



City of Palo Alto

City Council Staff Report

(ID # 5025)

Report Type: Consent Calendar

Meeting Date: 10/20/2014

Summary Title: Santa Clara Valley Water District Grant Awards for Efficiency Programs

Title: Adoption of Two Resolutions Approving and Accepting a total of \$75,000 in Funds From the Santa Clara Valley Water District Under the 2014 Safe, Clean Water Priority A Grant Program Agreement and Authorizing the City Manager or his Designee to Execute Such an Agreement to be Used By the Utilities Department to Support its Business Water Report Pilot Program and Real-Time Water Use Monitoring Pilot Program, and Adoption of a Related Budget Amendment Ordinance for Fiscal Year 2015 to Provide Appropriation in the Amount of \$100,000

From: City Manager

Lead Department: Utilities

Recommended Motion

Staff recommends that Council consider the following motion to:

1. Adopt a Resolution (Attachment A) ratifying the City's staff decision to apply for grant funding from the Santa Clara Valley Water District ("SCVWD" or the "District) and approving the 2014 Safe, Clean Water Priority A Grant Program Agreement ("Grant Agreement") substantially in the form included as part of Attachment A, with such other changes thereto as may be approved by the City Attorney and Authorizing the City Manager or his Designee to Execute such Grant Agreement , for a total of \$45,000 in funding from the SCVWD's 2014 Safe Clean Water and Natural Flood Protection Priority A – Water Conservation Research Grant Program ("SCVWD Grant Program") to support 75% of the costs of a "Business Water Report Pilot Program" for Palo Alto customers.
2. Adopt a Resolution (Attachment B) ratifying the City's staff decision to apply for grant funding from the SCVWD and approving the Grant Agreement substantially in the form included as part of Attachment A, with such other changes thereto as may be approved by the City Attorney and Authorizing the City Manager or his Designee to Execute such Grant Agreement, for a total of \$30,000 in funding from the SCVWD Grant Program to

support 75% of the costs of a “Real-Time Water Use Monitoring Pilot Program” for Palo Alto customers.

3. Adopt a Budget Amendment Ordinance (Attachment C) to appropriate \$100,000 to execute the two water conservation pilot programs, increase the estimate for Local Revenue by \$75,000, and decrease the Water Fund Ending Fund Balance by \$25,000.

Recommendation

Staff recommends that Council approve two resolutions authorizing the City Manager or his designee to execute the Grant Agreement substantially in the form included as part of Attachment A and Attachment B, with such other changes thereto as may be approved by the City Attorney, for a total of \$75,000 in grant funding from SCVWD, to support the City of Palo Alto Utilities Department’s (CPAU) “Real Time Water Use Monitoring Pilot Program” (\$30,000), and the “Business Water Report Pilot Program” (\$45,000) (collectively, the “CPAU Pilot Programs”). The total cost for both pilot programs is \$100,000, and CPAU will provide a 25% match to cover both programs, totaling \$25,000. Staff also recommends reducing the Water Fund Ending Fund Balance by \$25,000 to fund the City’s 25% share of the total \$100,000 cost of the pilot programs.

Executive Summary

CPAU actively pursues grant funding opportunities, and recently submitted two grant applications for business water efficiency programs to the District. The SCVWD grant is part of the District’s Safe, Clean Water and Flood Protection Program and is funded through a parcel tax approved in 2012. The minimum grant application qualifications for water conservation research projects requires that grantees provide a cost sharing match of at least 25% of the total grant amount. The total cost of the two CPAU Pilot Programs is \$100,000. The District has selected both programs to receive grant funding, totaling \$75,000. CPAU will co-fund both programs with a \$25,000 matching contribution from the Water Fund Ending Fund Balance, for a total budget of \$100,000 for the two programs.

The District’s has asked that its grantee’s governing boards adopt a resolution accepting the grant funding for each program.

Background

California is currently experiencing drought conditions, and the State Water Resources Control Board has adopted emergency regulations for urban water conservation, requiring mandatory water use restrictions in all cities, specifically targeting outdoor water use.

On January 31, 2014, the San Francisco Public Utilities Commission (SFPUC), the City’s water supplier, called for a 10% voluntary reduction in water use for its retail and wholesale customers. On June 23, 2014, the SFPUC renewed its 10% voluntary reduction request and is expected to continue the request through at least the end of 2014. If the drought continues through the upcoming winter, the SFPUC may mandate additional reductions.

The SCVWD is the water wholesaler to most cities and water retailers in Santa Clara County. While Palo Alto receives water supplies from the SFPUC, the City works closely with SCVWD on Palo Alto property tax-funded water conservation programs. The SCVWD has asked its water retailers to reduce water use by 20% and expanded their water efficiency programs, services and grants throughout the County.

Discussion

Both CPAU Pilot Programs are water efficiency programs that target customer behavior and practices that are considered the next frontier for resource conservation programs. With the current drought situation in California, there is big push to implement new, innovative, and replicable programs throughout the State. CPAU is currently running residential energy and water programs that use this behavior driven approach that have been proven to reduce energy and water usage. The two CPAU Pilot Programs that will be funded by the SCVWD grants will expand on CPAU's residential conservation programs by targeting business and commercial customers. The District grant program aims to achieve innovation in water conservation, and replicate the programs statewide.

In response to a SCVWD solicitation for water efficient demonstration programs, staff submitted two grant applications to SCVWD:

1) Business Water Reports Pilot Program

Commercial water use accounts for about one-fifth of total water demand in the City of Palo Alto. While CPAU does provide individualized technical assistance to large commercial and industrial accounts to reduce water use through CPAU's Key Accounts Program, staffing constraints do not permit individual outreach to many of the small and medium sized businesses in the city.

Palo Alto residential households have already started receiving individualized Home Water Reports, in addition to their Home Energy Reports, comparing their usage to a group of similar properties. Such "Behavior Modification Programs" have achieved up to a 5% reduction in water use when compared to a statistically-equivalent control group.

The Business Water Reports Pilot Program will create a similar program to encourage water conservation among small and medium sized businesses through direct-mail targeted messaging to drive behavior change, reduce consumption, and increase participation in water conservation programs. The total cost of the program (\$60,000) is co-funded with SCVWD grant funding (\$45,000), and 25% of the costs of the program (\$15,000) will be funded by CPAU.

Consistent with the requirements of section 2.30 of the Palo Alto Municipal Code, CPAU plans to issue an informal Request For Proposal (RFP) to identify and select a vendor to implement and manage the program. The scope of work performed by the vendor will include program set up, hardware purchase, portal and software set up, training, and printing and mailing of the reports to program participants. The program will begin as soon as the vendor has been

selected, with an anticipated start date in early November 2014 and concluding by June 30, 2016. The selected contractor will provide ongoing metrics and a final report to CPAU and the SCVWD. The final report will include key insights from the project to help CPAU staff design future outreach. The report will also provide final results from the pilot project including findings from post-pilot interviews.

2) Real-Time Water Use Monitoring Pilot Program

Since the summer of 2012, CPAU has tested the effectiveness of using real-time water use information with selected customers to motivate them to actively engage in water reduction measures. That pilot program tested a simple, relatively low cost technology that enabled standard water meters to track consumption similar to a smart water meter. A wireless device attached to the water meter transmits real-time data to a cloud-based software platform. Customers securely log into an online dashboard to view prior water use data on a minute-interval basis. CPAU engaged several large water customers to use the new online tool to identify leaks or other anomalies in water use. The customer benefit was that rather than waiting for the end of a billing cycle, customers could identify and address issues before they became maintenance and billing misfortunes. The technology elicited favorable response from large facility and property managers and, after two years, the overall water use among all program participants was reduced by approximately 8%.

The Real-Time Water Use Monitoring Pilot Program will allow CPAU to expand its offering and installation of this technology to small and medium-sized business customers willing to actively monitor their consumption and take immediate action to control their water systems. The total cost of the program (\$40,000) is co-funded with the SCVWD grant funding (\$30,000), and CPAU funding of 25% of program costs (\$10,000).

Consistent with the requirements of section 2.30 of the Palo Alto Municipal Code, CPAU will issue a second informal RFP to identify and select a vendor that will help implement and manage the program. The scope of work performed by the vendor will include program set up, hardware purchase, portal and software set up, and training. The program will begin as soon as the vendor has been selected with an anticipated start date in early November 2014 and concluding by June 30, 2016. The selected contractor will provide a final report to CPAU and SCVWD. The report will include key insights from the project to help CPAU staff evaluate similar technology programs, including potential future smart meter installation. The report will also provide final results from the pilot project including findings from post-pilot interviews.

Award of Grant

Successful receipt of the grant awards requires multiple actions by the City, including City the District's request that the Council adopt resolutions approving receipt of the grants, and the solicitation, identification, negotiation and selection of vendors for program implementation.

