee discounts; grant or loan programs to help finance conservation projects; financial incentives to change landscapes; variable hookup fees tied to landscaping; and interruptible water service to large industrial, commercial or public customers. Studies on this PBMP will be initiated within 12 months from the initial signing of the MOU. At least one of these studies will include a pilot project on incentives to encourage landscape water conservation.

2. Efficiency Standards for Water Using Appliances and Irrigation Devices

3. Replacement of Existing Water Using Appliances (Except Toilets and Showerheads Whose Replacements are Incorporated as Best Management Practices) and Irrigation Devices.

4. Retrofit of Existing Car Washes.

5. Graywater Use

6. Distribution System Pressure Regulation.

7. Water Supplier Billing Records Broken Down by Customer Class

8. Swimming Pool and Spa Conservation including Covers to Reduce Evaporation

9. Restrictions or Prohibitions on Devices that use Evaporation to Cool Exterior Spaces.

10. Point of Use Water Heaters, Recirculating Hot Water Systems and Hot Water Pipe Insulation.

11. Efficiency Standards for New Industrial and Commercial Processes.

EXHIBIT 2. CALIFORNIA URBAN WATER CONSERVATION COUNCIL

Amended December 11, 2002

1. The California Urban Water Conservation Council (the "Council") will be comprised of a representative of each of the signatories to the MOU.
2. The Council's responsibilities and authorities include:
 - a. Recommending study methodologies for Best Management Practices ("BMPs"), including procedures for assessing the effectiveness and reliability of urban water conservation measures.
 - b. Developing guidelines including discount rate to be used by all signatories in computing BMP benefits and costs pursuant to Exhibit 3.
 - c. Reviewing and modifying the economic principles set forth in Exhibit 3.
 - d. Collecting and summarizing information on implementation of BMPs and Potential Best Management Practices ("PBMPs").
 - e. Adopting or modifying BMPs and PBMPs lists.
 - f. Adopting or modifying reliable water conservation savings data for BMPs.
 - g. Adopting or modifying the schedules of implementation for existing and new BMPs.
 - h. Adopting or modifying the schedules for research and demonstration projects for BMPs and PBMPs.
 - i. Coordinating and/or making recommendations regarding BMPs study and demonstration projects.
 - j. Accepting or denying requests for additional parties to join the MOU and assigning additional parties to one of the three signatory groups as described in Section 1.3 of the MOU.
 - k. Reviewing and modifying report formats.
 - l. Making annual reports to the State Water Resources Control Board and the Council Members on the above items based on the format described in Exhibit 5.
 - m. Within two years of the initial signing of this MOU, developing and implementing procedures and a funding mechanism for independent evaluation of the MOU process at the Council and signatory levels.
 - n. Undertaking such additional responsibilities as the Members may agree upon.

EXHIBIT 2

3. The Council will make formal reports to the State Water Resources Control Board and to the governing bodies of all Council Members. Such reports shall include a formal annual written report. Other reports such as status reports and periodic updates may be prepared as deemed appropriate, by the Council. Any Member of the Council will be entitled to review draft reports and comment on all reports. Such comments shall be included in any final report at the Member's request.
4. It is anticipated that the Council will develop a committee structure, which will include a Membership Committee as described in Section 7.2 of the MOU. A Steering Committee and one or more technical committees may also be needed.
5. For purposes of the Council, signatories will be divided into three groups: water suppliers ("Group 1"), public advocacy organizations ("Group 2") and other interested groups ("Group 3") as those terms are defined in Section 1 of the MOU. Members of Groups 1 and 2 shall be Signatory members of the Council and shall possess all voting rights. Members of Group 3 shall be Signatory members and shall not have voting rights, but shall act in an advisory capacity to the Council. Beginning January 1, 2004 members shall become Full Members of the Council upon payment of the annual assessment as invoiced by the Council according to Section 11.01 of the Council's Bylaws. Full members shall be eligible to receive all services and benefits available from the Council's resources. For Group 2 members, payment shall mean payment in cash and/or in kind services. Officers and members of the Council Steering Committee shall be Full Members in good standing.
6. Decisions by the Council to undertake additional responsibilities; to modify the MOU itself; or to modify Exhibits 2 or 3 require the following:
 - a. The Council will provide notice to all signatories giving the text of the proposed action or modification at least 60 days in advance of the vote by the Council.
 - b. To pass the action or modification, there must be a vote in favor of the action or modification by at least 2/3 of the members of Group 1 voting, including votes made in person or in writing, and a vote in favor of the action or modification by at least 2/3 of the members of Group 2 voting, including votes made in person or in writing.
7. All other modifications and Council actions shall be undertaken as follows: There must be a vote in favor of the modification or action by a simple majority of the members of Group 1 voting, including votes made in person or in writing, and a vote in favor of the modification or action by a simple majority of the members of Group 2 voting, including votes made in person or in writing.

EXHIBIT 3. PRINCIPLES TO GUIDE THE PERFORMANCE OF BMP ECONOMIC (COST-EFFECTIVENESS) ANALYSIS

1. The total cost-effectiveness of a conservation measure will be measured by comparing the present value of the benefits of the measure listed in paragraph 3 below to the present value of the costs listed in paragraph 4. The measure will be cost-effective if the present value of the benefits exceeds the present value of the costs.
2. The cost-effectiveness of a conservation measure to the water supplier will be measured by comparing the present value of the benefits described in paragraph 5 to the present value of the costs described in paragraph 6. The measure will be cost-effective if the present value of the benefits exceeds the present value of the costs.
3. Total benefits exclude financial incentives received by water suppliers or by retail customers. These benefits include:
 - a. avoided capital costs of production, transport, storage, treatment, wastewater treatment and distribution capacity.
 - b. avoided operating costs, including but not limited to, energy and labor.
 - c. environmental benefits and avoided environmental costs.
 - d. avoided costs to other water suppliers, including those associated with making surplus water available to other suppliers.
 - e. benefits to retail customers, including benefits to customers of other suppliers associated with making surplus water available to these suppliers.
4. Total program costs are those costs associated with the planning, design, and implementation of the particular BMP, excluding financial incentives paid either to other water suppliers or to retail customers. These costs include:
 - a. capital expenditures for equipment or conservation devices.
 - b. operating expenses for staff or contractors to plan, design, or implement the program.
 - c. costs to other water suppliers.
 - d. costs to the environment.
 - e. costs to retail customers.
5. Program benefits to the water supplier include:
 - a. costs avoided by the water supplier of constructing production, transport, storage, treatment, distribution capacity, and wastewater treatment facilities, if any.
 - b. operating costs avoided by the water supplier, including but not limited to, energy and labor associated with the water deliveries that no longer must be made.

EXHIBIT 3

- c. avoided costs of water purchases by the water supplier.
 - d. environmental benefits and avoided environmental costs.
 - e. revenues from other entities, including but not limited to revenue from the sale of water made available by the conservation measure and financial incentives received from other entities.
6. Program costs to the water supplier include:
- a. capital expenditures incurred by the water supplier for equipment or conservation devices.
 - b. financial incentives to other water suppliers or retail customers.
 - c. operating expenses for staff or contractors to plan, design, or implement the program.
 - d. costs to the environment.
7. The California Urban Water Conservation Council ("Council") will be responsible for developing guidelines that will be used by all water suppliers in computing BMP benefits and costs. These guidelines will include, but will not be limited to, the following issues:
- a. analytical frameworks.
 - b. avoided environmental costs.
 - c. other impacts on the supply system that may be common to many water suppliers.
 - d. time horizons and discount rates.
 - e. avoided costs to non-water supply agencies.
 - f. benefits and costs to retail customers.
 - g. benefits of water made available to other entities as a result of conservation efforts.
- These guidelines will recognize the uniqueness of individual water suppliers and will therefore not impose excessive uniformity.
- [Note: In September 1996, the Council adopted "Guidelines for Preparing Cost-Effectiveness Analyses of Urban Water Conservation Best Management Practices"]
8. Within these guidelines, each water supplier will be responsible for analyses of the cost-effectiveness of particular BMPs on its system. These analyses will be reviewed by the Council.
9. The Council will also be responsible for periodically reviewing the overall framework set forth in this Exhibit.

EXHIBIT 4. FORM LETTER TO SWRCB

Chairman and Board Members
State Water Resources Control Board
Sacramento, California 95814

Subject: Urban Water Conservation

Dear Chairman and Board Members:

We are pleased to forward to you a copy of a "Memorandum of Understanding Regarding Urban Water Conservation in California" recently entered into by many urban water suppliers, public advocacy organizations, and other interested groups.

This Memorandum of Understanding was developed over a period of many months of fact-gathering and intensive negotiations. It commits the signatory water suppliers to good faith implementation of a program of water conservation which embodies a series of "Best Management Practices" for California's urban areas. It also commits all of the signatories to an ongoing, structured process of data collection through which other conservation measures, not yet in general use, can be evaluated as to whether they should be added to the list of Best Management Practices. Finally, it commits all signatories to recommending to this Board that the Best Management Practices identified in this Memorandum of Understanding be taken as the benchmark for estimating reliable savings for urban areas which utilize waters affected by the Bay/Delta proceedings. An important part of this program is the signatories' recognition of the need to provide long-term reliability for urban water suppliers and long-term protection of the environment.

To carry out these commitments, please be advised that each of the signatories has endorsed making the following recommendations to this Board:

1. That for purposes of the present Bay/Delta proceedings, implementation of the Best Management Practices process set forth in the Memorandum of Understanding represents a sufficient long-term water conservation program by the signatory water suppliers, recognizing that additional programs may be required during occasional water supply shortages.
2. That for purposes of the present Bay/Delta proceedings only, the Board should base its estimates of future urban water conservation savings on implementation of all of the Best Management Practices included in Section A of Exhibit 1 to the Memorandum of Understanding for the entire service area of the signatory water suppliers and only on those Best Management Practices, except for (a) the conservation potential for water supplied by urban agencies for agricultural purposes, or (b) in cases where higher levels of conservation have been mandated.
3. That for purposes of the present Bay/Delta proceedings, the Board should make its estimates of future urban water conservation savings by employing the reliable savings assumptions associated with those Best Management Practices set forth in Section C of Exhibit 1 to the Memorandum of Understanding. Measures for which reliable savings assumptions are not yet available should not be employed in estimating future urban water use.
4. That the Board should include a policy statement in the water rights phase of the present Bay/Delta proceedings supporting the Best Management Practices process described in the Memorandum of Understanding and should also consider that process in any documents it prepares pursuant to the California Environmental Quality Act as part of the present Bay/Delta proceedings.

EXHIBIT 4

It should be emphasized that the Memorandum of Understanding does not contain projections of population for California and, accordingly, none of the signatories to the Memorandum of Understanding are agreeing to recommend that any specific population levels be used by the Board in estimating future water demands. Furthermore, it should be noted that the signatories have retained the right to advocate any particular level of protection for the Bay/Delta Estuary, including levels of freshwater flows, and that the Memorandum of Understanding is not intended to address any authority or obligation of the Board to establish freshwater flow protections or to set water quality objectives for the Estuary. The Memorandum of Understanding is also not intended to address any authority of the Environmental Protection Agency.

Finally, as described in Section 5.1 of the MOU, the signatories have not limited their ability to propose different conservation practices, different estimates of savings or different processes in a forum other than the present Bay/Delta proceedings or for non-urban water suppliers or for other water management issues. Public advocacy organization signatories have not agreed to use the initial assumptions of reliable conservation savings in proceedings other than the present Bay/Delta proceedings. The signatories may present other assumptions of reliable conservation savings for non-signatory water suppliers in the Bay/Delta proceedings, provided that such assumptions could not adversely impact the water supplies of signatory water suppliers.

The Memorandum of Understanding establishes an ongoing process for study and research in the field of urban water conservation and an organizational structure to support this effort, which is described in Exhibit 2 to the Memorandum of Understanding. The process is dynamic and contemplates periodic revisions to the list of Best Management Practices, as well as refinements to the savings assumptions based on continuing field studies. The California Urban Water Conservation Council will forward updated lists of Best Management Practices and updated savings assumptions to the Board as they become available. However, for the present Bay/Delta proceedings, the measures and savings assumptions listed on Exhibit 1 should be used as described above.

The Memorandum of Understanding is a significant accomplishment and one of which all the parties are proud. We hope it will be of value to the Board in the complex and important Bay/Delta proceedings. By copy of this letter, we are forwarding these recommendations to the Environmental Protection Agency.

Very Truly Yours,

Name of Signatory

By: _____

cc: Administrator
U.S. Environmental Protection Agency
401 "M" Street, SW
Washington, D.C. 20460

Regional Administrator, Region IX
U.S. Environmental Protection Agency
215 Fremont Street
San Francisco, California 94105

EXHIBIT 5. SWRCB ANNUAL REPORT OUTLINE

I. Executive Summary

II. Implementation Assessment

Water Suppliers' Report
Findings
Comments
Progress
Public Advocacy Organizations' Report
Findings
Comments
Progress

III. Survey Results for 199X

Summary of Survey Responses
Table _____. Per Capita Usage [by region]
Table _____. Status of BMP Implementation [by supplier]
Table _____. Proposed Implementation Schedules

Interpretation of Survey Responses
Lack of Data
Climatic Influences
Implementation Difficulties

Evaluation of Results

IV. Trend Analysis

Comparison with Prior Years
Table _____. Per Capita Usage [by region]

Projected Conservation
Table _____. Schedule of Implementation

Updated Estimates of Future Savings [by region]

Evaluation of Progress

V. Studies of Best Management Practices

Assessment of Current BMPs
Table _____. Evaluation of Effectiveness [by measure and region]

EXHIBIT 5

Assessment of Potential BMPs
Status of Current Studies
Proposed Future Studies

Revision of Lists of Current and Potential BMPs.
Additions and Deletions

Other Modifications to MOU or Exhibits

VI. Recent Developments

Legislative Update
Program Funding
Case Studies
Residential Conservation
Industrial Conservation
Irrigation Efficiency
Legal Actions

National Practices

Technical Advances

Publications

VII. Council Committee Activities

VIII. Funding Levels

IX. Staffing Levels

X. Substantiated Findings by Signatory Water Supplier in Support of Use of Exemptions

XI. Substantiated Findings in Support of Use of Alternative Schedule of Implementation

Appendices

List of Signatories [subcommittee members noted]
Key Correspondence and Comments

EXHIBIT 6. ASSUMPTIONS AND METHODOLOGY FOR DETERMINING ESTIMATES OF RELIABLE WATER SAVINGS FROM THE INSTALLATION OF ULF TOILETS

July 1992

**Approved June 30, 1992
California Urban Water Conservation Council**

SUMMARY

On June 30, 1992, the California Urban Water Conservation Council (Council) adopted the assumptions and methodology described in this report for determining estimates of reliable water savings from the installation of ULF toilets. The Council voted to provide only a method for estimating ULF toilet conservation potential, not specific estimates for different regions or agencies.

The methodology presented here was explicitly developed to balance simplicity and accuracy. The method allows a water agency to customize the estimate of conservation potential by using service-area-specific information on household demographics, composition of housing stock, and turnover rates of real estate. Agencies lacking service area specific information can use regional averages. Given the large supply of conserved water that ULF toilets represent, the Council feels that the method's adjustments of estimated conservation potential for different local conditions is well worth the extra effort.

The first step required to estimate a given area's conservation potential is to assess water savings likely to result per ULF toilet retrofit. We provide a scheme for adjusting estimates of water savings that were realized by first-year participants in the Los Angeles and Santa Monica toilet rebate programs to make these estimates suitable for other service areas. Water savings estimates for participating households in Los Angeles and Santa Monica were derived through sophisticated statistical models based on data provided by over 23,000 households covering a seven year period¹. These reliable estimates of conservation form the best basis for extrapolating to other service areas. These estimates should not be used directly, but must be adjusted for three service-area-specific factors: 1) people per household; 2) toilet retrofits per household; and 3) the mix of pre-1980 and post-1980 toilets.

The method and assumptions presented here apply to three separate ULF-toilet-related Best Management Practices (BMPs) in the Memorandum of Understanding (MOU).

BMP 14 requires water suppliers to implement programs for replacement of existing high water-using toilets with ultra-low-flush toilets (1.6 gallon or less) in residential commercial, and industrial buildings. As per BMP 14, such programs should be at least as effective as offering rebates of up to \$100 for each replacement that would not have occurred without the rebate, or

¹See *The Conserving Effect of Ultra Low Flush Toilet Rebate Programs*, Chesnutt, T., A. Bamezai, C. McSpadden, A & N Technical Services, June 1992, and related reports listed in Appendix A.

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requiring replacement at the time of resale, or requiring replacement at the time of change of service. BMP 14 lists three alternatives that indicate compliance. The Subcommittee selected the second alternative, a bill requiring replacement of non-ULF toilets with ULF toilets when a property exchanges hands, as a quantifiable way for determining each service area's water conservation target. Furthermore, this framework allows the assessment of both the total water conservation target for each service area and the rate at which these targets must be met.

BMP 14 differs from other BMPs in that it is defined in terms of water savings instead of a level of activity.

Restated, water savings targets implied by BMP 14 come from calculating the effect of ULF replacement of all non-ULF toilets at the time of resale or exchange. This requires combining information about estimated per-household water savings with information about housing turnover rates and the natural toilet replacement rate. We present detailed analyses for a hypothetical service area to describe the methodology in detail.

According to the MOU, water suppliers will commit to saving water that is implied by BMP 14 through ULF toilet retrofit programs. This should not be interpreted to mean that such a legislation will actually be in place. It is a hypothetical scenario that is to be used for determining urban water conservation targets for each service area. Any water conservation program will be acceptable as long as it saves water that is implied by BMP 14; these program choices rest solely with each service area². Water suppliers will calculate the amount of water to be saved for BMP 14 using the method described herein, and then achieve that targeted amount using a ULF program of their own choice.

As stated in the MOU, the Council voted and agreed that estimates of reliable savings potential are to be used. The Council agreed that the reliable estimate lies in the 50 percent to 90 percent range of statistical confidence. The Council did not reach consensus on the exact level of reliability to be used in calculating estimates of ULFT conservation potential. This issue is to be resolved at the next plenary session in September. Until such time as a precise level of desired reliability in estimated savings can be formally addressed by the Council, it should be noted that the magnitude of ULFT conservation potential does not change substantially under different assumptions. Due to the high quality of the statistical data, the agreed 50 to 90 percent range translates to a difference in estimated conservation of only three percent. The Council recognizes that the estimates of reliable savings can be changed as better information become available.

The Council has decided to postpone a formal recommendation on estimates of ULFT conservation potential for the commercial/industrial retrofits. Presently available data is too weak to support a

² For example, although a legislation that requires ULF retrofits upon resale or exchange implies that all non-ULF toilets in a home must be replaced when it is sold, this need not be the actual goal of a toilet retrofit program. The evaluation of ULF toilet rebate programs shows that the first toilet retrofit in a home is far more effective than subsequent retrofits, and that retrofits in multiple family complexes are more effective than retrofits in single family households. Thus, by increasing the coverage of ULF toilet rebate programs instead of within-household penetration, and emphasizing retrofits in multiple family complexes over retrofits in single family households, a water supplier may be able to achieve water savings implied by BMP 14 using a smaller number of ULF toilet replacements.

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reliable estimate. Studies are currently underway to address the conservation potential of commercial/industrial ULFT retrofits, and the Council expects to address this issue next year.

I. INTRODUCTION

There are several ways that currently proposed BMP's can produce savings from ULF toilets. The 1991 plumbing code requires installation of ULF toilets in new construction. Additionally, if the State of California enacts legislation banning the sale and installation of non-ULF toilets, the result will be the natural replacement of existing toilets with ULF toilets as and when existing toilets begin to malfunction, are damaged, or households decide to remodel their bathrooms. Programs that affect the replacement of non-ULF toilets with ULF toilets (BMP 14), would additionally affect the existing housing stock.

This report describes a methodology for quantifying the conservation targets under BMP 14. In particular, the ULF Toilet Subcommittee has selected ULF replacement-upon-resale-or-exchange legislation as a quantifiable way for determining ULF conservation targets (under BMP 14) over a period of 10 years. The calculations required to quantify this legislation, and hence BMP 14, also yield information on the water saving potential of the other ULF-related BMP's. To keep estimates of ULF conservation potential accurate, it is important not to double count conservation from the different types of ULF programs.

Our basic method can be described as multiplying how much water ULF toilets save in a household by the number of households affected. Both of these quantities will vary in different service areas and are discussed in turn.

First, the quantity of water likely to be saved by a ULF toilet retrofit will vary in different service areas because of differences in household characteristics and age of the housing stock. Section II describes how we estimate water savings from ULF retrofits for different service areas.

Second, the number of affected homes will vary in different service areas due to differences in housing turnover rates and differences in the rate at which toilets are naturally replaced because of either damage, malfunction, or bathroom remodeling. Since, at the time of malfunction or breakdown some toilets are likely to be retrofitted with ULF toilets, the net water saving effect of BMP-14 will be overstated if this is not taken into account. Section III deals with this second set of issues. Section IV contains illustrative calculations for a hypothetical service area.

