

**AGREEMENT NO. WR-20-1004
BETWEEN THE LOS ANGELES DEPARTMENT OF
WATER AND POWER AND
AIR PRODUCTS AND CHEMICALS, INC.,
REGARDING ADVANCED TREATED RECYCLED WATER SERVICE AT
THE AIR PRODUCTS WILMINGTON PLANT**

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Agreement No. WR-20-1004 (hereinafter "Agreement") is made and entered into by and between the Los Angeles Department of Water and Power, (hereinafter "LADWP"), and Air Products and Chemicals, Inc., (hereafter, "Air Products"), collectively referred to as the "Parties," regarding advanced treated recycled water service at the Air Products Wilmington Plant (hereinafter the "Property").

RECITALS

WHEREAS, LADWP will make available to Air Products advanced treated recycled water (ATRW) from the Terminal Island Water Reclamation Plant (TIWRP), such treated recycled water shall exceed the requirements as established by the State of California Department of Health Services as found in Title 22 of the California Code of Regulations industrial uses (as updated from time to time) and shall be modified for use with the cooling towers; in addition, LADWP will provide backup supplies of potable water as necessary to ensure a reliable water supply to Air Products; and

WHEREAS, Air Products desires to use ATRW for cooling-tower makeup and boiler feedwater needs at the Property at no increase in cost to Air Products compared to continued use of potable water; and

WHEREAS, LADWP's supply of the ATRW is less likely to be restricted in times of drought than potable water; and

WHEREAS, Air Products and LADWP have conducted a Feasibility Study and Preliminary Design and have determined that if LADWP offers a sufficient financial incentive for Air Products to complete the design and construction of the on-site capital retrofit, Air Products can utilize ATRW with no increase in operating costs compared to its continued use of potable water; and

WHEREAS, Air Products and LADWP seek to establish contractual terms for ATRW service at the Property for a period of not less than 10 years as consideration in exchange for reimbursement by LADWP to Air Products for the cost of the on-site capital retrofit, which shall be amortized over 3 years and repaid pro rata by Air Products in the event it earlier terminates ATRW service,

NOW, THEREFORE, in consideration of the foregoing and the benefits which will accrue to the Parties hereto, the following is understood and agreed to by and between the Parties:

SECTION 1: TERMS

- 1.1 This Agreement shall be effective (the "Effective Date") beginning the first date upon which all of the following have occurred: (i) this Agreement is signed on behalf of Air Products by the person or persons authorized to bind Air Products hereto; (ii) this Agreement has been approved by the Board of Water and Power

Commissioners for the City of Los Angeles; and (3) this Agreement has been approved by the Los Angeles City Council.

- 1.2 The term of this Agreement shall be for 10 years from the Service Commencement Date as described in Section 4.1. Said term will be automatically extended in two increments of ten years each unless one year prior to the expiration of this Agreement, or any extension thereof, either Party hereto serves the other Party written notice of termination; such termination shall be effective at the end of the then current term, or any extension term. The Parties agree that this Agreement may be amended at any time by mutual written agreement of the Parties.
- 1.3 This Agreement is binding on and shall inure to the benefit of successors and assigns of Parties.
- 1.4 Neither this Agreement nor any claim for payment of sums due or to become due shall be assignable in whole or in part by LADWP or by operation of law without the prior written consent of Air Products, nor shall LADWP delegate any of its obligations hereunder to any other person without the prior written consent of Air Products. Any attempted assignment or delegation by LADWP in violation of the provisions hereof shall be void. Air Products' consent to any proposed assignment or delegation may be granted or withheld by Air Products in Air Products' sole discretion. Without limiting the foregoing, no assignment by LADWP of any of its rights to payment hereunder shall be valid or effective as against Air Products unless and until such time as notice thereof has been sent to Air Products in accordance with the notice provisions hereof, which notice must (i) be executed by both LADWP and its assignee, (ii) contain clear and unequivocal instructions as to where future payments must be sent, (iii) not contain any provisions which will increase the risk, cost or administrative burden to Air Products in making payments hereunder, and

Subject to LADWP's prior written consent, which shall not be unreasonably withheld, Air Products shall have the right to assign this Agreement in whole or in part to any person to whom Air Products transfers any facility (or any portion thereof) to which this Agreement pertains and who assumes Air Products' obligations hereunder arising from and after the effective time of such assignment. In the event of any assignment of this Agreement by Air Products in accordance with this Section, Air Products shall have no liability for any breach hereof or default hereunder by its assignee, but Air Products shall remain liable for all of its obligations hereunder arising and accruing prior to the effective time of such assignment. LADWP's consent shall not be required for Air Products' assignment to an affiliate or subsidiary.