Resource Impact

A Budget Amendment Ordinance is recommended to appropriate \$100,000 to fund two professional service contracts for two water conservation pilot programs. A majority of the cost of the programs will be funded by two grants from the SCVWD totaling \$75,000. Per grant requirement, the City will match the grants with \$25,000, or a 25% grant match. An increase to Local Revenue of \$75,000 will offset part of the program expenditures, and a reduction to the Water Fund Ending Fund Balance of \$25,000 will offset the remainder of the costs. The City is currently conducting informal solicitations to find two qualified third party program administrators to conduct all key aspects of the scope of work for the two grant agreements with the SCVWD.

Policy Implications

There are no policy implications.

Environmental Review

Neither the adoption of the Resolutions authorizing the City Manager or his designee to execute the Grant Agreement in order to secure grant funding from SCVWD to support CPAU Pilot Programs, nor the adoption of a Budget Amendment Ordinance meet the definition of a “project” set forth in section 21065 of the California Public Resources Code and are therefore not subject to the California Environmental Quality Act (CEQA).

Attachments:

- Attachment A: Santa Clara Valley Water District Resolution Business Water Report (PDF)
- Attachment B: Santa Clara Valley Water District Resolution Real time Water monitoring (PDF)
- Attachment C: BAO - Water District Grant (PDF)

NOT YET APPROVED

Resolution No. _____

Resolution of the Council of the City of Palo Alto to Approve and
 Authorize the Execution of a Grant Funding Agreement with the Santa
 Clara Valley Water District Related to the City's Business Water Reports
 Pilot Program

- A. The Santa Clara Valley Water District ("District") has enacted the 2014 Safe, Clean Water Priority A Grant Program (the "Grant"), which provides funds for testing new and innovative water conservation programs and technologies.
- B. On January 31, 2014, the City of Palo Alto ("City") submitted a grant application to the District for the Business Water Reports Pilot program (the "Project").
- C. On March 19, 2014, the District's Water Conservation Unit selected the City to receive the Grant funding for the Project.
- D. The District has requested that the City certify by resolution the approval of the City to accept grant funds.

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council hereby ratifies the City's staff decision to apply for the Grant, and accepts and approves, and delegates to the City Manager or his designee the authority to accept on behalf of the City, the allocation of the District's grant funds.

SECTION 2. The City Manager, or his designee, is hereby authorized to negotiate and execute the 2014 Safe, Clean Water Priority A Grant Program Agreement ("Grant Funding Agreement") with the District substantially in the form attached hereto as Attachment A, with such other changes thereto as may be approved by the City Attorney, for and on behalf of the City. The City Manager, or his designee, is further authorized to negotiate and/or execute any and all additional documents necessary to secure the grant of funding to the City.

SECTION 3. In conjunction with the execution of the Grant Funding Agreement, the City Manager, or his designee, is hereby authorized to provide to the District, on behalf of the City, any necessary substantiation and/or related information which may be required by the District as a condition for disbursement of grant funds.

SECTION 4. The City has the capability to provide the amount of funding and/or in-kind contributions specified in the Grant Funding Agreement.

SECTION 5. The Council finds that the adoption of this resolution, approving the execution of one or more grant agreements and other documents in connection with the receipt of District funds relating to the Project does not meet the definition of "project" set forth in section 21065 of the California Public Resources Code, and is therefore not subject to

California Environmental Quality Act ("CEQA"). The Council finds that the City of Palo Alto Utilities has presented sufficient evidence and other information with specificity to support the basis of the claimed inapplicability of CEQA.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Senior Deputy City Attorney

City Manager

Director of Utilities

Director of Administrative
Services

SANTA CLARA VALLEY WATER DISTRICT

Safe, Clean Water and Natural Flood Protection Program

2014 SAFE, CLEAN WATER PRIORITY A GRANT PROGRAM

This 2014 Safe, Clean Water Priority A Grant Program Agreement (Agreement), effective upon full execution, is entered into by and between the SANTA CLARA VALLEY WATER DISTRICT, a California special district (District) and [GRANTEE NAME], a [public entity] (Grantee). District and Grantee may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement." This Agreement provides for funding to support Grantee's [PROJECT NAME] (Project).

RECITALS:

- A. The District's mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.
- B. In November 2012, the voters of Santa Clara County passed Measure B establishing a special tax to fund the Safe, Clean Water and Natural Flood Protection program (Safe, Clean Water).
- C. The Safe, Clean Water Program special tax provides funding for activities consistent with this 2014 Safe, Clean Water Priority A Grant Program (Grant Program), focused on ensuring a safe, reliable water supply for the future.
- D. On October 8, 2013, the District's Board of Directors approved the use of District funds for the Grant Program and authorized the District's Chief Executive Officer to execute grant agreements.
- E. On [RESOLUTION DATE], the Grantee's [Board of Trustees] adopted a Resolution authorizing Grantee's application for Grant Program funding and acceptance of the grant, if awarded, for Grantee's [PROJECT NAME] (see Appendix D, Resolution).
- F. Grantee submitted an application to the District's Grant Program for its [PROJECT NAME] to conduct certain innovative water conservation related activities.
- G. In February 2014, the District Chief Executive Officer approved the [PROJECT NAME], allocating the Project Grant Amount not to exceed [DOLLAR AMOUNT (\$0.00)] to Grantee.
- H. Consistent with application submitted, Grantee has secured funding from Santa Clara Valley Water District in the amount of [DOLLAR AMOUNT (\$0.00)] and any additional funds necessary to complete the Project will be supplied by the [NAME OF ORGANIZATION].

The Parties agree to the following terms and conditions:

Section 1. General Provisions

A. Definitions

1. Agreement: this contract between the District and the Grantee specifying the payment of funds by the District for the performance of the Project Scope within the Project Performance Period by the Grantee.
2. Application: the 2014 Safe, Clean Water Priority A Grant Program application and accompanying attachments submitted to the District for the District's Grant Program.
3. District: Santa Clara Valley Water District.
4. Grant Program: 2014 Safe, Clean Water Priority A Grant Program.
5. Project: Grantee's Project as described in Appendix A, Project Scope, approved for a grant award by the District's Board.
6. Project Completion: Project completion per requirements stated in Section 1. General Provisions, G. Project Completion.
7. Project Grant Amount: The amount of Grant funds allocated by the District's Chief Executive Officer to Grantee for the Project.
8. Project Performance Period: The Project period commencing with full execution of this Agreement by both Parties and expiring as stated in Section 1. General Provisions, H. Agreement Term.
9. Safe, Clean Water: The District's Safe, Clean Water and Natural Flood Protection Program special tax approved by Santa Clara County voters in November 2012.
10. Total Project Cost: The full cost of the Project, including funds from all funding sources, as identified in Appendix B, Project Schedule and Budget.

B. Project Execution

1. District hereby grants to Grantee the Project Grant Amount, in consideration of, and on condition that, the sum be expended for the sole purpose of carrying out the objectives as set forth in the Project as identified in Appendix A, Project Scope, consistent with the terms and conditions set forth in this Agreement.
2. Grantee is responsible for securing all other necessary funds to accomplish the Project. Any significant modification or alteration to the Project Scope is subject to prior consideration and approval of the District. Such request must be submitted in writing to the District Contact, per Section 3. Miscellaneous Provisions, A. Miscellaneous Provisions, Item 5 of this Agreement. District's disbursement of Grant funds is

dependent on District approval of changes the District deems are significant.

3. Grantee will complete the Project in accordance with Appendix A, Project Scope and Appendix B, Project Schedule and Budget.
4. Project Scope and Project Schedule and Budget may only be adjusted pursuant to a written amendment to this Agreement, signed by both Grantee and District in advance of such adjustment. Project Schedule adjustments that do not impact the expiration date of this Agreement may be approved by District without the necessity of a formal amendment to this Agreement.
5. Grantee must comply with all applicable federal, state, and local codes, statutes, laws, regulations, and ordinances, including, but not limited to, financial requirements, legal requirements for construction contracts, building codes, health and safety codes, laws and codes pertaining to individuals with disabilities, and the California Environmental Quality Act (Public Resources Code, Section 21000, et. seq., Title 14, California Code of Regulations, Section 15000 et. Seq.).

C. Project Administration/Reporting Requirements

1. Grantee shall provide written quarterly reports (on a fiscal year schedule), using the District's standard form presented in Appendix C, Quarterly Progress and Request for Payment Form. Status reports shall include an update per task as included in Appendix A, Project Scope.
2. Grantee shall provide one hard copy and one electronic version of items listed in Section 1. General Provisions, G. Project Completion.
3. All reports submitted to the District must include the following certification page signed by an officer of Grantee's organization:

"I certify, under penalty of perjury under the laws of the State of California, that the Quarterly/Monthly Status Report and all attachments, signed on [DATE], on behalf of Grantee, were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the loss of the current and future Grant Funding."

4. Quarterly reporting will end with submittal of Project Completion packet (see Section 1. General Provisions, G. Project Completion).

D. Termination of the Agreement

1. Grantee may unilaterally terminate this Agreement at any time prior to District disbursement of Grant Program funds by providing 30 days written notice to District.