II. ESTIMATING PER-HOUSEHOLD WATER SAVINGS

The household water saving estimates are based on the evaluation of Los Angeles' and Santa Monica's ULF toilet rebate programs. Using the results of this evaluation it was possible to quantify how household water savings vary with the number of people that reside in a household, the number of toilets that are retrofitted in a home, and the type of toilet replaced. Thus, to extrapolate water savings estimates to other service areas requires three pieces of information at the service area level:

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- Average number of people per household
- Average number of toilets per household
- Mix of pre-1980 and post-1980 toilets

To simplify the calculation of how these factors are related to expected household water savings, planning tables are provided for single and multiple family households. Table 1 shows expected average water savings per single family household per day corresponding to different service area characteristics (persons per household and toilets per household.) Table 2 shows similar information for multiple family units. So, for example, if in a service area the average number of people that reside in single family homes is 2.7 and the average number of toilets per single family home is 2, then approximately 43.3 gallons of water will be saved per day if both toilets are replaced with ULF toilets³.

The water savings estimates shown in Tables 1 and 2 make no adjustment for differences in the mix of pre-1980 and post-1980 toilets⁴. If information about the existing mix of toilets is available the water saving estimates can be further refined. The default values implied by the planning tables reflect the combined experience of Los Angeles and Santa Monica--approximately 7.5 percent of all toilets replaced in single family households and 12.5 percent replaced in multiple family units were of the post-1980 (3.5 gallon/flush) variety. If water planners know how their service area differs from this mix of toilets, the following section describes how to incorporate that information.

Based on the data available from the first year of ULF rebate programs, we estimate that retrofitting a post-1980 (3.5 gl./flush toilet) saves 20 percent less than retrofitting a pre-1980 toilet⁵. If one does know the proportion of post-1980 toilets in a service area, then this information can be used to

³If in a service area, the average number of people residing in single family homes exceeds 3, we recommend choosing a water savings estimate from Table 1 assuming the average is 3. This is because we had only a handful of households that reported having greater than 3 residents and therefore we were unable to derive reliable estimates of water savings for these larger households. The error this approximation is likely to produce is minimal because we found that, in general, water savings grow less than linearly as population density increases in a household.

⁴Effective January 1, 1978, all new dwelling units and lodging rooms in California were required to have toilets that used no more than 3.5 gallons per flush. Though there was no grace period in the law, it is widely believed that implementation and enforcement of this law was initially spotty. We have selected 1980 as the effective year of implementation. The requirement for 3.5 gallon-per-flush toilets was extended to virtually all new construction, effective January 1, 1983. (An exemption was allowed for blowout toilets used in some public restrooms.)

⁵Our estimate is an empirical one based on observed retrofits in Los Angeles and Santa Monica. It can differ from theoretical calculations based upon design specifications of toilets meeting the 1980 plumbing code versus those that do not for several reasons. Toilets may use less on average if they were designed conservatively or they may use more if the earlier 1980-compliant designs resulted in more double flushes. Many supposedly 5-7 gl./flush toilets actually use 4-5 gl./flush in laboratory tests. Furthermore, the average rate at which toilets develop leaks and the preexisting installation of toilet dams or bags can alter theoretical calculations. Since no one knows, or can know, the true average amount of water used per flush across the mix of installed toilets in a service area, we believe this issue is moot.

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adjust any of the estimates of conservation. Since the overall mean net conservation provided in Tables 1 and 2 is a weighted average of pre- and post 1980 toilets, we can back out separate savings estimates for pre-1980 and post-1980 toilets. These estimates can then be applied to the proportion of the housing stock that has each type of toilet.

The adjustment factors come from combining our knowledge of the proportion of post- 1980 toilets (7.5 percent in single family homes) with how much less water retrofits of post-80 toilets save relative to pre-1980 toilets (about 20 percent). We state the following two equations:

$$\begin{aligned} N_{SF} &= N_{post-80} * .075 + N_{pre-80} * .925 \\ N_{post-80} &= .8 * N_{pre-80} \end{aligned}$$

and solve for N_{pre-80} and $N_{post-80}$ in terms of the overall single family mean N_{SF} :

$$\begin{aligned} N_{pre-80} &= N_{SF} \div (.8 * .075 + .925) \cong N_{SF} * 1.015 \\ N_{post-80} &\cong N_{SF} * 1.015 * .8 \cong N_{SF} * .812 \end{aligned} \tag{1}$$

Changing for the proportion of post-80 toilets in the multiple family sample (about 12.5 percent), we can find the comparable relationships between the multiple family overall savings and pre-/post-80 toilet savings:

$$\begin{aligned} N_{pre-80} &= N_{FM} \div (.8 * .125 + .875) \cong N_{MF} * 1.0255 \\ N_{post-80} &\cong N_{MF} * 1.026 * .8 \cong N_{MF} * .8205 \end{aligned} \tag{2}$$

Thus, if there is information on the mix of pre-/post-1980 toilets in a service area, the overall mean water savings given in Tables 1 and 2 should be separated into its two components: the mean for pre-1980 toilets and the mean for post-1980 toilets. For single family households, the mean for pre-1980 toilets can be derived by multiplying the overall mean from Table 1 by 1.015 and the mean for post-1980 toilets can be derived by multiplying the overall mean from Table 1 by 0.812. For multiple family households, the mean for pre-1980 toilets can be derived by multiplying the overall mean from Table 2 by 1.0255 and the mean for post-1980 toilets can be derived by multiplying the overall mean from Table 2 by 0.8205.

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Table 1 Planning Table For Estimating Water Savings in Service Areas with Different Household Characteristics
Single Family
(Gallons per Household per Day)

Persons per Household	Toilets per Household															
	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5
2.0	22.8	24.3	25.7	27.1	28.5	29.9	31.3	32.7	34.1	35.5	37.0	38.4	39.8	41.2	42.6	44.0
2.1	23.8	25.4	27.0	28.5	30.0	31.5	33.0	34.5	36.0	37.4	38.9	40.4	41.8	43.3	44.6	45.9
2.2	24.6	26.4	28.0	29.6	31.2	32.8	34.3	35.9	37.4	38.9	40.4	41.9	43.4	44.8	46.1	47.4
2.3	25.3	27.1	28.8	30.5	32.2	33.8	35.4	37.0	38.5	40.0	41.6	43.0	44.5	45.9	47.2	48.4
2.4	25.8	27.7	29.5	31.2	32.9	34.6	36.2	37.8	39.3	40.9	42.4	43.8	45.2	46.6	47.9	49.0
2.5	26.4	28.2	30.0	31.8	33.5	35.2	36.8	38.4	40.0	41.5	42.9	44.4	45.7	47.0	48.2	49.3
2.6	26.8	28.6	30.5	32.3	34.0	35.6	37.3	38.8	40.3	41.8	43.3	44.6	45.9	47.2	48.3	49.3
2.7	27.1	28.9	30.8	32.6	34.3	35.9	37.5	39.0	40.5	41.9	43.3	44.6	45.9	47.0	48.0	48.9
2.8	27.3	29.1	31.0	32.8	34.4	36.0	37.6	39.1	40.5	41.8	43.1	44.4	45.5	46.6	47.5	48.2
2.9	27.5	29.2	31.1	32.8	34.4	36.0	37.4	38.8	40.2	41.5	42.7	43.8	44.8	45.8	46.6	47.2
3.0	27.5	29.3	31.0	32.7	34.2	35.7	37.1	38.4	39.6	40.8	41.9	42.9	43.8	44.6	45.3	45.8

Estimates in the body of the table are accurate within ± 5 percent of model estimated water savings.

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Table 2 Planning Table For Estimating Water Savings in Service Areas with Different Household Characteristics
Multiple Family (Gallons per Unit per Day)

Persons per Unit	Toilets per Unit						
	1.0	1.1	1.2	1.3	1.4	1.5	
1.5	30.7	33.0	35.0	36.7	38.1	39.2	
1.6	31.8	34.2	36.3	38.0	39.5	40.6	
1.7	32.9	35.4	37.5	39.4	40.9	42.1	
1.8	34.0	36.6	38.8	40.7	42.3	43.5	
1.9	35.1	37.8	40.1	42.0	43.6	44.9	
2.0	36.2	38.9	41.3	43.3	45.0	46.3	
2.1	37.4	40.1	42.5	44.6	46.3	47.6	
2.2	38.5	41.3	43.8	45.9	47.6	49.0	
2.3	39.6	42.5	45.0	47.2	49.0	50.3	
2.4	40.7	43.6	46.2	48.5	50.3	51.7	
2.5	41.8	44.8	47.4	49.7	51.6	53.0	
2.6	42.8	45.9	48.7	51.0	52.8	54.3	
2.7	43.9	47.1	49.9	52.2	54.1	55.6	
2.8	45.0	48.2	51.0	53.4	55.4	56.8	
2.9	46.1	49.4	52.2	54.6	56.6	58.1	
3.0	47.2	50.5	53.4	55.9	57.8	59.3	

Estimates in the body of the table are accurate within ± 5 percent of model estimated water savings.

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Reliability

The estimates given in Tables 1 and 2 represent the expected value of household savings in an entire service area--i.e., there is a fifty percent chance that the realized savings will exceed the estimate and a fifty percent chance that the realized savings will be less than the estimate. Suppose that a different kind of estimate is desired--one that can be met or exceeded 90 percent of the time. The second estimate incorporates the idea of reliability; sometimes 50/50 odds of being right or wrong are not good enough. The charter of many public utilities requires them to provide a public good in a reliable fashion. Also, the MOU on Water Conservation calls for the use of "estimates of reliable water savings" for water resource planning that incorporates urban water conservation achievements. If a water utility wants to incorporate estimates of the water saved through ULF toilet programs as a means of reliably meeting future water demand, then the water utility needs an estimate of water savings that incorporates the desired level of reliability.

The estimates in Tables 1 and 2 can be adjusted to reflect any desired level of reliability. We estimate a within-sample standard error surrounding the estimates in Tables 1 and 2 of about two and a half percent. A standard normal Z table can be used to translate the desired level of reliability into a Z-value--the number of standard errors away from the expected value that one must move to attain a higher level of reliability. A desired reliability of 90 percent, for example, implies that the expected value of household savings should be lowered about 1.28 standard errors. In our case, this translates into an estimate that is $(1.28 \times 2.5 \text{ percent}) = 3.2 \text{ percent}$ lower. In other words, there are sufficient data in this case so that this expression of "reliable savings" is quite close to the expected values shown in the tables. However, estimates of water savings likely to be achieved from other BMPs may be much less well defined and as a result may differ significantly from the expected values. In such cases, the concept of planning for reliable savings will assume qualitatively more importance.

III. ESTIMATING TOILETS REPLACED BECAUSE OF HOUSING TURNOVER

Existing non-ULF toilets can be replaced with ULF toilets for reasons other than a legislation that requires retrofit upon resale or exchange. For example, toilets break down, malfunction, and are usually replaced when households remodel their bathrooms. Given that the State of California is considering another separate piece of legislation that would ban the sale and installation of non-ULF toilets in the state, it is very likely that a large number of old toilets will be replaced with ULF toilets purely as a result of the normal toilet replacement cycle. If this is not taken into account, one will overstate the water-saving effectiveness of a legislation that requires retrofit upon resale or exchange. To account for these complexities, we estimate the water-saving effectiveness of retrofit upon sale or exchange legislation by calculating the water that will be saved if it were in place and the amount of water that would be saved anyway in the absence of such legislation. There are at least seven factors that can affect estimates of net water savings attributable to a legislation that requires ULF toilet retrofits upon resale or exchange.

- Housing demolition rate
- Housing turnover rate
- Natural toilet replacement rate
- Existing mix of toilets

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- Type of new toilet used for replacement
- Average number of people and toilets per household
- Changes in household size over time

Of these seven factors, changes in average household size over time can be safely ignored because it is unlikely to change appreciably over a period of ten years which is the focus of this analysis. Information about the average number of people and toilets per household, and the existing mix of pre-1980 and post-1980 toilets are required to forecast per-retrofit water savings--this was discussed in detail in Section II.

For the remaining factors--that is, the housing demolition rate, the housing turnover rate, the natural toilet replacement rate, and type of new toilet used for replacement--water planners should use data that is relevant to their own service area. Although some amount of uncertainty naturally surrounds estimates of the above factors, it is largest in the case of the natural toilet replacement rate and the type of new toilet that is likely to be used for replacement. To assess the extent to which this uncertainty affects estimates of the water-saving potential of BMP 14, we performed detailed sensitivity analyses. A total of six scenarios were considered for the sensitivity analysis.

It is generally agreed that, on average, a toilet lasts anywhere from 20 to 30 years, although some claim to have seen toilets as old as 50-60 years. Assuming that toilets are replaced at an annual rate of 3 percent implies that after 30 years approximately 40 percent $[(1-0.03)^{30}]$ of toilets of this vintage would still be around; with a replacement rate of 7 percent this number declines to 11 percent $[(1-0.07)^{30}]$ which can be considered the other end of the range. We performed sensitivity analyses assuming the natural toilet replacement rate is 3 percent, 5 percent and 7 percent. The sensitivity analyses also considered two additional scenarios corresponding to each natural toilet replacement rate that pertain to the type of toilets that are likely to be used to replace old malfunctioning toilets. In the first scenario we assume that all toilets that are naturally replaced are retrofitted with 1.6 gallon ULF toilets. This is a very likely scenario given that legislation banning the sale and installation of non-ULF toilets is being considered in the state of California. In the other scenario, we assumed that 50 percent of toilets naturally replaced are retrofitted with ULF toilets in the base year and that this proportion increases to 100 percent by the end of the 10-year analysis period. We found that the results were relatively insensitive to these assumptions. The 10-year cumulative water savings derived from these six scenarios were within 15 percent of the average.

The ULFT subcommittee proposes that service areas use a natural toilet replacement rate of 4 percent and assume that all toilets naturally replaced will be retrofitted with 1.6 gallon/flush ULF toilets for their area-specific calculations. The next section describes illustrative calculations performed for a hypothetical service area.

IV. SAMPLE CALCULATION FOR A HYPOTHETICAL SERVICE AREA

In this section, we present detailed calculations for a hypothetical service area to demonstrate the method of calculating conservation targets. Single family and multiple family homes are analyzed separately. This scenario is based on a natural rate of toilet changeout of 4 percent per year, and that all new retrofits are of the 1.6 gallon-per-flush variety.

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Table 3 shows the data used for this sample calculation. For example, in this service area, publicly available data on real-estate sales suggest that 30 percent of all single family homes and 42 percent of all multiple family complexes were sold at least once in the last five years. This is typically the format in which real-estate transactions data are available. This five-year estimate can be transformed into an annual turnover rate using the following formula:

$$(1 - P)^5 = (1 - S)$$

Where **S** is the proportion of the stock that was sold at least once during the five year period and **P** is the annual turnover rate. We apply a different turnover rates for the single family and the multiple family housing stock.

Table 3 Data Used in Sample Calculation

Parameter	Single Family	Multiple Family
Annual housing demolition rate	0.5%	0.5%
Annual housing turnover rate	6.9%	10.3%
Annual toilet replacement rate	4.0%	4.0%
No. of homes with old pre-1980 toilets	700,000	420,000
No. of homes with 3.5 gal. (post-1980) toilets	250,000	210,000
No. of homes with 1.6 gal. toilets	50,000	70,000
Average persons per household	3.25	2.47
Average toilets per household	2.16	1.20

NOTE: Homes already with 1.6 gallon/flush toilets are excluded from the analysis.

After establishing the home turnover rate, the next step is to estimate average water savings per household per day using information contained in Section II. For single family households (Table 1), average household water savings corresponding to 3.25 people per household (refer footnote 1) and 2.16 toilets per household is approximately 43.4 gallons per day. As mentioned earlier, estimated water savings represent a weighted mix of pre-1980 and post-1980 (3.5 gl./fl.) toilets. To illustrate how to adjust these estimates for a specific service area, use the relations listed in Section II to incorporate the service area specific data in Table 3. From Equation (1) for single family homes, pre-1980 toilet retrofits are estimated to save approximately 44 gallons/day and post-1980 toilets are estimated to save 35.2 gallons/day. For a 90 level of reliability, these estimates are lowered 3.2 percent to 42.6 gallons/day and 34.1 gallons per day. The similar calculation for

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multiple family complexes uses Table 2 and Equation (2), savings pre-1980 toilet retrofits are estimated to save approximately 48.2 gallons/day and post-1980 toilets are estimated to save 38.6 gallons/day. Changing this expected value to a 90 percent reliable value gives 46.7 gallons per day and 37.4 gallons per day.

We first calculate water savings assuming no retrofit-upon-resale legislation is in effect and that all savings result from the normal cycle of toilet replacements (Tables 4 and 6). These results can be interpreted as savings that would result from a legislation that bans the sale and installation of non-ULF toilets in the State of California. Next we estimate water savings that result from the combined effect of natural changeout combined with a retrofit-upon-resale-or-exchange legislation (Tables 5 and 7). The difference between the two then is the net water-saving effect of a legislation that requires replacement of non-ULF toilets with ULF toilets at the time of resale or exchange (BMP 14).

Table 8 shows these estimates of net water conservation (or conservation targets) that the particular service area in question will have to achieve over the course of the next 10 years. For example, in 1993 the total target is (2822 single family net + 3026 multiple family net =) 5848 acre feet. In the next year, additional conservation of (2412 single family net + 2487 multiple family net =) 4899 acre feet is added to the previous year's target for a total cumulative savings target of (5848 AF + 4899 AF =) 10747 acre-feet. Figures 1 through 3 plot the cumulative savings targets for BMPs 2B and 14 over the course of 10 years. Note that the conservation targets implied by BMP14 (Figure 3) has a curved shape. This is a complete result of the assumed ULF retrofits--in the later years, more and more of the homes that are sold have already been retrofitted with ULF toilets.

Note that the conservation targets are listed in acre-feet per year not toilets per year. To meet the water conservation targets, that amount of water specified in Table 8 must be conserved through ULF efforts. Since multiple family retrofits save more than single family retrofits and the first toilet retrofit per household saves more than the second or third retrofits, it is possible to design ULF conservation programs that conserve the same amount of water using fewer toilets. Thus, issues of program design are intimately linked with the effort and costs that will have to be incurred to meet these conservation targets.

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Table 4 Single Family Natural Replacement Only BMP 2b

Year	Housing Stock	Homes Naturally Retrofitted	Toilets Naturally Retrofitted	Annual Water Savings (AF/yr)	Annual Cumulative Savings (AF/yr)
1992	950,000	0	0	0	0
1993	912,190	37,810	81,670	1,709	1,709
1994	875,885	36,305	78,419	1,641	3,350
1995	841,025	34,860	75,298	1,576	4,926
1996	807,552	33,473	72,301	1,513	6,439
1997	775,411	32,141	69,424	1,453	7,891
1998	744,550	30,861	66,661	1,395	9,286
1999	714,917	29,633	64,007	1,339	10,626
2000	666,483	28,454	61,460	1,286	11,912
2001	659,142	27,321	59,014	1,235	13,147
2002	632,908	26,234	56,665	1,186	14,333

Note: Water savings are from a weighted mix of pre-1980 and post-1980 toilets.