SECTION 2: ON-SITE RETROFITS

- 2.1 Exhibit A, attached hereto and made part of this Agreement, describes the scope for On-site Retrofits to be constructed ("On-Site Retrofits"). The On-site Retrofits shall be constructed specifically for the purposes of serving ATRW to the Property's industrial water system.
- 2.2 Air Products shall be responsible for the design-build construction of all On-site Retrofits for serving ATRW to its industrial water system on the Property downstream of the meter vaults, in accordance with the following schedule:

The On-site Retrofits are targeted to be ready to receive ATRW in line with the following estimated (non-binding) milestones:

Baseline	Air Products receives project approval
+2 months	Air Products commences detailed engineering
+6 months	Air Products completes detailed engineering
+9 months*	Air Products completes construction

* Construction schedule could be extended if there are interferences with plant turnarounds or unplanned major maintenance items.

- 2.3 LADWP shall reimburse Air Products for costs of design-build construction of all On-site Retrofits not to exceed the amounts shown in Exhibit B, subject to LADWP approval per the reimbursement procedures outlined in Exhibit C. Exhibits B and C are attached hereto and made part of this Agreement.
- 2.4 Air Products shall comply with the reimbursement procedures for submission and approval of invoices for such reimbursement set forth on Exhibit C.
- 2.5 LADWP will lend technical assistance to Air Products to obtain regulatory approval for the On-site Retrofits and assist in development of operating protocols to facilitate safe use of recycled water; LADWP acknowledges that any change to the design/build construction of the On-site Retrofits may impact the project. As part of the Design/Construction responsibilities and to the extent required by law, Air Products agrees to:
- Obtain design approval from the Los Angeles County Department of Public Health (LACDPH).
 - Obtain other necessary permits and approvals required for the construction of On-site Retrofits and other necessary permits and approvals required for the use of ATRW beyond the meter and on the Property. These include, but are not limited to, approvals by the City of Los Angeles Department of Building and Safety and the State of California Water Resources, Division of Drinking Water.

- c. Comply with requirements set by the regulatory agencies to protect the public and the potable water supply, as applicable to the supply of ATRW to the Property.
- d. Comply with an initial and final inspection and approval of the On-site Retrofits by LACDPH and LADWP representatives; provided however that LADWP cannot reject any retrofit elements previously approved by LADWP. The inspection may include, but not necessarily be limited to, a final cross-connection test, the verification of proper installation and application of backflow assemblies, appropriate signage, and marking of potable, industrial and recycled water facilities.
- e. Designate a Site Supervisor to receive training of the application and maintenance of the ATRW system. Site Supervisor's contact information shall be submitted to LADWP.
- f. Comply with applicable provisions of the Labor Code and federal, state, and local laws and regulations which affect the hours of work, wages, and other compensation of employees, nondiscrimination, and other workplace activities associated with the design/construction work performed pursuant to this Agreement. LADWP agrees Air Products may use non-union labor for the design/construction work performed pursuant to this Agreement.
- g. Ensure that any and all contract(s) Air Products enters into with an independent contractor(s), sub-contractor(s), and/or consultant(s) to perform the On-site Retrofits described in Exhibit A, (hereinafter "Retrofit Contractors"), include the requirement that the Retrofit Contractors shall comply with the following provisions of the Los Angeles Administrative Code (LAAC) in performing said work: § 10.8.2 (Nondiscrimination); § 10.8.2.1 (Equal Benefits); § 10.8.3 (Equal Employment Practices); §10.8.4 (Affirmative Action); §10.10 (Child Support Assignment Orders); and § 10.48 (Criminal History Questions on Employment Applications). The obligations set forth in this subsection do not apply to the operation and/or maintenance of the On-site Retrofits once completed.