2. Failure by Grantee to comply with the terms of this Agreement may be cause for suspension or termination of funding by the District. Additionally, in the event of failure to complete Project, Grantee may be required to repay District for funds received, including interest earned at the District's pooled portfolio monthly interest yield corresponding to the month(s) the funds were due to the District.

E. Indemnification

Notwithstanding any other provision of this Agreement, Grantee agrees to defend, hold harmless and indemnify District, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs, reasonable attorney fees, and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including but not limited to Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, to the extent any of the Liabilities arise out of, pertain to, or relate to the Grantee's performance of this Agreement or obligations stated herein, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the negligence or willful misconduct of the District. The foregoing does not limit any strict liability imposed onto the Grantee by law.

F. Nondiscrimination

Anti-Discrimination—The District is an equal opportunity employer and requires all parties it contracts with to have and adhere to a policy of equal opportunity and non-discrimination. In the performance of the Agreement, the Grantee will comply with all applicable federal, state, local laws and regulations, and will not discriminate against any sub-consultant, employee, or applicant for employment, in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff rates of pay, or other forms of compensation, or against any other person, on the basis of race, color, religion, ancestry, gender, national origin, age (over 40), marital status, medical condition (including cancer), pregnancy, parental status, the exercise of family care leave rights, political affiliation, sexual orientation, gender identity, special disabled veteran status, Vietnam Era veteran and all other Veteran status, or because of a physical or mental disability (including, HIV and AIDS). The Grantee's policy must conform with applicable state and federal guidelines including the Federal Equal Opportunity Clause, "Section 60-1.4 of Title 41, Part 60 of the Code of American Disabilities Act of 1990; the Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code Section 12900 et. Seq.); and California Labor Code Sections 1101 and 1102."

G. Project Completion

1. After Grantee completes the Project by meeting all requirements stated in Appendix A, Project Scope, Grantee must submit the Project Completion packet detailed in a-c below to the District Contact and it must include:
 - a. Final Payment Request/Invoice
 - b. Final Report, including documentation of accomplishments, water savings achieved, and reliability of the Project.
 - c. Written communication from Grantee stating that Project is complete, including list of tasks completed and signature by authorized representative.
2. District conducts final on-site Project inspection as deemed necessary.
3. District processes Grantee's invoice for final payment.

H. Agreement Term

1. The term of this Agreement commences upon full execution by the Parties. Approval of this Agreement by both parties is necessary for any disbursement of Grant funds. This Agreement expires upon the earliest of: Project Completion in accordance with Section 1. General Provisions, G. Project Completion; or June 30, 2016.

I. Insurance Provisions

1. During the entire term of the Agreement, Grantee must maintain the insurance coverage described in Appendix E. Insurance Requirements.

Section 2. Financial Provisions

A. Accounting and Audit Requirements

1. Grantee must maintain an accounting system that accurately reflects fiscal transactions, with the necessary controls and safeguards. Grantee should provide clear audit trails, especially the source of original documents such as, but not limited to, receipts, progress payments, invoices, time cards, etc. **AVOID AUDIT EXCEPTIONS—KEEP ACCURATE RECORDS.**

2. Grantee agrees that District, or its agent, has the right to review, obtain, and copy all records pertaining to performance of this Agreement. Grantee agrees to provide District, or its agent, with any relevant information requested and will permit District, or its agent, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting or copying books, records, accounts, computerized records, and other materials that may be relevant to the matter under investigation for the purpose of determining compliance with this Agreement. Consultant further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.
3. Grantee's detailed budget is included as Appendix B, Project Schedule and Budget and is consistent with Grantee's Project Proposal. The Project Budget will be used by District as the basis for evaluating Grantee's invoices for Grant funds. In cases where invoices are inconsistent with the Project Budget, invoices must either be revised for consistency or an amendment to this Agreement may be necessary to align the Project Budget with the actual reimbursable expenditures for the Project.
4. Grantee must document its eligibility for award and receipt of Safe, Clean Water Grant Funds by verifying it is not included in any current Federal List of Parties Excluded from Federal Procurement or Non-procurement Programs. Exclusion of Grantee from this list, verified at <http://www.arnet.gov/epls>, demonstrates the Grantee's good status regarding suspension and debarment and eligibility for Grant Program funds.
5. Grantee is responsible for repayment to District of any disallowed cost. Disallowed costs may be identified through audits, monitoring, or other sources of information that become available to the District after the District has satisfied an invoice from Grantee and disbursed Safe, Clean Water Grant funds.

B. Eligible Costs

1. Total Project Grant Amount is not-to-exceed that amount identified in Recital G of this Agreement, and will be disbursed to Grantee according to the terms and conditions as stated in Section 2. Financial Provisions, C. Payment Request Process and D. Invoicing.
1. Only Project related costs incurred during the Project Performance Period, excluding costs incurred prior to and during preparation of the Grant application, specified in this Agreement are eligible for reimbursement. All such costs must be supported by appropriate documentation, including but not limited to subcontractor invoices and receipts.
2. Personnel or Employee Services—Services of the Grantee's employees engaged in project execution are eligible costs. These direct labor costs

must be computed according to the Grantee's prevailing wage or salary scales and may include fringe benefit costs such as vacation, sick leave and social security contributions that are customarily charged to the Grantee's various projects for which the Grantee has submitted a Benefit Rate Calculation to the District. Indirect overhead is limited to 10% of Salary plus Benefits. Costs charged to the project must be computed on actual time spent on a project, and supported by time and attendance records describing the work performed on the project. Overtime costs may be allowed under the Grantee's established policy; provided that the regular work time was devoted to the same project.

3. Salaries and wages claimed for employees working on grant funded projects must not exceed the Grantee's established rates for similar positions.
4. Consultant Services—The costs of consultant services necessary for the project are eligible. Consultants must be paid by the customary or established method and rate of the Grantee. No consultant fee may be paid to the Grantee's own employees.
5. Signs and Interpretive Aids—The cost of signs, display boards, or other minor interpretive aids relating to the Project are eligible.
6. Other Expenditures—In addition to the major categories of expenditures, reimbursements may be made for miscellaneous costs necessary for execution of the Project. Examples of such costs include:
 - a. Postage; and
 - b. Transportation costs for moving equipment and/or personnel.

C. Payment Request Process

This Grant Agreement is based on a reimbursement model with specific details as noted below.

1. Grantee may submit multiple Request for Payment Forms as necessary, but not more often than monthly.
2. After Grantee completes the Project, Grantee submits the Project Completion Packet (see Section 1. General Provisions, G. Project Completion) and the Quarterly Progress and Request for Payment Form (Appendix C) for the final payment.

PAYMENT REQUEST PROCESS		
PAYMENT TYPE	WHEN TO SUBMIT IT	SUPPORTING DOCUMENTATION TO SEND TO PROJECT OFFICER
Payment Request Reimbursement (up to 90% of the total Project Grant Amount)	Once Grantee can provide evidence to show significant progress toward completing Project tasks.	<ul style="list-style-type: none"> • Quarterly Progress and Request for Payment Form (Appendix C) • For direct expenses, copies of invoices with all attachments shall be submitted • For labor costs, copies of Timesheets shall be submitted • For Benefits Costs, a Benefits Rate Calculation will be submitted • Documentation of accomplishments (i.e., draft and final plans, designs, etc.)
Final (10%)	After Grantee has completed the Project	<ul style="list-style-type: none"> • Project Completion packet (see Section 1. General Provisions, G. Project Completion)

D. Invoicing

1. Grantee shall submit a completed Quarterly Progress and Request for Payment Form (Appendix C) and shall incorporate Grantee name and remittance address, a description/itemization of goods or services, dollar amount of goods or services, invoice date and number, and Agreement number. Work performed shall be determined on a per task basis as outlined in the Project Scope (Appendix A) and Project Schedule and Budget (Appendix B). All requests for reimbursements will be accompanied by materials providing evidence of significant Project progress accomplishments commensurate with level of reimbursement requested.
2. District will review Grantee’s invoice within ten working days from receipt and advise Grantee of any disputed items. District will review and approve undisputed invoices within ten working days from receipt and issue payment within forty-five calendar days from receipt. District will pay invoices within forty-five calendar days from date invoice is approved by District’s Project Manager.
3. Grantee’s invoice must include invoices from subcontractors documenting task, task budget, percentage complete, prior billing if any, current billing, and total billed. Documentation supporting Grantee’s invoice(s) must document work performed consistent with the frequency of Grantee’s invoices to District.

Section 3. Miscellaneous Provisions

A. Miscellaneous Provisions

1. Grantee’s waiver of any term, condition, covenant, or breach of any term, condition or covenant shall not be construed as a waiver of any other term, condition, or covenant or breach by any other term, condition or covenant.

