

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

705B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
August 10, 2010

SUBJECT: Grant Funding Contract
Low Impact Demonstration Project

RECOMMENDED MOTION:

Approve the Grant Funding Contract between the District and the Santa Ana Watershed Project Authority (SAWPA); and authorize the Chairman to execute the Agreement on behalf of the District.

BACKGROUND:

In January 2001, the State Water Resources Control Board (SWRCB) and SAWPA entered into a contract providing that SAWPA would serve as the program manager for the Southern California Integrated Watershed Project grant funds and implement various programmatic requirements for the construction of qualified projects in the Santa Ana River Watershed.

(Continued on Page 2)

KEC:bjj

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	F.Y. 10-11 District Cost:	\$0	In FY 10-11 Budget:	No
	Current F.Y. County Cost:	N/A	Budget Adjustment:	No
	Annual Net District Cost:	N/A	For Fiscal Year:	FY 10-11

SOURCE OF FUNDS: Santa Ana Watershed Project Authority	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Jerry Norris

County Executive Office Signature

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 10, 2010
xc: Flood

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

District: 2nd

Agenda Number:

11.2

FORM APPROVED COUNTY COUNSEL
BY:
NEAL R. KIPNIS
DATE: 8/10/10

Departmental Concurrence

Policy Policy
Consent Consent
Dep't Recomm.: Per Exec. Ofc.:

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

SUBJECT: Grant Funding Contract
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Page 2

BACKGROUND (continued):

The purpose of this agreement is to facilitate transfer of Proposition 13 Southern California Integrated Watershed Program (SCIWP) grant funds (not to exceed \$464,377) to the District from SAWPA. SAWPA is the grant administrator on behalf of the State of California.

The RCFC&WCD Regional LID BMP Demonstration and Testing Facility (Project) was designed by the District and will be constructed under a public works contract. Ultimate operation and maintenance will be the responsibility of the District. The Project consists of the retrofit of the District's compound at 1995 Market Street in Riverside with a number of Low Impact Development (LID) Integrated Management Practices (IMPs) including porous pavements, bio-retention swales and planter boxes for monitoring and demonstration purposes.

The Project plans and specifications were approved by the Board on July 27, 2010 as Agenda Item 11.5.

County Counsel has approved the grant funding contract as to form.

FINANCIAL:

District is receiving funds from SAWPA.

KEC:bjj

**PROPOSITION 13 SOUTHERN CALIFORNIA INTEGRATED WATERSHED
GRANT FUNDING CONTRACT
BETWEEN
SANTA ANA WATERSHED PROJECT AUTHORITY
AND
RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT**

This Southern California Integrated Watershed Program ("SCIWP") grant funding contract is made between Santa Ana Watershed Project Authority ("SAWPA"), and Riverside County Flood Control and Water Conservation District, (the "Constructing Agency"). SAWPA and the Constructing Agency are sometimes individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, the Costa-Machado Water Act of 2000 (Water Code, Section 79104.20 through 79104.34) establishes the SCIWP and provides \$235 million for local assistance grants to be allocated to SAWPA for projects to rehabilitate and improve the Santa Ana River Watershed;

WHEREAS, in January 2001, the State Water Resources Control Board ("SWRCB") and SAWPA entered into a contract providing that SAWPA would serve as the program manager for the SCIWP funds expended and to provide various programmatic requirements for the construction of projects meeting California Environmental Quality Act ("CEQA") requirements and ensuring that the maximum benefit of such funds are realized in the Santa Ana River Watershed.

NOW, THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in this Grant Funding Contract, the parties hereby agree as follow:

SECTION 1. PROJECT DESCRIPTION

The Project will be implemented by Riverside County Flood Control and Water Conservation District (District). The Project consists of the retrofit of the District's compound at 1995 Market Street in Riverside with a number of Low Impact Development (LID) Integrated Management Practices (IMPs) including porous pavements, bioretention swales and planter boxes for monitoring and demonstration purposes. The Project will help to achieve the Southern California Integrated Watershed Program (SCIWP) goals of basin water banking, programs for water conservation and efficiency and storm water capture and management, and planning and implementation of a flood control program to assist in abating the effects of waste discharges into waters of the State. The centralized location is convenient for training residents, regulators, developers, municipal employees and other interested stakeholders in greater Santa Ana Watershed, including Riverside, San Bernardino and Orange counties. The District is the lead agency for CEQA purposes.