SECTION 3: THREE YEAR AMORTIZATION PERIOD

- 3.1 Air Products shall maintain recycled water service in accordance with its needs and the provisions of this Agreement for a period of not less than three years following the Service Commencement Date described in Section 4.1, and in so doing has no obligation to repay LADWP any of the reimbursed cost of the On-site Retrofits as stated in section 2.3. In the event that, prior to the expiration of such three year period, either:
- i) Air Products terminates operations at the Property, or
 - ii) Air Products elects to discontinue the use of ATRW after the Service Commencement Date, and except where (i) or (ii) are due to Air Products'

compliance with applicable law, regulation, or government authority, Air Products shall pay LADWP the reimbursed amounts paid by LADWP from section 2.3, such repayment shall be in accordance with the table below (*Year starts on the Service Commencement Date*):

Year	Repayment Obligation (Percent)
0-1	100%
1-2	70%
2-3	30%
After 3	0%

SECTION 4: ADVANCED TREATED RECYCLED WATER SERVICE

- 4.1 The Service Commencement Date shall mean the date for beginning the term of the ATRW service, where such date shall be the later of: (a) Completion of On-site Retrofits, (b) the Availability of Service Date (defined in Section 4.2), or (c) sixty (60) days after the Completion of the On-site Retrofits if the Availability of Service Date has not occurred within such sixty (60) day period.
- 4.2 The Availability of Service Date shall be the Notice of completion of off-site facilities being constructed by LADWP.
- 4.3 Following the Service Commencement Date, Air Products shall use water from LADWP's ATRW system for its industrial water system that supplies industrial water for cooling-tower makeup, boiler feedwater, and other uses in favor of potable water from the LADWP potable water system, provided that such ATRW meets or exceeds the agreed upon water quality limits provided in Section 4.7 of this Agreement. If LADWP is unable to supply sufficient volumes of recycled water meeting or exceeding the agreed upon water quality limits to meet Air Products' needs, Air Products may secure its water demand in whole using LADWP's potable water system. Additionally, Air Products shall perform preventative maintenance operations tests, with a frequency not less than annually. During these tests, Air Products will use LADWP potable water as the sole supply source. This will ensure that the potable water system is capable of both supplemental and total industrial application as needed. LADWP will continue to supply potable water to the Property's domestic water system from LADWP Potable water system.
- 4.4 LADWP shall supply ATRW up to a maximum flow rate of 2000 gallons per minute.
- 4.5 LADWP is currently receiving ATRW from TIWRP's Advanced Water Purification Facility (AWPF). The AWPF will constitute a substantial portion of ATRW supplies for Air Products. Additional sources of ATRW may be added in the future. Each of these existing sources and potential future sources of ATRW will employ reverse

osmosis treatment as a means of removing dissolved impurities including organic and inorganic materials. Moreover, the treatment systems will include use of chemical addition to add minerals to the product water to stabilize the corrosion potential of the water. These processes demonstrate an ability to produce water that is of suitable quality for a wide range of potential uses, including cooling-tower makeup and boiler feedwater uses.

- 4.6 LADWP will provide both potable water and ATRW in LADWP's ATRW Harbor distribution system under this Agreement. Potable water will be supplied through an LADWP potable backup connection in the ATRW Harbor distribution system when sufficient quantity of ATRW of appropriate quality is unavailable and/or as a supplement to the ATRW distribution system. In order to further support ATRW reliability, Air Products will be responsible for providing their own onsite Potable Backup connection at the refinery property when ATRW is unavailable. The water quality of both the ATRW and potable water is regulated by the State of California under separate, respective permits. The current permit for the ATRW is the California Regional Water Quality Control Board Los Angeles Region Order No. R4-2016-0334 (File No. 97-208) Waste Discharge Requirements and Water Recycling Requirements Issued to City of Los Angeles Department of Public Works, City of Los Angeles Department of Water and Power, Los Angeles County Department of Public Works, Terminal Island Water Reclamation Plant, Harbor Water Recycling Project – Dominguez Gap Barrier Project (ATRW Permit).
- 4.7 The Parties have identified water quality parameters that enhance the economics of ATRW use and are protective of Property equipment. Table 4.7 describes the quality parameters of greatest interest to Air Products. The table shows the frequency and methods by which the TIWRP plant currently monitors specific water-quality parameter, a Target Range, and a Limit for each specific parameter. LADWP shall endeavor to supply ATRW under this Agreement maintaining water quality parameters within the Target Range shown on this table.