NOT YET APPROVED

2. This Agreement contains the entire Agreement between District and Grantee relating to the Project. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect.
3. This Agreement shall be governed and construed in accordance with the laws of the State of California.
4. This Agreement may be executed in counterparts and will be binding as executed.
5. Grantee's request(s) for modification(s) to the Project Scope, and Project Schedule and Budget must be submitted in writing, prior to the expiration of this Agreement, and will be considered for approval by the District's executive management responsible for the Safe, Clean Water Grant Program provided:
 - a. The Grant award by the District's Board did not impose a restriction on such revisions; and
 - b. No additional Grant funds are requested. All such requests will be considered by the District's executive management responsible for the Safe, Clean Water Grant Program.
6. Revisions to the Project Scope, and Project Schedule and Budget are subject to review and prior approval of the District.
7. An extension to the term of this Agreement for a period up to twelve (12) months beyond the current expiration date may be approved by District. Requests for term extensions must be submitted in writing and received no later than sixty (60) calendar days prior to the expiration of this Agreement. Grantee must submit sufficient documentation in support of its request to enable the District's executive management to evaluate Grantee's request. The District's executive management will consider criteria such as the following:
 - a. The amount of Grant funds not yet disbursed to Grantee;
 - b. Grantee's progress in completing the Project Scope and the reasons supporting any delays;
 - c. Whether Grantee has the dedicated human and financial resources to continue to complete the Project Scope during the extension period; and
 - d. Whether such extension is in the best interest of the District.
8. An amendment to this Agreement, extending its Term, must be executed in full prior to the original expiration date as stated in Section 1. General Provisions, H. Agreement Term. If this Agreement is not extended prior to its expiration, any unexpended Grant funds will be retained by the District and unavailable to the Grantee for the Project.
9. All Appendices, A (Project Scope), B (Project Schedule and Budget), C (Quarterly Progress and Request for Payment Form), D (Resolution), and E (Insurance Requirements) are hereby incorporated herein by this reference and made a part hereof, as though set forth in full.

- 10. Severability—if any provision of this Agreement is held invalid, that invalidity shall not affect other provisions of the Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are severable.
- 2. 11. Survival—Section 2. Financial Provisions, B. Eligible Costs, C. Payment Request Process, and D. Invoicing, shall survive termination or expiration of this Agreement such that any Eligible Costs incurred during the Project Performance Period may be invoiced by Grantee and paid by the District provided invoices, including final invoice, are submitted prior to the expiration date of this Agreement as stated in Section 2. General Provisions, H. Agreement Term, item 1.

B. Notices

All notices and other communication required or permitted to be given under this Agreement shall be in writing and shall be personally serviced or mailed, postage prepaid and return receipt requested, addressed to the respective parties as follows:

<p>Contact: Jerry De La Piedra Program Administrator Water Conservation Unit Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118 Phone: (408) 630-2257 E-mail: gdelapiedra@valleywater.org</p>	<p>Grantee Contact:</p>
--	--------------------------------------

[GRANTEE ORGANIZATION]

Date: _____

By: _____
[Print name of authorized representative]
[Title]

SANTA CLARA VALLEY WATER
DISTRICT

Date: _____

By: _____
Beau Goldie
Chief Executive Officer

APPENDIX A
PROJECT SCOPE

(Replace with Project information)

The District's 2014 Safe, Clean Water Priority A Grant Program is based on a reimbursement model, and as such will require a detailed Project scope that includes a general description, response to evaluation criteria and tasks and subtasks for measuring and auditing progress and the subsequent allocation of funds to Grantee. The description and possible attachments should include, but is not limited to:

A. General Description

3. Specific description of Project tasks, including deliverables and milestones
4. Specific staff (working titles at a minimum) proposed for the Project team

B. Tasks and Subtasks

1. Tasks and subtasks should be identified for the Project Scope in such a way that the District may monitor Grantee's progress on the approved project.
2. Separate tasks and subtasks shall include cost estimates (see Appendix B) and shall be the basis for reimbursement in invoicing.

APPENDIX B

PROJECT SCHEDULE AND BUDGET

(Replace with Project information)

- A. Project Schedule shall include the following:
1. List of tasks consistent with Project Scope
 2. Project start date
 3. Project end date (no later than June 30, 2016)
 4. Start and end dates for each task
 5. Estimated cost for each task
 6. Estimated costs for quarterly report, draft final report, and final report

NOT YET APPROVED

APPENDIX C

QUARTERLY PROGRESS AND REQUEST FOR PAYMENT FORM

GRANT: 2014 Safe, Clean Water Priority A Grant Program	
AGREEMENT NO.:	GRANTEE:
PROJECT TITLE:	
1. TYPE OF PAYMENT: <input type="checkbox"/> Reimbursement <input type="checkbox"/> Final	
2. PAYMENT INFORMATION (Round all figures to the nearest dollar):	
a. Project Amount	\$ _____
b. Funds Received to Date	\$ _____
c. Available (a. minus b.)	\$ _____
d. Amount of This Request	\$ _____
e. Remaining Funds After This Payment (c. minus d.)	\$ _____
3. SEND PAYMENT TO:	
<i>Grantee Name</i>	_____
<i>Street Address</i>	_____
<i>City, State, Zip Code</i>	_____
<i>Attention</i>	_____
4. TYPED OR PRINTED NAME OF PERSON AUTHORIZED BY RESOLUTION: <i>Title</i>	
5. SIGNATURE OF PERSON AUTHORIZED BY RESOLUTION: <i>Date</i>	
FOR SANTA CLARA VALLEY WATER DISTRICT USE ONLY	
6. PAYMENT APPROVAL SIGNATURE: <i>Date</i>	

PAYMENT REQUEST FORM INSTRUCTIONS

The following instructions correspond to items on the Payment Request Form:

Agreement Number—As shown on page 1 of the Agreement following execution of the Agreement by both Parties.

Grantee—GRANTEE name as shown on the Grant Agreement.

Project Title—Title of Project for which payment is requested.

1. **Type of Payment**—Check appropriate box, and submit this form:

Reimbursement—When Grantee has periodically spent funds to implement the Project, and is requesting reimbursement; or

Final—When Grantee has completed the Project, and is requesting the final payment.

2. **Payment Information:**

a. **Project Grant Amount**—The amount of District grant funds allocated to this Project

b. **Funds Received to Date**—Total amount already received for this Project

c. **Available**—(a. minus b.)

d. **Amount of This Payment Request**—Amount that is requested

e. **Remaining Funds After This Payment**—(c. minus d.)

3. **Send Payment to: Grantee Name, Address, and Contact Person**

4. **Typed or printed name of person authorized by Resolution.**

5. **Signature of person authorized by Resolution.**

6. **Payment approval signature and date**—For District staff.

Additional Information to supply with Payment Request Form:

- Summary of work completed during billing period, by task.
- Attached documentation to support charges (i.e., subcontractor invoices, receipts, etc.).
- Determination if project is on schedule to meet completion date.
- Any other relevant findings.

APPENDIX D

RESOLUTION

(Replace with Project Resolution)

Safe, Clean Water and Natural Flood Protection Program

2014 Safe, Clean Water Priority A Grant Program

Resolution No. _____

RESOLUTION OF THE _____
(Title of Grantee’s Governing Body)

APPROVING THE APPLICANT TO APPLY FOR GRANT FUNDS UNDER
THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM OF 2012

WHEREAS, the Santa Clara Valley Water District has enacted the 2014 Safe, Clean Water Priority A Grant Program, which provides funds for testing new and innovative water conservation programs and technologies; and

WHEREAS, the Santa Clara Valley Water District’s Water Conservation Unit has been delegated the responsibility for the administration of the grant program, setting up necessary procedures; and

WHEREAS, said procedures established by the Santa Clara Valley Water District require Grantee’s Governing Body to certify by resolution the approval of Grantee to apply for and accept grant program funds; and

WHEREAS, Grantee will enter into an Agreement with the Santa Clara Valley Water District;

NOW, THEREFORE, BE IT RESOLVED that the _____ hereby:
(Grantee’s Governing Body)

1. Approves the submission of an Application for local assistance funds from the Priority A Grant Program under the Safe, Clean Water and Natural Flood Protection Program of 2012 to complete the Project;
2. Approves the acceptance of grant funds from the Priority A Grant Program under the Safe, Clean Water and Natural Flood Protection Program of 2012, upon approval of grant funding for the Project by the District’s Chief Executive Officer;
3. Certifies that the Applicant has or will have sufficient funds to operate and maintain the Project(s);
4. Certifies that the Applicant will review and agree to the Special Provisions, General Provisions and Financial Provisions contained in the Agreement; and

5. Appoints the (designated person) _____ as agent to conduct all negotiations, execute and submit all documents including, but not limited to Applications, agreements, payment requests and so on, which may be necessary for the completion of the Project.

Approved and Adopted on the _____ day of _____, 2014.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by _____ following a roll call vote:

(Applicant's Governing Body)

AYES

NOES

ABSENT

(Clerk)

APPENDIX E

INSURANCE- CONTRACTOR-No Construction Risk

Please refer to the insurance requirements listed below.

