



**NOTICE AND CALL OF SPECIAL MEETING
OF THE ENGINEERING & OPERATIONS
BOARD OF DIRECTORS'
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
September 15, 2014
10:00 AM
Approximate Meeting Time: 2 Hours**

NOTICE IS HEREBY GIVEN that a Special Meeting of the Engineering & Operations Board of Directors' of the Moulton Niguel Water District ("MNWD") has been called by the Chairman of the Board of Directors' to be held on September 15, 2014, at 10:00 AM, at MNWD's Administrative Offices located at the address above. The following business will be transacted and is the Agenda for this Special Meeting:

AGENDA

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE AUGUST 18, 2014 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING
3. PUBLIC COMMENTS
Persons wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time. (As required by law, public comments during a Special Meeting may address only specific items listed on the agenda, no other matters.)

ACTION ITEMS

4. GENERAL OBLIGATION BOND TAX RATES FOR FISCAL YEAR 2014-15 (RESOLUTION NO. 14-)

It is recommended that the Board of Directors approve the resolution entitled, "Resolution of the Board of Directors of Moulton Niguel Water District Setting Tax Rates for Fiscal Year 2014-15."

DISCUSSION ITEMS

5. Amendment to Professional Services Agreement for Strategic Real Estate Consulting
6. Long Range Water Resource Plan Agreement Amendment

7. East Aliso Creek Reservoir Recoating and Improvements Agreement
8. Portable Generator Purchase
9. Fleet Vehicle Purchases

INFORMATION ITEMS

10. ERP Update

ADJOURNMENT

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than twenty-four (24) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room.

I hereby certify that the foregoing Notice was personally delivered, faxed, mailed or e-mailed to each member of the MNWD Board of Directors at least twenty-four (24) hours prior to the scheduled time of the Special Meeting so noticed above; and posted twenty-four (24) hours prior to the time of the Special Meeting at the usual agenda posting location of MNWD (bulletin board outside main office entrance) and on the District website at www.mnwd.com.

Paige Gulck, Board Secretary
MOULTON NIGUEL WATER DISTRICT



DRAFT
MINUTES OF THE REGULAR MEETING OF THE
ENGINEERING & OPERATIONS BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT

August 18, 2014

A Regular Meeting of the Engineering & Operations Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 9:00 AM on August 18, 2014. There were present and participating:

DIRECTORS

Scott Colton	Director
Richard Fiore	Director
Donald Froelich	Vice President/Chair
Gary Kurtz	Director (via teleconference)
Larry Lizotte	Director
Larry McKenney	President
Brian Probolsky	Vice President (arrived at 9:20 a.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Todd Novacek	Assistant Director of Operations
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Paige Gulck	Board Secretary
Ray McDowell	MNWD
Megan Geer	MNWD
Ronin Goodall	MNWD
Adrian Tasso	MNWD
Ruth Zintzun	MNWD
Drew Atwater	MNWD
Rod Woods	MNWD
Vivian Lim	MNWD

#2.

1. CALL MEETING TO ORDER

The meeting was called to order by Donald Froelich at 9:00 a.m.

2. APPROVE THE MINUTES OF THE JULY 14, 2014 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY SCOTT COLTON, MINUTES OF THE JULY 14, 2014 ENGINEERING AND OPERATIONS MEETING WERE APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND LARRY MCKENNEY ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

3. PUBLIC COMMENTS - CLOSED SESSION

Item 3 was removed from the agenda.

CLOSED SESSION

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS, Pursuant to Government Code Section 54956.8

*Property: 4 Liberty, Aliso Viejo, 92656
Under Negotiation: Price and terms of payment
Real Property Negotiators: Joone Lopez, Matt Collings, Kevin Turner, Mike Hartel*

Item 4 was removed from the agenda.

5. PUBLIC COMMENTS - OPEN SESSION

None.

DISCUSSION ITEMS

6. On-Call Service Agreement for Manhole Rehabilitation Program, Project No. 2014.009

Marc Serna provided details on this item. Staff recommends awarding the service agreement to Ayala Engineering for a total not-to-exceed amount of \$600,000 during Fiscal Years 2014-15 and 2015-16. Discussion ensued regarding budget for the project and selection of vendors.

Brian Probolsky arrived at 9:20 a.m.

7. Amendment to Engineering Design Services Agreement for the Pressure Reducing Stations Relocation Project

Marc Serna provided details on this item. Staff recommends approval of the fourth amendment to the engineering design services agreement with Tetra Tech for a total not-to-exceed amount of \$143,700. Discussion ensued regarding budget, scope of work, and background on the item.

8. Bulk Fuel Delivery Services Agreement

Marc Serna provided details on this item. Staff recommends awarding a two year service agreement to Nickey Petroleum Co. Inc. for a total not-to-exceed amount of \$680,000 for the purchase and delivery of unleaded and diesel fuel, and motor oil lubricants during Fiscal Years 2014-15 and 2015-16.

INFORMATION ITEMS

9. State Water Resources Quality Control Board (SWRQCB) Emergency Drought Regulations Update

Joone Lopez provided details on this item. Staff developed an alternate plan, which was submitted to the Board for approval. A copy of the plan was provided to the Board.

10. Water Usage Report

Matt Collings provided details on this item. Various reports were provided in regards to water usage, water use efficiency trends, and rebate program updates.

11. OC 88 Meter Discrepancies

Matt Collings provided details on this item. The Board thanked Ronin Goodall for his role in this effort, which resulted in a significant reimbursement for the District from Metropolitan Water District of Southern California.

12. Quarterly Capital Improvement Program Report

Joone Lopez stated that the Quarterly Capital Improvement Program Report was attached for review.

13. Late Items (Appropriate Findings to be Made)

Staff has none.

#2.

ADJOURNMENT

The meeting was adjourned at 11:16 a.m.

Respectfully submitted,

Paige Gulck
Board Secretary

DRAFT



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 15, 2014

FROM: Ruth Zintzun, Finance Manager

SUBJECT: General Obligation Bond Tax Rates for Fiscal Year 2014-15 (Resolution No. 14-__)

DIVISION: District-wide

SUMMARY:

Issue: Requesting approval of the Fiscal Year 2014-15 General Obligation Bond Tax Rates.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, "Setting Tax Rates for Fiscal Year 2014-15."

Fiscal Impact: Revenues collected from taxable property within Improvement Districts No. 6 and 7 are used to pay for voter approved District debt.

BACKGROUND:

Since its inception in 1960, the District has formed multiple improvement districts to provide major water distribution facilities and sewage collection, treatment and disposal facilities within their respective boundaries. Through consolidations and annexations the District now contains 6 operational improvement districts, Improvement District Nos. 1, 2, 3, 6, 7 and 8. Improvement District Nos. 6 and 7 are the only improvement districts that currently have debt outstanding. The voters in Improvement District 6 have authorized \$140 million of water and sewer bonds, of which \$63 million have been sold and \$10 million is outstanding. The voters in Improvement District 7 have authorized \$27 million of water and sewer bonds, of which \$20 million have been sold and \$7 million is outstanding.

DISCUSSION:

The District calculates the amount of money necessary to be raised by taxation upon the taxable property within each Improvement District as revenue to pay the voter approved indebtedness for the District for each Fiscal Year and estimates the tax rate to be levied.

#4.