Table 5 Single Family: Natural Replacement and Housing Turnover (BMP2b and BMP 14)

Year	Housing Stock	Homes Naturally Retrofitted	Home Turnover	Total Homes Retrofitted	Total Toilets Retrofitted	Annual Water Savings (AF/yr)	Annual Cumulative Savings (AF/yr)
1992	950,000	0	0	0	0	0	0
1993	849,758	37,810	62,432	100,242	216,522	4,531	4,531
1994	760,094	33,820	55,844	89,665	193,675	4,053	8,584
1995	679,890	30,252	49,952	80,203	173,239	3,625	12,209
1996	608,150	27,060	44,681	71,740	154,959	3,243	15,452
1997	543,979	24,204	39,966	64,171	138,608	2,901	18,352
1998	486,580	21,650	35,749	57,399	123,983	2,594	20,947
1999	435,237	19,366	31,977	51,343	110,900	2,321	23,267
2000	389,312	17,322	28,603	45,925	99,198	2,076	25,343
2001	348,232	15,495	25,585	41,079	88,731	1,857	27,200
2002	311,488	13,860	22,885	36,745	79,369	1,661	28,861

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Table 6 Multiple Family: Natural Replacement Only

Year	Housing Stock	Homes Naturally Retrofitted	Toilets Naturally Retrofit	Annual Water Savings (AF/yr)	Annual Cumulative Savings
1992	630,000	0	0	0	0
1993	604,926	25,074	30,089	1,224	1,224
1994	580,850	24,076	28,891	1,175	2,369
1995	557,732	23,118	27,741	1,129	3,528
1996	535,534	22,198	26,637	1,064	4,611
1997	514,220	21,314	25,577	1,040	5,652
1998	493,754	20,466	24,559	999	6,651
1999	474,103	19,651	23,582	959	7,610
2000	455,233	18,869	22,643	921	8,531
2001	437,115	18,118	21,742	884	9,416
2002	419,718	17,397	20,877	849	10,265

Table 7 Multiple Family: Natural Replacement and Housing Turnover

Year	Housing Stock	Homes Naturally Retrofitted	Home Turnover	Total Home Retrofitted	Total Toilets Retrofitted	Annual Water Savings (AF/yr)	Annual Cumulative Savings (AF/yr)
1992	630,000	0	0	0	0	0	0
1993	542,943	25,074	61,983	87,057	104,468	4,250	4,250
1994	467,916	21,609	53,418	75,027	90,032	3,663	7,912
1995	403,257	18,623	46,036	64,659	77,591	3,156	11,069
1996	347,533	16,050	39,675	55,724	66,869	2,720	13,789
1997	299,509	13,832	34,192	48,024	57,629	2,344	16,133
1998	258,121	11,920	29,467	41,388	49,665	2,020	18,154
1999	258,121	10,273	25,395	35,669	42,802	1,741	19,895
2000	222,452	8,854	21,886	30,740	36,888	1,501	21,395
2001	165,221	7,630	18,862	26,492	31,790	1,293	22,689
2002	142,390	6,576	16,255	22,831	27,397	1,115	23,803

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Table 8 Conservation Targets (AF/yr): Net Conservation for Single and Multiple Family

	Single Family Savings			Multiple Family Savings			Total Annual Savings (SF + MF) AF/yr			Annual Cumulative Savings AF/yr		
	Natural	Natural + Turnover	Net Savings	Natural	Natural + Turnover	Net Savings	Natural	Natural + Turnover	Net Savings	Natural	Natural + Turnover	Net Savings
Year	BMP 2B	BMP 2B + 14	BMP 14	BMP 2B	BMP 2B + 14	BMP 14	BMP 2B	BMP 2B + 14	BMP 14	BMP 2B	BMP 2B + 14	BMP 14
1992	0	0	0	0	0	0	0	0	0	0	0	0
1993	1,709	4,531	2,822	1,224	4,250	3,026	2,833	8,781	5,848	2,933	8,781	5,646
1994	1,641	4,053	2,412	1,175	4,663	2,487	2,816	7,715	4,899	5,749	16,496	10,747
1995	1,578	3,625	2,050	1,129	3,156	2,028	2,704	6,782	4,077	8,453	23,276	14,824
1996	1,513	3,243	1,730	1,064	2,720	1,637	2,597	5,963	3,366	11,050	29,241	18,190
1997	1,453	2,901	1,448	1,040	2,344	1,304	2,493	5,245	2,752	13,543	34,485	20,942
1998	1,395	2,594	1,200	999	2,020	1,021	2,394	4,615	2,221	15,837	39,100	23,163
1999	1,339	2,321	981	959	1,741	782	2,299	4,082	1,763	18,236	43,162	24,826
2000	1,286	2,076	790	921	1,501	579	2,207	3,578	1,389	20,443	46,736	26,295
2001	1,235	1,857	622	884	1,283	409	2,119	3,150	1,031	22,583	49,888	27,326
2002	1,186	1,661	475	849	1,115	265	2,035	2,775	740	24,598	52,664	28,068

EXHIBIT 6

Estimated Savings From Natural Replacement Cumulative in Acre-Feet per Year

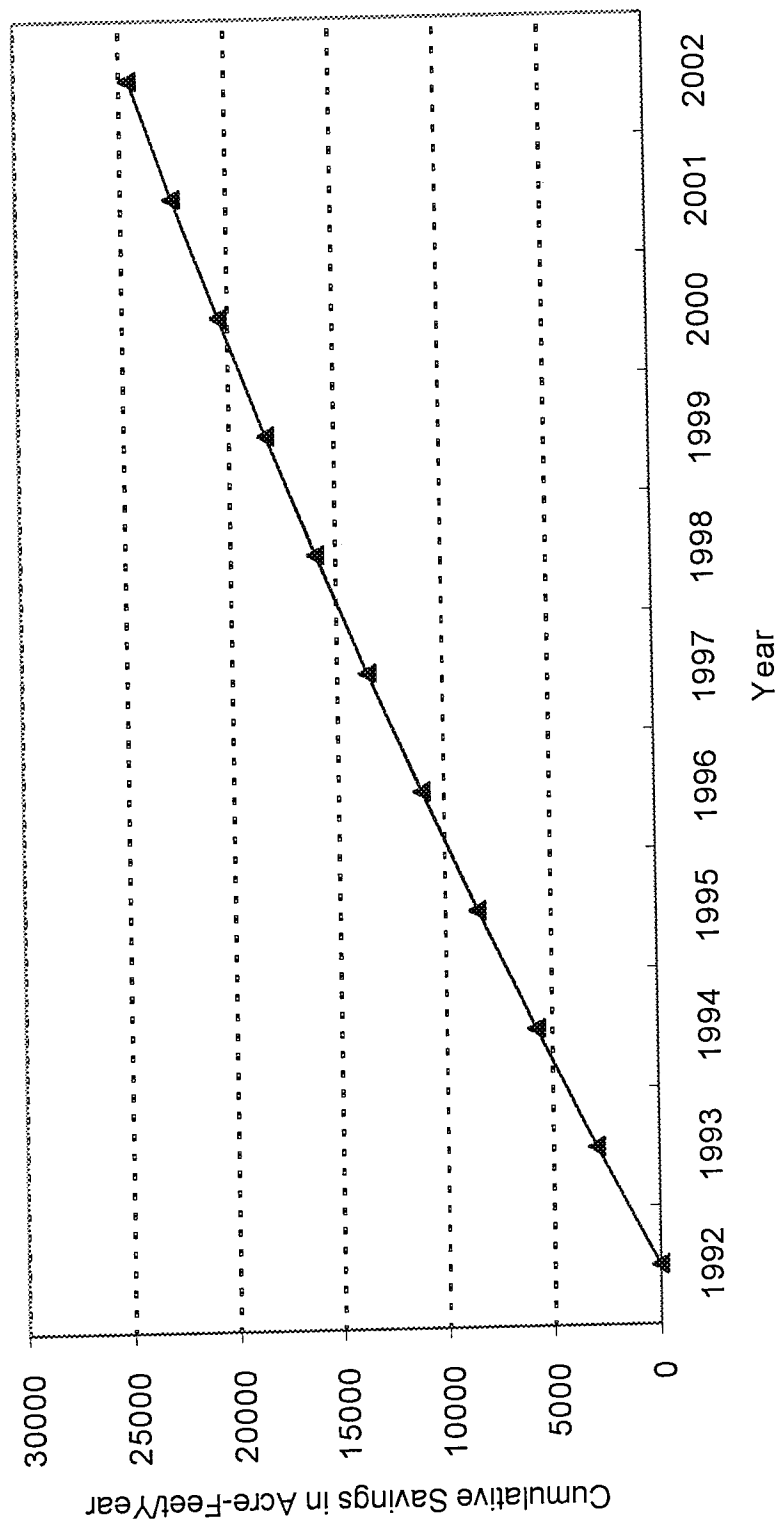


Figure 1. Estimated savings from natural replacement only.

EXHIBIT 6

Combined Savings From Natural Replacement and Turnover *Cumulative in Acre-Foot per Year*

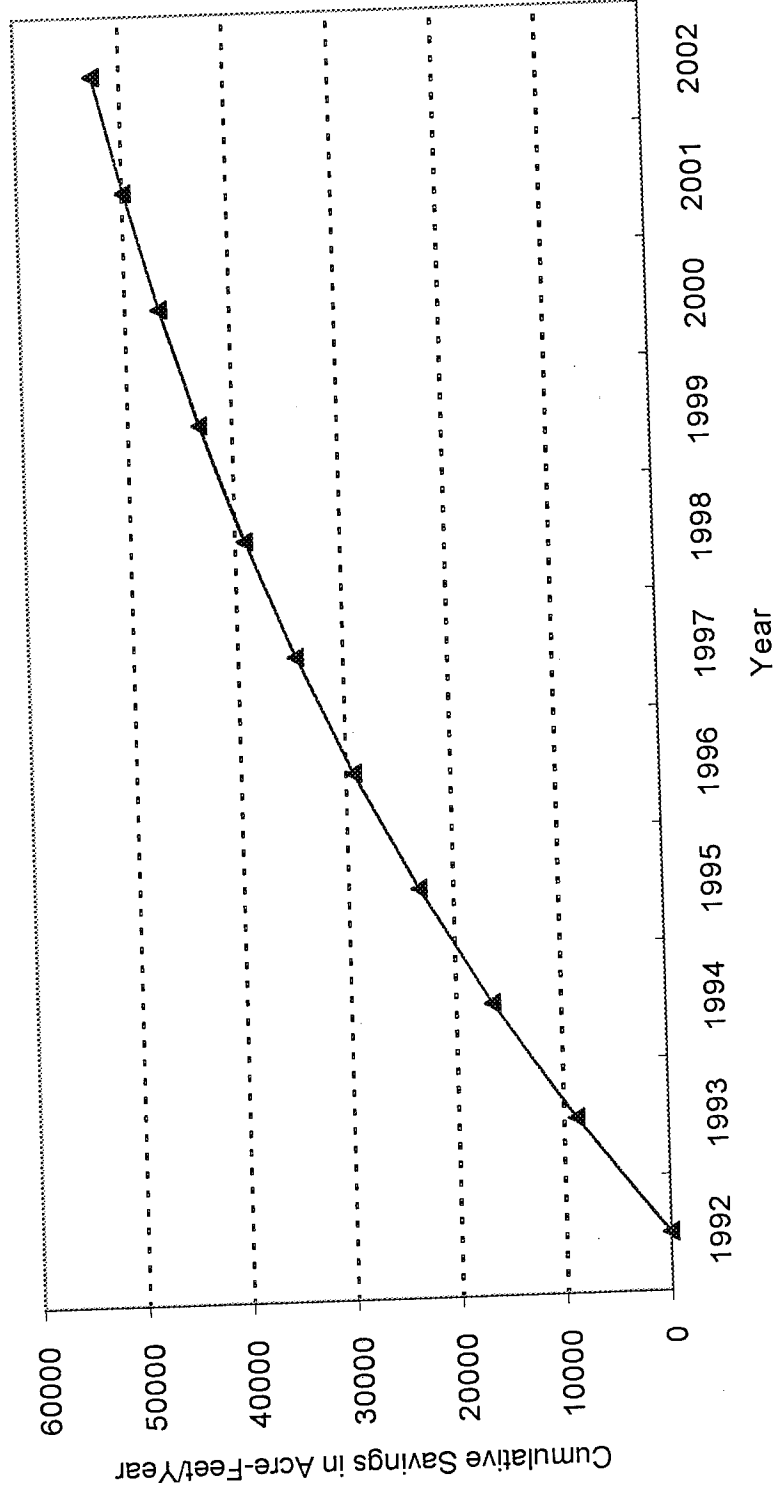


Figure 2. Estimated combined savings from natural replacement and housing turnover.

EXHIBIT 6

Net Estimated Savings From BMP14
Cumulative in Acre-Feet per Year

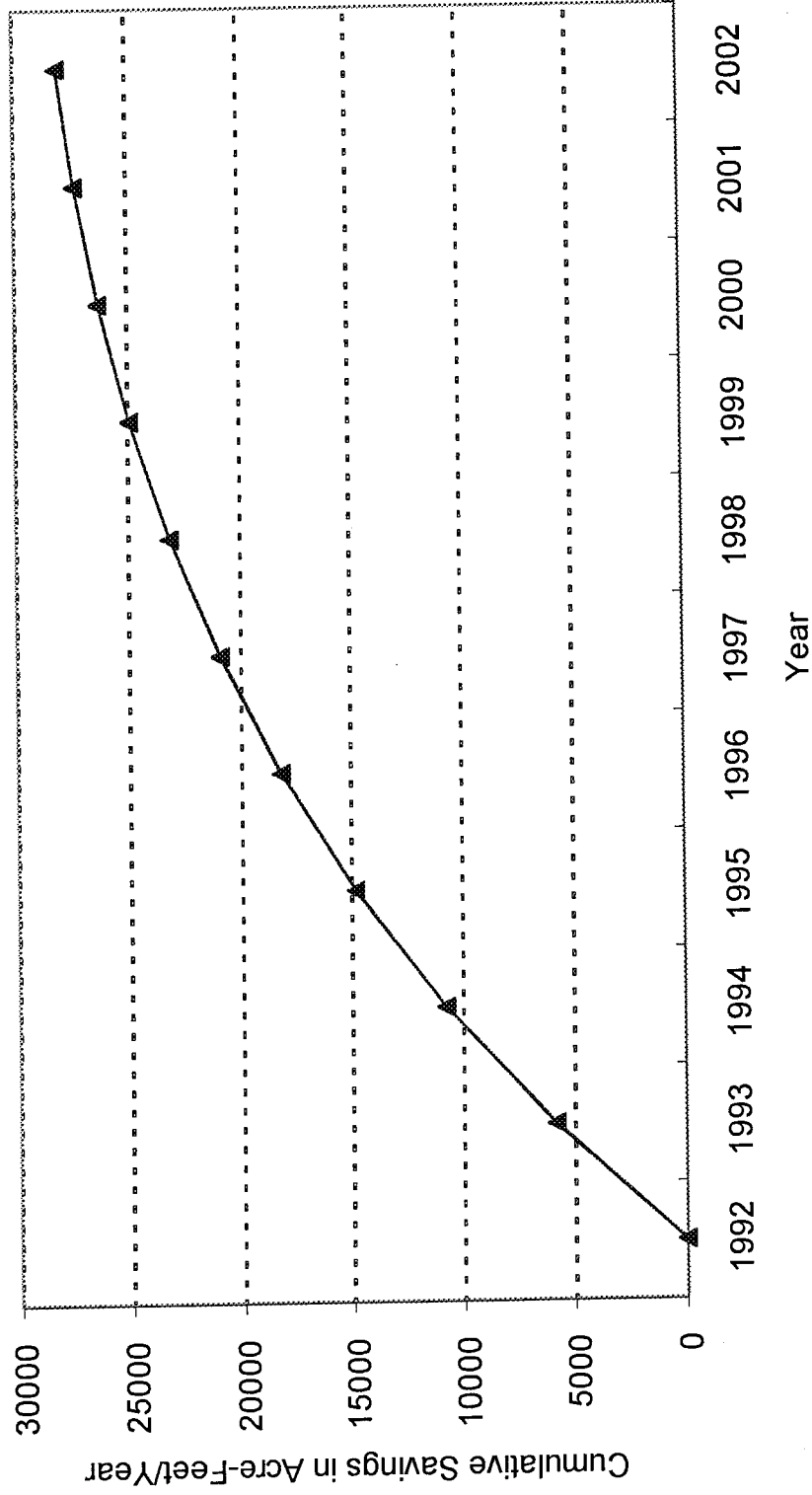


Figure 3. Net estimated savings from housing turnover only (BMP 14)

EXHIBIT 6

V. ESTIMATING WATER SAVINGS FROM NEW CONSTRUCTION

The analysis described above can be extended to evaluate water savings that will be achieved from new construction. For this analysis each service area will be required to forecast the rate of growth of new construction by type (single family, multiple family, and so on). The water savings calculations would be based on installation of 1.6 ULF toilets, assuming the implementation of the 1991 plumbing code, as opposed to installation of 3.5 gallon/flush toilets.

EXHIBIT 6

Appendix A. Overview of the ULF Toilet Rebate Evaluation Reports

There are several reports that document the ULF toilet rebate evaluation in Los Angeles and Santa Monica. Each has a different focus and different intended audience.

Ultra Low Flush Toilet Rebate Programs in Southern California: Lessons For Water Managers and Planners. This is an overview report that presents the key findings from Los Angeles and Santa Monica related to ULF program design, justification, and evaluation.

The Conserving Effect of Ultra Low Flush Toilet Rebate Programs. This report contains the summary of findings about how much water was saved by the Los Angeles and Santa Monica ULF toilet rebate programs. This study requires no technical background and presents the evaluation and its findings in plain English.

Continuous-Time Error Components Models of Residential Water Demand. This technical report documents the formal structure of the models of household water demand used in the evaluation of the Los Angeles and Santa Monica ULF toilet rebate programs. This study should be of interest to a technical audience concerned with statistical and analytic issues involved in estimating household water demand models from billing system data.

Mapping the Conserving Effect of Ultra Low Flush Toilets: Implications for Planning. This technical report presents an empirical approach to quantifying the conservation potential of ULF toilet retrofits. The analysis presented in this report can be used to provide quantitative answers to such questions as how much water would be saved by differently designed programs, or how much water ULF retrofit programs would save in other service areas. This study should be of interest to water planners and program managers interested in estimating the conservation potential of ULF retrofit programs in other service areas.

Data Used in the Evaluation of the Los Angeles and Santa Monica Ultra Low Flush Toilet Rebate Programs. This backup report presents the inspection and telephone survey instruments that were used to collect the data, as also the tabulations of responses.

EXHIBIT 7. BYLAWS OF THE CUWCC

Amended and Restated December 11, 2002

Exhibit 7

BYLAWS OF THE CALIFORNIA URBAN WATER CONSERVATION COUNCIL

ARTICLE I Recitals and Definitions

Section 1.01. Name of Corporation. The name of this corporation shall be California Urban Water Conservation Council. In the balance of these Bylaws the corporation shall be referred to as the "Council."

Section 1.02. The Council Is Nonprofit. The Council has been formed pursuant to the California Nonprofit Corporation Law as a public benefit corporation.

Section 1.03. Specific Purpose. The specific and primary purpose of the Council is to implement the MOU, as defined in Section 1.05(c), below, which has been executed by and among signatories comprised of the water suppliers, public advocacy organizations and other interested groups that are more particularly described in section 3.01, below. Without limiting the foregoing, the Council shall make formal reports to the State Water Resources Control Board and to the governing bodies of all Council Members. Such reports shall include a formal annual written report. Other reports, such as status reports and periodic updates, may be prepared as deemed appropriate by the Council.

Section 1.04. Restrictions. All policies and activities of the Council shall be consistent with and limited by the MOU and shall also be consistent with: (a) applicable federal, state and local antitrust and trade regulation laws; (b) applicable tax-exemption requirements, including the requirement that no part of the Council's net earnings inure to the benefit of any private individual; and (c) all other legal requirements including the California Nonprofit Corporation Law under which the Council is incorporated and to which its operations are subject, as amended from time to time.

Section 1.05. Defined Terms. The following terms shall, when used in these Bylaws, have the following meanings:

(a) Convener and Vice Convener mean and refer to the persons who, from time to time, occupy those positions on the Steering Committee that are analogous to the positions of Chair and Vice Chair of a nonprofit corporate board. The Convener and Vice Convener shall have the duties and responsibilities more particularly defined in Section 9.05, below.

(b) Council means and refers to the California Urban Water Conservation Council.

(c) Full Member means a Signatory Member of the Council who has paid the current annual assessment in full.

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(d) Member means and refers to an organization that is a signatory to the MOU. Council Members shall be assigned to one of the three group classifications of membership more particularly defined in Section 3.03, below. When used generally, Member means Signatory Member. A Full Member of the Council is a Signatory Member entitled to full Council privileges and benefits.

(e) MOU means and refers to the Memorandum of Understanding Regarding Urban Water Conservation in California dated September 1991, and as the MOU may be amended from time to time.

(f) Plenary, Session or Plenary Meeting means and refers to a meeting of the Council Members (see Article V, below).

(g) Signatory Member means an organization that is a signatory to the MOU.

(h) Signatory and Signatory Organization mean and refer to qualified organizations which have executed the MOU and which have been accepted for membership in the Council in accordance with Section 3.02, below.

(i) Steering Committee means the Committee constituted and empowered as set forth in Article VII, below. The Steering Committee shall have the duties and powers of the board of directors of a California nonprofit public benefit corporation (California Corporations Code section 5210), subject to the limitations imposed on the steering committee by the California Nonprofit Public Benefit Corporation Law, the MOU and these Bylaws (see particularly Article VI, below, entitled "Actions Requiring Council Member Approval"). Accordingly, the Steering Committee is not a committee as the word "committee" is defined in Article X, below, or in California Corporations Code sections 5151(a)(4) and 5212.

ARTICLE II Principal Office

Section 2.01. Location of Principal Office. The principal office of the Council will be located at such place within the State of California as the Steering Committee may from time to time designate by resolution. Currently, the address of the principal office is 455 Capitol Mall, Suite 703, Sacramento, California.

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ARTICLE III Council Membership

Section 3.01. Members of the Council. The membership of the Council shall be comprised of, and limited to, organizations that are signatories to MOU. Eligible signatories are: (1) water suppliers ("Group 1 Signatories"); (2) public advocacy organizations ("Group 2 Signatories"); and (3) other interested groups ("Group 3 Signatories"). Those three Groups are more particularly defined in Section 3.03, below.

Section 3.02. Application for Membership. As provided in Section 7.2 of the MOU, the Council shall have a Membership Committee which shall have the responsibility of evaluating new signatory applicants for Membership in the Council and recommending to the Council approval or disapproval of the applicant and the recommended category of membership for the applicant. The Council may adopt and use an application form to be completed by MOU signatory organizations in order to guide the Council's Membership Committee in making recommendations to the Council regarding the proper Group classification for new signatories. The Membership Committee shall consider applications and decide on the appropriate classification of new signatory organizations. Following action by the Membership Committee, the Committee's action shall be ratified by the Council Members at the Plenary meeting next following admittance of the new member organization to the Council. As of the date of the adoption of these Bylaws, the Members of the Council and their respective Group classifications (which are ratified and affirmed by the Members' approval of these Bylaws) are as set forth in Exhibit "7A".

Section 3.03. Classifications of Membership; Definition of Signatory Groups. The Council has three classes of membership comprised of the signatory groups identified in subparagraphs (a) through (c) of this Section 3.03:

(a) Water Suppliers -- Group 1 Signatories. Group 1 Signatories include and are limited to "water suppliers". A water supplier is any entity, including a city, which delivers or supplies water for urban use at the wholesale or retail level.