Table 4.7

Parameter	Monitoring Method	Frequency	Unit	Target Range	ATRW Permit Limit
Ammonia	Sample ^A	Weekly	mg/l	<0.5	TN
Calcium	Sample	Daily *	mg/l	<50	N/A
Chloride	Sample	Quarterly	mg/l	<150	250 ^{RAA}
Specific Conductance ^{^^}	On Line Analyzer	Continuous	uS/cm	< 600	1,600
Free Chlorine ^{^^}	On Line Analyzer (with backup)	Continuous	mg/l	>2,<4	4
Iron	Sample	Quarterly	mg/l	<0.3	0.3
Magnesium	None		mg/l	<10	N/A
Silica	None		mg/l	<2	N/A
Total Dissolved Solids	Sample	Weekly	mg/l	<500	800 ^{RAA}

Langelier Saturation Index	Calculated daily	Daily *	LSI	-0.5 to 0.5	-0.5 to 0.5
Modified Fouling Index	Calculated	Weekly	MFI	<2	<2.5
Turbidity ^^	On Line Analyzer	Continuous	NTU	<0.2	<0.5
pH ^^	On Line Analyzer	Continuous		6.5 - 8.5	6.5 - 8.5
Selenium	Sample	Quarterly	mg/l	<0.005 / ND	<0.05
Sulfate	Sample	Quarterly	mg/l	<10	250 ^{RAA}
Total Hardness	Sample	Quarterly	mg/l	<125	N/A
Copper	Sample	Quarterly	mg/l	<0.01	1.0 ^{AIC}
Nitrate	Sample	Weekly	mg/l	<2	TN
Phosphate	None		mg/l	<1	N/A
Total Organic Carbon^^	On Line Analyzer	Continuous	mg/l	<0.5	0.5 ^{RAA}
Total Alkalinity	Sample	Daily *	mg/l	<100	N/A
N/A = Parameter is unregulated by Permit TN = Total Nitrogen Permit Limit is 10 mg/l * = Week turnaround from lab RAA = Permit limits is for running annual average ^^ Monitored by LASAN continuously AIC = Average of initial and confirmed sample A = Plan is for a continuous analyzer online by December 31, 2020					

- 4.8 LADWP shall communicate to Air Products if ATRW water quality fails to meet any regulated standard and/or prior to stopping supply of ATRW to Air Products. Such communication will be to the plant manager, but no later than 8 hours of limit exceedance / supply cessation (See Exhibit D for contact information). In such case, LADWP will supply the ATRW system with potable water.
- 4.9 LADWP/TIWRP will retain ATRW on line analyzer and laboratory sample results for at least the parameters listed in Table 4.9 and submit results to Air Products via quarterly reports sent to the plant manager (See Exhibit D for contact information). Values outside of Limits or Permits will be communicated as noted in Section 4.8.

Table 4.9

Parameter	Monitoring Method	Unit	Limit
Ammonia	On Line Analyzer	mg/l	1
Specific Conductance	On Line Analyzer	uS/cm	600
Free Chlorine	On Line Analyzer (with backup)	mg/l	4
Turbidity	On Line Analyzer	NTU	<0.5
pH	On Line Analyzer		6.5 - 8.5
Total Organic Carbon	On Line Analyzer	mg/l	1

- 4.10 LADWP shall ensure that the TIWRP operating personnel maintain continuous monitoring of water quality parameters shown in Table 4.9 and shall communicate to the plant manager as soon as possible, but no later than 8 hours, if any water quality parameter is outside specified Limits from Table 4.9 (See Exhibit D for contact information). Upon notification, Air Products may reduce or discontinue use of ATRW at their discretion. Air Products would have the option to receive potable water from the existing LADWP potable system connection until LADWP has communicated that water within the stated Limits has been within those Limits for at least 4 hours and is again available from the ATRW system.
- 4.11 The potable water supplied in LADWP's ATRW distribution system under this Agreement when ATRW of appropriate quality is unavailable and/or as a supplement to the ATRW distribution system shall not be subject to the ATRW Water Quality Operating Parameters described in Sections 4.7 – 4.10.
- 4.12 The ATRW system will employ potable water backup as a means of stabilizing the delivery system during temporary periods where system-wide ATRW demands exceed the available ATRW supply or the quality of water falls below the parameters set forth in permit noted in Section 4.6. Thus, water delivered at any time from the ATRW system may be recycled or potable water of differing water quality but still within the parameters set forth in Section 4.7. LADWP will communicate to the plant manager as soon as possible, but no later than 8 hours for any of the following unplanned scenarios (See Exhibit D for contact information):
- Partial or complete shutdown of the TIWRP and amount of potable water that is then being used to supplement/replace the reduction in ATRW supply
 - Any other occurrence that the TIWRP deems would impact the ATRW or total ATRW system supply to the Property.