General Obligation Bond Tax Rates for Fiscal Year 2014-15

September 15, 2014

Page 2 of 2

Each year the Board of Directors must adopt by Resolution the District's required revenue for each Improvement District and estimated tax rate for the following year. For Fiscal Year 2014-15 the required revenue and estimated tax rates are as follows:

Improvement District No.	Required Revenue	Estimated Tax Rate
6	\$3,414,139	0.08600%
7	\$954,058	0.06975%

Attachment: Resolution

RESOLUTION NO. 14-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT SETTING TAX RATES FOR
OUTSTANDING GENERAL OBLIGATION BONDS OF IMPROVEMENT DISTRICTS
FOR FISCAL YEAR 2014-15**

WHEREAS, the Board of Directors of MOULTON NIGUEL WATER DISTRICT (sometimes the “District” herein) has considered the financial needs of the MOULTON NIGUEL WATER DISTRICT and its’ IMPROVEMENT DISTRICT NOS. 6 and 7 for the 2014-15 Fiscal Year for payment of outstanding bonded indebtedness of such improvement districts, and the funds available and estimated to become available for meeting said financial needs; and

WHEREAS, pursuant to Section 37206 of the Water Code of the State of California, the Board of Directors of the District shall furnish to the Board of Supervisors of the County of Orange and the Auditor of the County of Orange an estimate in writing of the amount of money needed to be raised by the District during the 2014-15 Fiscal Year for the payment of outstanding voter approved general obligation bonded indebtedness of the District’s improvement districts for the 2014-15 Fiscal Year.

NOW, THEREFORE, the Board of Directors of MOULTON NIGUEL WATER DISTRICT does hereby resolve, determine and order as follows:

Section 1. That the amount of money necessary to be raised by ad valorem assessments upon the taxable property (land only) within the IMPROVEMENT DISTRICT NO. 6 of MOULTON NIGUEL WATER DISTRICT as revenue to pay the voter approved indebtedness for said improvement district for the 2014-15 Fiscal Year is the sum of \$3,414,139. The estimated tax rate to be levied shall be .0008600 percent (.08600%) of taxable land value. The tax rate herein is levied pursuant to Section 93 and 93.61 (a)(1) of the Revenue and Taxation Code for the purpose of paying voter approved indebtedness of the MOULTON NIGUEL WATER DISTRICT for IMPROVEMENT DISTRICT NO. 6.

Section 2. That the amount of money necessary to be raised by ad valorem assessments upon the taxable property (land only) within the IMPROVEMENT DISTRICT NO. 7 of MOULTON NIGUEL WATER DISTRICT as revenue to pay the voter approved indebtedness for said district for the 2014-15 Fiscal Year is the sum of \$954,058. The estimated tax rate to be levied shall be .0006975 percent (.06975%) of taxable land value. The tax rate herein is levied pursuant to Section 93 and 93.61 (a) (1) of the Revenue and Taxation Code for the purpose of paying voter approved indebtedness of the MOULTON NIGUEL WATER DISTRICT for IMPROVEMENT DISTRICT NO. 7.

Section 3. That the Secretary and Acting Treasurer of the District are hereby requested to furnish a certified copy of this Resolution to the Auditor of the County of Orange.

#4.

ADOPTED, SIGNED and APPROVED this 15th day of September, 2014.

President/Vice President
MOULTON NIGUEL WATER DISTRICT and
the Board of Directors thereof

Secretary/Assistant Secretary
MOULTON NIGUEL WATER DISTRICT and
the Board of Directors thereof



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 15, 2014

FROM: Matt Collings, Assistant General Manager

SUBJECT: Amendment to Professional Services Agreement for Strategic Real Estate Consulting

DIVISION: District-wide

SUMMARY:

Issue: Staff negotiated Amendment No. 2 for a scope and fee change to the agreement for the Professional Services with StarPointe Ventures.

Recommendation: It is recommended that the Board of Directors approve Amendment No. 2 to the Professional Services Agreement with StarPointe Ventures valued at \$20,000 for a total not-to-exceed contract amount of \$63,200; and authorize the General Manager to execute the Amendment.

Fiscal Impact: Sufficient funds have been included in the Fiscal Year 2014-15 budget for these services.

BACKGROUND:

The District is investigating options for implementing improvements to the Operations Facilities, Main Office and Plant 2A. As part of the analysis, the District contracted with StarPointe Ventures to provide strategic real estate consulting services, including entitlement review and planning, and meeting with planning entities to review options.

#5.

Amendment to Professional Services Agreement for Strategic Real Estate Consulting

September 15, 2014

Page 2 of 2

DISCUSSION:

The contractual terms of the current Agreement, including Amendment No. 1, terminate on September 30, 2014. The agreement terms include a flat monthly rate of \$6,000 per month with additional sub-consulting services for \$13,200. The sub-consulting services include land planning and civil engineering work. District staff desires to extend the term of the contract to December 31, 2014 at a cost of \$18,000 (3 months at \$6,000 per month) plus an additional \$2,000 for sub-consulting services for additional mapping.

Attachments:

1. Amendment No. 1
2. Original Contract

**AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
STARPOINTE VENTURES; CONTRACT NO. OM13-14.035**

This Amendment No. 1 (this "Amendment") is entered into and effective as of June 30, 2014, amending the Professional Services Agreement, dated May 14, 2014 (the "Agreement"), by and between the Moulton Niguel Water District ("MNWD"), and Starpointe Ventures ("Consultant") (collectively, the "Parties") for strategic real estate consulting services.

RECITALS

A. On May 14, 2014, the Parties entered into the Agreement for strategic real estate services to be performed through October 31, 2014 for a not-to-exceed amount of \$36,000; and

B. The Parties desire to supplement the Agreement's scope of work and Consultant's performance of services to provide digital mapping and site studies; and

C. The Parties have negotiated and agreed to a supplemental scope of work and related fees schedule, which is attached hereto and incorporated herein by this reference as Exhibit A-1, Supplemental Scope of Work and Fees.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

- 1. Amendment to Section 3.1, Compensation for Services. Section 3.1 shall be amended in its entirety and replaced with the following:

In consideration for providing the Services, MNWD agrees to compensate Consultant up to a not-to-exceed maximum Agreement amount of **Forty-Three Thousand Two Hundred Dollars (\$43,200.00)**, which is inclusive of all labor costs, direct costs and expenses. Consultant shall be compensated on a monthly flat fee basis at a rate of Six Thousand Dollars (\$6,000.00) per month for the Services defined in Exhibit A. Additional services as agreed upon by written amendment between the Parties shall be invoiced by Consultant on a monthly basis and paid by MNWD pursuant to the terms of the applicable amendment.

- 2. Amendment to Section 4.1 Term. Section 4.1 shall be deleted in its entirety and replaced with the following:

This Agreement shall commence on the Effective Date and continue through September 30, 2014 (the "Expiration Date") unless terminated earlier pursuant to Section VIII of this Agreement.

- 3. Addition of Exhibit A-1, Supplemental Scope of Work. Exhibit A-1, is added to the terms of the Agreement by reference. The services detailed in Exhibit A-1 shall be included in the definition of Services under the Agreement.

- 4. Authorization of Subconsultants.

a. Consultant is hereby authorized by MNWD to subcontract certain of its Services

#5.

to the subconsultants referenced on the attached Exhibit B, List of Approved Subconsultants, which is incorporated herein by this reference.

b. Consultant is as responsible to MNWD for the acts and omissions of its subconsultants as it is for persons directly employed by Consultant. Nothing contained in this Amendment or the Agreement creates any contractual relationship between any of Consultant's subconsultants and MNWD.

c. Consultant's subconsultants are required to maintain insurance policies in accordance with all terms, conditions and requirements under Section VII of the Agreement throughout the term of the Agreement and any Amendment. Additionally, each of Consultant's subconsultants shall maintain throughout the term of the Agreement an occurrence-based professional liability (errors and omissions) policy providing coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. Consultant shall provide evidence of subconsultants' insurance coverages, including but not limited to additional insured endorsements, as required under Section VII of the Agreement prior to any subconsultant commencing Services.

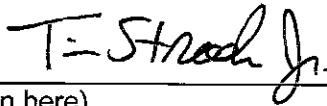
d. Subconsulting fees shall be billed by Consultant as a pass-through cost to MNWD without mark-up.

5. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.
6. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

STARPOINTE VENTURES

MOULTON NIGUEL WATER DISTRICT, a
California Water District

By:



(Sign here)

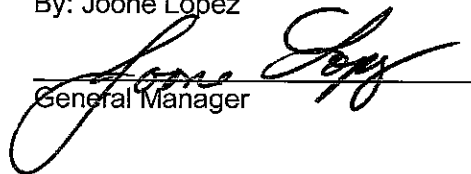
TIM STRADER JR.

Name

PRESIDENT

Title

By: Joone Lopez



General Manager

EXHIBIT A-1

SUPPLEMENTAL SCOPE OF WORK AND FEES

MNWD requires digital mapping and site studies in connection with its strategic planning and evaluation of a new headquarters. Consultant has agreed to coordinate with its subconsultants to provide the following services to MNWD:

I. Digital Engineering Base Mapping Services

A. Scope:

1. Record Digital Base Map and Constraints Map: Research record information with the City of Irvine and County of Orange and prepare a digital base file with the record mapping street and utility improvements information. Prepare a constraints map for the property that describes the site mapping, grading and drainage, utilities and building setbacks as required for the concept design phase. Utilities will be verified with the site survey topography as described below. Provide MNWD with digital file for its use in preliminary project design. This will include plotting the existing easements on the site as noted in the title reports. A preliminary title report will be provided by MNWD.
2. Aerial Topography Required Survey: Conduct a field survey to establish project control and to set six aerial targets for the aerial topographic flown survey described below. Coordinate with aerial topography company as required to complete the survey. All materials needed are included in the fee. Limits will be set approximately 300' outside the property as required by MNWD for context on the maps.
3. Flown Aerial Topography and Mapping: Conduct an aerial topographic survey of the entire site as shown on Attachment 1. Prepare a topographic map with a map compilation scale of 1"=40", and 1 foot contour intervals. This survey will be based on the six aerial survey targets as described above. Digital files will be provided for use by the aerial mapping consultants, and this information will be used as the existing ground topographic information in conjunction with the site specific field topographic survey described above.

B. Deliverables:

1. Record Digital Base Map and Constraints Map
2. Aerial Topography Required Survey
3. Flown Aerial Topography and Mapping

C. Completion Date: July 31, 2014.

D. Fee: \$9,200.00

E. Payment Terms: Billing for professional services and reimbursable costs will be invoiced on a monthly basis, up to the maximum fee amount listed above.

II. Residential Yield Study

A. Scope:

1. Prepare two site plans for the property generally located at the terminus of Gordon Road in the City of Laguna Hills. Using city zoning criteria, prepare yield studies under two different zoning classifications; Low Density Residential and Medium Low Density Residential. Yield studies will be based on client provided base map and will show lots, right-of ways, open space, and circulation. Accompanying each study will be a statistical summary.
2. Consultant and its subconsultant will participate in two meetings with MNWD's management team and its Board of Directors, as required by MNWD. Additional meetings will be charged based on Consultant's hourly rates.

B. Deliverables:

1. Two site plan yield studies for LDR and MLDR zoning criteria.
2. Statistical summary for each alternative.
3. Attendance at two MNWD meetings.

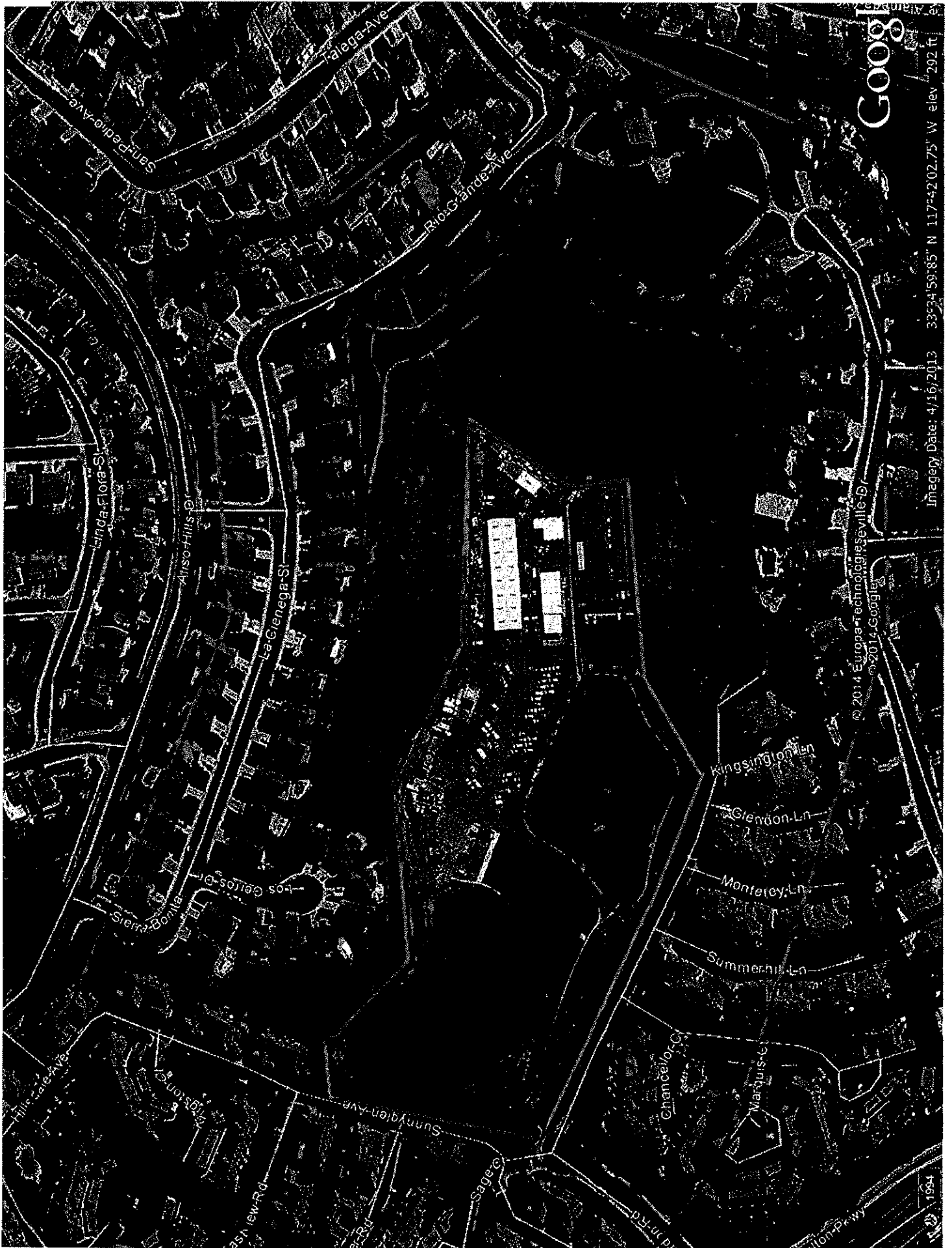
C. Project Completion Date: July 31, 2014.

D. Fee: \$4,000.00

E. Payment Terms: Billing for professional services and reimbursable costs will be invoiced on a monthly basis, up to the maximum fee amount listed above.

**ATTACHMENT 1
TO EXHIBIT A-1**

#5.



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PC14423 26161 Gordon Lag Hills

423 40 scale 1 foot contours

Project No:	PC14423	Photo scale:	1/3600	Film type:	Color
Client name:	Urban Resource	Forward overlap:	60%	Pilot:	C. Lung
Plot scale:	1/4200	Total lines:	1	Navigator:	S. Young
Camera type:	RC-30	Total models:	2	Airplane:	27282
Lens type:	Wild 15-4 UAGA-F	Total photos:	3	Date planned:	6/16/2014

#5.