(b) Public Advocacy Organizations -- Group 2 Signatories. Group 2 Signatories include and are limited to public advocacy organizations. A "public advocacy organization" is defined to mean a nonprofit organization exempt from tax and described in either Internal Revenue Code section 501(c)(3) or 501(c)(4); which has as one of its significant missions and exempt purposes, environmentally sound management and conservation of California's waterways and water resources and/or protection of the environment; and which has a clear, but non-vested, interest in advancing the Best Management Practices ("BMPs") of the MOU. No public advocacy organization may be admitted to the Council's membership if such organization has a primary function of representing trade, industrial or utility entities.

(c) Other Interested Groups -- Group 3 Signatories. Group 3 Signatories include other organizations, approved for membership as provided in Section 3.02, above, which

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have a strong interest in, and commitment to, the purposes of the Council, but which are not eligible for inclusion in either Group 1 or Group 2.

Section 3.04. Representatives of Signatory Organizations. Each MOU signatory shall designate one representative to the Council. The signatory organization shall be responsible for informing the Council of the identity of its designated representative at all appropriate times. Signatories may also name substitute representatives to attend meetings in place of the designated representative. Substitute representatives have the same voting rights as the signatory's designated representative, but may not serve as an officer of the Council. Only one representative from any signatory organization may vote on any matter presented to the Council Members, to the Steering Committee, or as the designated member of any committee appointed and constituted in accordance with Article X, below; provided, however, that the same person can be designated as the representative or as a substitute representative of more than one signatory organization within the same Group classification. Designated and substitute representatives of Council Members are referred to in these Bylaws as "Representatives."

Section 3.05. Term of Membership. Each organization that signs the MOU and is admitted to membership in the Council shall remain a Member until the organization no longer qualifies for membership under Section 3.01, above or wishes to withdraw. Organizations listed in Exhibit "7A" shall be deemed to meet the qualification requirements of section 3.01.

ARTICLE IV Membership Voting

Section 4.01. Member Voting Rights.

(a) **Generally.** Only Group 1 Signatory Members and Group 2 Signatory Members have voting rights with respect to matters requiring the approval of Council Members under the MOU and these Bylaws (see particularly Article VI, below). Collectively, those two Groups are referred to as the "Voting Members" whenever these Bylaws discuss the voting rights of Council Members. On each matter submitted to a vote of the Voting Members, whether at a meeting of the membership called and held pursuant to the provisions of these Bylaws or otherwise, each Voting Member shall be entitled to cast one vote. Group 3 Signatory Members have no voting rights.

(b) **Required Vote for Valid Action.** Unless these Bylaws specifically confer authority on Group 1 Signatory Members or Group 2 Signatory Members to take unilateral action with respect to a particular matter (such as caucus votes to fill Group vacancies on the Steering Committee), any action requiring the vote or approval of the Voting Members of the Council shall require the affirmative vote of a majority of each of Group 1 and Group 2 Signatory Members, as to those actions identified in Section 6.02 (b), below, and a two-

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thirds affirmative vote of each of Group 1 and Group 2 Signatory Members as to those actions identified in Section 6.02(a), below. As to any other action or approval of the Voting Members not specifically identified in section 6.02, below, the required affirmative vote shall be a majority of each of Group 1 and Group 2 Signatory Members.

Section 4.02. Manner of Casting Votes.

(a) Voting at a Meeting or by Written Ballot. Voting by Group 1 and Group 2 Signatory Members may be by voice or by written ballot solicited in accordance with section 7513 of the California Corporations Code and Section 4.03, below. The vote on any other issue properly before a Plenary meeting of the Council Members shall be conducted by secret ballot when determined by the chairman of the meeting, in his or her discretion, or when requested by 10 percent of the Voting Members present at the meeting.

(b) Proxy Voting. Proxy voting shall be permitted on any matter put to the vote of the Council Members subject to the following restrictions:

(i) If a Group 1 or Group 2 Signatory organization cannot be represented at a Plenary meeting by the Group's designated Representative or substitute Representative, the Group can, by written proxy, authorize another Representative of an organization within the same Group classification to appear and vote on behalf of the absent Signatory organization.

(ii) The proxy shall only be valid for the Plenary meeting for which it is issued, and for any adjournment thereof.

(iii) The proxy shall be in the form of a limited proxy which is defined as a proxy which instructs the proxy holder how he or she is to vote with respect to each matter which is scheduled to be presented at the Plenary for action by the Council Members.

Section 4.03. Action by Written Ballot Without a Meeting.

(a) Written Ballots, Generally. In addition to voting in person or by proxy at Council Plenaries, any matter or issue requiring the vote of the Council Members, other than the election of the Steering Committee, may be submitted to the Voting Members for a vote by use of a written ballot without the necessity of calling a Plenary of the Council Members, so long as the requirements for action by written ballot set forth in this Section 4.03 are met. The determination to seek Member approval for Corporation action in this fashion shall be made by a majority vote of each of Group 1 and Group 2 representatives on the Steering Committee.

(b) Distribution of Written Ballots. In the event that any matter or issue is to be voted upon by written ballot, the Committee shall distribute the written ballot to every Voting Member at least 30 days prior to the final date the written ballots are to be received for counting.

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(c) Content of Written Ballots. Any written ballot distributed to the Voting Members to vote on an issue other than the election of the Committee shall set forth the proposed action, and provide an opportunity to specify approval or disapproval of the proposal.

(d) Balloting Time Requirements. All written ballots shall also provide a reasonable time within which to return the written ballot to the Council's principal office and shall state on its face or in an accompanying notice the date by which the written ballot must be returned in order to be counted. The time fixed for the return of ballots may only be extended if the Committee notifies the Voting Members (in the balloting materials originally sent to Council Members) that the right to extend has been reserved and then for no more than two successive periods of 30 days each. The time stated for the return of written ballots can be scheduled to coincide with the date of a Plenary meeting.

(e) Requirements for Valid Action. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum specified in Section 5.05, below, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if approval was sought at a meeting of the Council Members.

(f) Solicitation Rules. Written ballots shall be solicited in a manner consistent with the requirements of Section 5.04, below, pertaining to the issuance of notice of Council Members' Plenary meetings. All solicitations of written ballots shall indicate the number of responses needed to meet the quorum requirement for valid action and shall state the percentage of affirmative votes necessary to approve the measure submitted for Council Member approval.

(g) Notification of Balloting Results. Upon tabulation of the written ballots, the Steering Committee shall notify the Council Members of the outcome of the vote immediately following the close of the balloting process and tabulation of the ballots. If the number of ballots cast are insufficient to constitute a quorum, the Steering Committee shall so notify the Council Members.

(h) Prohibition of Revocation. Once cast, a written ballot may not be revoked.

ARTICLE V Plenary Meetings of the Council

Section 5.01. Place of Meeting. Plenary meetings of the Council Members may be conducted at any reasonable place within the State of California and at such time as may be designated by the Steering Committee in the notice of the Plenary.

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Section 5.02. Annual Plenary Meeting. There shall be an annual Plenary meeting in December of each year. The date, time and location of the Plenary shall be set forth in the notice of meeting sent to the Council Members in accordance with Section 5.05, below.

Section 5.03. Other Regular Meetings. In addition to the annual Plenary meeting, there shall be three additional quarterly Plenary meetings of the Council Members on a day and at a time and place determined by the Steering Committee and communicated to all Council Members at the inception of each calendar year.

Section 5.04. Special Meetings.

(a) **Persons Entitled to Call Special Meetings.** A simple majority of the members of the Steering Committee, or the Convener, may call special meetings of the Council Members at any time to consider any lawful business of the Council. In addition, five percent or more of the Voting Members of the Council may request that a Plenary be convened.

(b) **Procedures for Calling Special Meetings Requested by Council Members.** If a special Plenary meeting is called by the Voting Members, the request shall be submitted by the requesting Council Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Convener, the Vice Convener, or the secretary of the Council. The officer receiving the request shall cause notice to be promptly given to the Council Members entitled to vote, in accordance with the provisions of Section 5.05, below, that a special Plenary will be held, and the date, time and specific purpose for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request. If the notice calling for a special Plenary meeting is not given within the 20 days after receipt of the petitioner's request, the Council Members requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a Plenary meeting of Council Members may be held when the meeting is called by action of the Steering Committee or the Convener.

Section 5.05. Notice of Meetings of the Council's Members.

(a) **Generally.** All notices of Plenary meetings of Council Member Meetings (whether regular or special) shall be sent or otherwise given in writing to each Member who, on the record date for notice of the meeting (as provided in Section 5.09, below) is entitled to vote thereat, in accordance with subparagraph (c) of this Section 5.05, not less than 10 nor more than 90 days before the date of the meeting. The notice shall specify the place, date, and hour of the Plenary and (i) in the case of a special Plenary meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of a regular Plenary meeting, those matters which the Steering Committee, at the time of giving the notice, intends to present for action by the

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Council Members; but any proper matter may be presented at the Plenary for action by the Council Members so long as a quorum is present.

(b) Mailing of Notice. Notice of any Plenary meeting of Council Members shall be given either personally or by first-class mail, or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Council or the address given by the Member to the Council for the purpose of notice. If for any reason notice is given by mail and the notice is not sent by first-class, registered or certified mail, the notice shall be given not less than 20 days (nor more than 90 days) before the meeting. Notice shall be deemed to have been given at that time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(d) Affidavit of Mailing; Effect Thereof. An affidavit of the mailing or other means of giving any notice of any Council Plenary meeting may be executed by the secretary or the assistant secretary of the Council, and if so executed, shall be filed and maintained in the minutes book of the Council. The secretary's affidavit shall constitute prima facie evidence of the giving of notice.

Section 5.06. Quorum Requirements.

(a) A quorum of the Council Members for the purpose of conducting business at any Plenary Meeting shall be at least 30 Voting Members, provided at least 10 percent of the Group 1 Signatory Members and 10 percent of the Group 2 Signatory Members are present. In addition, when a Plenary is actually attended by less than one-third of the voting power of Council Members (but at which a quorum is present), the only matters upon which action can be validly taken are those matters the general nature of which was described in the notice of the Plenary meeting.

(b) The Council Members present at a duly held Plenary meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Council Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least (i) a majority of the Council Members required to constitute a quorum; and (ii) if applicable, by such greater percentage or class vote as may be required by these Bylaws (see Section 6.02, below). For example, if a Plenary Meeting is called and is initially attended by 31 Voting Members and prior to adjournment two Voting Members leave the Plenary (thus leaving less than a quorum), a motion to approve the annual budget for the Council could nevertheless be entertained and valid action taken.

(c) When Council Member approval is sought by written ballot (rather than at a Plenary) the minimum quorum requirement is satisfied when written ballots are returned to the Council within the prescribed balloting period from both (i) 30 or more Voting Members of the Council, and (ii) at least ten percent (10%) of the Group 1 Signatory Members and ten percent (10%) of the Group 2 Signatory Members. In addition to satisfying the

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minimum quorum requirement for valid action, the vote by written ballot must also be approved by the requisite percentage of Group 1 and Group 2 Signatory Members (see sections 4.01(b) and 6.02).

Section 5.07. Adjourned Meeting. Any Plenary meeting of the Council, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days) by the vote of the majority of the Council Members represented at the Plenary, either in person or by proxy. Unless there is an absence of a quorum (in which case no other business may be transacted at that meeting except as provided in Section 5.06(b) above), the Voting Members attending the reconvened Plenary may take any action that might have been transacted at the original meeting. When a Plenary meeting of the Council's Members is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the Plenary at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice or voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

Section 5.08. Waiver of Notice or Consent by Absent Council Members.

(a) **Waiver and Consents, Generally.** If decisions are made by the Council Members at a Plenary where a quorum is present, but for which proper notice was not given to all Council Members for whatever reason, the decisions made at that Plenary will be valid if, either before or after the meeting, each Member entitled to vote who was not present at the meeting consents to the meeting by signing a written (i) waiver of notice; (ii) a consent to holding the Plenary; or (iii) an approval of the minutes of the Plenary. The waiver of notice need not specify the purpose or general nature of business to be transacted at such meeting unless action is taken or proposed to be taken on matters specified in Section 5.05(b), above, in which case, the waiver of notice must state the general nature of the matter. All such waivers, consents or approvals shall be filed with the Council records or be made part of the minutes of the meeting.

(b) **Effect of Attendance at Plenary.** Attendance by a Council Member Representative at a Plenary meeting shall also constitute a waiver of notice of that Plenary with respect to that Member, except when a member Representative attends the Plenary for the sole purpose of objecting at the beginning of the Plenary to the transaction of any business due to the inadequacy or illegality of the notice.

ARTICLE VI

Actions Requiring Council Member Approval

Section 6.01. Council Actions Requiring Member Approval. In addition to those matters requiring approval of the Members under the California Nonprofit Public

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Benefit Corporation Law or other applicable laws, the following actions of the Council shall require approval of the Voting Members:

- (a) Recommending to signatory organizations study methodologies for Best Management Practices ("BMPS"), including procedures for assessing cost effectiveness and reliability of urban water conservation measures.
- (b) Development of guidelines, including discount rates, to be available to all signatories in computing BMP benefits and costs pursuant to Exhibit 3 of the MOU.
- (c) Reviewing and modifying the economic principles set forth in Exhibit 3 of the MOU.
- (d) Collecting and summarizing information on implementation of BMPs and Potential Best Management Practices ("PBMPs").
- (e) Adopting or modifying BMP and PBMP lists.
- (f) Adopting or modifying reliable water conservation savings data for BMPs.
- (g) Adopting or modifying the schedules of implementation for existing and new BMPs.
- (h) Adopting or modifying the schedules for research and demonstration projects for BMPs and PBMPs.
- (i) Coordinating and/or making recommendations regarding BMP study and demonstration projects.
- (j) Approving or disapproving Membership Committee recommendations for the addition of parties as Signatory Organizations to the MOU and assigning additional parties to one of the three Signatory groups as described in Section 1.3 of the MOU, or as designated by the Members of the Council (see Section 3.02, above).
- (k) Reviewing and modifying report formats for agency implementation programs.
- (l) Making annual reports to the State Water Resources Control Board and the Council Members on the above items based on the format described in Exhibit 5 of the MOU.
- (m) Undertaking such additional responsibilities as the Members of the Council may agree upon.

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Section 6.02. Required Member Vote to Approve Various Actions. The following Member approval requirements apply to particular actions of the Council, as listed in subparagraphs (a) and (b), of this Section 6.02:

(a) Actions Requiring Two-Thirds Vote by Group 1 and Group 2 Signatories. Any decision by the Council to (i) undertake additional responsibilities not currently described in the MOU and its Exhibits; (ii) modify or amend the MOU itself; (iii) modify Exhibits 2 or 3 of the MOU; or (iv) develop guidelines, including discount rates, to be available to all Signatories in computing BMP benefits and costs pursuant to Exhibit 3 of the MOU shall require both of the following:

(A) Written notification by the Council to all Members, giving the text of the proposed action or modification, at least 60 days in advance of the date of a regular or special meeting called by the Council to vote on the matter; and

(B) Approval of the proposed action or modification by the affirmative vote of at least two-thirds of each of the Group 1 and Group 2 Signatory Organizations who actually cast ballots.

Although a meeting shall be called to coincide with the final date for return of ballots, approval of the Voting Members shall be solicited by use of a written ballot in accordance with Section 4.04, above.

(b) Actions Requiring Majority Member Approval. The following actions shall require the affirmative vote of at least a simple majority of each of the Group 1 and Group 2 Signatory Organizations actually voting on the matter:

(i) Approving the annual budget for the Council following presentation of the budget by the Steering Committee;

(ii) Adopting or modifying Best Management Practices and Potential Best Management Practices;

(iii) Approval and adoption of Council Strategic Plans;

(iv) Accepting or denying recommendations of the Membership Committee for the addition of parties as Signatory Organizations to the MOU and thereby the admission of the proposed Signatory Organization to one of the three classes of Council Membership, following review of the prospective applicant and recommendation of approval or denial by the Council Membership Committee;

(v) Adoption of Council policies, procedures and rules consistent with these Bylaws and the MOU; and

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(vi) Approval of amendments to these Bylaws, other than any amendment to subparagraph (a), above.

Section 6.03. Right of Members to Comment on Council Reports. Any Member of the Council shall be entitled to review draft reports prepared by the Council (see Section 1.03, above) and to comment on all reports. Such comments shall be included in any final report at the request of the Member submitting the comments.

ARTICLE VII Steering Committee of the Council

Section 7.01. General Corporation Powers. Subject to the requirement of Council Member approval of certain actions pursuant to these Bylaws or by State law, the business and affairs of the Council shall be vested in and exercised by the Council's Board of Directors which is referred to herein as the "Steering Committee". The Steering Committee may delegate the management of the activities of the Council to any person or persons, management company or committee, provided that notwithstanding any such delegation the activities and affairs of the Council shall continue to be managed and all Corporate powers shall continue to be exercised under the ultimate direction of the Steering Committee. All elected members of the Steering Committee shall be Full Members of the Council in good standing as defined in Section 11.01 of these bylaws.

Section 7.02. Composition, Selection and Term.

(a) **Composition of the Steering Committee.** The Steering Committee shall consist of the following persons: Group 1 Representatives shall select from among themselves up to eight MOU signatories whose Representatives shall serve as voting members of the Steering Committee. Group 2 Representatives shall select from among themselves up to eight MOU signatories whose Representatives shall serve as voting members of the Steering Committee. Advisory members of the Council representing Group 3 MOU signatories shall select, from among themselves, up to four MOU signatories, whose Representatives shall serve as non-voting members of the Steering Committee. In addition, all officers of the Council shall be members of the Steering Committee and have the same voting rights on the Steering Committee as their respective Groups. Finally, the following persons shall serve as non-voting ex-officio members of the Steering Committee: (i) the outgoing Convener shall be a Steering Committee member for the calendar year immediately following his or her term of office; and (ii) one designee from each of those State and Federal agencies selected by the Steering Committee as a result of the agencies' involvement in California water allotments, distribution, programs and/or policies shall serve as ex-officio members of the Steering Committee. Currently, the California Department of Water Resources and the U.S. Bureau of Reclamation have designees to the Steering Committee.

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(b) Terms of Office. Steering Committee members shall hold office for a term of two years. The terms will be staggered with half of the positions of each group being elected each year. Unlimited consecutive terms may be served.

(c) Nominating and Election Process for Steering Committee Candidates. The Group 1 Signatory Members of the Council and the Group 2 Signatory Members of the Council shall nominate from among themselves candidates for election to the Steering Committee in person or in writing at the third Plenary of the year prior to the start of a new two-year term. Any nomination must be seconded by a Voting Member of the same Group, which second can be made in person or in writing, and accepted by the nominee in person or in writing to be included on the ballot. The ballot of Group 1 and 2 candidates for the Steering Committee shall be included in the Plenary Packet of the fourth and final Plenary of the year. All written nominations, seconds, and acceptances by candidates must be received by the Council prior to the start of the third Plenary.

The Voting Members of the Council shall vote on the ballot to elect Steering Committee members to represent their respective Groups at the final Plenary of each year. Cumulative voting (casting all four votes for one party) will not be permitted in any election of Steering Committee members. Absentee ballots are permitted so long as the absentee ballot is received by the Council prior to the start of the final Plenary at which the election is conducted. The successful candidates shall assume office starting January 1 of the following year. Votes may be made in person or in writing. Group 1 and 2 Council Members may vote for up to four candidates from their respective Groups. The top four candidates from Group 1 and the top four candidates from Group 2, as ranked by the number of votes received, shall be elected to the Steering Committee. If either Group 1 or Group 2 nominates less than four candidates, all candidates from that Group shall be elected to the Steering Committee.

Section 7.03. Resignation and Removal from Office; Filling of Vacancies

(a) Resignation. Any member of the Steering Committee may resign at any time, effective upon giving written notice to the Executive Director or the Convener or Vice Convener, unless the resigning member's notice specifies a later time for the effectiveness of the resignation. If the resignation is to be effective at some future time, a successor may be elected or designated (as the case may be) to fill the vacancy when the resignation becomes effective.

(b) Removal. A sitting member of the Steering Committee may only be removed from office for cause. "Cause" shall be defined as failure of the Steering Committee member to attend at least two consecutive duly noticed meetings of the Steering Committee, and failure to adequately justify to the Committee the reason for the member's absence.

(c) Filling of Vacancies on the Steering Committee. If a vacancy occurs in any position on the Steering Committee other than Convener or Vice Convener by virtue of the

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death, resignation or removal of a Steering Committee member, the Member organization whose Representative created the vacancy shall select a replacement Representative to serve on the Committee for the unexpired term, subject to approval by the Steering Committee. If a vacancy occurs on the Steering Committee by virtue of a signatory organization's decision to withdraw from participation on the Steering Committee, the vacancy shall be filled from among signatory organizations that are of the same Group as the resigned organization by a caucus of the withdrawing organization's Council Member Group conducted either at the next Plenary or by telephone conference call, so long as all members of the Group are notified of the telephone conference and have an opportunity to participate. When a caucus is conducted by telephone conference, the actions taken shall be affirmed at the next Plenary. If a vacancy occurs for any reason in the position of Convener or Vice Convener, for reasons other than expiration of the holder's term of office, the vacancy shall be filled by nomination of the Signatory Group of which the resigned Convener/Vice Convener was a member. If a vacancy occurs in the ex-officio positions held by any State or Federal agency (see Section 7.02(a)), the vacancy shall be filled by the governmental agency with the power of designation.

