

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

AND

(Name of Applicant)

FOR A PROJECT TITLED

(Title of Project)

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

STATE OF CALIFORNIA

This agreement is entered into between the State of California, acting by and through the Department of Water Resources, (State) and [Name of Applicant, \(Grantee\)](#)

The State and Grantee agree as follows:

SECTION 1. PURPOSE OF GRANT

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

Grant funds may be used only as provided in this Agreement for such Eligible Project Costs as set forth in the Project description and Budget, copies of which are incorporated herein as reference. Exhibit B, "Statement of Work & Timeline" and Exhibit C, "Budget" which describe tasks to be accomplished and costs associated with those tasks under this Agreement.

SECTION 2. TERM OF STATE GRANT

The term of this Agreement is from the date of execution of this agreement through [\(Project Completion Date\)](#)

SECTION 3. PROJECT COSTS

The Total Project Costs (identified in Exhibit C) are estimated to be [\\$\\$\\$\\$](#).

SECTION 4. STATE GRANT

Subject to the availability of funds, the State will grant to the Grantee in accordance with the terms of this Agreement an amount not to exceed [\\$\\$\\$\\$\\$\\$](#), as State Share, as identified in Exhibit C, for Eligible Project Costs.

SECTION 5. GRANTEE'S COST SHARE AMOUNT

The Grantee agrees to fund the difference, if any, between the estimated Project Cost (Section 3) and the State Grant (Section 4). Grantee's Costs are estimated to be [\\$\\$\\$\\$\\$](#), as identified in Exhibit C.

SECTION 6. INCORPORATION OF STANDARD CONDITIONS AND GRANTEE COMMITMENTS

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

SECTION 7. CONDITIONS FOR DISBURSEMENT

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

SECTION 8. PROGRESS REPORTS AND STATEMENT OF COSTS

The Grantee shall submit quarterly progress reports, starting [March 15, 2008](#), or as detailed in the Exhibit B; B7 "Schedule of Progress reports & Payments" on the status of the Project and a Statement of Costs to the Department of Water Resources. The submittal and approval by the State of these reports is a requirement for continued disbursement of State Grant funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the Project schedule, and provide a comparison of costs to date compared to the approved scope of work and Project budget. Quarterly Reports will follow the format requirements set forth in Exhibit B; attachment 1.

SECTION 9 FINAL REPORTS

The Grantee shall submit a Draft Final Report on Project completion or termination and expenditures for the State's review and comment. The Draft Final Report shall be modified to incorporate the State's comments, if any, and resubmitted, as Final Report within sixty (90) days of the Grantee's receipt of the State's comments. The Grantee shall also submit Post-Completion Annual Reports and updates. Reporting will follow the format requirements set in Exhibit B, attachments 2 and 3.

SECTION 10 OPERATIONS AND MAINTENANCE OF "CONSTRUCTION" PROJECT

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

SECTION 11 RELATIONSHIPS OF PARTIES

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

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

SECTION 12 PERMITS, LICENSES, APPROVALS AND LEGAL OBLIGATIONS

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

SECTION 13 GRANTEE'S RESPONSIBILITIES FOR WORK

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

disputes between the Grantee and any other entity concerning responsibility for performance of work.

SECTION 14 PROJECT OFFICIALS AND NOTICES

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

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

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

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

State of California
Department of Water Resources
Office of Water Use Efficiency & Transfers
Attention: Program Manager
Baryohay Davidoff
901 P Street, Third Floor
Post Office Box 942836
Sacramento, California 94236-0001

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

(Representative, Phone Number & e-mail)

Agency Name)

(Mailing Address)

(City, State, Zip Code)

Agreement No.

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

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

Agreement Number: _____

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Chief Counsel Date
Department of Water Resources

By _____
Chief, Office of Water Use Efficiency & Transfers
Department of Water Resources

GRANTEE

By _____
Signature Date

Printed Name

Title

Address

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

_____.

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

EXHIBIT A
STANDARD TERMS

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

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

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

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

A-5. **ELIGIBLE PROJECT COSTS:** Grantee shall apply State Grant funds received only to Eligible Project Costs, as identified in Exhibit C.