EXHIBIT B

LIST OF APPROVED SUBCONSULTANTS

Digital Engineering Base Mapping Services

Urban Resource Corporation
23 Mauchly, Suite 110
Irvine, CA 92618
(949) 727-9095

Residential Yield Study

JZMK Partners
3080 Bristol Street, Suite 650
Costa Mesa, CA
Phone: (714) 426-6900

**PROFESSIONAL SERVICES AGREEMENT FOR STRATEGIC
REAL ESTATE CONSULTING BETWEEN
MOULTON NIGUEL WATER DISTRICT AND STARPOINTE VENTURES
CONTRACT NO. OM13-14.035**

THIS AGREEMENT (the "Agreement") is dated as of May 14th, 2014 (the "Effective Date"), by and between Starpointe Ventures, hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD". MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

In CONSIDERATION of the covenants hereinafter set forth, the parties hereto mutually agree as follows:

AGREEMENT

SECTION I – SCOPE OF CONSULTANT’S SERVICES

Section 1.1 CONSULTANT shall perform professional services for strategic real estate sales and development consulting (the "Services") that are set forth in Exhibit A – Scope of Work (the "Scope of Work"), which is attached hereto and incorporated herein by this reference as **Exhibit A**.

Section 1.2 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. Upon MNWD's request for additional or changed work, CONSULTANT shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Work, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. Upon execution of each addendum, (i) the Scope of Work shall thereafter be as described in **Exhibit A**, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the work shall be as set forth in the addendum. Following execution of any addendum, all terms and provisions of the Agreement, except as expressly modified by such addendum, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

SECTION II – PERFORMANCE OF SERVICES

Section 2.1 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional and workmanlike manner in accordance with the generally accepted industry standards of professional real estate practices and principles, and to the satisfaction of MNWD. CONSULTANT shall have the sole and absolute discretion in determining the methods, details and means of performing the Services, and MNWD shall not have any right to direct the methods, details and means of the Services, provided that CONSULTANT must receive prior written approval from MNWD before using any subconsultants in accordance with Section 2.4 herein. In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

Section 2.2 CONSULTANT shall promptly notify MNWD of any anticipated delays, causes or casualties beyond CONSULTANT'S control which may affect the work schedule. In the event the time for completing the Scope of Work is projected to be exceeded due to circumstances beyond the control of CONSULTANT, CONSULTANT shall have an additional amount of time to be agreed upon in writing between the parties pursuant to Section 1.1 and an executed addendum, in which to complete the work. CONSULTANT shall not begin work on the Services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, CONSULTANT shall immediately commence the Services described in **Exhibit A**.

Section 2.3 CONSULTANT shall provide all personnel necessary to properly perform the Services and duties required under this Agreement, and shall at all times direct such personnel in the performance of such services and duties. Tim Strader, Jr. shall serve as CONSULTANT'S principal liaison between MNWD and CONSULTANT.

Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S representative, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Work.

Section 2.4 CONSULTANT shall not subcontract any of the Services without the prior written consent of MNWD, the authorization of which must be documented by an amendment to this Agreement, signed by both parties.

Section 2.5 MNWD shall provide or make available to CONSULTANT at no cost, all information, data, records, maps, reports, plans, equipment, or other material in its possession and other information reasonably required by CONSULTANT for carrying out the Services and duties contemplated under this Agreement.

SECTION III – COMPENSATION FOR SERVICES

Section 3.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT on a monthly flat fee basis at a rate of Six Thousand Dollars (\$6,000.00) per month with a not-to-exceed maximum Agreement amount of **Thirty-Six Thousand Dollars (\$36,000.00)** (which maximum amount is inclusive of labor costs and direct costs and expenses).

Section 3.2 Payments will be made based on monthly submittal of invoices by CONSULTANT. Invoices will include a detailed description of work completed, the number of hours worked, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by CONSULTANT.

SECTION IV - TERM

Section 4.1 This Agreement shall commence on the Effective Date and continue through October 31, 2014 (the "Expiration Date") unless terminated earlier pursuant to Section VIII of this Agreement.

SECTION V - OWNERSHIP OF DOCUMENTS

Section 5.1 MNWD and CONSULTANT agree that all records, data, reports or other documentation prepared by CONSULTANT, in response to, or as a result of the performance of this Agreement shall be the sole property of CONSULTANT. MNWD and CONSULTANT acknowledge and agree that all records, data, reports or other documentation prepared by

CONSULTANT pursuant to this Agreement shall be retained by CONSULTANT for a period of four years after the termination or expiration of the Agreement.

SECTION VI - WARRANTY/DISCLAIMER

Section 6.1 In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

SECTION VII - INSURANCE AND INDEMNIFICATION

Section 7.1 General/ Automobile Liability Insurance. CONSULTANT shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONSULTANT and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this section.

All insurance provided under this Section 7.1 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 7.2 Worker's Compensation. By its signature hereunder, CONSULTANT certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that CONSULTANT will comply with such provisions before commencing the performance of work under this Agreement. CONSULTANT shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 7.3 Requirements of All Policies. All policies of insurance required under this SECTION IV shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of the Services. The policies required hereunder shall be endorsed to include contractual liability.

In the case of additional insured provisions, any insurance afforded the additional insureds by

this Agreement is primary insurance as to the additional insureds. Any insurance or self-insurance maintained by the additional insureds shall be excess of the CONSULTANT'S insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the CONSULTANT shall provide a financial guarantee satisfactory to MNWD guaranteeing payment of losses and related investigations, claim administration and defense expenses. Maintenance of insurance coverage as specified in this Agreement is a material term of this Agreement, and any failure to maintain or renew coverage, or to provide evidence thereof, as required by the terms is a material breach of this Agreement.

Section 7.4 Indemnification.

CONSULTANT shall indemnify, defend and hold harmless, including the cost to defend, MNWD and its' directors, officers, employees and representatives ("indemnitees") from and against all liability, claims, suits, causes of action, damages, demands, actions, losses, attorney's fees, costs and expenses (collectively referred to as "claims") (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to the operations and work of the CONSULTANT and its sub-consultants/subcontractors under this Agreement, (ii) to the extent caused by CONSULTANT'S or its sub-consultant's/ subcontractor's: (a) negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the services under this Agreement, or (b) breach or violation of any laws, statutes, ordinances, codes, regulations and requirements of any applicable federal, state or local government authorities or agencies; or (c) breach of any of its obligations under this Agreement.

The foregoing obligations include CONSULTANT's obligation to defend, at its cost and expense, the indemnitees with respect to the claims, which defense shall be conducted by qualified and appropriately experienced legal counsel, and at no cost to MNWD or other indemnitees.

CONSULTANT'S obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by CONSULTANT hereunder.

SECTION VIII - TERMINATION OR ABANDONMENT

Section 8.1 This Agreement may be terminated in whole or in part in writing by: (i) MNWD at any time, during any term or extended term, with or without cause, provided that no such termination may be effected unless MNWD provides CONSULTANT with not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of its intent to terminate; or (ii) with or without cause by CONSULTANT following CONSULTANT's satisfactory completion of its obligations under this Agreement, with not less than thirty (30) calendar days' written notice (by certified mail, return receipt requested) to MNWD of its intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Work under this Agreement by providing written notice to CONSULTANT at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, CONSULTANT shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 8.2 CONSULTANT shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and CONSULTANT agree that in the event MNWD suspends or terminates performance by CONSULTANT for any cause other than the intentional or negligent error or omission of CONSULTANT, CONSULTANT shall be entitled to payment of compensation incurred prior to the effective date of the suspension or termination, as determined under SECTION III of this Agreement.

Section 8.3 In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original reports and other documents developed for that portion of the work completed and/or being suspended or abandoned.