Section 7.04. Number and Place of Meetings. The Convener of the Council, and any other persons designated by the Steering Committee, may call meetings of the Steering Committee. At the annual Plenary meeting, the Steering Committee shall adopt a schedule of regular meeting dates for the following year. Once approved, the scheduled dates may be modified, or meetings initially scheduled to be conducted in person may be changed to a meeting conducted by use of a conference telephone or other permitted electronic media by action of the Steering Committee. Except for meetings conducted in accordance with Section 7.05, below, regular and special meetings of the Steering Committee may be held at any place designated from time to time by resolution of the Steering Committee and stated in the notice of the meeting. In the absence of such designation, regular meetings shall be held at the principal office of the Council.

Section 7.05. Meetings by Conference Telephone or Other Electronic Means. Members of the Steering Committee may participate in a meeting through the use of conference telephone, electronic video screen communications, or other communications equipment. Participation in a meeting through use of a conference telephone pursuant to this subdivision constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at the meeting if all of the following conditions are satisfied:

- (a) Each member of the Steering Committee participating in the meeting can communicate with all of the other members concurrently;
- (b) Each member of the Steering Committee is provided the means of participating in all matters before the Steering Committee including, without limitation, the

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capacity to propose, or to interpose an objection to a specific action to be taken by the Council; and

(c) The Council adopts and implements some means of verifying both of the following: (i) that a person participating in the meeting is a Steering Committee member or other person entitled to participate in the Steering Committee meeting; and (ii) that all actions of, or votes by, the Steering Committee are taken or cast only by the Steering Committee members and not by persons who are not Steering Committee members.

Section 7.06. Notice of Meetings.

(a) Manner of Giving Notice. Notice of the time and place of the annual meeting and any special meetings of the Steering Committee shall be given to each Steering Committee member by one of the following methods: (i) by personal delivery of written notice; (ii) by first-class mail, postage prepaid; (iii) by telephone communication, either directly to the Steering Committee member or to a voice messaging system or other system or technology designed to record and communicate messages; or (iv) by telegram, charges prepaid, facsimile, electronic mail or other electronic means; provided however that if notice is given by any means other than first-class mail or direct communication with a Steering Committee member, the notice shall also be confirmed in writing mailed or sent by facsimile transmission to the Steering Committee member's address or facsimile telephone number as shown on the records of the Council. Notice of a meeting need not be given to any Steering Committee member who signs a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or to any Steering Committee member who attends the meeting without protesting, prior thereto or at commencement of the meeting, the lack of notice to such Steering Committee member. All such waivers, consents and approvals shall be filed with the Council records or made a part of the minutes.

(b) Time Requirements. Notices sent by first-class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by other permitted means must be must be given at least 48 hours prior to the scheduled time of the meeting.

(c) Content of Notices. The notice shall state the date, time, place, and the general purpose of the meeting.

Section 7.07. Quorum Requirements. A quorum of the Steering Committee shall be at least fifty percent of each of Group 1 and Group 2 Steering Committee members.

Section 7.08. Waiver of Notice. The transaction of any meeting of the Steering Committee, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present; and (b) either before or after the meeting, each of the Steering Committee members not present,

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individually or collectively, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes thereof. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Council records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Steering Committee. The requirement of notice of a meeting shall also be deemed to have been waived by any Steering Committee member who attends the meeting without protesting before or at its commencement about the lack of notice.

Section 7.09. Adjournment. A majority of the Steering Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place or may adjourn for purposes of reconvening in executive session to discuss and vote upon personnel matters, litigation in which the Council is or may become involved and orders of business of a similar nature. If the meeting is adjourned for more than 24 hours, notice of adjournment to any other time or place shall be given prior to the time of the adjourned meeting to the Steering Committee members who were not present at the time of the adjournment. Except as provided, above, notice of adjournment need not be given.

Section 7.10. Action Without a Meeting. Any action required or permitted to be taken by the Steering Committee may be taken without a meeting, if all members of the Steering Committee, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Steering Committee. Such written consent or consents shall be filed with the minutes of the proceedings of the Steering Committee. For purposes of this section, "all members of the Steering Committee" shall not include any "interested director" as defined in California Corporations Code section 5233. Section 5233 of the Code defines an interested director as a director who has a material financial interest in a transaction involving the corporation he or she is serving, unless the transaction is expressly excluded from the definition of a "self dealing transaction" by other provisions of the same Code Section. See also Article XII, below ("Conflicts of Interest").

Section 7.11. No Compensation for Steering Committee Members. Members of the Steering Committee of the Council shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Steering Committee to be just and reasonable. Expenses shall be supported by an invoice or voucher acceptable to the Steering Committee.

Section 7.12. Actions of the Steering Committee. All Steering Committee actions require that a quorum be present, that a majority of the Steering Committee members voting from Group 1 vote in favor of the action, and that a majority of the Steering Committee Members voting from Group 2 vote in favor of the action. The Steering Committee may also act without meeting, provided that (1) the taking of the vote has previously been authorized by the Steering Committee; (2) the vote has received seven days' notice by first class mail or 48 hours notice delivered personally or by telephone or electronic media; and (3) the proposed action is approved by fifty percent or more of the

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Group 1 and fifty percent or more of the Group 2 members of the Steering Committee voting. The Steering Committee may take action without seeking Voting Member approval only where the Voting Members have delegated such authority to the Steering Committee and only to the extent that the action is consistent with the then current version of the MOU.

ARTICLE VIII

Duties and Powers of the Steering Committee and Limitations Thereon

Section 8.01. Specific Powers. Without prejudice to the general powers of the Steering Committee set forth in Section 7.01, above, the Steering Committee shall have the following responsibilities and powers:

- (a) Exercise all powers vested in a board of directors of a nonprofit public benefit corporation under the laws of the State of California.
- (b) Remove all officers of the Council, and other Council employees; prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws; and fix employee compensation. Any officer removed by action of the Steering Committee shall be filled by action of the Council Members at the next Plenary meeting in accordance with Section 9.03, below.
- (c) Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Council, and to fix their duties and to establish their compensation.
- (d) Contract for and pay premiums for insurance and bonds (including indemnity bonds) which may be required from time to time by the Council.
- (e) Pay all taxes and charges incurred by or levied against the Council.
- (f) Delegate its duties and powers hereunder to the Executive Director, to officers of the Council or to committees established by the Steering Committee, subject to the limitations expressed in Sections 7.01, above.
- (g) Prepare or cause to be prepared budgets, and maintain a full set of books and records showing the financial condition of the affairs of the Council in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals prepare a financial report, a copy of which shall be delivered to each Member of the Council as provided in Article XI, below.
- (h) Appoint such committees as it deems necessary from time to time to implement the affairs of the Council in accordance with article X, below.

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- (i) Open bank accounts and borrow money on behalf of the Council and designate the signatories to such bank accounts.
- (j) Bring and defend actions on behalf of the Council so long as the action is pertinent to the operations of the Council.

Section 8.02. Limitations on Powers.

(a) Actions Requiring the Consent or Approval of the Voting Members. The Steering Committee shall have no authority to act with respect to any matter identified in Section 6.01, above ("Council Actions Requiring Member Approval"), unless the Members of the Council have taken action at a Plenary to specifically confer on the Steering Committee authority to act with respect to a particular matter, and then only to the extent that the action is consistent with the then current version of the MOU. The responsibilities and powers described in Section 8.01, above, have been approved by the Council Members for exercise by the Steering Committee.

(b) Self-Dealing Transactions. Notwithstanding the powers conferred on the Steering Committee pursuant to Sections 7.01 and 8.01, above, the Council shall not engage in any transaction which meets the definition of a "self-dealing transaction" as defined in California Corporations Code section 5233 unless the transaction has been approved by one of the means specified in section 5233(d). Generally speaking, section 5233 of the Corporations Code defines a "self-dealing transaction" as any transaction to which the Council is a party and in which one or more of its directors (i.e., Steering Committee members) has a material financial interest. Certain transactions are excluded by that statute from being classified as self-dealing transactions.

(c) Transactions Between Corporations Having Common Directorships. Unless it is established that the contract or transaction is just and reasonable as to the Council at the time it is authorized, approved or ratified in accordance with the requirements imposed by California Corporations Code §5233, the Council shall not enter into a contract or transaction with any other corporation, association or entity in which one or more of the Council's Steering Committee members are directors unless the material facts as to the transaction and the Steering Committee member's common directorship are fully known or disclosed to the Steering Committee. The Steering Committee must approve, authorize or ratify any such contract or transaction in good faith and by a vote sufficient without counting the vote of the Steering Committee member(s) having a common directorship in another corporation that is a party to the transaction.

(d) Loans to Members of the Steering Committee or Council Officers. The Council shall not make any loan of money or property to, or guarantee the obligation of, any Steering Committee member or officer, unless the transaction is first approved by the California Attorney General. This provision shall not apply to any reasonable advance on account of expenses anticipated to be incurred in the performance of the Steering Committee member's or officer's duties.

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(e) **Standards for Investment.** Except as provided in California Corporations Code sections 5240(c) and 5241, in the investment, reinvestment, purchase, acquisition, exchange, sale and management of the Council's investments, the Steering Committee shall:

(i) Avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Council's capital; and

(ii) Comply with additional standards, if any, imposed by the Articles of Incorporation, these Bylaws, any resolutions duly adopted by the Steering Committee, or the express terms of any instrument or agreement pursuant to which the invested assets were contributed to the Council.

ARTICLE IX Officers

Section 9.01. Officers. The officers of the Council shall be a Convener, a Vice Convener, a Secretary and a Treasurer. All elected Officers shall be Full Members of the Council in good standing as defined in Section 11.01 of these bylaws.

Section 9.02. Qualifications. The offices of Convener and Vice Convener may only be held by Steering Committee members representing Group 1 or Group 2 MOU signatories. No person may hold more than one office at the same time, except that one person may hold the offices of Secretary and Treasurer concurrently.

Section 9.03. Selection and Term of Office. The officers shall be selected at the annual (December) Plenary meeting of the Council and shall assume office starting January 1 of the following year for a term of one year. The offices of Convener and Vice Convener shall not be held by Representatives from the same Group. The office of Convener shall alternate between Group 1 and Group 2, with the Vice Convener assuming the office of Convener in the year immediately following completion of his or her term as Vice Convener. The Secretary and Treasurer shall be a Representative of a Group 3 signatory organization and shall thus be nominated by the Group 3 Members, subject to approval by the Steering Committee.

Section 9.04. Election of Officers. The Council Members shall nominate candidates for the offices of Convener, Vice Convener, Secretary and Treasurer in person or in writing at the third Plenary of each year not less than 60 days prior to the Plenary during which the nominations are slated for election. Written nominations must be received

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by the Council at its principal office prior to the start of the third Plenary, either by first class letter, facsimile, or electronic message. Any nomination must be seconded by a Voting Member Representative in person or in writing, and accepted by the nominee in person or in writing to be included on the ballot. For the offices of Convener and Vice Convener, Group 1 and 2 Council Members may only nominate candidates for the office their Group will hold in the coming term. The ballot for the offices of Convener, Vice Convener, Secretary and Treasurer shall be included in the Plenary Packet of the final Plenary of each year. The Voting Members of the Council shall vote on the ballot at the final Plenary of each year. Votes may be made in person or in writing. Any absentee ballots must be received prior to the start of the Plenary to be counted. For the offices of Convener and Vice Convener, Group 1 and 2 Members may only vote for candidates for the office their Group will hold in the coming term. For each office, the candidate receiving the most votes will be awarded the office.

Section 9.05. Duties. The officers perform those duties that are usual to their positions and that are assigned to them by the Steering Committee or by the Voting Members at a Plenary, including those duties that are set forth in the position descriptions for each officer as adopted by the Steering Committee from time to time. In addition, the Convener of the Council acts as Chair of the Steering Committee; the Vice Convener acts in place of the Convener when the Convener is not available; and the Treasurer is the chief financial officer of the Council.

Section 9.06. Vacancies. If a vacancy occurs among the officers of the Council, for any reason, the Steering Committee shall elect another Representative from the same Group for the unexpired portion of the term. Signatory organizations whose Representative serves as an officer of the Council may not substitute another individual to serve in that office.

Section 9.07. Removal of Officers. Any officer may be removed, with cause, by the Steering Committee, at any regular or special meeting, so long as written notice of the proposed action is given to the subject officer and to all signatory organizations of the Group that appointed the officer to office at least 30 days prior to the Steering Committee meeting at which the action to remove will be entertained. The notice of the Steering Committee shall identify, with reasonable specificity, the grounds for removal which shall either be (i) failure of the officer to attend at least two consecutive duly noticed meetings without a justified excuse as approved by the Steering Committee; or (ii) repeated and material failure to perform the responsibilities of his or her office.

Section 9.08. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the Convener or to the secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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ARTICLE X Standing and Other Committees of the Council

Section 10.01. Standing Committees of the Council. The Council has established the following Standing Committees:

(a) **The Membership Committee.** In accordance with Section 7.2 of the MOU, the Council shall have a Membership Committee comprised of three representatives of the Group 1 Signatories and three representatives of the Group 2 signatories. It shall be the duty of the Membership Committee to evaluate new signatory applicants as follows: (i) designate the category of membership, if any, for which an applicant is qualified; (ii) provisionally approve or disapprove an applicant for membership according to a process approved by the Plenary; and (iii) forward any such provisional membership approvals to the Plenary for ratification.

Section 10.02. Other Committees. The Steering Committee may, by resolution, establish other standing and ad hoc committees and such committees may include persons who are not members of the Steering Committee; however, all committee members must be Representatives of a Council Member or the Executive Director of the Council. The Steering Committee, as to matters within its jurisdiction, and the Members of the Council, as to matters within their jurisdiction, may delegate management of the Council's activities to any committee to the same extent that those powers could be delegated to agents, employees or independent contractors generally, and subject to the ultimate direction of the Steering Committee. In all other respects, committees shall be limited to making recommendations and reports to the Steering Committee or to the Members at a Plenary meeting of the Council (as to matters requiring Member action or approval) and to the Executive Director regarding matters that are within their respective missions as defined by the Steering Committee in the resolution establishing the advisory committee.

Section 10.03. Limitations on Authority of Committees. No committee appointed by the Steering Committee shall:

- (a) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Steering Committee or the Membership Committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws; or
- (d) Amend or repeal any resolution of the Steering Committee or the Council.

Section 10.04. Meetings and Actions of Committees. Meetings and actions of committees of the Council may be conducted informally, provided that all members of a committee must receive at least 10 days' prior notice of committee meetings, with notice

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given by one of the means sanctioned for the issuance of notice of Steering Committee meetings pursuant to Section 7.06, above. The Steering Committee may adopt additional rules for the governance of any committee it establishes, provided such rules are consistent with these Bylaws or, in the absence of rules adopted by the Steering Committee, any committee may adopt such rules for the committee's governance.

ARTICLE XI Finances of the Council

Section 11.01. Assessments by the Council. The Steering Committee shall recommend annual assessment amounts for Full Council Membership. The annual assessments shall be based upon an annual budget duly approved by the Plenary as required in Section 6.02 of these Bylaws and the Council's adopted Policies. The paying of annual assessments to the Council is voluntary for all Signatory Members, but is required for the benefits of Full Membership, which include access to Council technical assistance, publications, training, and written materials. For Group 2 members, payment shall mean payment in cash and/or in kind services, as defined in the Council's policies. Officers and members of the Council Steering Committee shall be Full Members in good standing.

Section 11.02. Checks. All checks or demands for money and notes of the Council shall be signed by the Executive Director and one or more officers of the Council; except that the Executive Director of the Council shall have authority to be the sole signatory on Council checks not to exceed such amount as may be designated from time to time by the Steering Committee.

Section 11.03. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all Assessments as fixed and determined for all Members. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance, and other operating expenses of the Properties.

Section 11.04. Other Accounts. The Council shall maintain any other accounts it shall deem necessary to carry out its purposes.

Section 11.05. Financial Statements. The Steering Committee shall cause an audit of the financial affairs of the Council to be made at least every 12 months. Such audit shall reflect the financial condition of the Council as of the date of the audit and shall summarize the financial transactions in which the Council was involved during the period between the last of such audits and the date of the current audit. A copy of the audit shall be available for examination by each of the Steering Committee members of the Council. A copy of any annual financial statement and any income statement of the Council for each

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quarterly period of each fiscal year, and any accompanying balance sheet of the Council as of the end of such period, that has been prepared by the Council shall be kept on file in the principal office of the Council for 12 months.

The income statements, statements of changes in financial position, and balance sheet referred to in this section shall be accompanied by the report, if any, of any independent accountants engaged by the Council or the certificate of an authorized officer of the Council that the financial statements were prepared without audit from the books and records of the Council.

ARTICLE XII Conflicts of Interest / Obligation of Recusal

Section 12.01. Conflicts of Interest. No Representative of a signatory Member organization of the Council, shall make, participate in making, or in any way attempt to use his or her position as a Member Representative, Steering Committee member, or officer of the Council to influence any decision or action of the Council at a Plenary or any decision or action of the Steering Committee with respect to:

- (i) a vote to amend, modify, or rescind any BMP;
- (ii) a vote to amend or modify the MOU;
- (iii) a vote to amend, modify or rescind any Exhibit to the MOU; or

(iv) contracts to provide services to the Council if the Member Representative is personally aware that the signatory organization he or she represents on the Council, or any constituent organization that is a member or affiliate of the signatory organization, has a direct or indirect material financial interest in the subject matter of the decision or action to which the vote of the Council pertains. For purposes of this Article XII, a material financial interest is defined as an interest satisfying each of the following three elements:

(A) the interest relates to a grant received by the Member Representative's signatory organization (or any member or affiliated organization) or originates from an agreement between the Member Representative's signatory organization (or any member or affiliated organization) and any other person;

(B) the interest is or will be worth \$2000.00 or more in value provided to, received by, or promised to the Representative's signatory organization (or any member or affiliated organization) within twelve (12) months of the date when the Council vote is conducted; and

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(C) the outcome of the vote is, or is likely to have, a positive impact on the aforementioned interest which will enhance its value by a factor of ten percent or more during the term of the agreement or grant.

If a Member Representative knows that a material financial interest of his or her signatory organization (or any organization that is a member or affiliate of the signatory organization) may be positively influenced by a Council vote on any of the matters described in subparagraphs (i) through (iii) above, then prior to any vote by the Council on the matter the Representative shall be obligated to disclose to the Council the fact that his or her signatory organization (or one or more of its member or affiliated organizations) has/have a conflict with respect to the matter which involves a material financial interest. As a result of that disclosure, the Representative must be recused from voting on behalf of the interested signatory organization.

Prior to entertaining any discussion and vote on any matter described in subparagraphs (i) through (iii) above, the presiding Convener shall read a statement reminding all attending Voting Members of their obligations under this Article XII. That statement shall include a recital of the above definition of what constitutes a material financial interest.

Section 12.02. Enforcement. If any Member Representative or signatory organization is found by the Steering Committee to have willfully failed to disclose a conflict of interest, as defined in section 12.01 above, said conduct shall be grounds for voiding the vote of the signatory organization. In addition, if it is determined that the Member Representative with the undisclosed conflict actively participated in any deliberations of the Steering Committee preceding the vote, it shall be presumed that the vote was adversely affected and thus rendered void and of no effect unless subsequently ratified by a proper vote which excludes the Member Representative with the conflict.

ARTICLE XIII Miscellaneous

Section 13.01. Inspection of Books and Records.

(a) **Inspection by Council Members.** All accounting books and records, minutes of proceedings of the Council Members, the Steering Committee and committees appointed by the Steering Committee and membership lists and papers of the Council shall at all times, during reasonable business hours, be subject to the inspection of any Member or his or her duly appointed representative at the offices of the Council for any purpose reasonably related to the Member's interest as such. Member's rights of inspection hereunder shall be exercisable on ten (10) days' written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested. Inspection rights shall be subject to the Corporation's right to offer a reasonable alternative to

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inspection within 10 days after receiving the Member's written demand (as more particularly set forth in section 6330 and following of the California Nonprofit Public Benefit Corporation Law).

(b) Inspection by Members of the Steering Committee. Every member of the Steering Committee shall have an absolute right at any reasonable time to inspect all books, records, documents and minutes of the Council and the physical properties owned by the Council. The right of inspection by a Steering Committee member includes the right to make extracts and copies of documents.

(c) Inspection by Members of the Public. Regular reports of signatory organizations concerning their water conservation activities and efforts shall be available for public inspection, as are any reports or filings of the Council with the State Water Resources Control Board.

(d) Rules Regarding Exercise of Inspection Rights. The Steering Committee may establish reasonable rules with respect to (i) notice of inspection, (ii) hours and days of the week when inspection may be made, and (iii) payment of the cost of reproducing copies of documents requested by the Member.

Section 13.02. Executive Director. The Council may, from time to time, employ the services of an Executive Director to manage the affairs of the Council. To the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Council, the Council, acting by and through its Steering Committee, may delegate to the Executive Director or to other employees or contractors any of its day-to-day management and maintenance duties and powers under these Bylaws, provided that the Executive Director shall at all times remain subject to the ultimate direction and control of the Steering Committee. Subject to those limitations, the Executive Director shall have sole responsibility for management, control and retention of other Council staff members.

Section 13.03. Amendment or Repeal of Bylaws. Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote or written ballot of a majority of all the Voting Members of the Council (which majority must also include a majority of each Group of Voting Members). Notwithstanding the foregoing, any amendment of the Bylaws must be consistent with the then current version of the MOU and the percentage of the Voting Members necessary to amend a specific clause or provision of these Bylaws shall be not less than the percentage of affirmative votes, or votes by classes of Members, prescribed for action to be taken under that clause.