If any of the above scenarios would result from planned work by TIWRP or LADWP, then such communications should be done once such a plan is formed and again at 1 week and 1 day prior to execution.

- 4.13 Each Party agrees to be responsible, both financially and otherwise, for meeting any system design and operation requirements set by regulatory agencies to protect the potable water supply and public health; more specifically, Air Products shall be responsible for the On-site Retrofits on its Property, as described in Exhibit A, and LADWP for its system upstream.
- 4.14 LADWP will supply ATRW to Air Products, and Air Products agrees to utilize ATRW for approved uses in accordance with all State and Local rules and regulations. LADWP and Air Products recognize that the applicable rules and regulations governing recycled water, potable water, or effluent discharge water may change; due to such proposed change and thereafter, the parties agree to

work in good-faith to implement the change in the spirit of this Agreement. LADWP shall inform Air Products of any changes to the applicable rules and regulations governing recycled water within 60 days of LADWP becoming aware of the changes.

- 4.15 Air Products' use of ATRW will not be restricted in times of drought unless requirements to create such restrictions are imposed upon LADWP by an outside regulatory agency with authority over LADWP. Under such circumstances all parties will work in good faith to prevent or minimize such limitations.
- 4.16 As of the Service Commencement Date, Air Products will be responsible for use of ATRW on the Property in accordance with all applicable State and local health regulations, including, but not limited to, any on-site backup system, backflow prevention assemblies, etc.

SECTION 5: CHARGES FOR ADVANCED TREATED RECYCLED WATER

- 5.1 All water served to Air Products from the LADWP ATRW system, (including water from such system originating as LADWP potable backup), shall be sold at the rate set forth in this Section.
- 5.2 Following the Service Commencement Date, Air Products shall pay one hundred percent (100%) of the "all-in" commodity rate for potable water service otherwise available to Air Products for all water received through the ATRW system. Presently, the "all-in" potable commodity rate is calculated as the rate per hundred cubic feet set for Commodity Charges in Section 2.C.3.a., including the Base Rate and adjustments pursuant to General Provisions F, G, H, K, L, R, and S of Rate Ordinance No. 184130, as amended, which is hereby incorporated by reference as if set forth at length.
- 5.3 It is understood that the all-in commodity rate for potable water service as set forth in Section 5.2 above may be modified and/or redefined during the term of this Agreement if Rate Ordinance No. 184130 is amended by the City Council or replaced by a new rate ordinance. LADWP shall notify Air Products in writing of any rate change within 30 days of the effective date of any such amendment.

SECTION 6: PROHIBITION AGAINST RESALE

- 6.1 By the Act of Congress that granted the City rights-of-way to transport the City's water supply from the Owens Valley to Los Angeles, the City is prohibited from ever selling, or letting to any customer, or individual, the right to sell or sublet any of the water as sold to it by the City (Act of Congress of June 30, 1906, Pub. Law 395, 34 Stats. 801). The Charter of the City of Los Angeles prohibits LADWP from supplying water to any person or customer for resale. It is the intent of the Parties that the resale of water as sold to Air Products shall not occur. Air Products agrees

that it will not resell or sublet any of the water as supplied by the LADWP to Air Products pursuant to this Agreement.