**SECTION 2. CONTRACT DOCUMENTS; ORDER OF PRECEDENCE; SUB-GRANTEE
GENERAL COMMITMENT**

This Contract incorporates and includes as part of its terms and conditions the Proposition 13 Southern California Integrated Watershed Program Grant Agreement between SWRCB and SAWPA, Agreement No. 09-346-550, attached hereto as Exhibit "A" (hereinafter the "SCIWP Grant Agreement").

In the event of any inconsistency between this Contract and the SCIWP Grant Agreement, except as otherwise specifically provided, the inconsistency shall be resolved by giving precedence to the SCIWP Grant Agreement.

The Sub-Grantee shall comply with all terms, provisions, conditions, and commitments of this Contract and the SCIWP Grant Agreement. Such compliance shall include providing SAWPA with all deliverables, budget detail, reports and all other documents required by the SCIWP Grant Agreement.

AUG 10 2010 11.2

On behalf of and for the benefit of SAWPA, Sub-Grantee shall comply with all of the obligations and requirements of the SCIWP Grant Agreement as if the Sub-Grantee were the "Grantee" under the terms of the SCIWP Grant Agreement. Such compliance shall be to the fullest extent necessary and as may be required by SAWPA in order to enable SAWPA to comply with the SCIWP Grant Agreement as "Grantee."

SECTION 3. ESTIMATED ELIGIBLE PROJECT COSTS; GRANT AMOUNT

The estimated reasonable cost of the Project at the time of SAWPA's and SWRCB's approval of the Project is **Nine Hundred Eighty Nine Thousand** dollars (\$989,000). Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in a sum not to exceed **Four Hundred Sixty Four Thousand, Three Hundred and Seventy Seven** dollars (\$464,377). However, SAWPA's actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from the SWRCB and **47.0%** of actual Project Costs. Local match funds shall not include SRF loans per SWRCB criteria.

If the Sub-Grantee proceeds to construction of such facilities, the final grant amount, including the allowance, will be determined in accordance with the provisions of this Contract. If the Sub-Grantee fails or refuses to proceed with or complete the construction of facilities, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA shall have all rights and remedies as are otherwise available to it for breach of this Contract by the Sub-Grantee.

If actual Project costs exceed the Project's estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedence.

SECTION 4. SCOPE OF WORK AND COMPLETION OF PROJECT

The Scope of Work shall be as provided for Sub-Grantee's component project described in the SCIWP Grant Agreement. The Parties understand that time is of the essence, and agree to expeditiously proceed with and complete the Project.

SECTION 5. DISBURSEMENT

Grant funds will be disbursed in accordance with the disbursement provisions of the SCIWP Grant Agreement.

SECTION 6. FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS

The Sub-Grantee agrees that, at a minimum, its fiscal control and accounting procedures shall be sufficient to permit tracking of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Contract. The Sub-Grantee shall maintain separate Project accounts in accordance with generally accepted government accounting standards.

SECTION 7. TERM

This Contract shall not be effective until it has been signed by SAWPA and approved in writing by SWRCB. The Term of this Contract shall be the same as the Term of the SCIWP Grant Agreement, unless sooner terminated pursuant to the provisions of this Contract or the SCIWP Grant Agreement. Notwithstanding the foregoing, the obligations of this Contract and the SCIWP Grant Agreement shall survive the Term of this Contract and the SCIWP Grant Agreement.

SECTION 8. SWRCB APPROVAL

This Contract and the SCIWP Grant Agreement shall be of no force or effect until signed by both Parties and approved in writing by the SWRCB.