SECTION IX - CONFIDENTIALITY

Section 9.1 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement, including but not limited to draft reports, final reports and all data, information, documents, graphic displays and other items that are not proprietary to CONSULTANT and that are utilized or produced by CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 9.2 CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of Materials and records in its possession. All Materials shall be deemed confidential and shall remain the property of MNWD. CONSULTANT understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or subconsultants will release, disseminate, or otherwise publish said Materials except as provided herein or as authorized, in writing, by MNWD. CONSULTANT agrees not to make use of such Materials for any purpose not related to the performance of the Services under this Agreement. CONSULTANT shall not make written or oral disclosures thereof, other than as necessary for its performance of the Services hereunder, without the prior written approval of MNWD. Disclosure of confidential Materials shall not be made to any individual, agency, or organization except as provided for in the Agreement or as provided by law.

Section 9.3 All confidential Materials saved or stored by CONSULTANT in an electronic form shall be protected by adequate security measures to ensure that such confidential Materials are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this Section IX survive the termination or completion of the Agreement.

SECTION X - GENERAL

Section 10.1 CONSULTANT represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the Services, or which would impact its objectivity in performing such Services.

Section 10.2 This Agreement represents the entire understanding of MNWD and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if

both parties prepared it.

Section 10.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Matt Collings, Assistant General Manager
 Moulton Niguel Water District
 27500 La Paz Road
 Laguna Niguel, CA 92677-3489

To CONSULTANT - Attn: Tim Strader, Jr.
 Starpointe Ventures
 19700 Fairchild Road, Suite 240
 Irvine, CA 92612

Section 10.4 California law shall govern the interpretation of this Agreement. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

Section 10.5 In the event an action is commenced by either party to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all costs and expenses, including court costs, plus a reasonable amount for attorney's fees.

Section 10.6 If any section of this Agreement or provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

Section 10.7 It is expressly understood and agreed that CONSULTANT is retained is as an independent contractor for the sole purpose of rendering the Services, and is not an employee or agent of MNWD while engaged in carrying out this Agreement. CONSULTANT warrants that it will not represent, at any time or in any manner, that CONSULTANT is an employee or agent of MNWD. CONSULTANT shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD. CONSULTANT shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance CONSULTANT, as an independent contractor, is responsible for paying under federal, state or local law. CONSULTANT is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS.

Section 10.8 This Agreement shall not be assignable by either party without the prior written consent of the other party.

Section 10.9 The person signing this Agreement on behalf of each party hereto represents he/she has authority to sign on behalf of, respectively, MNWD or CONSULTANT.

Section 10.10 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by CONSULTANT without prior written consent of MNWD.

Section 10.11 This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of the Effective Date indicated above.

Moulton Niguel Water District

By: 
Joane Lopez
General Manager

CONSULTANT – Starpointe Ventures


By: 
Title: PRESIDENT

EXHIBIT A
SCOPE OF WORK

CONSULTANT'S Services under this Agreement shall include, but not be limited to the following:

- Meet with representatives of MNWD and its other consultants to ascertain MNWD's real estate needs relating to the development of a new headquarters.
- Assist MNWD in evaluating suitable sites for a new headquarters.
- Assist MNWD in evaluating the value and viability of the sale of MNWD's existing real estate holdings.
- Meet with MNWD's Board of Directors and Management as needed to discuss strategic real estate options and progress once such decisions are made.
- Once strategic real estate decisions have been made by MNWD, Consultant shall act as MNWD's representative in meetings with prospective land sellers, prospective purchasers of MNWD's real estate holdings, governmental agencies and other consultants.
- Assist MNWD with the selection of additional consultants required for the evaluation of a new headquarters including architects, engineers and other professional service providers.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 15, 2014

FROM: Marc Serna, Director of Engineering and Operations
Eva Plajzer, Assistant Director of Engineering

SUBJECT: Long Range Water Resources Plan Agreement Amendment

DIVISION: District-Wide

SUMMARY:

Issue: Staff negotiated Amendment No. 2 to the Agreement with CDM Smith Inc. for the Long Range Water Resources Plan.

Recommendation: It is recommended that the Board of Directors approve Amendment No. 2 to the Agreement for Engineering Services with CDM Smith Inc. valued at \$13,065, for a total not-to-exceed agreement amount of \$246,203; and authorize the General Manager to execute the Amendment.

Fiscal Impact: This agreement is funded through the Operations and Maintenance Fiscal Year 2014-15 budget and sufficient funds have been appropriated.

BACKGROUND:

In October 2012, the Board of Directors and District staff participated in a workshop to review the status of the District’s water reliability and the objectives for improving that reliability. Staff presented an overview of the drivers for continuing with the established water system reliability goals, including ensuring a supply that can meet outages of local water system delivery. Additionally, staff identified that a significant outage of the MET system, i.e. the Colorado River Aqueduct or the Diemer Filtration Treatment Plant, could result in significant supply reductions for an extended period of time. As a result of the assessment, the Board of Directors agreed to engage a consultant to confirm the District’s demand forecast and develop strategies for evaluating future reliability investments.

#6.

Long Range Water Resources Plan Agreement Amendment

September 15, 2014

Page 2 of 2

Staff issued a Request for Proposals for the Long Range Water Resources Plan (Plan). In May 2014, CDM Smith Inc. was selected as the firm to prepare the Plan for a not-to-exceed amount of \$221,820. A contingency of \$18,180 was also authorized.

In May 2014, staff issued Amendment No. 1 to the agreement with CDM Smith Inc. Staff requested that CDM Smith Inc. perform additional analysis on two options and add another option to their portfolio of alternatives. This resulted in a scope and fee change. The cost of the amendment was \$11,318. The agreement value was increased to \$233,138.

DISCUSSION:

Staff received preliminary draft results from CDM Smith Inc. on their alternatives analysis. In order to test the sensitivity of the analysis, staff has requested that CDM Smith Inc. perform some additional analysis to the sensitivity of the results to changes in various factors. In addition, staff has requested that CDM Smith Inc. perform additional analysis on shortage impacts as compared to base-loading supplies, i.e. desalination.

In addition to the increased analysis, staff has requested that CDM Smith Inc. prepare for and participate in meetings with OCWD, IRWD, and SMWD to obtain additional information on their activities as related to the Plan and discuss the preliminary findings to verify assumptions used in the analysis.

CDM Smith Inc. provided a scope and fee proposal of \$13,065 for these additional services. This change in scope and fee will increase the total agreement value to \$246,203. Staff has reviewed the proposal and finds that the scope and level of effort are sufficient and appropriate. Since the total agreement value will exceed the previously authorized agreement and contingency, staff requests that the Board of Directors increase the agreement value to \$246,203.

Attachments:

1. Amendment No. 2
2. Amendment No. 1
3. Original Contract

**AMENDMENT NO. 2 TO AMEND AGREEMENT
FOR LONG RANGE WATER RESOURCES PLAN
CONTRACT NO. O&M-12-13-AG-0008
CDM Smith Inc.**

This Amendment No. 2 is entered into and effective as of the _____ day of _____, 2014, extending and amending the agreement dated June 26, 2013 (the "Agreement") by and between the Moulton Niguel Water District, a California Water District ("MNWD"), and CDM Smith Inc, ("Contractor") (collectively, the "Parties") for the Long Range Water Resources Plan.

RECITALS

A. On May 14, 2014, the Parties executed Amendment No. 1 to the Agreement to extend the agreement until December 30, 2014, and increase fee by \$11,318,00 to an agreement total of \$233,138.00; and

B. The Parties have negotiated and agreed to a supplemental scope of work and fee, which is attached to and incorporated in by this reference as Exhibit "A", Scope of Services and Fee.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Contractor agree as follows:

1. In addition to those services contained in the Agreement, as may have been amended from time to time, Contractor will provide those services described in Exhibit "A". With this Amendment, the total Agreement amount shall not exceed **two hundred forty six thousand two hundred three dollars (\$246,203.00)**.