Section 13.04. Notice Requirements. Any notice or other document permitted or required to be delivered as provided herein shall be delivered either personally or by first class mail in accordance with the notice requirements of Section 13.05, below.

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Section 13.05. Annual Statement of General Information. As and when required by California Corporations Code section 6210, the Council shall file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors (i.e., Steering Committee members), the names and complete business or residence addresses of all incumbent Steering Committee members, the names and complete business or residence addresses of the Convener, Vice Convener, Secretary and Treasurer, and the street address of its principal office in this state, together with a designation of the agent of the Council for the purpose of service of process.

Section 13.06. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular.

Section 13.07. Indemnification of Corporate Agents.

(a) Any person who was or is a Steering Committee member, officer, employee or other agent of the Council (collectively "Agents") may be indemnified by the Council for any claims, demands, causes of action, expenses or liabilities arising out of, or pertaining to, the Agent's service to or on behalf of the Council to the full extent permitted by California Corporations Code section 5238.

(b) The Council shall have power to purchase and maintain insurance on behalf of any agent of the Council against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Council would have the power to indemnify the agent against such liability under section 5238 of the Corporations Code; provided, however, that the Council shall have no power to purchase and maintain such insurance to indemnify any agent of the Council for a violation of California Corporations Code section 5233.

Section 13.08. Nonpaid Members of the Steering Committee; Alleged Failure to Discharge Duties; No Monetary Liability. Except as provided in California Corporations Code sections 5233 or 5237, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any nonpaid member of the Steering Committee, including any nonpaid Steering Committee member who is also a nonpaid officer of the Council based upon any alleged failure to discharge the person's duties as a Board member or officer if the duties are performed in a manner that meets all of the following criteria:

(a) The duties are performed in good faith;

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(b) The duties are performed in a manner such Steering Committee member believes to be in the best interests of the Council; and

(c) The duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 13.09. Personal Liability for Negligence.

(a) Except as provided in subparagraph (c) below, there shall be no personal liability to a third party on the part of a volunteer member of the Steering Committee or officer of the Council caused by the Steering Committee member's or officer's negligent act or omission in the performance of that person's duties as a Steering Committee member or officer, if all of the following conditions are met:

(i) The act or omission was within the scope of the Steering Committee member's or officer's duties;

(ii) The act or omission was performed in good faith;

(iii) The act or omission was not reckless, wanton, intentional, or grossly negligent; and

(iv) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to the Council, either in the form of a general liability policy or a Steering Committee member's and officer's liability policy, or personally to the Steering Committee member or officer. In the event that the damages are not covered by a liability insurance policy, the volunteer Steering Committee member or volunteer officer shall not be personally liable for the damages if the Steering Committee and the person had made all reasonable efforts in good faith to obtain available liability insurance.

(b) For purposes of this Section 10.10, "volunteer" means the rendering of services without compensation. "Compensation" means remuneration whether by the way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a member of the Steering Committee or an officer does not affect that person's status as a volunteer within the meaning of this section.

(c) This section does not eliminate or limit the liability of a Steering Committee member or officer for any of the following:

(i) Any liability with respect to self-dealing transactions as provided in California Corporations Code section 5233 or any liability with respect to certain prohibited distributions, loans or guarantees as provided in section 5237 of said law; or

(ii) In any action or proceeding brought by the California Attorney General.

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Section 13.10. Nondiscrimination. The Council shall ensure equal employment opportunity for all persons, regardless of race, color, religion, sex, national origin, age, physical condition or disability, or other conditions within the limits imposed by law. These principles shall apply to all employment practices, to selection of consultants, contractors, and suppliers, and to all other applicable business practices of the Council.

Exhibit 7

Exhibit 7A

Signatories of the CUWCC Memorandum of Understanding Regarding Urban Water Conservation in California (As of 12/11/2002)

Group 1 Retailer

Alameda County Water District
American Canyon, City of
Anaheim, City of, Public Utilities Department
Atascadero Mutual Water Company
Bear Valley Community Services District
Benicia, City of
Blythe, City of
Brentwood City of
Burbank, City of, PSD
Calaveras County Water District, W/PW
Calexico, City of
California Water Service Company
California-American Water Company
Calistoga, City of
Camarillo, City of
Camrosa Water District
Carpinteria Valley Water District
Casitas Municipal Water District
Channel Islands Beach Community Services District
Coachella, City of
Coastside County Water District
Compton, City of, Water Department
Contra Costa Water District
Corona City Water Utilities Department
Cotati, City of
Covina, City of
Crestline Village Water District
Cucamonga Valley Water District
Davis, City of, Public Works Department
Del Oro Water Company
Desert Water Agency
Dublin San Ramon Services District
East Bay Municipal Utilities District
East Orange County Water District
Eastern Municipal Water District
El Toro Water District
Elsinore Valley Water District
Escondido, City of
Fair Oaks Water District
Fairfield, City of, Department of Public Works
Fallbrook Public Utility District
Forestville Water District
Fountain Valley, City of
Fresno, City of
Fullerton, City of
Garden Grove, City of
Glendale, City of, Public Services Department

Goleta Water District
Grass Valley, City of
Hayward, City of
Helix Water District
Hidden Valley Lake Community Services District
Hi-Desert Water District
Hilmar County Water District
Hollister, City of
Huntington Beach, City of
Indian Wells Valley Water District
Irvine Ranch Water District
Jurupa Community Services District
La Verne, City of
Lake Arrowhead Community Service District
Las Flores Water Company
Las Virgenes Municipal Water District
Lincoln Avenue Water Company
Long Beach Water Department
Los Angeles County Waterworks Districts
Los Angeles Department of Water and Power
Malaga County Water District
Manteca, City of
Marin Municipal Water District
Marina Coast Water District
Mesa Consolidated Water District
Mid-Peninsula Water District
Millbrae, City of
Monte Vista Water District
Montecito Water District
Moulton Niguel Water District
Mountain View, City of
Napa, City of
Newhall County Water District
North Coast County Water District
North Marin Water District
North of the River Municipal Water District
North Tahoe Public Utility District
Oceanside, City of, Water Department
Olivenhain Municipal Water District
Ontario, City of
Otay Water District
Padre Dam Municipal Water District
Palo Alto, City of
Pasadena, City of
Patterson, City of
Petaluma, City of
Pittsburg, City of
Pomona, City of
Poway, City of

Exhibit 7

Group 1 Retailer (Cont.)

Purissima Hills Water District
Ramona Municipal Water District
Redwood City, City of
Rincon Del Diablo Municipal Water District
Rio Linda/Elverta Community Water District
Riverbank, City of
Riverside, City of, Public Utilities
Rohnert Park, City of
Rowland Water District
Rubidoux Community Services District
Sacramento, City of
Sacramento County Municipal Water District
San Buenaventura, City of
San Diego, City of
San Dieguito Water District
San Fernando, City of
San Francisco Water Department
San Jose, City of, Environmental Services
San Juan Capistrano, City of
San Juan Water District
San Luis Obispo, City of
Santa Ana, City of
Santa Barbara, City of, Public Works Department
Santa Cruz, City of, Water Department
Santa Fe Irrigation District
Santa Monica, City of
Santa Rosa, City of
Santa Ynez River WCD - I.D. #1
Seal Beach, City of
Shasta Lake, City of
Sonoma, City of
South Coast Water District
South Mesa Water Company
Southern California Water Company
Sweetwater Authority
Templeton Community Services District
Thousand Oaks, City of
Torrance, City of, Water Division
Trabuco Canyon Water District
Triunfo Sanitation District
Tuolumne County Water District
Upland, City of
Vallecitos Water District
Valley Center Municipal Water District
Valley of the Moon Water District
Ventura County Waterworks District #1
Vista Irrigation District
Walnut Valley Water District
Westborough Water District
Western Municipal Water District of Riverside
Windsor, Town of
Yreka, City of

Total Group 1 Retailer: 148

Group 1 Wholesaler

CA Department of Water Resources
Calleguas Municipal Water District
Castaic Lake Water Agency
Central Basin Municipal Water District
Central Coast Water Authority
Contra Costa Water District
Covina Irrigating Company
Elsinore Valley Water District
Foothill Municipal Water District
Inland Empire Utilities Agency
Kern County Water Agency
Metropolitan Water District of Southern California
Municipal Water District of Orange County
North of the River Municipal Water District
Orange County Water District
Padre Dam Municipal Water District
Sacramento, City of
San Diego County Water Authority
San Francisco Public Utilities Commission
San Juan Water District
Santa Barbara County Water Agency
Santa Clara Valley Water District
Solano County Water Agency
Sonoma County Water Agency
Three Valleys Municipal Water District
Upper San Gabriel Valley Municipal Water District
U.S. Bureau of Reclamation
West Basin Municipal Water District
Western Municipal Water District of Riverside

Total Group 1 Wholesaler: 29

Group 2

Bay Institute of San Francisco, The
Butte County Environmental Council
California Oak Foundation
California Trout, Inc.
Clean Water Action
Environmental Defense
Friends of the River
Global Cities Project
Heal the Bay
Korean Youth and Community Center
League of Women Voters of California
Los Angeles Water Conservation Council
Mono Lake Committee
Mothers of East L.A. Santa Isabel
Natural Heritage Institute
Natural Resources Defense Council
P.O.W.E.R.
Pacific Institute
Planning and Conservation League
Resource Renewal Institute
Richmond Improvement Association

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Group 2 (Cont.)

Rocky Mountain Institute
Save San Francisco Bay Association
Sierra Club
Sierra Nevada Alliance
Southern California Water Committee
Southern California Watershed Alliance
TreePeople
Valley Water Protection Association

Total Group 2: 29

Group 3

A&N Technical Services
Act Inc. Metlund Systems
ADRO Environmental
ADVANCE, Inc.
AM Conservation Group, Inc.
Applied Graphics, Inc.
Aqua Conservation, Inc.
AquaMetrics, LLC
Asian American Drug Abuse Program
Association of California Water Agencies
Bay Area Water Users Association
Best Management Partners
Black and Veatch
Bookman-Edmonston
Brown and Caldwell Consultants
CA Public Utilities Commission
CA State Water Resources Control Board
California Golf Course Superintendents Assn
California Green Industry Council
California Landscape Contractors Assn
California Municipal Utilities Association
California Outdoors
California Sod Producers Association
California Urban Water Agencies
California Water Association
Calvary Baptist Homes, Inc.
Center for Irrigation Technology, CSUF
Chino Basin Water Conservation District
Community Enhancement Services
Conservation Solutions, Inc.
ConserVision Consulting, LLC
Contra Costa Co. Community Dev. Dept
Council for a Green Environment
Craft & Associates
David Evans & Associates, Inc.
Dendron Landscape Management Consultants
Diamond Head Water Management
Economic Insights
El Dorado County Water Agency
Expert, Inc.
Falcon Waterfree Technologies, LLC
Fisher Mfg. Co.

Gardeners Guild, Inc.
GardenSoft
Hilton Farnkopf-Hobson, LLC
Honeywell DMC
J. V. Manufacturing, Inc.
John Blevens Consultant
John Deere Landscapes
John Olaf Nelson, Water Resources Mgmt
Kennedy/Jenks
Koeller & Company
Krieger & Stewart, Inc.
Laing Thermotech, Inc.
Lake Canyon Community Service District
Larry Farwell Consultant (formerly SynAqua)
Lynn Rodriguez
Maddaus Water Management
Maximus
McCormick, Kidman & Behrens
Midwest Landscaping
Montgomery Watson Harza Americas, Inc.
National Energy Foundation
NEOS Corporation
Niagara Conservation Corp
Northern California Golf Association
Orange County Sanitation District
Pieroni Enterprises, LLC
Plumbing, Heating, Cooling Contractors of California
Pollution Prevention International
Rain Bird Corporation
Rain Master Irrigation Systems
Regional Water Authority
Resource West
Richard Heath and Associates
SA Associates
San Bernardino County
Southern California Golf Association
Southwest Environmental, Inc.
Space Imaging
Susanville Consolidated Sanitary District
TCA
Tetrattech, Inc. (formerly ASL Engineers)
The Writing Company
Tubiolo, Jan & Associates
United Conservation Management
United States Golf Assn. Green Section
Van Dyke, LLP
Volt VIEWtech
Water Resources Institute - CSU, San Bernardino
Waterless Co., LLC
Wellspring International, Inc.
West Yost & Associates
Western Policy Research

Total Group 3: 94

Total Signatories: 300

EXHIBIT 8. ASSUMPTIONS AND METHODOLOGY FOR DETERMINING CII ULFT TOTAL SAVINGS POTENTIAL

I. INTRODUCTION

This Exhibit provides the Council's data and methodology to determine a water supplier signatory's Total Savings Potential for the installation of ultra-low-flow-toilets (ULFTs) in commercial, industrial, and institutional (CII) settings. An agency's Total Savings Potential is used to determine its coverage requirement for CII ULFT programs per BMP 9.⁶

Total Savings Potential can be quickly calculated using CII toilet census data and calculation spreadsheets available from the Council (the calculation spreadsheets can be downloaded from the following URL: www.cuwcc.org/technical_assistance.htm; contact the Council directly for information on ordering the toilet census data). It is not necessary to conduct an independent toilet census or to make independent calculations to determine Total Savings Potential, although agencies may do so at their discretion. In this regard, Exhibit 8 serves two purposes. First, it explains the underlying methods, assumptions, and data sources supporting the Council's tools for calculating Total Savings Potential. Second, it provides a basis for agencies to independently calculate Total Savings Potential if they choose to do so.

The Council's *CII ULFT Savings Study* (2001 Edition) provides the basis for the Council's methods of determining the Total Savings Potential of ULFTs in the CII sector. This study prepared estimates of water savings per toilet for ten CII sub sectors. The Council has endorsed these as reliable estimates of CII ULFT savings potential, and the calculation tools developed by the Council rely on these estimates to determine Total Savings Potential. However, signatories are not required to utilize these estimates to determine Total Savings Potential if they have valid and reliable estimates for their service area. They may utilize their own estimates if available and substantiated.

Table 8-1 depicts the steps one would take to calculate Total Savings Potential.

Table 8-1. Steps to Determine CII ULFT Total Savings Potential and Coverage Requirement

Step 1	Obtain from the Council CII toilet counts for each zip code in your Service Area.
Step 2	Identify zip codes that are partially outside your Service Area. Prorate the toilet count for these zip codes.
Step 3	Aggregate the zip code toilet counts to obtain the total count for your Service Area.
Step 4	Enter the toilet counts by CII sub sector into the BMP 9 CII ULFT Coverage Calculator. (Note: the calculator is an Excel spreadsheet that can be downloaded from the Council's website.) Enter the rate of natural replacement of CII toilets in your service area (e.g. the rate at which CII toilets would turnover in the absence of any utility programs) or use the calculator's default of 4%. The calculator will indicate Total Savings Potential and Coverage Requirement for your Service Area.
Step 5 (Optional)	The calculator can also be used to estimate the upper bound number of toilets an agency would need to replace over 3 years to satisfy the coverage.

⁶ As defined in Exhibit 1, Section 9 A (b).

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	The estimate represents an upper bound because it assumes (1) no targeting of toilets to CII sub sectors with the highest savings potential, and (2) replacements are evenly spaced over the 3-year implementation period. It is important to realize that the number of toilets replacements required to meet the Coverage Requirement can be substantially reduced from this upper bound by targeting and scheduling strategies.
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The remainder of this Exhibit describes the methods and data used to support these calculations. The Exhibit also includes an example calculation of Total Savings Potential for a water supplier. This material is provided for reference and documentation purposes. Agencies can also consult the BMP 9 Handbook for additional discussion of the CII ULFT Coverage Requirement and guidance on designing CII ULFT replacement programs.

II. DEFINITION OF TOTAL SAVINGS POTENTIAL

Total Savings Potential is defined as the estimated volume of water that would be saved over 10 years if all existing toilets with flush volumes greater than 1.6 gallons-per-flush (gpf) were replaced in the year the ULFT portion of BMP 9 implementation is scheduled to commence for the agency. This estimate needs to account for the fact that some of these toilets would have been replaced over this 10-year period as a consequence of device failure, remodeling, and facility upgrades, and that because of plumbing code requirements, these toilets would have been replaced with ULFTs. Consequently, the calculation of Total Savings Potential must account for the natural replacement of existing toilets with ULFTs. That is, one cannot simply multiply the estimated number of toilets by expected savings per toilet and then multiply by 10 to determine Total Savings Potential. The same methodology used in Exhibit 6 of this MOU is also used by this Exhibit to account for the natural replacement of toilets over time.

Calculation of Total Savings Potential requires the following:

1. A CII toilet count for the agency's service area.
2. Estimates of water savings per ULFT.
3. Assumptions regarding the rate of natural replacement for CII toilets.

III. SERVICE AREA TOILET COUNT

One of the products to come out of the Council's *CII ULFT Savings Study* was a methodology for estimating the number of toilets within 10 different CII sub sectors. The methodology is described and illustrated in detail in Chapter 3 of that study. This section provides a brief description along with the table of parameters needed to implement the methodology.

While this Exhibit and the study that supports it provide an agency with the information needed to complete its own toilet count census, please note that the Council has already developed toilet counts for every zip code in California. These zip-code level counts can be purchased from the Council for a nominal fee. The zip code level counts can be aggregated to produce service area level counts. This option eliminates the need for an agency to develop its own toilet count.

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The toilet count method is based on the following:

1. Covariant Identification. The basic strategy is to identify a high correlation between the number of toilets at a CII site and some other data parameter, such as number of employees. In the Council's *CII ULFT Savings Study*, these correlated parameters are referred to as "drivers" or "data drivers." Using these drivers, the number of toilets is estimated using the following equation

$$\text{TOILETS}_{i,s} = \text{DRIVER}_{i,s} * \text{COEFFICIENT}_{i,s}$$

where

TOILETS _{i,s}	=	number of toilets in market segment i of size s
DRIVER _{i,s}	=	number of CII sites in market segment i of size s
COEFFICIENT _{i,s}	=	number of toilets per CII site in market segment i of size s

2. Market Segmentation. Because of their heterogeneity, CII sites are divided into 10 market segments. This allows for selecting the data driver that best represents a particular sub sector rather than using the same driver for all sectors. For example, while the number of students is used to predict the number toilets for schools, the number of guest rooms is used to predict the number of toilets for hotels and motels. The 10 segments are as follows:

1. Offices	<i>Commercial</i>
2. Eating Establishments	<i>Commercial</i>
3. Hotels/Motels	<i>Commercial</i>
4. Retail/Wholesale Establishments	<i>Commercial</i>
5. Industrial (SIC Codes 2000 through 3999)	<i>Industrial</i>
6. Health	<i>Institutional</i>
7. Churches	<i>Institutional</i>
8. Schools	<i>Institutional</i>
9. Government	<i>Institutional</i>
10. Other	<i>Other</i>

The methodology presented in the Council's *CII ULFT Savings Study* relies on three different drivers: (1) number of employees; (2) number of guest rooms; and (3) number of students. Segments other than Education and Hotels/Motels use the number of employees data driver.

3. No Toilet-Type Differentiation. The method is unable to provide separate counts for tank and flushometer valve toilets. It produces a single estimate of all toilets within a sector.

Table 8-2 reproduces Table 3-4 from the second edition of the Council's *CII ULFT Savings Study*. This table provides the coefficients for each data driver needed for the toilet count. To implement the methodology, an agency also needs to estimate the number of establishments for each data driver. For example, for the "Eating" segment, one would need to estimate the number of establishments with 1 to 9 employees, the number with 10 to 19 employees, etc. There are several options for producing these estimates. The easiest is to aggregate the zip code-level estimates available from the Council. Chapter 3 of the Council's *CII ULFT Savings Study* lists additional data

EXHIBIT 8

sources, including purchasing data from private data services, utilizing census data, and utilizing data available from other government agencies. Agencies producing their own estimates are referred to the *CII ULFT Savings Study* for more information on these sources. Estimates provided by the Council rely on 1992 Economic Census data.

Table 8-2. CII Toilet Census Data Drivers and Coefficients

Table 2 Toilet Coefficients					
	Toilets per Site				
Employment Size	1 to 9	10 to 19	20 to 49	50 to 99	100 to 249
Offices	6.2	10.5	25.4	56.5	101.7
Retail/Wholesale	5.3	6.4	14.3	24.2	34.9
Health	4.5	12.9	30.8	66.4	133.8
Other	8.9	10.4	25.2	56.3	86.4
Eating	1.7	2.2	3.7	6.7	10.1
Employment Size	1 to 9	10 to 19	20 to 49	50 to 99	100 to 249
Industrial	2.4	3.1	5.7	9.6	18.0
Employment Size	250 to 499	500 to 999	1000 to 2499	2500+	
Industrial	32.1	64.1	144.4	304.9	
Schools	Toilets Per Student				
K to 8	0.0364				
9 to 12	0.0286				
	Toilets Per Site				
Hotels/Motels	116.5				

Calculating Toilet Counts Using Table 8-2

To determine the number of toilets in each market segment, multiply the number of sites for each driver range listed in the table by each driver range's coefficient and sum the results. For example, if the health segment consisted of 10 sites with 1 to 9 employees and 5 sites with 10 to 19 employees, the toilet count for this segment would be

(1) Example Toilet Count for Health Segment = $10 * 4.5 + 5 * 12.9 = 110$ (rounded)

For the data drivers that are not broken into ranges (e.g., number of students, number of hotel/motel sites) it is only necessary to multiply the data driver value by its coefficient. For example, if there are 6,500 primary school students in an agency's service area, then the estimated number of toilets is $6,500 * 0.0364 = 237$ (rounded).