Without limiting the Contractor's indemnification of, or liability to, the Santa Clara Valley Water District ("District"), the Contractor must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

Contractor must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Contractor's insurance agent(s) and/or broker(s), who have been instructed by Contractor to procure the insurance coverage required herein.

In addition to certificates, Contractor must furnish District with copies of original endorsements affecting coverage required by this Appendix. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All endorsements and certificates are to be received and approved by District before the contract commences.** In the event of a claim or dispute, District has the right to require Contractor's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Appendix.

Contractor must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

Required Coverages

1. **Commercial General/Business Liability Insurance** with coverage as indicated:

\$1,000,000 per occurrence / **\$1,000,000** aggregate limits for bodily injury and property damage

\$1,000,000 Products/Completed Operations aggregate (to be maintained for at least three (3) years following acceptance of the work by District.

General Liability insurance must include:

- a. Coverage that is at least as broad as that found in the standard ISO Form CG 00 01.
- b. Contractual Liability expressly including liability assumed under this contract.
- c. If Contractor will be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.
- d. Severability of Interest
- e. Broad Form Property Damage liability
- f. If the standard ISO Form wording for "OTHER INSURANCE," or other comparable wording, is not contained in Contractor's liability insurance policy, an endorsement must be provided that said insurance will be primary insurance and any insurance or

self-insurance maintained by District, its Directors, officers, employees, agents or volunteers will be in excess of Contractor's insurance and will not contribute to it.

2. Business Auto Liability Insurance with coverage as indicated:

\$1,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

3. Workers' Compensation and Employer's Liability Insurance

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

Employer Liability coverage for not less than \$1,000,000 per occurrence.

General Requirements

With respect to all coverages noted above, the following additional requirements apply:

- 1. Additional Insured Endorsement(s)** Contractor must provide an additional insured endorsement for Commercial General/Business Liability and Business Automobile liability coverage naming the **Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively**, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Contractor will be notified of such requirement(s) by the District.

(**NOTE:** Additional insured language on the Certificate of Insurance is **NOT** acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037. Note: Editions dated 07/04 are not acceptable)

- 2. Primacy Clause:** Contractor's insurance must be primary with respect to any other insurance which may be carried by the District, its officer, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss.
- 3. Cancellation Clause Revision:** The Certificate of Insurance **MUST** provide **30 days notice of cancellation, (10 days notice for non-payment of premium)**. **NOTE: The standard wording in the ISO Certificate of Insurance is not acceptable.** The following words must be crossed out or deleted from the standard cancellation clause: "...endeavor to..." AND "...but failure to mail such notice must impose no obligation or liability of any kind upon the company, its agents or representatives."
- 4. Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Management Administrator.

Self-Insured Retentions or Deductibles: Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

6. **Subcontractors:** Should any of the work under this Agreement be sublet, the Contractor must require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractors may insure subcontractors under its own policies.
7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Contractor for the benefit of the District must not be deemed to release or limit any liability of Contractor. Damages recoverable by the District for any liability of Contractor must, in any event, not be limited by the amount of the required insurance coverage.
8. **Coverage to be Occurrence Based:** All coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. **Waiver of Subrogation:** Contractor agrees on to waive subrogation against the District to the extent any loss suffered by Contractor is covered by any Commercial General Liability policy, Automobile policy, or Workers' Compensation policy, described in **Required Coverages** above. Contractor agrees to advise its broker/agent/insurer about this provision and obtain any endorsements, if needed, necessary to ensure the insurer agrees.
10. **Non-compliance:** The District reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.
11. **Please mail the certificates and endorsements to:**

**Contract Administrator
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118**

IMPORTANT: On the certificate of insurance, please note either the name of the project or the name of the District contact person or unit for the contract.

If your insurance broker has any questions please advise him/her to call Mr. David Cahen, District Risk Management Administrator at (408) 265-2607, extension 2213.

NOT YET APPROVED

Resolution No. _____

Resolution of the Council of the City of Palo Alto to Approve and Authorize the
Execution of a Grant Funding Agreement with the Santa Clara Valley Water District
Related to the City's Real-Time Water Use Monitoring Pilot Program

- A. The Santa Clara Valley Water District ("District") has enacted the 2014 Safe, Clean Water Priority A Grant Program (the "Grant"), which provides funds for testing new and innovative water conservation programs and technologies.
- B. On January 31, 2014, the City of Palo Alto ("City") submitted a grant application to the District Request for the Real-time Water Use Monitoring Pilot program (the "Project").
- C. On March 19, 2014, the District's Water Conservation Unit selected the City to receive the Grant funding for the Project.
- D. The District has requested that the City certify by resolution the approval of the City to accept grant funds.

The Council of the City of Palo Alto does RESOLVE as follows:

SECTION 1. The Council hereby ratifies the City's staff decision to apply for the Grant, and accepts and approves, and delegates to the City Manager or his designee the authority to accept on behalf of the City, the allocation of the District's grant funds.

SECTION 2. The City Manager, or his designee, is hereby authorized to negotiate and execute the 2014 Safe, Clean Water Priority A Grant Program Agreement ("Grant Funding Agreement") with the District substantially in the form attached hereto as Attachment A, with such other changes thereto as may be approved by the City Attorney, for and on behalf of the City. The City Manager, or his designee, is further authorized to negotiate and/or execute any and all additional documents necessary to secure the grant of funding to the City.

SECTION 3. In conjunction with the execution of the Grant Funding Agreement, the City Manager, or his designee, is hereby authorized to provide to the District, on behalf of the City, any necessary substantiation and/or related information which may be required by the District as a condition for disbursement of grant funds

SECTION 4. The City has the capability to provide the amount of funding and/or in-kind contributions specified in the Grant Funding Agreement.

SECTION 5. The Council finds that the adoption of this resolution, approving the execution of one or more grant agreements and other documents in connection with the receipt of District funds relating to the Project does not meet the definition of "project" set

NOT YET APPROVED

forth in section 21065 of the California Public Resources Code and is therefore not subject to the California Environmental Quality Act ("CEQA"). The Council finds that the City of Palo Alto Utilities has presented sufficient evidence and other information with specificity to support the basis of the claimed inapplicability of CEQA.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Director of Utilities

Director of Administrative
Services

SANTA CLARA VALLEY WATER DISTRICT

Safe, Clean Water and Natural Flood Protection Program

2014 SAFE, CLEAN WATER PRIORITY A GRANT PROGRAM

This 2014 Safe, Clean Water Priority A Grant Program Agreement (Agreement), effective upon full execution, is entered into by and between the SANTA CLARA VALLEY WATER DISTRICT, a California special district (District) and [GRANTEE NAME], a [public entity] (Grantee). District and Grantee may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement." This Agreement provides for funding to support Grantee's [PROJECT NAME] (Project).

RECITALS:

- A. The District's mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.
- B. In November 2012, the voters of Santa Clara County passed Measure B establishing a special tax to fund the Safe, Clean Water and Natural Flood Protection program (Safe, Clean Water).
- C. The Safe, Clean Water Program special tax provides funding for activities consistent with this 2014 Safe, Clean Water Priority A Grant Program (Grant Program), focused on ensuring a safe, reliable water supply for the future.
- D. On October 8, 2013, the District's Board of Directors approved the use of District funds for the Grant Program and authorized the District's Chief Executive Officer to execute grant agreements.
- E. On [RESOLUTION DATE], the Grantee's [Board of Trustees] adopted a Resolution authorizing Grantee's application for Grant Program funding and acceptance of the grant, if awarded, for Grantee's [PROJECT NAME] (see Appendix D, Resolution).
- F. Grantee submitted an application to the District's Grant Program for its [PROJECT NAME] to conduct certain innovative water conservation related activities.
- G. In February 2014, the District Chief Executive Officer approved the [PROJECT NAME], allocating the Project Grant Amount not to exceed [DOLLAR AMOUNT (\$0.00)] to Grantee.
- H. Consistent with application submitted, Grantee has secured funding from Santa Clara Valley Water District in the amount of [DOLLAR AMOUNT (\$0.00)] and any additional funds necessary to complete the Project will be supplied by the [NAME OF ORGANIZATION].

The Parties agree to the following terms and conditions:

Section 1. General Provisions

A. Definitions

1. Agreement: this contract between the District and the Grantee specifying the payment of funds by the District for the performance of the Project Scope within the Project Performance Period by the Grantee.
2. Application: the 2014 Safe, Clean Water Priority A Grant Program application and accompanying attachments submitted to the District for the District's Grant Program.
3. District: Santa Clara Valley Water District.
4. Grant Program: 2014 Safe, Clean Water Priority A Grant Program.
5. Project: Grantee's Project as described in Appendix A, Project Scope, approved for a grant award by the District's Board.
6. Project Completion: Project completion per requirements stated in Section 1. General Provisions, G. Project Completion.
7. Project Grant Amount: The amount of Grant funds allocated by the District's Chief Executive Officer to Grantee for the Project.
8. Project Performance Period: The Project period commencing with full execution of this Agreement by both Parties and expiring as stated in Section 1. General Provisions, H. Agreement Term.
9. Safe, Clean Water: The District's Safe, Clean Water and Natural Flood Protection Program special tax approved by Santa Clara County voters in November 2012.
10. Total Project Cost: The full cost of the Project, including funds from all funding sources, as identified in Appendix B, Project Schedule and Budget.