SECTION 9. COVENANT TO OPERATE AND MAINTAIN PROJECT FACILITIES

The Sub-Grantee shall properly staff, operate and maintain all portions of the Project during the Project's useful life and in accordance with this Contract, the SCIWP Grant Agreement, and all applicable state and federal laws, rules and regulations. In the event that the Sub-Grantee assigns or transfers any or all portions of the Project to another entity, the Sub-Grantee shall be responsible to ensure that the assignee or transferee of any or all portions of the Project shall properly staff, operate and maintain all portions of the Project during its useful life and in compliance with this Contract, the SCIWP Grant Agreement, and all applicable state and federal laws, rules and regulations. The Parties to this Contract understand and agree that this covenant shall survive the expiration or termination of this Contract. The Parties further understand and agree that this covenant is for the benefit of SAWPA and the SWRCB and shall be enforceable during the useful life of the Project facilities. The Parties agree that the useful life of the constructed portions of this Project begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else.

Sub-Grantee shall prepare and maintain the Project Assessment and Evaluation Plan ("PAEP") required by the SCIWP Grant Agreement. SWRCB and SAWPA shall approve the PAEP before the Sub-Grantee implements any sampling or monitoring activities.

Sub-Grantee shall not abandon, substantially discontinue use of, lease, or dispose of the Project, including its construction, or any significant part or portion thereof, during the useful life of the Project without SAWPA's and SWRCB's prior written approval.

Failure at any time to comply with this Section shall be considered a material breach and violation of this Contract, and a nonexclusive remedy shall include reimbursement by the Sub-Grantee of all grant funds disbursed under this Contract, plus accrued prejudgment interest thereon from the date of disbursement of such funds.

SECTION 10. ASSIGNMENT

Neither this Contract, nor any duties or obligations under this Contract, nor any of the Project facilities referenced in this Contract shall be assigned by any Party without the prior written consent of the other Party.

Should an assignment or transfer occur, whenever SAWPA or the Sub-Grantee are named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in SAWPA and the Sub-Grantee, and all Contract and covenants required hereby to be performed by or on behalf of SAWPA and/or the Sub-Grantee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Failure at any time to comply with this Section shall be considered a material breach and violation of this Contract, and a nonexclusive remedy shall include reimbursement by the Sub-Grantee of all grant funds disbursed under this Contract, plus accrued prejudgment interest thereon from the date of disbursement of such funds.

SECTION 11. COMPLIANCE WITH LAWS AND REGULATIONS

The Sub-Grantee agrees that it shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, regulations and guidelines. The Sub-Grantee shall comply with, implement, and fulfill all environmental mitigation measures applicable to the Project, and which may otherwise be required by this Contract and the SCIWP Grant Agreement, the California Environmental Quality Act ("CEQA"), and the State CEQA Guidelines.

SECTION 12. CONSTRUCTION ACTIVITIES AND NOTIFICATION

The Sub-Grantee shall immediately notify SAWPA in writing of:

(1) Any substantial change in the scope of the Project. The Sub-Grantee agrees that no substantial change in the scope of the Project may be undertaken until written notice of the proposed change has been provided to SAWPA, and SAWPA and SWRCB have given written approval for such a change;

(2) Unscheduled cessation of all major construction work on the Project where such cessation of work is expected to or does continue for a period of 30 calendar days or more;

(3) Any circumstance, combination of circumstances, or condition which is expected to delay project completion for a period of 90 calendar days or more beyond the initial estimated date of completion of the Project previously provided to SAWPA;

(4) Completion of construction of the Project.

SECTION 13. PAYMENT OF PROJECT COSTS

The Sub-Grantee shall provide for and make payment of its full share of the Project costs. All costs and payments for the Project shall be paid by the Sub-Grantee promptly and in compliance with all applicable laws.

SECTION 14. WITHHOLDING OF GRANT DISBURSEMENTS

(A) SAWPA may withhold all or any portion of the grant funds provided for by this Contract in the event that:

(1) The Sub-Grantee has violated, or threatens to violate, any term, provision, condition, or commitment of this Contract;

(2) The Sub-Grantee fails to maintain reasonable progress toward completion of the Project; or

(3) SWRCB directs SAWPA to withhold any such grant funds.