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IV. RELIABLE ESTIMATES OF ULFT SAVINGS BY CII MARKET SEGMENT

Table 8-3 provides the Council's estimates of reliable water savings (gallons per day) per ULFT for the eleven CII sub sectors. These estimates were developed as part of the *CII ULFT Savings Study* and presented to the Plenary on June 25, 1997 and again on September 30, 1997.

Table 8-3. Estimates of Reliable Water Savings for CII ULFTs

CII Sub Sector	ULFT Savings (GPD)
Offices	20
Retail/Wholesale	40
Hotels	16
Health	21
Other	18
Industrial	23
Schools: K to 12	0 or 18 (see text below)
Eating	47
Government	25
Churches	28

Source: *CII ULFT Savings Study, CA Urban Water Conservation Council*

The *CII ULFT Savings Study* did not find statistically significant ULFT water savings for the school sub sector. There are several possible explanations for this result. First, very few schools were sampled as part of the study. Second, irrigation water use was not separately metered for the majority of schools in the sample, making it difficult to isolate ULFT savings from total use. Regardless of the cause, the study was unable to determine a reliable estimate of water savings for this sector. Consequently, for the purposes of calculating Total Water Savings Potential, an agency may either assume school savings equivalent to the "Other" sub sector (18 gpd) or zero.

V. CALCULATION OF TOTAL SAVINGS POTENTIAL

Once the Toilet Census has been completed, the calculation of Total Savings Potential can proceed in three steps, as follows:

1. Adjust the count of toilets for natural replacement occurring between 1994 and the year implementation of the BMP 9 ULFT requirement is to commence.⁷
2. Calculate the annual savings from replacing the adjusted count of toilets with ULFTs in the year implementation of BMP 9 is to commence, adjusting for natural replacement.

⁷ The state plumbing code required the installation of ULFTs for tank toilets starting in 1992. Prohibition of the sale of flushometer valve toilets rated above 1.6 gpf began in 1997. Since the relative proportion of tank and flushometer valve toilets is usually unknown, 1994 is used to approximate when toilet replacements in the CII sector became predominantly ULFT.

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3. Sum the annual savings to determine Total Savings Potential.

Adjusting the Toilet Count for Natural Replacement

The following method is used to adjust the toilet count for natural replacement between 1994 and the year implementation of BMP is to commence for an agency. Let T_i be the count of toilets in CII sub sector i . Let r be the average annual rate of natural replacement of CII toilets. Let N ($N \geq 2001$) be the latest year an agency is to begin implementation of BMP 9 ULFT requirement according to Exhibit 1. Then the adjusted count of toilets, T'_i , at the beginning of year N in sector i is

$$(3) \quad T'_i = T_i (1 - r)^{(N - 1 - 1994)}$$

For example, if the unadjusted count of eating sites is 33, the average rate of natural replacement is 4% and the latest year the agency is to begin implementing the ULFT portion of BMP 9 is 2001. The adjusted number of toilets in the eating sector

$$(4) \quad T' = 33(0.96)^6 \approx 26$$

This adjustment can be further refined to account for any sites included in the toilet count constructed after 1994. For the purposes of this exhibit it is assumed that these sites were installed with toilets rated 1.6 gpf or lower. However, this will be unnecessary if the toilet count is based only on CII facilities constructed prior to 1994. For example, the zip-code level counts available from the Council are based on CII facilities existing in 1992, thus obviating the need for this secondary adjustment.

The estimated rate of natural replacement used to adjust the initial count of toilets should be based on empirical evidence for the agency's service area or region. If no such estimate is available, 4% should be used.⁸

Table 8-4 shows how an unadjusted toilet count would be adjusted assuming the agency is to begin implementing the ULFT portion of BMP 9 in 2001 and a natural replacement rate of 4%. This example assumes the count only includes sites constructed prior to 1994.

Table 8-4. Toilet Count Adjusted for Natural Replacement

CII Segment	Unadjusted Toilet Count	Adjusted Toilet Count
Offices	2,637	2,064
Retail/Wholesale	2,575	2,016
Hotels	1,697	1,328
Health	1,745	1,366
Other	972	761
Industrial	614	481
Schools: K to 12	122	95

⁸ 4% results in an average toilet life of 25 years and is consistent with preliminary findings on natural replacement of toilets in the CII sector for some agencies. 4% is also the default value used by Exhibit 6 to calculate the estimated natural replacement rate for BMP 14.

EXHIBIT 8

Eating	336	263
Government	880	689
Churches	128	100
Total	11,706	9,163

Calculation of Annual Savings

Assume an agency is to begin implementing the ULFT portion of BMP 9 in 2001. Taking T_i to be the adjusted count of toilets in sector i , S_i to be the estimated savings per ULFT, and r the average annual rate of natural replacement, annual savings for any year j ($j \geq 2001$) is

$$(5) \quad \text{Annual Savings in Year } j = S_i \times T_i (1-r)^{(j+1-2001)}$$

Using the adjusted count of toilets for the "health" sector in Table 8-4 for example, and assuming implementation begins in 2001, given a 4% natural replacement rate the annual savings in 2005 would be

$$(6) \quad \text{Annual Savings for Health Sector in 2005} = 18 \text{ gpd} \times 1,366(0.96)^5 \approx 20,048 \text{ gpd}$$

Calculation of Total Savings Potential

The Total Savings Potential is defined as the sum of annual savings over 10 years, beginning with the year an agency is to start implementing the ULFT portion of BMP 9 according to Exhibit 1. Algebraically, Total Savings Potential is as follows:

$$(7) \quad \text{Total Savings Potential} = \sum_i \sum_{j=N}^{N+9} S_i \times T_i (1-r)^{(j-N)}$$

where i is the index of CII sub sectors, N is the year an agency is to start implementing the ULFT portion of BMP 9 and the remaining variables follow their previous definitions. Equation (7) can be easily calculated using a spreadsheet. Table 8-5 shows the calculation of Total Savings Potential for the toilet count shown in Table 8-4. This example assumes a natural replacement rate of 4% and that implementation begins in year 2001. The last cell in Table 8-5 gives the Total Savings Potential (expressed in gallons per day). Converting this to acre-feet gives

$$\begin{aligned} \text{Total Savings Potential} &= 1,855,753 \text{ gal/day} \times 365 \text{ days} \div 325,900 \text{ gal/AF} \\ &= 2,078 \text{ AF} \end{aligned}$$

VI. DETERMINATION OF THE CII ULFT COVERAGE REQUIREMENT

Within the three year period, beginning July 1, 2001, an agency will be considered on track if by the end of the first year of implementation the 10-year cumulative water savings equals or exceeds 0.5% of Total Savings Potential; by the end of the second year of implementation the 10-year cumulative water savings equals 1.5% of Total Savings Potential; and by the end of the third year of

EXHIBIT 8

implementation the 10-year cumulative water savings equals or exceeds 3.0% of Total Savings Potential. This is the minimum amount of water an agency's CII ULFT replacement program would need to save over the interim three-year implementation period.

VII. CALCULATING CREDIT FOR ULFT REPLACEMENTS OCCURING PRIOR TO ADOPTION OF A LONG-TERM CII ULFT COVERAGE REQUIREMENT

Note: During the 3-year interim implementation period, cumulative savings from CII ULFT replacements occurring prior to January 1, 2001, may not be applied towards the interim coverage requirement. However, agencies may credit against the long-term Coverage Requirement 100% of the cumulative savings from agency-assisted CII ULFT replacements that occurred prior to the adoption of the 3-Year Interim CII ULFT Coverage Requirement by the CUWCC Plenary. The credit for these replacements would be calculated as follows:

Case 1: Agency knows in which CII sub sectors toilets were installed

If the agency knows in which CII sub sectors toilets were installed, it can use sector-specific savings estimates to determine cumulative savings for each sector. The sum of these savings can then be credited against the Coverage Requirement. For example, suppose implementation of the CII ULFT Coverage Requirement was to begin in year N and the agency had already installed T_i toilets in sub sector i in year M (where $M < N$). The credit for these previous installations would be:

$$(8) \quad \text{Credit}_{i,M} = \sum_{j=M}^{N+9} S_i \times T_i (1-r)^{(j-M)}$$

where S_i is the savings per toilet for sub sector i and r is the average rate of natural replacement. Equation (8) can be used to calculate credit for each CII sub sector and for each year M prior to the adoption of the CII ULFT Coverage Requirement in which agency-assisted toilet replacement occurred. Assuming CII ULFT replacements occurred no earlier than 1991, the total credit for all past replacements would be:

$$(9) \quad \text{Total Credit} = \sum_i \sum_{M=1991}^{N-1} \text{Credit}_{i,M}$$

Case 2: Agency does not know in which CII sub sectors toilets were installed

If the agency does not know in which CII sub sectors toilets were installed, it can use the average savings per toilet derived from its CII toilet count. The sum of these savings can then be credited against the Coverage Requirement. For example, suppose implementation of the CII ULFT Coverage Requirement was to begin in year N and the agency had already installed T_M toilets in year M (where $M < N$), but it did not know in which sub sectors these toilets were installed. The credit for these previous installations would be:

EXHIBIT 8

$$(10) \quad \text{Credit}_M = \sum_{j=M}^{N+9} \bar{S} \times T_M (1-r)^{(j-M)}$$

where \bar{S} is the average savings per toilet derived from the agencies CII toilet count and r is the average rate of natural replacement. Equation (10) can be used to calculate credit for each year M prior to the adoption of the CII ULFT Coverage Requirement in which agency-assisted toilet replacement occurred. Assuming CII ULFT replacements occurred no earlier than 1991, the total credit for all past replacements would be:

$$(11) \quad \text{Total Credit} = \sum_{M=1991}^{N-1} \text{Credit}_M$$

EXHIBIT 8

Table 8-5. Calculation of Total Savings Potential

	Unadjusted Toilet Count	Adjusted Toilet Count	Savings Per ULFT (GPD)	Water Savings (GPD) 10-Year Period										Row Total
				2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
CII Sub Sector														
Offices	2,637	2,064	20	39,631	38,046	36,524	35,063	33,661	32,314	31,022	29,781	28,590	27,446	332,078
Retail/Wholesale	2,575	2,016	40	77,399	74,303	71,331	68,478	65,739	63,109	60,585	58,161	55,835	53,602	648,541
Hotels	1,697	1,328	16	20,403	19,587	18,804	18,052	17,329	16,636	15,971	15,332	14,719	14,130	170,963
Health	1,745	1,366	21	27,537	26,435	25,378	24,363	23,388	22,453	21,555	20,692	19,865	19,070	230,736
Other	972	761	18	13,147	12,621	12,117	11,632	11,167	10,720	10,291	9,880	9,484	9,105	110,164
Industrial	614	481	23	10,612	10,187	9,780	9,389	9,013	8,653	8,307	7,974	7,655	7,349	88,919
Schools: K to 12	122	95	18	1,650	1,584	1,521	1,460	1,402	1,346	1,292	1,240	1,190	1,143	13,827
Eating	336	263	47	11,867	11,392	10,936	10,499	10,079	9,676	9,289	8,917	8,561	8,218	99,435
Government	880	689	25	16,532	15,871	15,236	14,626	14,041	13,480	12,940	12,423	11,926	11,449	138,523
Churches	128	100	28	2,693	2,585	2,482	2,383	2,287	2,196	2,108	2,024	1,943	1,865	22,567
Column Total	11,706	9,163		221,472	212,613	204,108	195,944	188,106	180,582	173,359	166,424	159,767	153,377	1,855,753

Residential Water-Use Survey

Provided by [REDACTED] Water Company

[REDACTED]

Unit Number: 101 A

Survey Date: 3/26/08

Number of Residents: 1

Dear Resident:

Our water purveyor, [REDACTED] Water Company, recently conducted a Residential Water-Use Survey of your residence as part of an ongoing effort to conserve water. [REDACTED] Inc. is an independent consulting firm that is contracted by [REDACTED] Water Company to do this survey and therefore submits this report.

This report includes details and measurements of your current water-using fixtures and appliances. For each water-using fixture inspected the report provides water savings estimates where applicable.

The section below provides an estimate of how much water you are currently using in one year with existing water-using fixtures. The section below also provides an estimate of potential water savings after retrofitting applicable water-using fixtures with water efficient models.

Total Current Water-Use with Existing Fixtures (gal/year):	<u>22,175</u>
Potential Water Savings with Water-Efficient Fixtures (gal/year):	<u>10,841</u>

The following pages provide a summary of the areas surveyed in your residence. Thank you for participating in this Residential Water-Use Survey. If you have any questions about this survey or report please contact the management personnel of the complex.

Thank you,

Water Survey Team
[REDACTED]

Current Water-Use & Potential Water Savings

Of the total water used indoors, over half is used in the bathroom. Including water used for toilets, showers, and faucets. There is a significant potential for water savings, especially if your complex has fixtures installed before 1994. Newer fixtures use lower volumes and help conserve water with every use.

Bathroom Water Use

Toilets—Toilets account for one-third of the total water used indoors. Older toilet models use 3.5 gallons of water or more with every flush. High Efficiency Toilets (HET) use only 1.28 gallons of water for every flush or less and help conserve water.

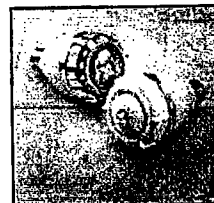
Number of toilets at this residence:	1
Number of Non-Efficient toilets (more than 1.28 gal):	0
Average volume of Non-Efficient toilets (gal per flush):	0.00
Average volume of Regularly Used toilets (gal per flush):	1
Toilet leak detected: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Number of toilet leaks detected:	0
Current Water-Use with Existing Fixtures (gal per year):	6,329
Water Savings with HET Models (gal per year):	3,946



High Efficiency Toilet
(1.28 gal per flush)

Showerheads—Water use from showers account for about 20% of the water used indoors. Old showerheads have flow rates as high as 5 gallons per minute (gpm). New showerhead models offer a low flow rate of 2.0 gpm or less.

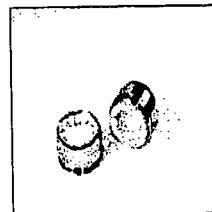
Number of showerheads at this residence:	1
Number of Non-Efficient showerheads (more than 2.0gpm):	1
Average flow of Non-Efficient showerheads (gpm):	2.50
Aver. flow of Regularly Used showerheads (gpm):	2.50
Current average length of shower (minutes):	5
Number of showers per week per person:	3
Current Water-Use with Existing Fixtures (gal per year):	1,950
Water Savings with Low-Flow Showerheads (gal/year):	390



Low Flow Showerhead
(1.0 gpm)

Bathroom Faucets—Faucets without aerators typically use more than 2 gallons of water per minute. Installing low flow faucet aerators decrease water use to 1.0 gallon per minute.

Number of bathroom faucets at this residence:	1
Number of Non-Efficient faucets (more than 1.0 gpm):	1
Average flow of Non-Efficient faucets (gpm):	2.20
Average flow of Regularly Used faucets (gpm):	2.20
Current Water-Use with Existing Fixtures (gal per year):	6,504
Water Savings with Low Flow Aerators (gal per year):	3,548

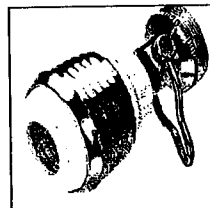


Low Flow Faucet
Aerator (1.0 gpm)

Kitchen Water Use

Kitchen Faucet—Faucets without aerators typically use more than 2 gallons of water per minute of use. Installing low flow aerators on kitchen faucets decrease water use to 1.5 gallon per minute.

Number of kitchen faucets in this residence:	<u>1</u>
Number of Non-Efficient faucets (more than 1.5 gpm):	<u>1</u>
Average flow rate of Non-Efficient faucets (gpm):	<u>2.50</u>
Average flow rate of Regularly Used faucets (gpm):	<u>2.50</u>
Current Water-Use with Existing Fixtures (gal per year):	<u>7,391</u>
Water Savings with Low Flow Aerators (gal per year):	<u>2,957</u>



*Kitchen Faucet
Aerator (1.5 gpm)*

Dishwasher—Older model dishwashers use between 12 and 15 gallons of water for every load. High efficiency Dishwasher models only use 7 gallons of water per load or less and also provide significant energy savings.

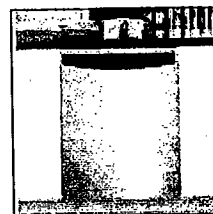
Dishwasher in this residence: Yes ☐ No ☒

Existing dishwasher capacity (gallons per load): _____

Dishwasher loads per week: _____

Current Water-Use with Existing Appliance (gal/year): _____

Water Savings with HE Dishwasher (gal/year): _____



*High Efficiency
Dishwasher*

Laundry Water Use

Clothes Washer—Older model clothes washers can use up to 40 gallons of water for every load. High efficiency clothes washers use only 15 gallons per load or less. New models also help save energy; less hot water is used, and less dryer time required.

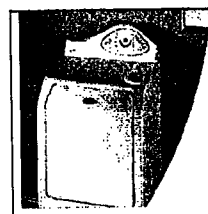
Clothes washer in this residence: Yes ☐ No ☒

Existing clothes washer capacity in gallons: _____

Clothes washer loads per week: _____

Current Water-Use with Existing Appliance (gal/year): _____

Water Savings with HET Clothes Washer (gal/year): _____



*High Efficiency
Clothes Washer*

Totals

Based on the inspection of your residence, our water survey team provides the following estimates of your total current annual water-use and the total potential annual water savings.

Total Current Water-Use with Existing Fixtures (gal per year): **22,175**

Potential Water Savings with Water-Efficient Fixtures (gal per year): **10,841**

Water Use Survey Report

Provided By:



County of Los Angeles
Department of Public Works
900 S. Fremont Ave.
Alhambra, CA 91803
(626) 458-5100 www.ladpw.org

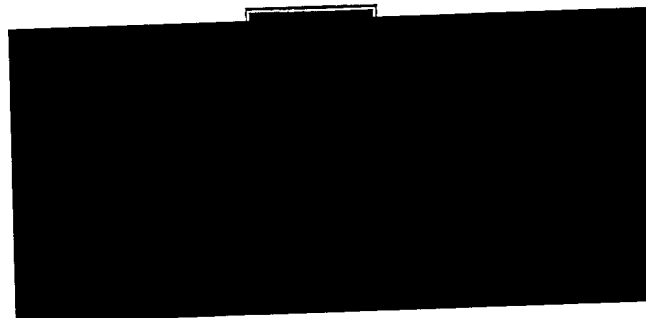
February 27, 2008



Point Dume Marine Science Elementary

6955 Fernhill Drive
Malibu, CA 90265

Prepared By:





March 4, 2008

Kim Chi
Point Dume Marine Science Elementary
6955 Fernhill Drive
Malibu, CA 90265

Dear Ms. Chi:

The County of Los Angeles Department of Public Works (LACDPW) hereby provides this Water Use Survey Report of your facility as part of the agency's on-going efforts to help businesses improve their water use efficiency.

The onsite survey was conducted by [REDACTED] on 12/19/2007. This report is based on our observations and data collected during the onsite inspection. The attached Water Use Survey Report includes the following items:

- Facility Description—a profile of the site and description of the operation
- Water Use Patterns—a detailed description of past water use
- Summary of Recommendations—total potential water and money savings
- Water Efficient Measures—a description of each water efficiency measure

Implementation of the measures recommended in this report will reduce this facility's annual water use by about 916 HCF (685,168 gallons), or 33%. The corresponding water, wastewater, and energy cost savings realized would be approximately \$3,042 per year at current utility rates. Our goal is to provide as accurate data as possible. This is only a survey-level analysis and your actual savings may differ.

Please contact Melinda Barrett at the Department of Public Works at (626) 300-3362 if you have questions regarding this survey or if you need additional information. Thank you for participating in this water use survey.