A-6. **CONDITIONS FOR DISBURSEMENT:** The State shall have no obligation to disburse money under this Agreement unless and until the Grantee has satisfied the State that the disbursement is in accordance with the requirements of the Water Code Chapter (7), Section 79550(g) of Proposition 50, and the following:

- (a) For Construction Projects, the Grantee submits to the State, final plans and specifications certified by a California Registered Civil Engineer or equivalent documentation as to compliance with the approved Project.
- (b) The Grantee submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way and approvals as may be required by other state, federal, and/or local agencies, as specified in Section 12 of this Agreement.
- (c) The Grantee demonstrates compliance with the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements,

legal notices and environmental permits as may be required prior to beginning the Project.

- (d) The Grantee submits timely quarterly progress reports, draft final and final reports, and post-completion annual reports on benefits & costs updates as required by Sections 8 and 9 of this Agreement.
- (e) The Grantee demonstrates continuing availability of sufficient funds to complete the Project.

A-7. STATE GRANT DISBURSEMENTS:

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

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

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

The Grantee shall submit two (2) copies of quarterly progress reports and (2) copies of invoice (along with supporting documents for expenditures) associated with work accomplished during that quarter to:

Project Manager
Department of Water Resources,
Water Use Efficiency & Transfers
901 P Street, Third Floor
P.O. Box 942836
Sacramento, CA 94236-0001

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

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

DWR Accounting Office,
Contracts Payable Unit,
P.O. Box 942836, Sacramento, CA 94236

All reports and invoices must be on the Grantee's letterhead, have name, project title, Agreement number, invoice number, and the quarter and tasks for which progress report and invoice are.

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

Along with submittal of Draft and Final Report and satisfactory completion of the project, Grantee shall submit to the State a final invoice for incurred Eligible Project Costs and request release of retention/ withholding, as identified in Exhibit A-8(a) of this agreement.

A-8. WITHHOLDING OF GRANT DISBURSEMENTS BY STATE

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

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

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

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

A-9. DOCUMENTATION OF PROJECT BENEFITS AND COSTS

Actual Water Savings and Other Benefits and Costs: The Grantee shall submit Annual Reports of Benefits and Costs after the first operational year has elapsed and report any updates and other benefits such as water savings, water quality, flow and timing, energy savings, and any other/additional benefits and costs resulting from the Project, as detailed in the Exhibit B (B-2, Benefits). These reports must be submitted on schedule as identified in Exhibit B (B-7, Schedule for Progress Reports & Payments) to the project manager. If appropriate, the Grantee shall revise the estimate of water savings based on records of each consecutive year for five years. Estimates shall include total annual water savings, net annual water savings, and costs. The report shall also include a description of how the water produced by the Project is being utilized. This recording and reporting process shall be subsequently repeated for a total of five (5) consecutive operational years.

A-10. TIMING AND MANNER OF PROJECT UNDERTAKING

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

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

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

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

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

(f) Final Inspection and Certification of Registered Civil Engineer (Construction Projects): Upon completion of the Project the Grantee shall provide for a final inspection

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

A-11. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT:

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

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

(b) Disposition of Money Disbursed

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

(c) Remittance of Unexpended Funds

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

(d) Interim and Final Audits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A-25. DEFAULT PROVISIONS:

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

1. Substantial breach of this Agreement, or any supplement or amendment to it;
2. Making any false warranty, representation, or statement with respect to this Agreement; Failure to make any remittance required by this Agreement;
3. Failure to make any remittance required by this Agreement.

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

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

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

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

A-26. CONFLICT OF INTEREST:

(a) Current State Employees:

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

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

(b) Former State Employees:

(1) For the two year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in

any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the Agreement while employed in any capacity by any State agency.

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

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

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

A-29.DRUG-FREE WORKPLACE CERTIFICATION:

(a) Certification of Compliance

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

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

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

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

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

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

contract or subcontract.

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

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

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

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

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

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

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

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