2. MNWD will pay Contractor for all work associated with those services described in Exhibit "A" on a time and materials basis not-to-exceed **thirteen thousand sixty five dollars (\$13,065)**. Contractor will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by MNWD.

3. Contractor will complete all work described in Exhibit "A" by December 31, 2014.

4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment No. 2, the terms of this Amendment No. 2 shall control.

5. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

6. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.

#6.

CONTRACTOR
CDM Smith Inc,

MOULTON NIGUEL WATER
DISTRICT, a California Water District

*By:

By:

(sign here)

General Manager

(print name/title)

EXHIBIT "A"

SCOPE OF SERVICES AND FEE



111 Academy, Suite 150
Irvine, California 92617

August 10, 2014

Eva Plajzer, P.E.
Moulton Niguel Water
26161 Gordon Rd.
Laguna Hills, CA 92653-8224

Subject: Amended LRWRP scope for additional sensitivity and meetings

Dear Eva Plajzer:

As we discussed, CDM Smith has developed a scope of work and level of effort associated with providing Moulton Niguel Water District (MNWD) with additional sensitivity analyses related to implementation factors of desalination options, with a close examination of customer impact costs of water shortages. In addition, we have provided a level of effort for attending three meetings with the Orange County Water District (OCWD), Irvine Ranch Water District (IRWD) and Santa Margarita Water District (SMWD).

Additional Sensitivity Analysis of Desalination Options

Recognizing the high cost of desalination and the political implementation challenges, we will run up to three sensitivities in the ranking of portfolios by altering the implementation and operational qualitative scores. Portfolios will then be re-ranked using our decision tool. We will also look at the customer impact costs of shortages to determine when desalination makes economic sense. The results of the sensitivity analysis will be documented in a technical memorandum.

Level of Effort:

<u>Staff</u>	<u>Hours</u>	<u>Billing Rate (\$/hr)</u>	<u>Fee (\$)</u>
Dan Rodrigo	12	\$255	\$3,060
Voelz	5	\$205	\$1,025
Darren Hartwich	8	\$155	\$1,240
<u>Alfred Navato</u>	<u>8</u>	<u>\$125</u>	<u>\$1,000</u>
Total	33		\$6,325





Eva Plajzer, MNWD
August 10, 2014
Page 2

Attendance at Meetings

CDM Smith will attend and assist in presenting results of the draft Long Range Water Resources Plan (LRWRP) at three meetings: OCWD, IRWD, and SMWD. Our level of effort includes meeting preparation, meeting attendance and debriefing at the conclusion of each meeting.

Level of Effort:

<u>Staff</u>	<u>Hours</u>	<u>Billing Rate (\$/hr)</u>	<u>Fee (\$)</u>
Dan Rodrigo	20	\$255	\$5,100
Voelz	8	\$205	\$1,640
Total	28		\$6,740

The total level of effort for both tasks is 61 hours and \$13,065.

We appreciate the opportunity to continue to support MNWD on this very important project. If you have any questions, please do not hesitate to contact Dan Rodrigo or me.

Sincerely,

Lanaya Voelz, Associate
CDM Smith Inc.

cc: Dan Rodrigo



**AMENDMENT NO. 1 TO EXTEND AND AMEND AGREEMENT
FOR LONG RANGE WATER RESOURCES PLAN
CONTRACT NO. O&M-12-13-AG-0008
CDM Smith Inc.**

This Amendment No. 1 is entered into and effective as of the 14th day of May, 2014, extending and amending the agreement dated June 26, 2013 (the "Agreement") by and between the Moulton Niguel Water District, a California Water District ("MNWD"), and CDM Smith Inc, ("Contractor") (collectively, the "Parties") for the Long Range Water Resources Plan.

RECITALS

A. The Parties desire to alter the Agreement's scope of work to add an alternative and increase the analysis level for another alternative as scribed in the attached scope of work; and

B. The Parties desire to extend the Agreement until December 31, 2014; and

C. The Parties have negotiated and agreed to a supplemental scope of work and fee schedule, which is attached to and incorporated in by this reference as Exhibit "A", Scope of Services and Fee.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Contractor agree as follows:

1. In addition to those services contained in the Agreement, as may have been amended from time to time, Contractor will provide those services described in Exhibit "A". With this Amendment, the total Agreement amount shall not exceed two hundred thirty three thousand one hundred thirty eight dollars (\$233,138.00).

2. That the Agreement, as may have been amended from time to time, is hereby extended until December 31, 2014.

3. MNWD will pay Contractor for all work associated with those services described in Exhibit "A" on a time and materials basis not-to-exceed eleven thousand three hundred eighteen dollars (\$11,318.00). Contractor will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by MNWD.

4. Contractor will complete all work described in Exhibit "A" by December 31, 2014.

5. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment No. 1, the terms of this Amendment No. 1 shall control.

6. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

#6.

7. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.

CONTRACTOR

MOULTON NIGUEL WATER
DISTRICT, a California Water District

CDM Smith Inc,

*By: 

(sign here)

DAN RODRIGO, Vice President
(print name/title)

By: 

General Manager

EXHIBIT "A"

SCOPE OF SERVICES AND FEE

**Moulton Niguel Water District
Long Range Water Resources Plan**

Amendment

Consultant Scope of Work

April 4, 2014

The following presents the amendment scope of work between Moulton Niguel Water District (MNWD) and CDM Smith (Consultant) to prepare the Long Range Water Resources Plan (LRWRP).

Task 1 – Increased Level of Effort for Water Banking & Use of OC Groundwater Basin

This task involved CDM Smith researching IRWD’s Strand Ranch Water Banking program, including reading the detailed EIR, and understanding the economics of the program after attending the meeting between IRWD and MNWD staff. Based on this new understanding of the project, CDM Smith developed a comparable cost if MNWD implemented a similar program to IRWD. In addition, CDM Smith researched the Semitropic groundwater banking program as an alternative to an ownership model for MNWD’s water banking. In both cases, CDM Smith developed fully loaded costs that include capital investments (if necessary), purchases of water (if necessary), MWD wheeling costs, and other banking costs.

This task also involved CDM Smith developing a more comprehensive cost estimate for use of the Orange County Groundwater Basin to store MWD water in wet years for use during droughts and emergencies. Because the use of the OC groundwater basin would likely involve several So. Orange County water agencies, a larger program was envisioned. This involved CDM Smith estimating new groundwater production well costs as well as a new conveyance from Irvine to MNWD.

Table 1 presents the level of effort and fee for Task 1.

Table 1. Level of Effort and Fee for Task 1

Staff	Hours for Increased Level of Effort	Billing Rate (\$/Hr)	Requested Budget Adjustment (\$)
Dan Rodrigo	2	\$255	\$510
Darren Hartwich	16	\$155	\$2,408
Alfred Navato	8	\$125	\$1,000
Total	28		\$3,918

Task 2 – Conceptualization of Indirect Potable Reuse in SJBA Groundwater Basin

This task involves CDM Smith developing conceptual water yield and cost estimates for an indirect potable reuse system in the SJBA groundwater basin. Specifically, CDM Smith will do the following:

1. Estimate the wastewater sources for project yield. It is anticipated that the sources would involve several wastewater treatment plants.
2. Estimate the conceptual location and cost of an advanced water treatment facility, similar to the treatment process used for the OC Groundwater Replenishment System.
3. Estimate the conceptual conveyance capacity and cost to move the water from treatment plant to groundwater basin for recharge.
4. Estimate the conceptual location and cost for injection/production wells to extract water.
5. Estimate the conceptual location and cost for brine disposal.

This task is designed to provide only a high-level, conceptual estimate of the potential supply yield and cost for this project option. Indirect potable reuse is a complex project that involves detailed analysis of water quality, groundwater, regulatory/permitting and public acceptance. These detailed analysis are not within this scope and will need to be conducted if MNWD wishes to explore this option more fully—depending on the outcome of the LRWRP.