B. Project Execution

1. District hereby grants to Grantee the Project Grant Amount, in consideration of, and on condition that, the sum be expended for the sole purpose of carrying out the objectives as set forth in the Project as identified in Appendix A, Project Scope, consistent with the terms and conditions set forth in this Agreement.
2. Grantee is responsible for securing all other necessary funds to accomplish the Project. Any significant modification or alteration to the Project Scope is subject to prior consideration and approval of the District. Such request must be submitted in writing to the District Contact, per Section 3. Miscellaneous Provisions, A. Miscellaneous Provisions, Item 5 of this Agreement. District's disbursement of Grant funds is

dependent on District approval of changes the District deems are significant.

3. Grantee will complete the Project in accordance with Appendix A, Project Scope and Appendix B, Project Schedule and Budget.
4. Project Scope and Project Schedule and Budget may only be adjusted pursuant to a written amendment to this Agreement, signed by both Grantee and District in advance of such adjustment. Project Schedule adjustments that do not impact the expiration date of this Agreement may be approved by District without the necessity of a formal amendment to this Agreement.
5. Grantee must comply with all applicable federal, state, and local codes, statutes, laws, regulations, and ordinances, including, but not limited to, financial requirements, legal requirements for construction contracts, building codes, health and safety codes, laws and codes pertaining to individuals with disabilities, and the California Environmental Quality Act (Public Resources Code, Section 21000, et. seq., Title 14, California Code of Regulations, Section 15000 et. Seq.).

C. Project Administration/Reporting Requirements

1. Grantee shall provide written quarterly reports (on a fiscal year schedule), using the District's standard form presented in Appendix C, Quarterly Progress and Request for Payment Form. Status reports shall include an update per task as included in Appendix A, Project Scope.
2. Grantee shall provide one hard copy and one electronic version of items listed in Section 1. General Provisions, G. Project Completion.
3. All reports submitted to the District must include the following certification page signed by an officer of Grantee's organization:

"I certify, under penalty of perjury under the laws of the State of California, that the Quarterly/Monthly Status Report and all attachments, signed on [DATE], on behalf of Grantee, were prepared under my direction or supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the loss of the current and future Grant Funding."

4. Quarterly reporting will end with submittal of Project Completion packet (see Section 1. General Provisions, G. Project Completion).

D. Termination of the Agreement

1. Grantee may unilaterally terminate this Agreement at any time prior to District disbursement of Grant Program funds by providing 30 days written notice to District.

2. Failure by Grantee to comply with the terms of this Agreement may be cause for suspension or termination of funding by the District. Additionally, in the event of failure to complete Project, Grantee may be required to repay District for funds received, including interest earned at the District's pooled portfolio monthly interest yield corresponding to the month(s) the funds were due to the District.

E. Indemnification

Notwithstanding any other provision of this Agreement, Grantee agrees to defend, hold harmless and indemnify District, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs, reasonable attorney fees, and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including but not limited to Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, to the extent any of the Liabilities arise out of, pertain to, or relate to the Grantee's performance of this Agreement or obligations stated herein, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the negligence or willful misconduct of the District. The foregoing does not limit any strict liability imposed onto the Grantee by law.

F. Nondiscrimination

Anti-Discrimination—The District is an equal opportunity employer and requires all parties it contracts with to have and adhere to a policy of equal opportunity and non-discrimination. In the performance of the Agreement, the Grantee will comply with all applicable federal, state, local laws and regulations, and will not discriminate against any sub-consultant, employee, or applicant for employment, in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff rates of pay, or other forms of compensation, or against any other person, on the basis of race, color, religion, ancestry, gender, national origin, age (over 40), marital status, medical condition (including cancer), pregnancy, parental status, the exercise of family care leave rights, political affiliation, sexual orientation, gender identity, special disabled veteran status, Vietnam Era veteran and all other Veteran status, or because of a physical or mental disability (including, HIV and AIDS). The Grantee's policy must conform with applicable state and federal guidelines including the Federal Equal Opportunity Clause, "Section 60-1.4 of Title 41, Part 60 of the Code of American Disabilities Act of 1990; the Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code Section 12900 et. Seq.); and California Labor Code Sections 1101 and 1102."

G. Project Completion

1. After Grantee completes the Project by meeting all requirements stated in Appendix A, Project Scope, Grantee must submit the Project Completion packet detailed in a-c below to the District Contact and it must include:
 - a. Final Payment Request/Invoice
 - b. Final Report, including documentation of accomplishments, water savings achieved, and reliability of the Project.
 - c. Written communication from Grantee stating that Project is complete, including list of tasks completed and signature by authorized representative.
2. District conducts final on-site Project inspection as deemed necessary.
3. District processes Grantee's invoice for final payment.

H. Agreement Term

1. The term of this Agreement commences upon full execution by the Parties. Approval of this Agreement by both parties is necessary for any disbursement of Grant funds. This Agreement expires upon the earliest of: Project Completion in accordance with Section 1. General Provisions, G. Project Completion; or June 30, 2016.

I. Insurance Provisions

1. During the entire term of the Agreement, Grantee must maintain the insurance coverage described in Appendix E. Insurance Requirements.

Section 2. Financial Provisions

A. Accounting and Audit Requirements

1. Grantee must maintain an accounting system that accurately reflects fiscal transactions, with the necessary controls and safeguards. Grantee should provide clear audit trails, especially the source of original documents such as, but not limited to, receipts, progress payments, invoices, time cards, etc. **AVOID AUDIT EXCEPTIONS—KEEP ACCURATE RECORDS.**
2. Grantee agrees that District, or its agent, has the right to review, obtain, and copy all records pertaining to performance of this Agreement. Grantee agrees to provide District, or its agent, with any relevant information requested and will permit District, or its agent, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting or copying books, records, accounts, computerized records, and other materials that may be relevant to the matter under investigation for the purpose of determining compliance with this Agreement. Consultant further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

3. Grantee's detailed budget is included as Appendix B, Project Schedule and Budget and is consistent with Grantee's Project Proposal. The Project Budget will be used by District as the basis for evaluating Grantee's invoices for Grant funds. In cases where invoices are inconsistent with the Project Budget, invoices must either be revised for consistency or an amendment to this Agreement may be necessary to align the Project Budget with the actual reimbursable expenditures for the Project.
4. Grantee must document its eligibility for award and receipt of Safe, Clean Water Grant Funds by verifying it is not included in any current Federal List of Parties Excluded from Federal Procurement or Non-procurement Programs. Exclusion of Grantee from this list, verified at <http://www.arnet.gov/eplis>, demonstrates the Grantee's good status regarding suspension and debarment and eligibility for Grant Program funds.
5. Grantee is responsible for repayment to District of any disallowed cost. Disallowed costs may be identified through audits, monitoring, or other sources of information that become available to the District after the District has satisfied an invoice from Grantee and disbursed Safe, Clean Water Grant funds.

B. Eligible Costs

Total Project Grant Amount is not-to-exceed that amount identified in Recital G of this Agreement, and will be disbursed to Grantee according to the terms and conditions as stated in Section 2. Financial Provisions, C. Payment Request Process and D. Invoicing.

1. Only Project related costs incurred during the Project Performance Period, excluding costs incurred prior to and during preparation of the Grant application, specified in this Agreement are eligible for reimbursement. All such costs must be supported by appropriate documentation, including but not limited to subcontractor invoices and receipts.
2. Personnel or Employee Services—Services of the Grantee's employees engaged in project execution are eligible costs. These direct labor costs must be computed according to the Grantee's prevailing wage or salary scales and may include fringe benefit costs such as vacation, sick leave and social security contributions that are customarily charged to the Grantee's various projects for which the Grantee has submitted a Benefit Rate Calculation to the District. Indirect overhead is limited to 10% of Salary plus Benefits. Costs charged to the project must be computed on actual time spent on a project, and supported by time and attendance records describing the work performed on the project. Overtime costs may be allowed under the Grantee's established policy; provided that the regular work time was devoted to the same project.

NOT YET APPROVED

3. Salaries and wages claimed for employees working on grant funded projects must not exceed the Grantee’s established rates for similar positions.
4. Consultant Services—The costs of consultant services necessary for the project are eligible. Consultants must be paid by the customary or established method and rate of the Grantee. No consultant fee may be paid to the Grantee’s own employees.
5. Signs and Interpretive Aids—The cost of signs, display boards, or other minor interpretive aids relating to the Project are eligible.
6. Other Expenditures—In addition to the major categories of expenditures, reimbursements may be made for miscellaneous costs necessary for execution of the Project. Examples of such costs include:
 - a. Postage; and
 - b. Transportation costs for moving equipment and/or personnel.