SECTION 15. RECORDS AND REPORTS

(A) Without limitation on the requirement that Project accounts be maintained in accordance with generally accepted government accounting standards, the Sub-Grantee shall comply with the records and reporting requirements imposed by the SCIWP Grant Agreement, and shall also:

(1) Establish an official Project file that documents all significant actions relative to the Project;

(2) Establish separate accounts that adequately and accurately itemizes and describes all amounts received and expended on the Project, including all grant funds received under this Contract;

(3) Establish separate accounts that adequately and accurately itemizes and describes all income received which is attributable to the Project, specifically including any income attributable to grant funds disbursed under this Contract;

(4) Establish an accounting system that adequately and accurately itemizes and describes final total costs of the Project, including both direct and indirect costs;

(5) Establish such accounts and maintain such records as may be necessary for the State, SWRCB and SAWPA to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and

(6) If Force Account is used by the Sub-Grantee for any phase of the Project, establish an account that adequately and accurately itemizes and describes all employee hours, and associated tasks charged to the Project per employee.

(B) The Sub-Grantee shall require all Project contractors and subcontractors to maintain books, records, and other material relative to the Project in accordance with generally accepted accounting standards, and to require that such contractors and subcontractors retain such books, records, and other material for a minimum of thirty-five (35) years after Project completion. The Sub-Grantee shall require that such books, records, and other material shall be subject, at all reasonable times, to inspection, copying, and audit by SAWPA, SWRCB or its authorized representatives.

(C) The Sub-Grantee shall maintain its books, records and other material concerning the Project in accordance with generally accepted government accounting standards and as required by the SCIWP Grant Agreement.

(D) All documents required or requested to be provided to SAWPA shall be in electronic format.

(E) The Sub-Grantee agrees to expeditiously provide, during work on the Project and for three years after the projection completion, such reports, data, information and certifications as may be reasonably required by SAWPA or SWRCB. Such documents and information shall be provided in electronic format.

SECTION 16. PROJECT REVIEW AND EVALUATION; FINAL REPORTS AND AUDIT

(A) SAWPA may perform a project review or otherwise evaluate the project to determine compliance with the contract documents at any time or if questions about the proper use or management of the funds arise. SAWPA may review or evaluate the contractor or vendor for compliance with the terms and conditions of the contract document. The project review and evaluation may be performed by SAWPA or may be contracted to a responsible third party. Any findings and recommendations of the project review and evaluation shall be addressed by the Sub-Grantee within 60 days of the date such findings and recommendations are provided to the Sub-Grantee and before the next invoice is paid by SAWPA.

(B) In addition to the documents and deliverables required to be provided by the SCIWP Grant Agreement, within 90 days after completion of Project but no later than 14 days prior to the due date indicated in the SCIWP Grant Agreement, the Sub-Grantee shall provide to SAWPA, a final Project summary report on the Project. The summary shall include, at a minimum, all of the following:

(1) A description of the completed project including purpose, goals, activities completed and participants, the general performance characteristics (e.g. BMPs and treatment capacity) of the constructed facilities, a description of the water quality benefits attained from the construction of the project (consistent with the Project Assessment and Evaluation Plan), any goals not achieved or only partially achieved, lessons learned, public outreach conducted, a summary of the construction program, and a summary of all documents submitted to SAWPA in compliance with this Agreement and the SCIWP Grant Agreement. The summary shall also contain a description of startup activities, problems encountered, and corrective measures completed.

(2) A final cost summary listing the total project cost, total project costs eligible for grant funding under the SWRCB's grant funding program and this Contract, total amount of grant funds received, and other financial information as may be reasonably required by the SWRCB to verify Sub-Grantee's entitlement to grant funds, to assure program integrity, and to comply with federal requirements.

The report shall be accompanied by such other financial information as may be required by SAWPA or SWRCB to verify Sub-Grantee entitlement to grant funds, to assure program integrity, and to comply with any federal or state requirements. A duly authorized representative of the Sub-Grantee shall certify the report as correct.

(C) SAWPA may call for an audit of financial information relative to the Project, where SAWPA determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal or state requirements. Where such an audit is called for, the audit shall be performed by a Certified Public Accountant independent of the Sub-Grantee and at the cost of the Sub-Grantee. The audit shall be in the form required by SAWPA.