Table 2 presents the level of effort and fee for Task 2.

Table 2. Level of Effort and Fee for Task 2

Staff	Hours for Increased Level of Effort	Billing Rate (\$/Hr)	Additional Project Funding (\$)
Dan Rodrigo	4	\$255	\$1,020
Darren Hartwich	12	\$155	\$1,860
Staff Engineer	24	\$155	\$3,720
Enrique Lopezcalva	4	\$200	\$800
Total	44		\$7,400

Total fee for this scope of work is \$11,318.

**AGREEMENT FOR ENGINEERING SERVICES BETWEEN
MOULTON NIGUEL WATER DISTRICT AND CDM SMITH INC.
MNWD PROJECT: LONG RANGE WATER RESOURCES PLAN
CONTRACT NO. O&M-12-13-AG-0008**

THIS AGREEMENT (the "Agreement") is dated as of 6/26, 2013, by and between CDM Smith Inc., hereinafter referred to as the "ENGINEER" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of engineering services to MNWD by ENGINEER. MNWD and ENGINEER may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

ENGINEER proposes to provide services to MNWD in connection with the engineering consulting services for **Long Range Water Resources Plan** (the "Project"). The scope of work to be performed by ENGINEER under this Agreement is described in **Exhibit A** hereto, which is incorporated herein (the "Scope of Work").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

SECTION I - ENGINEERING SERVICES, AUTHORIZATION

Section 1.1 ENGINEER proposes to perform those services which are described in the Scope of Work. MNWD may request or ENGINEER may recommend, that ENGINEER perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. Upon MNWD's request for additional or changed work, ENGINEER shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Work, MNWD and ENGINEER shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. Upon execution of each addendum, (i) the Scope of Work shall thereafter be as described in **Exhibit A**, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the work shall be as set forth in the addendum. Following execution of any addendum, all terms and provisions of the Agreement, except as expressly modified by such addendum, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

Section 1.2 ENGINEER agrees to complete the work described in the Scope of Work no later than **June 30, 2014**. ENGINEER further agrees to complete all other work within the time periods set forth in the Scope of Work. Time is of the essence in this Agreement.

ENGINEER agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond ENGINEER'S control which may affect the work schedule. In the event the time for completing the Scope of Work is projected to be exceeded due to circumstances beyond the control of ENGINEER, ENGINEER shall have an additional amount of time to be agreed upon in writing between the parties pursuant to Section 1.1

#6.

and an executed addendum, in which to complete the work. ENGINEER shall not begin work on any services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, ENGINEER shall immediately commence the work described in **Exhibit A**.

Section 1.3 ENGINEER'S civil engineer, duly licensed in the State of California, who shall be the Principal in Charge of work, is **Lanaya D. Voelz, P.E.**

As part of the Project, ENGINEER intends to subcontract certain services for the Project. Separate subcontracts may be entered into between ENGINEER and the subconsultants listed in **Exhibit B** hereto. Any additional subconsultants ENGINEER proposes to use are subject to prior written approval by MNWD.

Without prior written approval of MNWD, ENGINEER will not make any changes in ENGINEER'S Principal in Charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Work. ENGINEER is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by ENGINEER. Nothing contained in this Agreement creates any contractual relationship between any subconsultant/subcontractor and MNWD. ENGINEER shall not allow any subconsultant/subcontractor to commence work or services under any subcontract until all insurance required of ENGINEER has been obtained for the subconsultant/subcontractor.

Section 1.4 MNWD shall make available to ENGINEER at no cost all technical data in MNWD's possession, including maps, past reports, prior studies, prior plan operating data, and other information reasonably required by ENGINEER and relating to the work to be performed under this Agreement.

Engineer will furnish to MNWD the agreed upon number of reports and supporting documents.

These instruments of service are furnished for MNWD's use in connection with the project or work provided for in this Agreement and shall become MNWD's property upon receipt. All documents and information generated by Engineer and any of Engineer's subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by Engineer or Engineer's subcontractors to any third parties other than with MNWD's written consent, or as compelled by order of court.

All original drawings and other documents, including detailed calculations developed for the Project shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION V herein, be furnished to and become the property of MNWD. Engineer may retain a copy of all reports and documents for their files.

SECTION II - ENGINEERING FEES

Section 2.1 In consideration for providing the engineering services referred to in SECTION I herein, MNWD agrees to compensate ENGINEER on an hourly rate basis, with a not-to-exceed maximum amount of **Two Hundred Twenty One Thousand Eight Hundred Twenty Dollars (\$221,820.00)** (which maximum amount is inclusive of 'labor costs' and 'direct costs', as further discussed below). The breakdown of the fee and costs for the Project is attached hereto as **Exhibit C** which is incorporated herein. Compensation shall be on an hourly rate basis for labor costs as defined herein below in Section 2.2 plus 100% of the reasonable direct costs as defined herein below in Section 2.3.

Section 2.2 Labor costs shall be the total number of hours worked on the job by each employee multiplied by the applicable hourly billing rate. The Fee Schedule set forth in **Exhibit D** attached hereto and incorporated herein sets forth the current billing rates of ENGINEER.

Section 2.3 Reasonable direct costs shall include those costs as described in the Scope of Work and listed in **Exhibit C**.

Section 2.4 Monthly progress payments will be made based on submittal of invoices by ENGINEER. Invoices will include the number of hours worked by various labor categories, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by ENGINEER, showing invoices for ENGINEER and each subconsultant utilized during the monthly billing period.

SECTION III - WARRANTY/DISCLAIMER

Section 3.1 ENGINEER is employed to render engineering services pursuant to this Agreement only, and any payments made to ENGINEER are compensation solely for such services as it may render and recommendations it may make in carrying out the work. ENGINEER makes no warranty, either expressed or implied, as to its services furnished under this Agreement, including any findings, opinions, recommendations, factual presentations, or professional advice, other than that such services will be performed in accordance with generally accepted professional engineering practices and principles.

Section 3.2 ENGINEER will provide any construction or operation and maintenance cost opinions based on exercise of his experience and judgment in applying presently available cost data, but it is recognized that ENGINEER has no control over cost of labor and materials, or over competitive bidding proceedings and market conditions, so that it cannot warrant that construction or capital costs will not vary from such costs estimates.

Section 3.3 In performing services under this Agreement, ENGINEER shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

Section 3.4 If the Project results in construction of any kind, the parties agree MNWD and ENGINEER shall be indemnified by the contractor for all claims, damages, losses and expenses arising out of or resulting from the contractor's performance of work including injury to any worker on the job site except for the negligence of MNWD or ENGINEER, such indemnity to be in accordance with MNWD's construction documents. MNWD and ENGINEER shall be named as additional primary insured(s) by contractor's General Liability Insurance policies without offset and all construction documents and insurance certificates shall include wording to such effect.

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ENGINEER and MNWD shall not be responsible for the means, methods, techniques, sequences, or procedure of construction selected by contractors or the safety precautions and programs incident to the work of contractor and will not be responsible for a contractor's failure to carry out work in accordance with contract documents.

The services to be performed by ENGINEER are intended solely for the benefit of MNWD. Nothing contained herein shall confer any rights upon or create any duties on the part of ENGINEER toward any person or persons not a party to this Agreement including, but not limited to any contractor, subcontractor, supplier, or the agents, officers, employees, insurers, or sureties of any of them. Any reuse of documents or data for other than the intended use shall be at the sole risk of MNWD.