SECTION 7: OTHER TERMS

- 7.1 Neither Air Products' nor LADWP's failure to enforce any provision of this Agreement shall be construed as a general waiver or relinquishment on its part of any portion of this Agreement.
- 7.2 Except for the gross negligence, sole negligence, criminal activity, fraud, or willful misconduct of the LADWP Indemnities (defined below), Air Products hereby undertakes to indemnify, and hold harmless the City of Los Angeles, LADWP, the Board of Water and Power Commissioners, and all of their officers, and employees (collectively, the "LADWP Indemnitees") from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever (collectively, "Claims"), for death, bodily injury, or personal injury to any third party person, or damage or destruction to any property of either party hereto, or to any third person, to the extent arising from Air Products' use of ATRW, or in the retrofit of Air Products' facility, as described in Exhibit A, for the use of the ATRW on the Property by Air Products, Air Products' officers, agents, employees, or subcontractors of any tier.
- 7.3 Insurance for On-site Retrofits Contractors
 - a. Air Products shall have an affirmative duty to assure that independent contractors, sub-contractors and consultants, who will perform the On-site Retrofits described in Exhibit A, (hereinafter "Retrofit Contractors") comply with the terms of this Agreement. Air Products shall be the responsible party with respect to all actions of its Retrofit Contractors during the performance of their scope of work. All activities must be properly licensed or permitted prior to occurrence.
 - b. Air Products shall be solely responsible for monitoring such Retrofit Contractors in connection with the retrofit obligations under this Agreement. Air Products shall be solely responsible for administering the obligations or activities of its Retrofit Contractors related to this Agreement. Air Products shall ensure that the Retrofit Contractors procure and maintain liability insurance covering the acts, omissions, or errors of the contractors and their employees during the performance of their retrofit. Nothing contained herein will obligate LADWP to the contractors or any other hired party or invitee.
 - c. With respect to this Agreement, Air Products shall cause Retrofit Contractor to maintain insurance coverage consistent with usual and customary practices in their respective industries.

7.4 IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL OR INDIRECT DAMAGES (INCLUDING BY WAY OF ILLUSTRATION, LOST REVENUES AND LOST PROFITS) ARISING OUT OF THIS AGREEMENT OR ANY OBLIGATION ARISING THEREUNDER, WHETHER IN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, TORT, INDEMNITY OR OTHERWISE.

7.5 Any written notice under this Agreement shall be deemed properly given if delivered in person or sent by registered or certified mail, postage prepaid, to the person specified below unless otherwise provided for in this Agreement:

a. **If to LADWP:**
The City of Los Angeles Department of Water and Power
111 N. Hope St., Room 1460
Los Angeles, CA 90012
Attention: Director of Water Resources Division

b. **If to Air Products:**
Air Products and Chemicals, Inc.
4000 MacArthur Blvd., Suite 420 East Tower
Newport Beach, CA 92660
Attention: Wilmington Account Manager

7.6 Either Party may, by written notice to the other Party, change the name or address of the person to receive notices pursuant to this Agreement.

7.7 Agreement may be executed in counterparts, each of which may be deemed an original, and all of which collectively shall constitute a single instrument. Photocopies, facsimile copies, and PDF copies shall have the same force and effect as a wet ink original signature.

7.8 Each person signing this Agreement on behalf of a party hereto warrants and represents that he or she has authority to sign on behalf of said party, and that this Agreement has been validly authorized and constitutes a legally binding and enforceable obligation of said party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By: _____
MARTIN L. ADAMS
General Manager and Chief Engineer

Date: _____

And: _____
CHANTE L. MITCHELL
Board Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

BY

JUL 27 2021
JOHN A. CARVALHO
DEPUTY CITY ATTORNEY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

AIR PRODUCTS INCORPORATED

By: 
FRANCESCO MAIONE ENRIQUE MULLAN
President Americas GM US HYCO

Date: 10/26/2021 

EXHIBIT A

Scope and Cost Estimate for the On-Site Retrofits Required to Serve Advanced Treated Recycled Water to Air Products Wilmington Plant Industrial Water System

Project scope for On-site Retrofits to provide Air Products Wilmington plant process water with recycled water from Terminal Island Water Reclamation Plant (TIWRP). The new recycled water supply will be backed up at the Air Products Wilmington site with potable water from the Henry Ford Ave supply line via cross-tie piping system. The project scope will also include modifications to the existing water treatment system.

This project is estimated (+/- 80%) at \$1,560,000.