C. *Payment Request Process*

This Grant Agreement is based on a reimbursement model with specific details as noted below.

1. Grantee may submit multiple Request for Payment Forms as necessary, but not more often than monthly.
2. After Grantee completes the Project, Grantee submits the Project Completion Packet (see Section 1. General Provisions, G. Project Completion) and the Quarterly Progress and Request for Payment Form (Appendix C) for the final payment.

PAYMENT REQUEST PROCESS		
PAYMENT TYPE	WHEN TO SUBMIT IT	SUPPORTING DOCUMENTATION TO SEND TO PROJECT OFFICER
Payment Request Reimbursement (up to 90% of the total Project Grant Amount)	Once Grantee can provide evidence to show significant progress toward completing Project tasks.	<ul style="list-style-type: none"> • Quarterly Progress and Request for Payment Form (Appendix C) • For direct expenses, copies of invoices with all attachments shall be submitted • For labor costs, copies of Timesheets shall be submitted • For Benefits Costs, a Benefits Rate Calculation will be submitted • Documentation of accomplishments (i.e., draft and final plans, designs, etc.)
Final (10%)	After Grantee has completed the Project	<ul style="list-style-type: none"> • Project Completion packet (see Section 1. General Provisions, G. Project Completion)

D. Invoicing

1. Grantee shall submit a completed Quarterly Progress and Request for Payment Form (Appendix C) and shall incorporate Grantee name and remittance address, a description/itemization of goods or services, dollar amount of goods or services, invoice date and number, and Agreement number. Work performed shall be determined on a per task basis as outlined in the Project Scope (Appendix A) and Project Schedule and Budget (Appendix B). All requests for reimbursements will be accompanied by materials providing evidence of significant Project progress accomplishments commensurate with level of reimbursement requested.
2. District will review Grantee's invoice within ten working days from receipt and advise Grantee of any disputed items. District will review and approve undisputed invoices within ten working days from receipt and issue payment within forty-five calendar days from receipt. District will pay invoices within forty-five calendar days from date invoice is approved by District's Project Manager.
3. Grantee's invoice must include invoices from subcontractors documenting task, task budget, percentage complete, prior billing if any, current billing, and total billed. Documentation supporting Grantee's invoice(s) must document work performed consistent with the frequency of Grantee's invoices to District.

Section 3. Miscellaneous Provisions

A. Miscellaneous Provisions

1. Grantee's waiver of any term, condition, covenant, or breach of any term, condition or covenant shall not be construed as a waiver of any other term, condition, or covenant or breach by any other term, condition or covenant.
2. This Agreement contains the entire Agreement between District and Grantee relating to the Project. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect.
3. This Agreement shall be governed and construed in accordance with the laws of the State of California.
4. This Agreement may be executed in counterparts and will be binding as executed.
5. Grantee's request(s) for modification(s) to the Project Scope, and Project Schedule and Budget must be submitted in writing, prior to the expiration of this Agreement, and will be considered for approval by the District's executive management responsible for the Safe, Clean Water Grant Program provided:
 - a. The Grant award by the District's Board did not impose a restriction on such revisions; and

- b. No additional Grant funds are requested. All such requests will be considered by the District's executive management responsible for the Safe, Clean Water Grant Program.
6. Revisions to the Project Scope, and Project Schedule and Budget are subject to review and prior approval of the District.
7. An extension to the term of this Agreement for a period up to twelve (12) months beyond the current expiration date may be approved by District. Requests for term extensions must be submitted in writing and received no later than sixty (60) calendar days prior to the expiration of this Agreement. Grantee must submit sufficient documentation in support of its request to enable the District's executive management to evaluate Grantee's request. The District's executive management will consider criteria such as the following:
 - a. The amount of Grant funds not yet disbursed to Grantee;
 - b. Grantee's progress in completing the Project Scope and the reasons supporting any delays;
 - c. Whether Grantee has the dedicated human and financial resources to continue to complete the Project Scope during the extension period; and
 - d. Whether such extension is in the best interest of the District.
8. An amendment to this Agreement, extending its Term, must be executed in full prior to the original expiration date as stated in Section 1. General Provisions, H. Agreement Term. If this Agreement is not extended prior to its expiration, any unexpended Grant funds will be retained by the District and unavailable to the Grantee for the Project.
9. All Appendices, A (Project Scope), B (Project Schedule and Budget), C (Quarterly Progress and Request for Payment Form), D (Resolution), and E (Insurance Requirements) are hereby incorporated herein by this reference and made a part hereof, as though set forth in full.
10. Severability—if any provision of this Agreement is held invalid, that invalidity shall not affect other provisions of the Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are severable.
11. Survival—Section 2. Financial Provisions, B. Eligible Costs, C. Payment Request Process, and D. Invoicing, shall survive termination or expiration of this Agreement such that any Eligible Costs incurred during the Project Performance Period may be invoiced by Grantee and paid by the District provided invoices, including final invoice, are submitted prior to the expiration date of this Agreement as stated in Section 2. General Provisions, H. Agreement Term, item 1.

B. Notices

All notices and other communication required or permitted to be given under this Agreement shall be in writing and shall be personally serviced or mailed, postage prepaid and return receipt requested, addressed to the respective parties as follows:

<p>Contact: Jerry De La Piedra Program Administrator Water Conservation Unit Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118 Phone: (408) 630-2257 E-mail: gdelapiedra@valleywater.org</p>	<p>Grantee Contact:</p>
--	------------------------------

[GRANTEE ORGANIZATION]

Date: _____

By: _____
[Print name of authorized representative]
[Title]

SANTA CLARA VALLEY WATER
DISTRICT

Date: _____

By: _____
Beau Goldie
Chief Executive Officer

APPENDIX A
PROJECT SCOPE

(Replace with Project information)

The District's 2014 Safe, Clean Water Priority A Grant Program is based on a reimbursement model, and as such will require a detailed Project scope that includes a general description, response to evaluation criteria and tasks and subtasks for measuring and auditing progress and the subsequent allocation of funds to Grantee. The description and possible attachments should include, but is not limited to:

A. General Description

1. Specific description of Project tasks, including deliverables and milestones
2. Specific staff (working titles at a minimum) proposed for the Project team

B. Tasks and Subtasks

1. Tasks and subtasks should be identified for the Project Scope in such a way that the District may monitor Grantee's progress on the approved project.
2. Separate tasks and subtasks shall include cost estimates (see Appendix B) and shall be the basis for reimbursement in invoicing.

APPENDIX B

PROJECT SCHEDULE AND BUDGET

(Replace with Project information)

- A. Project Schedule shall include the following:
 - 1. List of tasks consistent with Project Scope
 - 2. Project start date
 - 3. Project end date (no later than June 30, 2016)
 - 4. Start and end dates for each task
 - 5. Estimated cost for each task
 - 6. Estimated costs for quarterly report, draft final report, and final report

NOT YET APPROVED
APPENDIX C

QUARTERLY PROGRESS AND REQUEST FOR PAYMENT FORM

GRANT: 2014 Safe, Clean Water Priority A Grant Program	
AGREEMENT NO.:	GRANTEE:
PROJECT TITLE:	
1. TYPE OF PAYMENT: <input type="checkbox"/> Reimbursement <input type="checkbox"/> Final	
2. PAYMENT INFORMATION (Round all figures to the nearest dollar):	
a. Project Amount	\$ _____
b. Funds Received to Date	\$ _____
c. Available (a. minus b.)	\$ _____
d. Amount of This Request	\$ <u> </u>
e. Remaining Funds After This Payment (c. minus d.)	\$ _____
3. SEND PAYMENT TO:	
<i>Grantee Name</i>	_____
<i>Street Address</i>	_____
<i>City, State, Zip Code</i>	_____
<i>Attention</i>	_____
4. TYPED OR PRINTED NAME OF PERSON AUTHORIZED BY RESOLUTION: <i>Title</i>	
5. SIGNATURE OF PERSON AUTHORIZED BY RESOLUTION: <i>Date</i>	
FOR SANTA CLARA VALLEY WATER DISTRICT USE ONLY	
6. PAYMENT APPROVAL SIGNATURE: <i>Date</i>	

PAYMENT REQUEST FORM INSTRUCTIONS

The following instructions correspond to items on the Payment Request Form:

Agreement Number—As shown on page 1 of the Agreement following execution of the Agreement by both Parties.

Grantee—GRANTEE name as shown on the Grant Agreement.

Project Title—Title of Project for which payment is requested.

1. **Type of Payment**—Check appropriate box, and submit this form:

Reimbursement—When Grantee has periodically spent funds to implement the Project, and is requesting reimbursement; or

Final—When Grantee has completed the Project, and is requesting the final payment.

2. **Payment Information:**

a. **Project Grant Amount**—The amount of District grant funds allocated to this Project

b. **Funds Received to Date**—Total amount already received for this Project

c. **Available**—(a. minus b.)

d. **Amount of This Payment Request**—Amount that is requested

e. **Remaining Funds After This Payment**—(c. minus d.)