Sincerely,

[REDACTED]

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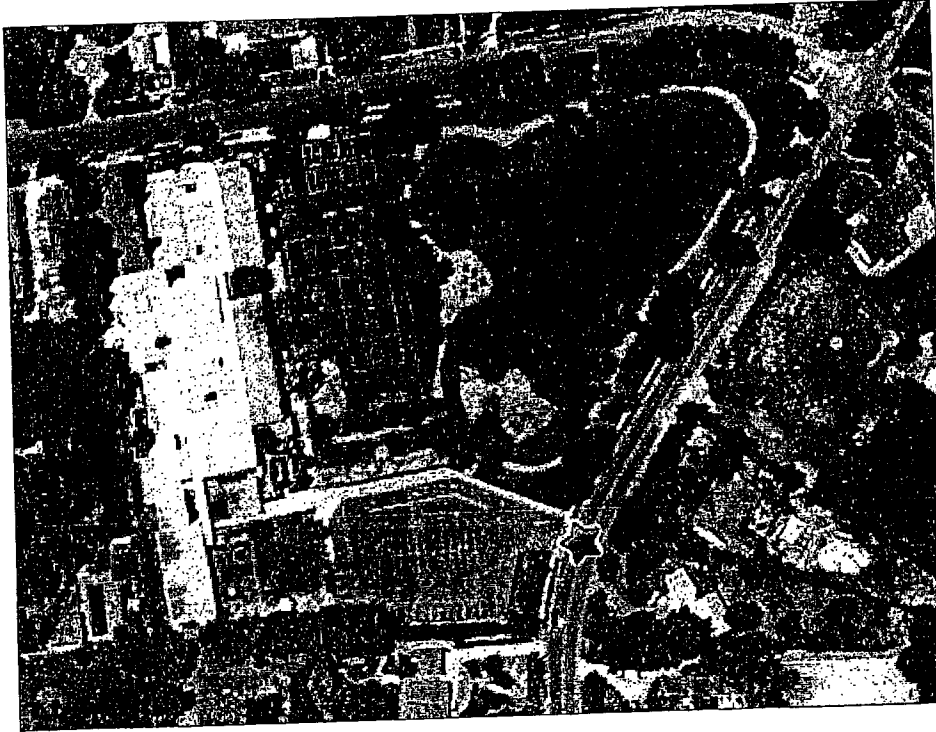


Executive Summary

[REDACTED] is an expert in implementation of water conservation programs. Our survey team has been providing water-use audits since 2001. Based on our inspection of this facility and our calculations, we provide the following findings and recommendations:

- Annual water use for Point Dume Marine Science Elementary, from September 2006 to September 2007 was 2,764 HCF (2,067,472 gallons). This was the basis for our analysis.
- Landscape irrigation is the facility's largest water user at approximately 54%. The annual water savings identified for irrigation is 300 HCF (224,400 gallons) of \$995.
- Sanitary water-use is second largest water user at 40%. The annual water savings identified for sanitary use is 617 HCF (461,516 gallons) for \$2,047 (or more if waterless urinals are installed.)
- The total estimated annual water savings for this facility, after implementation of all recommended measures, is 916 HCF (685,168 gallons). This is a 33% decrease in annual water use.
- The total estimated annual dollar savings, after implementation of all recommended measures, is \$3,042.
- Through MWD's Public Sector Program, this facility may qualify for retrofit incentives, which may total up to \$9,494. This program provides incentives up-front, which means the site does not have to pay for certain device upgrades up-front (out-of-pocket).
- Three potential incentive opportunities were identified, including incentives for retrofitting toilets with High Efficiency Toilets, for installing a Weather Based Irrigation Controller, and for an Irrigation System Audit.
- Because of the Public Sector Program and the available incentives, the average payback for all recommendations is only one year.

Facility Description



Point Dume Marine Science Elementary School
Malibu, California

Point Dume Marine Science Elementary consists of multiple buildings spread across 2.2 acres. This facility was built in 1968 and underwent a remodel in the 1980's. The total size of the buildings is about 39,000 square feet. The terrain is slightly sloping. The school is in operation 280 days a year and 40 hours per week.

The occupants of this facility fall into 2 categories — school staff and students. There are 40 full-time employees and 282 students.

Water-Use Patterns

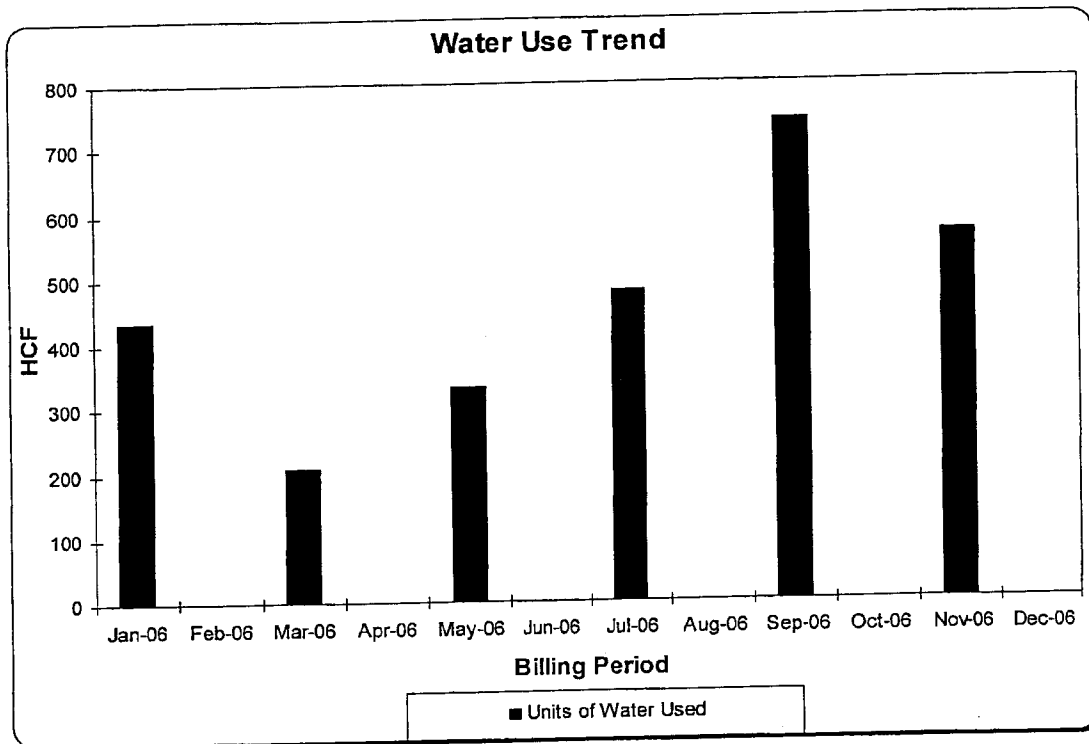
The average bimonthly water use at Point Dume Marine Science Elementary, based on water use records from January 2006 to December 2006, is about 460 HCF (344,080 gallons). The facility is billed every two months. For informational purposes, the average monthly water use at this facility is 230 HCF (172,040 gallons).

The period with the highest water use was between August/September 2006 with 741 HCF units (554,268 gallons) of water use. The peak in water use is most likely attributed to landscape irrigation. The water use in the spring is lower, at a bimonthly average of approximately 270 HCF units (201,960 gallons) of use. The period with the lowest water use was February/March with only 209 HCF units of water use.

The water rate used for the financial analysis in this report is based on the school's average water usage of 230 HCF per month. The rate used here is \$3.32 per HCF.

Note: 1 HCF billing unit is equal to 748 gallons

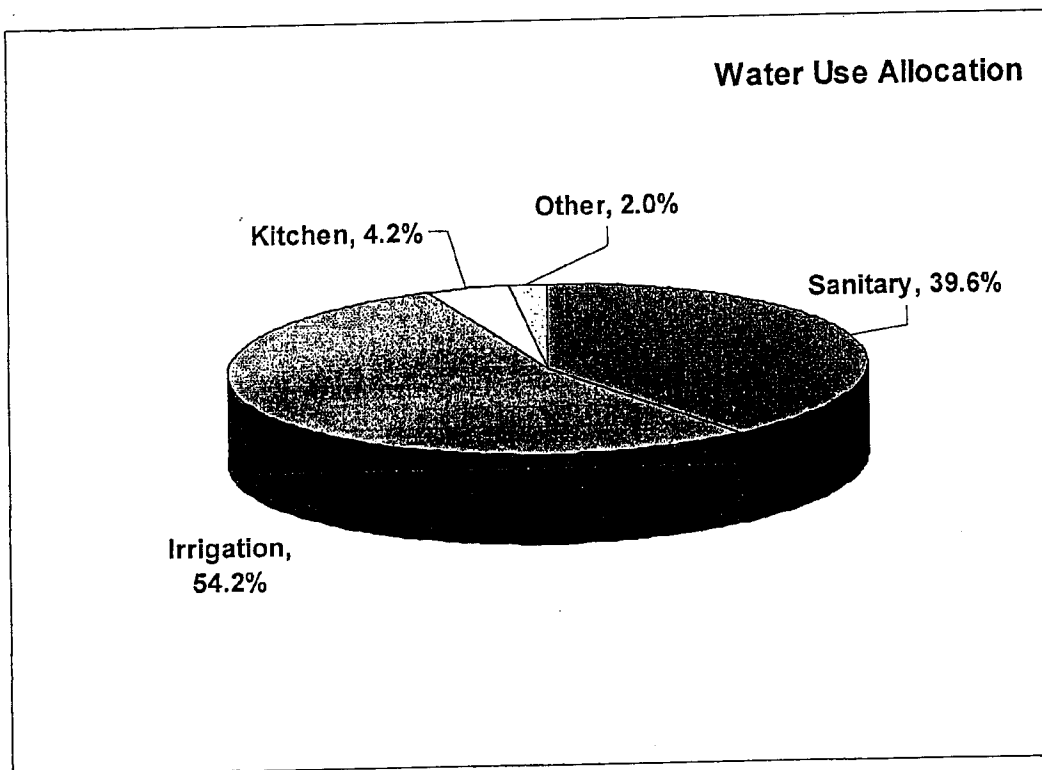
Figure 1– Water Use Trend in 2006 (January–December)



Water is purchased from the County of Los Angeles, Department of Public Works. The site is served by one mixed-use water meter. The facility does not have a dedicated landscape irrigation meter.

Below is an allocation of water use for this facility broken down by category. The total water use from January 2006 to December 2006, is 2,764 HCF. Of the total water use, approximately 54.2% was used for landscape irrigation. Approximately 39.6% was used for sanitary (bathrooms) purposes and 4.2 % was used for kitchen purposes. The remaining water usage (2%) falls under the "Other" category, which may include water used for fish tanks and other miscellaneous school activities.

Figure 2- Water-Use Categories



Landscape Irrigation Water Use

Point Dume Marine Science Elementary School is landscaped with lawn and planters. The total irrigated landscape area is approximately 38,000 square feet (0.87 acres). Of the total landscape area, approximately 90% (34,200 square feet) consists of lawn. The remaining landscape area (10% or 3,800 square feet) consists of trees and planters. Since most of the landscape is covered with turfgrass (lawn), the water needed and used for irrigation is extensive.

We inspected the site shortly after it rained. It was difficult for us to make a good assessment of the condition of the irrigation system. However, judging by the school's water use, it is apparent that improvements can be made in the use of water for irrigation. Such improvements may include exchanging the existing irrigation controller to a Weather Based Irrigation Controller. Page 15 of this report provides more information regarding the recommendation to improve water-use efficiency in the irrigation system.

Other general recommendations to reducing landscape irrigation water use include replacing unused areas of lawn with drought tolerant plants and also conducting monthly inspections of the irrigation system.

Summary of Recommendations

Based on our inspection, we recommend the following measures to improve water use efficiency at Point Dume Marine Science Elementary:

1. Replace 19 flush valve toilets that use an average of 3.3 gallons per flush with High Efficiency Toilets (HET), which use 1.28 gallons per flush or less.
2. Your 11 urinals currently use an approximately of 2.0 gallons per flush. We recommend you do one of the following:
 - A. Retrofit with flush valve kits which use 0.5 gallons per flush, OR
 - B. Replace with waterless urinals. This would require extensive work to your lavatories. The cost of labor and construction was not included in this analysis.
3. Replace 57 bathroom faucet aerators, currently operating at 2.7 gallons per minute (gpm), with low flow faucet aerators rated at 1.0 gpm.
4. Modify the irrigation days and runtimes based on current weather conditions by installing a Weather Based Irrigation Controller (Smart Controller). Consider replacing unused lawn areas with drought tolerant plants. We recommend a detailed inspection of the irrigation system to identify irrigation system problems.

Table 3 below summarizes our recommendations for improving water use efficiency at Point Dume Marine Science Elementary. The "simple payback" is the number of years it will take for the cost savings to pay for the cost of implementing the measure. Payback calculations do not account for installation costs, inflation, equipment life, or operation and maintenance costs.

The water rate used for the financial analysis in this report is based on the school's average water usage of 230 HCF per month, which would be a rate of \$3.32 per HCF.

Table 3 – Summary of Recommended Measures

Water Efficiency Measure	Initial Cost	Available Incentives	Water Savings (HCF/Yr)	Annual Cost Savings (Water, Sewer, & Energy)	Simple Payback* (Years)
SANITARY WATER EFFICIENCY RECOMMENDATIONS					
Replace Flushometer Toilets	\$9,500	\$8,075	323	\$1,072	1.3
A) Retrofit Urinal Flush Valve Kits, OR	\$2,750	\$0	89	\$295	9.3
B) Install Waterless Urinals**	\$0	\$13,475	118	\$392	Immediate
Replace Bathroom Faucet Aerators	\$171	\$0	205	\$680	0.3
LANDSCAPE IRRIGATION RECOMMENDATIONS					
Modify Irrigation Practices	\$0	\$1,419	300	\$995	Immediate
Totals:	\$12,421	\$9,494	916	\$3,042	1.0
Using Option A for Urinals (not B)					

*The total simple payback period is based on the total implementation costs and the total savings amount -- the bottom line. It is not an average of the payback periods of each recommended measure.

**The cost to install waterless urinals does NOT include construction. Since construction costs for urinals are not included, this cost analysis uses Option A for implementation.

The following pages provide a detailed description of each water efficiency measure included in the table above. For each of the recommendations, if incentives or rebates are available, and if the site qualifies, the report provides program and contact information.

Recommendation: Flushometer High Efficiency Toilets

This facility has 19 flushometer toilets flushing at approximately 3.3 gallons per flush (gpf). We recommend replacing these toilets with a flushometer high efficiency toilet (HET) using 1.28 gpf or less. We currently know of two manufacturers of flushometer HETs: Kohler and Zurn, there may be others.

This replacement will save approximately 323 HCF units (241,604 gallons) per year. The cost savings after implementation of this recommendation is approximately \$1,072 per year.

Metropolitan Water District of Southern California (MWD) provides incentives to public sector facilities. The current incentive amount per HETs under this program can be up to \$425. The average cost of a new HET flushometer toilet is approximately \$500. These were the figures used in the cost analysis below.

For more information on MWD's Public Sector Program, please refer to page 16 of this report.



High Efficiency
Flushometer Toilet
(1.28 GPF)

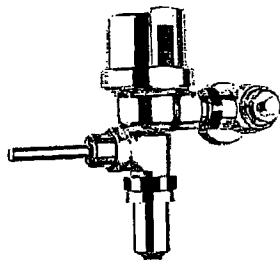
High Efficiency Flushometer Toilet	
Estimated Annual Water Savings (CCF Billing Units)	323 HCF (241,604 gallons)
Estimated Annual Water and Sewer Cost Savings	\$1,072
Estimated Cost <i>per Fixture</i> *	\$500
Estimated Incentive Amount <i>per Fixture</i>	\$425
Total Out-of-Pocket Expense (19 Fixtures)	\$1,425
Simple Payback Including Incentives	1.3 Years

*Installation costs are not included.

Recommendation: Option A—Urinal Flush-Valve Kits

This facility has 11 urinals operating at an average volume of approximately 2.0 gallon per flush. We recommend retrofitting the flush-valve kits. New flush-valve kits will reduce flush volumes to only 0.5 gallons per flush. The estimated water savings from this retrofit equal 89 HCF (66,572 gallons) for an annual cost savings of \$295.

The fixture costs and cost analysis is in the table below. There are no rebates currently available for this retrofit.



Urinal Flush-Valve Kit
(0.5 GPF)

High Efficiency Urinal Flush Valve Retrofit	
Estimated Annual Water Savings (CCF Billing Units)	89 HCF (66,572 gallons)
Estimated Annual Water and Sewer Cost Savings	\$295
Estimated Cost <i>per Kit</i>	\$250
Estimated Net Implementation Cost for 11 Urinal Flush Valve Kits	\$2,750
Simple Payback	9.3 Years

* Installation costs are not included.

Recommendation: Option B—Waterless Urinals

As an alternate option to the retrofit of kits on the previous page, waterless urinals can be installed. The estimated water savings from waterless urinals would be 118 HCF (88,264 gallons) for an annual cost savings of \$392.

Waterless urinals work without water or flush valves. Urinals are touch free, improve restroom sanitation and eliminate odors. Waterless urinals can be easily installed to most restroom configurations. High traffic facilities benefit the most from retrofits.

The cost of the fixtures and cost analysis is in the table below. MWD's Public Sector Program currently offers incentives to pay for waterless urinals up-front. The incentive amount will cover the cost of the device up to \$1,225 per waterless urinal. We estimate this incentive amount per urinal will cover the entire cost of the device. The cost analysis below uses the figures mentioned above.

Please refer to page 16 of this report for more information on available incentives.



Waterless Urinal

Waterless Urinals	
Estimated Annual Water Savings (CCF Billing Units)	118 HCF (88,264 gallons)
Estimated Annual Water and Sewer Cost Savings	\$392
Estimated Initial Cost <i>per Fixture</i> *	\$0
Estimated Incentive Amount <i>per Fixture</i>	Up to \$1,225
Simple Payback with Incentive	Immediate**

* Installation costs are not included.

** Immediate payback—not including construction costs.

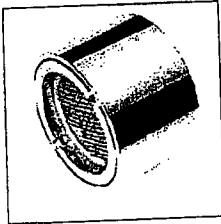
We are recommending this facility either use the flush valve retrofit kits on the previous page or the waterless urinals shown here. The waterless urinals would require construction because the size of the urinal is different than the floor mounted urinals now in use. The cost of construction (installation) was not included in this analysis.

Recommendation—Bathroom Faucet Aerators

This facility has 57 bathroom faucet aerators with an average flow of 2.7 gallons per minute (gpm). We recommend removing the current faucet aerators and installing new 1.0 gpm aerators. Low-flow faucet aerators work by reducing water flow and increasing pressure, then mixing air with the water as it comes from the tap.

The estimated annual water savings from this retrofit total 205 HCF (153,340 gallons) for an estimated annual savings of \$680.

Faucet aerators are relatively inexpensive and are readily available in most plumbing distribution centers.



Bathroom Faucet
Aerator (1.0 GPM)

Low Flow Bathroom Faucet Aerators	
Estimated Annual Water Savings (HCF Billing Units)	205 HCF (153,340 gallons)
Estimated Annual Water Cost Savings	\$680
Estimated Cost <i>per Fixture</i> *	\$3
Simple Payback (not including labor)	0.3 years

*Installation costs are not included

Recommendation—Improve Irrigation Practices

We estimate landscape irrigation water use accounts for approximately 54% of the total water use at this facility. From our calculations, we estimate that 300 HCF (224,400 gallons) can be saved by implementing improved irrigation practices. Improved irrigation practices may include the following recommendations:

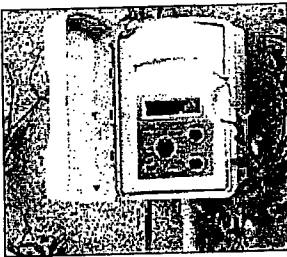
Weather Based Irrigation Controller (Smart Controller)—This type of controller evaluates local weather conditions to calculate and automatically adjust the irrigation schedule to meet the specific water needs of a landscape. The school has a 32-station Hydrosaver irrigation controller. We're not certain if the current model offers any Smart Controller capabilities. We recommend visiting the website below to verify if the current controller meets the criteria of a Smart Controller. The website below will also provide information on other Smart Controller manufacturers that are approved for MWD's Public Sector incentive program.

<http://www.irrigation.org/SWAT/Industry/ia-tested.asp>

The cost analysis below assumes the current controller does not meet the criteria of a Smart Controller. For the cost analysis we estimate the incentive amount available will cover the cost (up-front) of a new Smart Controller for the school.

Landscape Irrigation Audit—We recommend a complete irrigation audit for this facility. MWD's Public Sector Program provides free audits. These audits provide detailed information on the condition of the irrigation system and provide station-by-station system check.

Page 16 provides more information on MWD's Public Sector Program.



Weather Based
Irrigation Controller

Improve Irrigation Practices	
Estimated Annual Water Savings (HCF Billing Units)	300 HCF (224,400 gallons)
Estimated Annual Water Cost Savings	\$995
Estimated Initial Cost for the Smart Controller and System Audit	\$0*
Estimated Incentive Amount Available for Smart Controller	\$1,419**
Simple Payback with Incentives	Immediate

*Controller Installation costs are not included.

**The Public Sector Program will cover controller costs up to \$1,625 per acre of landscape. Landscape area at the school is approx .87 acres. The incentive amount used in the analysis was computed using 87% of the incentive amount.

Available Rebates and Incentives

This facility is located within the service area of Metropolitan Water District of Southern California (MWD). MWD and its Member Agencies currently offer a rebate program for public facilities. This program is called Public Sector Program. This program recently increased the rebate/incentive amounts for many water conservation devices. This new program also allows sites to apply and get funding for certain devices before the purchase of equipment or fixtures. This means there is less out-of-pocket expenses for the site.

We were able to identify three potential incentive opportunities for the recommendations included in this report. The information for each incentive available is below:

- 1. High Efficiency Toilets**
MWD Public Sector Program. The current rebate/incentive amount for High Efficiency Toilets covers the cost of the device up to **\$465** per fixture. This program also provides an incentive for Waterless Urinals in case the school decides to implement this option. The incentive amount per urinal covers the cost of the waterless urinal up to **\$1,225** per fixture.
- 2. Weather Based Irrigation Controller**
MWD Public Sector Program. The current incentive amount is based on the area of irrigated landscape. The current incentive amount covers the cost of a Smart Controller up to **\$1,625** per acre of landscape. We estimate the incentive amount available will cover the entire cost of replacing the current irrigation controller at this facility.
- 3. Irrigation System Audit**
MWD's Public Sector Program provides free audits. These audits provide detailed information on the condition of the irrigation system and provide station-by-station system check.

For information on MWD's Public Sector Program, go to:
<http://bewaterwise.com/PubSectorProg/EnhancedIncentives.html>
Or call toll free: 1-800-423-9896