Scope of Work

- Design and Construct skid at shop consisting of 10-inch flanged carbon steel pipe, (2) double reduced pressure backflow flow prevention assemblies (RPBF), (4) isolation gate valves, (3) shutoff gate control valves, (3) butterfly control valves, (2) pressure transmitters, (1) control panel, and electrical wiring.
- Build foundation support east of existing potable water piping for installation of completed skid.
- Perform excavation to expose section of existing underground 10-inch piping that is routed from the existing potable water station to the water treatment skid.
- Demo section of existing 10-inch piping from the aboveground tee that is flanged to the underground piping to the water treatment skid. Approximately 15-feet of this underground line will be routed aboveground.
- Prefabricate 10-inch flanged piping to route from new recycled water skid outlet that will tee to the existing potable water station outlet and inlet to the water treatment underground piping. This aboveground section will include a solenoid shutoff valve.
- Install skid on new foundation located east of the existing 10-inch potable water piping per approved civil/structural drawings.
- Tie-in new skid inlet to LADWP 12-inch piping coming from Henry Ford Ave.
- Retrofit (2) pressure transmitters upstream and downstream of existing 10-inch potable water system.
- Backfill trench after all underground work is complete.
- Make final tie-ins to pre-fabricated piping from new recycled water skid, existing potable water station, and underground water treatment line.
- For the water treatment skid, construct a chemical feed tank, metering pump, chemical injection port, monitoring probe and transmitter, electrical and mechanical required for these additions, and software programming.
- Coordination with Los Angeles County Department of Public Health for Cross Connection Permit Approval
- Startup and commissioning of ATRW

EXHIBIT B

The Not-to-Exceed amount reimbursable by LADWP to Air Products shall be \$2,850,000. LADWP shall Reimburse Air Products for Approved Actual Costs of Design-Build Construction of the on-site retrofits required to serve ATRW to Air Products Wilmington Plant Industrial Water System.

EXHIBIT C

Procedures for Submission and Approval of Invoices from Air Products to LADWP for Reimbursement of Actual Costs of Design-Build Construction of the On-Site Retrofits Required to Serve Advanced Treated Recycled Water to Air Products Wilmington Plant Industrial Water System

Air Products shall submit invoices to LADWP by way of email to the following designated LADWP personnel:

David R. Pettijohn
Director of Water Resources
David.Pettijohn@LADWP.com

1. Invoices for design-build construction work included in Exhibit B shall be submitted on a lump sum basis according to the schedule of milestones provided below. Invoice documentation shall reference the corresponding milestone.

- i. Milestone 1

Milestone 1 shall be considered reached when Air Products enters into a contract with a third-party for the design and construction of On-site Retrofits to the Air Products Wilmington Plant, upon which Air Products shall invoice LADWP for 45 percent of the third-party's proposed total price to complete the design and construction of the On-site Retrofits along with an additional construction management fee for Air Products' staff equal to 10 percent of the third-party's proposed total price. Invoice shall include a copy of the contract with the third-party noting the proposed total price and scope of work.

- ii. Milestone 2

Milestone 2 shall be considered reached when the third-party reaches 50 percent completion of the construction of the On-site Retrofits, upon which Air Products shall invoice LADWP for 45 percent of the third-party's proposed total price.

- iii. Milestone 3

Milestone 3 shall be considered reached when the Los Angeles County Department of Public Health approves the Air Products Wilmington Plant for ATRW service, upon which Air Products shall invoice LADWP for the final 10 percent of the third-party's proposed total price. In the event Air Products desires to be reimbursed for any additional retrofit costs incurred which exceed the third-party's proposed total price and Air Products' construction management fee, Air Products must be granted

prior approval by LADWP. Any LADWP-approved additional costs shall also be invoiced under Milestone 3.

2. Air Products shall provide LADWP with a schedule consisting of projected dates for Milestones 1, 2, and 3 including the projected amount to be paid for each milestone within 14 calendar days after receiving the proposal from a third party for the work noted in Exhibit A and before executing the contract with the third party.

LADWP shall pay Air Products for the charges contained in the invoices submitted by Air Products. Such payment for charges approved in invoices by LADWP shall occur within sixty (60) calendar days after such invoice is received by LADWP. If LADWP determines that any such charges are not agreed upon, LADWP shall provide to Air Products a reasonably detailed explanation within ten (10) calendar days of having received the related invoice as to such determination. However, LADWP shall pay the portion of the invoice not in question within the agreed time.

EXHIBIT D

Communication to Air Products of Change in ATRW Supply:

Air Products and Chemicals, Inc.
700 N. Henry Ford Avenue
Wilmington, CA 90744
Attention: Plant Manager

Phone Number: 310-952-9172

Refer to Section 4 of Agreement.