3. **Send Payment to:** Grantee Name, Address, and Contact Person

4. **Typed or printed name of person authorized by Resolution.**

5. **Signature of person authorized by Resolution.**

6. **Payment approval signature and date**—For District staff.

Additional Information to supply with Payment Request Form:

- Summary of work completed during billing period, by task.
- Attached documentation to support charges (i.e., subcontractor invoices, receipts, etc.).
- Determination if project is on schedule to meet completion date.
- Any other relevant findings.

APPENDIX D

RESOLUTION

(Replace with Project Resolution)

Safe, Clean Water and Natural Flood Protection Program

2014 Safe, Clean Water Priority A Grant Program

Resolution No. _____

RESOLUTION OF THE _____
(Title of Grantee's Governing Body)

APPROVING THE APPLICANT TO APPLY FOR GRANT FUNDS UNDER
THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM OF 2012

WHEREAS, the Santa Clara Valley Water District has enacted the 2014 Safe, Clean Water Priority A Grant Program, which provides funds for testing new and innovative water conservation programs and technologies; and

WHEREAS, the Santa Clara Valley Water District's Water Conservation Unit has been delegated the responsibility for the administration of the grant program, setting up necessary procedures; and

WHEREAS, said procedures established by the Santa Clara Valley Water District require Grantee's Governing Body to certify by resolution the approval of Grantee to apply for and accept grant program funds; and

WHEREAS, Grantee will enter into an Agreement with the Santa Clara Valley Water District;

NOW, THEREFORE, BE IT RESOLVED that the _____ hereby:
(Grantee's Governing Body)

1. Approves the submission of an Application for local assistance funds from the Priority A Grant Program under the Safe, Clean Water and Natural Flood Protection Program of 2012 to complete the Project;
2. Approves the acceptance of grant funds from the Priority A Grant Program under the Safe, Clean Water and Natural Flood Protection Program of 2012, upon approval of grant funding for the Project by the District's Chief Executive Officer;
3. Certifies that the Applicant has or will have sufficient funds to operate and maintain the Project(s);
4. Certifies that the Applicant will review and agree to the Special Provisions, General Provisions and Financial Provisions contained in the Agreement; and

NOT YET APPROVED

5. Appoints the (designated person) _____ as agent to conduct all negotiations, execute and submit all documents including, but not limited to Applications, agreements, payment requests and so on, which may be necessary for the completion of the Project.

Approved and Adopted on the _____ day of _____, 2014.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by _____ following a roll call vote:

(Applicant's Governing Body)

AYES

NOES

ABSENT

(Clerk)

APPENDIX E

INSURANCE- CONTRACTOR-No Construction Risk

Please refer to the insurance requirements listed below.

Without limiting the Contractor's indemnification of, or liability to, the Santa Clara Valley Water District ("District"), the Contractor must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

Contractor must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Contractor's insurance agent(s) and/or broker(s), who have been instructed by Contractor to procure the insurance coverage required herein.

In addition to certificates, Contractor must furnish District with copies of original endorsements affecting coverage required by this Appendix. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All endorsements and certificates are to be received and approved by District before the contract commences.** In the event of a claim or dispute, District has the right to require Contractor's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Appendix.

Contractor must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

Required Coverages

1. **Commercial General/Business Liability Insurance** with coverage as indicated:

\$1,000,000 per occurrence / **\$1,000,000** aggregate limits for bodily injury and property damage

\$1,000,000 Products/Completed Operations aggregate (to be maintained for at least three (3) years following acceptance of the work by District.

General Liability insurance must include:

- a. Coverage that is at least as broad as that found in the standard ISO Form CG 00 01.
- b. Contractual Liability expressly including liability assumed under this contract.
- c. If Contractor will be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.
- d. Severability of Interest
- e. Broad Form Property Damage liability
- f. If the standard ISO Form wording for "OTHER INSURANCE," or other comparable wording, is not contained in Contractor's liability insurance policy, an endorsement must be provided that said insurance will be primary insurance and any insurance or

self-insurance maintained by District, its Directors, officers, employees, agents or volunteers will be in excess of Contractor's insurance and will not contribute to it.

2. Business Auto Liability Insurance with coverage as indicated:

\$1,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

3. Workers' Compensation and Employer's Liability Insurance

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

Employer Liability coverage for not less than \$1,000,000 per occurrence.

General Requirements

With respect to all coverages noted above, the following additional requirements apply:

1. **Additional Insured Endorsement(s)** Contractor must provide an additional insured endorsement for Commercial General/Business Liability and Business Automobile liability coverage naming the **Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively**, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Contractor will be notified of such requirement(s) by the District.

(NOTE: Additional insured language on the Certificate of Insurance is **NOT** acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037. Note: Editions dated 07/04 are not acceptable)

2. **Primacy Clause:** Contractor's insurance must be primary with respect to any other insurance which may be carried by the District, its officer, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss.
3. **Cancellation Clause Revision:** The Certificate of Insurance **MUST** provide **30 days notice of cancellation, (10 days notice for non-payment of premium)**. **NOTE: The standard wording in the ISO Certificate of Insurance is not acceptable.** The following words must be crossed out or deleted from the standard cancellation clause: "...endeavor to..." AND "...but failure to mail such notice must impose no obligation or liability of any kind upon the company, its agents or representatives."
4. **Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Management Administrator.

Self-Insured Retentions or Deductibles: Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

6. **Subcontractors:** Should any of the work under this Agreement be sublet, the Contractor must require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractors may insure subcontractors under its own policies.
7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Contractor for the benefit of the District must not be deemed to release or limit any liability of Contractor. Damages recoverable by the District for any liability of Contractor must, in any event, not be limited by the amount of the required insurance coverage.
8. **Coverage to be Occurrence Based:** All coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. **Waiver of Subrogation:** Contractor agrees on to waive subrogation against the District to the extent any loss suffered by Contractor is covered by any Commercial General Liability policy, Automobile policy, or Workers' Compensation policy, described in **Required Coverages** above. Contractor agrees to advise its broker/agent/insurer about this provision and obtain any endorsements, if needed, necessary to ensure the insurer agrees.
10. **Non-compliance:** The District reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.
11. **Please mail the certificates and endorsements to:**

**Contract Administrator
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118**

IMPORTANT: On the certificate of insurance, please note either the name of the project or the name of the District contact person or unit for the contract.

If your insurance broker has any questions please advise him/her to call Mr. David Cahen, District Risk Management Administrator at (408) 265-2607, extension 2213.

ORDINANCE NO. XXXX

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING THE BUDGET FOR THE FISCAL YEAR 2015 IN THE WATER FUND TO PROVIDE APPROPRIATION OF \$100,000 TO EXECUTE TWO WATER CONSERVATION PILOT PROGRAMS, A BUSINESS WATER REPORT PILOT PROGRAM AND A REAL-TIME WATER USE MONITORING PILOT PROGRAM, AND TO INCREASE THE ESTIMATE FOR LOCAL REVENUE IN THE AMOUNT OF \$75,000 TO REFLECT GRANT FUNDS TO BE RECEIVED FROM THE SANTA CLARA VALLEY WATER DISTRICT 2014 SAFE CLEAN WATER AND NATURAL FLOOD PROTECTION PRIORITY A - WATER CONSERVATION RESEARCH GRANT PROGRAM, AND TO DECREASE THE WATER FUND ENDING FUND BALANCE BY \$25,000 TO FUND THE CITY'S 25 PERCENT MATCHING PORTION OF THE GRANT.

The Council of the City of Palo Alto does ordain as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 16, 2014 did adopt a budget for fiscal year 2015; and

B. On January 31, 2014, the Utilities Department, on behalf of the City of Palo Alto, submitted grant applications to fund two pilot programs, Business Water Reports and Real-time Water Use Monitoring, to the Santa Clara Valley Water District (District) under the 2014 Safe, Clean Water Priority A - Water Conservation Grant Program, which provides funds for testing new and innovative water conservation programs and technologies; and

C. On March 19, 2014, the District awarded grants to the City in the amount of \$45,000 for the Business Water Reports Pilot Program and \$30,000 for the Real-time Water Use Monitoring Pilot Program; and

D. Seventy-Five Thousand Dollars (\$75,000) is available based on notification from the District; and

E. City Council authorization is needed to amend the 2015 budget as hereinafter set forth.

SECTION 2. The sum of One-Hundred Thousand (\$100,000) is hereby appropriated for the water conservation pilot programs, the estimate for Local Revenue is increased by \$75,000, and the Water Fund Ending Fund Balance is reduced by \$25,000.

SECTION 3. As specified in Section 2.28.080(a) of the Palo Alto Municipal Code, a two-thirds vote of the City Council is required to adopt this ordinance.

SECTION 4. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 5. The actions taken in this ordinance do not constitute a project requiring environmental review under the California Environmental Quality Act (CEQA).

INTRODUCED AND PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

City Attorney

Director of Utilities

Director of Administrative
Services