SECTION 17. PROJECT CLOSEOUT DOCUMENTATION

(A) To ensure that that the Project is closed out in a manner that provides an auditable file for SAWPA, Sub-Grantee shall follow a close-out procedure that includes payment of all subcontracts, completion of all punch lists, defects correction, satisfaction of warranty or guarantee issues, and any other requirements for the completion of the scope of work. Such close-out procedures shall include those procedures contained in the SCIWP Grant Agreement or otherwise required by SAWPA and SWRCB.

SECTION 18. TERMINATION; IMMEDIATE REPAYMENT; INTEREST

(A) This Contract may be terminated by written notice at any time prior to completion of the Project at the option of SAWPA, upon violation by the Sub-Grantee of any provision of this Contract after such violation has been called to the attention of the Sub-Grantee and after failure of the Sub-Grantee to bring itself into compliance with the provisions of this Contract within a reasonable time as established by SAWPA.

(B) In the event of such termination, the Sub-Grantee agrees, upon demand, to immediately repay to SAWPA an amount equal to the amount of grant funds disbursed to the Sub-Grantee prior to such termination. In the event of termination, prejudgment interest shall accrue on all amounts due from the date that notice of termination is mailed to the Sub-Grantee to the date of full repayment by the Sub-Grantee.

(C) SAWPA may terminate this Contract should SWRCB terminate SAWPA as program manager, or terminate funding for this Contract or the Project or should SWRCB terminate its standard agreement with SAWPA on this Project. Upon such SWRCB-caused termination, SAWPA shall not be liable to Sub-Grantee for any damages, costs or expenses resulting from such termination.

SECTION 19. DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS

In the event that any breach of any of the provisions of this Contract or other action by the Sub-Grantee shall result in the loss of tax exempt status for any bonds, or if such breach shall result in an obligation on the part of the SAWPA to reimburse the federal government by reason of any arbitrage profits, the Sub-Grantee shall immediately reimburse the SAWPA and/or SWRCB in an amount equal to any damages paid by or loss incurred by the State due to such breach.

SECTION 20. ARBITRATION

Any dispute which may arise under this Contract by and between the SAWPA and the Sub-Grantee, including the Sub-Grantee's subcontractors, laborers, and suppliers, shall be submitted to binding arbitration. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the Parties stipulate in writing to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation.

SECTION 21. COSTS AND ATTORNEY FEES

In the event of arbitration or litigation between the parties hereto arising from this Contract, it is agreed that the prevailing party shall be entitled to reasonable costs and attorney fees.

SECTION 22. WAIVER

Any waiver of any rights or obligations under this Contract or the SCIWP Grant Agreement shall be in writing and signed by the Party making such waiver, and approved by SAWPA and the SWRCB.

SECTION 23. AMENDMENT

This Contract may be amended at any time by mutual written agreement of the Parties and the SWRCB.

SECTION 24. SAWPA REVIEWS; SUB-GRANTEE AS INDEPENDENT CONTRACTOR.

(A) The Parties agree that review or approval of the Project or Project plans and specifications by SAWPA is for administrative and eligibility purposes only and does not relieve the Sub-Grantee of its responsibility to properly plan, design, construct, operate, and maintain the Project. As between SAWPA and the Sub-Grantee, the Sub-Grantee agrees that it has sole responsibility for proper planning, design, construction, operation, and maintenance of the Project.

(B) The Sub-Grantee is an independent contractor exclusively responsible for the design, construction, operation and maintenance of the specific project funded by this Grant Funding Contract and that the Sub-Grantee is not acting as SAWPA's agent, nor is SAWPA acting as an agent of the Sub-Grantee.

SECTION 25. INDEMNIFICATION

(A) The Sub-Grantee shall defend, indemnify and hold harmless SAWPA and SWRCB and their directors, commissioners, officers, employees, agents and assigns (collectively the "Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, including attorneys fees and expenses incurred in connection therewith, to which such Indemnified Parties may become liable in connection with or arising from this Contract, and the transactions, funding and construction activities contemplated by this Contract. Sub-Grantee shall reimburse Indemnified Parties for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or related to this Contract, and the transactions, funding and construction activities contemplated by this Contract. Sub-Grantee shall indemnify and save the Indemnified Parties harmless from and against any claims, losses, damages, attorneys fees and expenses arising from any and all contracts, contractors, subcontractors, suppliers, laborers, and any other person, entity or corporation furnishing or supplying such services, materials or supplies in connection with Sub-Grantee's Project funded, in part, by this Contract. Sub-Grantee shall indemnify and save Indemnified Parties harmless from any and all claims, losses, damages, attorneys fees and expenses that may arise from any breach or default by Sub-Grantee in the performance of its obligations under this Contract, or any act of negligence by the Sub-Grantee or any of its agents, contractors, subcontractors, servants, employees or licensees concerning the subject matter of this Contract or the Project. Sub-Grantee shall indemnify and hold the Indemnified Parties harmless from any and all claims, losses, damages, attorneys' fees and expenses arising out of the completion of the Project or the authorization of payment of Project Costs to or by the Sub-Grantee. No indemnification is required under this Section for claims, losses or damages arising out of the sole and exclusive misconduct or negligence under this Contract by SAWPA.

(B) The Sub-Grantee understands and agrees that it has complied with CEQA and the State CEQA Guidelines for the project which is the subject matter of this Grant Funding Contract. Sub-Grantee understands and agrees that it is ultimately and solely responsible, as the lead agency, for compliance with CEQA and any mitigation measures required for the Project. The Sub-Grantee hereby agrees to indemnify, defend and hold harmless SAWPA and the SWRCB from any and all claims or actions related to this Project that may be made by any third party or public agency alleging, among other things, violations of CEQA or the State CEQA Guidelines.

(C) In addition to complying with the insurance requirements contained in the SCIWP Grant Agreement, including Section 23 of Exhibit C of that Agreement, the Sub-Grantee shall ensure that adequate insurance coverage is provided by Sub-Grantee and/or its contractors and subcontractors on the Project funded, in part, by this Contract. Such insurance shall include adequate coverage for comprehensive commercial general liability, business auto liability, workers compensation liability, professional and errors and omissions liability, property insurance, including all builders risk insurance. Such insurance coverage shall, at a minimum, insure against injuries to third parties, damage to property owned by third parties, physical damage to the Project and all related facilities, theft of building materials and supplies intended for the Project, delays in Project completion, delays in Project Completion due to strikes and governmental actions, liquidated damages, employee injuries and work-related illnesses, design errors resulting in increased

project costs, environmental damage caused by construction activities related to the Project, and nonperformance by the contractors and subcontractors. Such insurance coverages shall be provided by admitted insurance companies authorized to do business in the State of California, and with a minimum "Best's Insurance Guide" rating of "A:VII".

SECTION 26. PROJECT AND INFORMATION ACCESS

The Sub-Grantee agrees to ensure that SAWPA, SWRCB, or any authorized representative thereof, shall have reasonable access to the Project site at all reasonable times during Project construction, and thereafter for the useful life of the Project.


SECTION 27. OPINIONS AND DETERMINATIONS

Where the terms of this contract provide for action to be based upon the opinion, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary and capricious.

IN WITNESS WHEREOF, the parties have executed this Contract on the dates set forth below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Dated: 6-16-2010

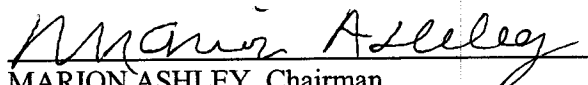
By: 
Celeste Cantú, General Manager

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on
AUG 10 2010
(to be filled in by Clerk of the Board)

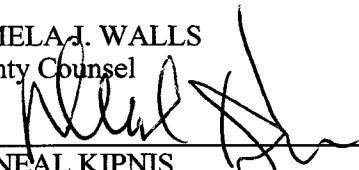
**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

RECOMMENDED FOR APPROVAL:

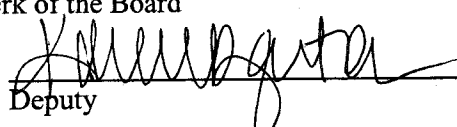
By: 
WARREN D. WILLIAMS
General Manager-Chief Engineer

By: 
MARION ASHLEY, Chairman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

PAMELA J. WALLS
County Counsel
By: 
NEAL KIPNIS
Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board
By: 
Deputy

(SEAL)