SECTION IV - INSURANCE AND INDEMNIFICATION

Section 4.1 Professional Liability Insurance. ENGINEER and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a professional liability (errors and omissions) policy of insurance having coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. The following provisions shall apply if the professional liability coverage is written on a claims-made basis:

- (a) The retroactive date of the policy must be shown and must be before the dated date of this Agreement.
- (b) Insurance must be maintained and evidence of insurance must be provided for at least **three (3)** years after completion of this Agreement or the services hereunder.
- (c) If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, ENGINEER must provide extended reporting coverage for a minimum of **three (3)** years after completion of the services. MNWD shall have the right to exercise at the ENGINEER's cost any extended reporting provisions of the policy should the ENGINEER cancel or not renew the coverage.
- (d) A copy of the claims reporting requirements must be submitted to MNWD prior to the commencement of any work under this Agreement.

Section 4.2 General/ Automobile Liability Insurance. ENGINEER and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by ENGINEER and its sub-consultants/subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this section.

All insurance provided under this Section 4.2 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 4.3 Worker's Compensation. By its signature hereunder, ENGINEER certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that ENGINEER will comply with such provisions before commencing the performance of work under this Agreement. ENGINEER and subconsultants/subcontractors shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 4.4 Requirements of All Policies. All policies of insurance required under this SECTION IV shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. ENGINEER shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

In the case of additional insured provisions, any insurance afforded the additional insureds by this Agreement is primary insurance as to the additional insureds. Any insurance or self-insurance maintained by the additional insureds shall be excess of the ENGINEER's (and its subconsultant's/subcontractor's) insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the ENGINEER shall provide a financial guarantee satisfactory to MNWD guaranteeing payment of losses and related investigations, claim administration and defense expenses. Maintenance of insurance coverage as specified in this Agreement is a material term of this Agreement, and any failure to maintain or renew coverage, or to provide evidence thereof, as required by the terms is a material breach of this Agreement.

Section 4.5 Indemnity.

ENGINEER shall hold harmless and indemnify, including the cost to defend, MNWD and its' directors, officers, employees and representatives from liability, claims, damages, demands, actions, attorney's fees, costs and expenses (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to the operations and work of the ENGINEER and its sub-consultants/subcontractors under this Agreement (other than professional services), and (ii) that arise out of, pertain to, or relate to ENGINEER's or its sub-consultant's/ subcontractor's negligence including negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the professional services under this Agreement.

ENGINEER shall defend itself and MNWD and its' directors, officers, employees and representatives against any and all liabilities, claims, losses, damages, actions, attorney's fees,

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costs and expenses (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to ENGINEER's or its sub-consultant's/ subcontractor's operations and work under this Agreement (other than professional services), and (ii) that arise out of, pertain to, or relate to ENGINEER's or its sub-consultant's/ subcontractor's negligence including negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the professional services under this Agreement.

The foregoing provisions of this Section are intended to be, and shall be interpreted in a manner that is, consistent with Civil Code Section 2782.8 as it exists as of the dated date of this Agreement. The ENGINEER'S obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by ENGINEER hereunder.

SECTION V - TERMINATION OR ABANDONMENT

This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by ENGINEER of any or all services listed in the Scope of Work under this Agreement by providing written notice to ENGINEER at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, ENGINEER shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

ENGINEER shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and ENGINEER agree that in the event MNWD suspends or terminates performance by ENGINEER for any cause other than the intentional or negligent error or omission of ENGINEER, ENGINEER shall be entitled to payment of compensation incurred prior to the effective date of the suspension or termination, as determined under SECTION II of this Agreement.

In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original drawings and other documents developed for that portion of the work completed and/or being suspended or abandoned.

SECTION VI - GENERAL

Section 6.1 ENGINEER represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the engineering services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 6.2 This Agreement represents the entire understanding of MNWD and ENGINEER as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it.

Section 6.3 Any notice required or permitted to be given hereunder if not otherwise specified

herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Matt Collings, Director of Engineering and Operations
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677-3489

To ENGINEER - Attn: Dan Rodrigo, Vice President
CDM Smith, Inc.
523 West Sixth Street, Suite 400
Los Angeles, CA 90014
213-457-2149

Section 6.4 California law shall govern the interpretation of this Agreement. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

Section 6.5 In the event an action is commenced by either party to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all costs and expenses, including court costs, plus a reasonable amount for attorney's fees.

Section 6.6 If any section of this Agreement or provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

Section 6.7 It is expressly understood and agreed that ENGINEER is an independent contractor and not an employee of MNWD while engaged in carrying out this Agreement. ENGINEER warrants that it will not represent, at any time or in any manner, that ENGINEER is an employee or agent of MNWD. ENGINEER shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD.

The person signing this Agreement on behalf of each party hereto represents he/she has authority to sign on behalf of, respectively, MNWD or ENGINEER.

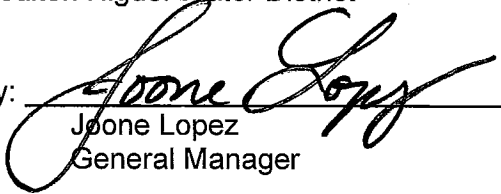
Section 6.8 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by ENGINEER without prior written consent of MNWD.

Section 6.9 This Agreement may be executed in counterparts, each of which shall be deemed an original.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 6 day of June, 2013.

Moulton Niguel Water District

By: 
Joone Lopez
General Manager

ENGINEER – CDM Smith, Inc


By: 
Title: Lanaya Voeltz, Principal

EXHIBIT A
SCOPE OF WORK

Moulton Niguel Water District Long Range Water Resources Plan

Consultant Scope of Work

May 28, 2013

The following presents the scope of work between Moulton Niguel Water District (MNWD) and CDM Smith (Consultant) to prepare the Long Range Water Resources Plan (LRWRP).

Task 1 – Project Management and Meetings

This task involves all aspects of project management, including (1) tracking of schedule and budget, and monthly progress reports; (2) regular communications between MNWD and Consultant project management team; (3) and meetings and workshops. Table 1 identifies the meetings and workshops we propose for this project as a base level of service, as well as optional public workshops should MNWD deem them necessary.

Table 1. Meetings and Workshops for Plan

Major Meetings/Workshops	Objective	Attendees
Project Kick-Off Meeting (June 2013)	<ul style="list-style-type: none"> - Review and approve scope of work - Discuss project critical success factors - Agree on stakeholders - Define draft criteria for evaluation 	MNWD staff and CDM Smith
Board Meeting 1	<ul style="list-style-type: none"> - Present Plan overview - Present and approve criteria for evaluation 	MNWD Board, staff, CDM Smith
Internal Workshop 1	<ul style="list-style-type: none"> - Present demand forecast - Present outage scenarios and reliability assessment - Review supply options that will be considered in plan 	MNWD staff and CDM Smith
Board Meeting 2	<ul style="list-style-type: none"> - Conduct weighting exercise on criteria - Present demand forecast - Present reliability assessment - Review supply options 	MNWD Board, staff, CDM Smith
Internal Workshop 2	<ul style="list-style-type: none"> - Present alternatives (combinations of options) - Review preliminary results 	MNWD staff and CDM Smith
Internal Workshop 3	<ul style="list-style-type: none"> - Present refined results - Present risk/uncertainty analyses - Review adaptive implementation strategy 	MNWD staff and CDM Smith
Board Meeting 3	<ul style="list-style-type: none"> - Present Recommendations to Board, including public stakeholder (if conducted) inputs 	MNWD Board, staff, CDM Smith
Internal Workshop 4	<ul style="list-style-type: none"> - Training on Decision Support Tools 	MNWD staff and CDM Smith

In advance of each meeting/workshop, Consultant will draft an agenda and prepare presentation materials for MNWD's review. At the conclusion of each meeting/workshop, Consultant will prepare meeting minutes/notes and any action items that need to be addressed.

Task 2 – Data Collection

Consultant will collect data and past studies, plans and reports. The following data and reports are anticipated to be collected:

- MNWD’s 2010 Urban Water Management Plan
- MNWD’s latest water facilities master plan
- MNWD’s monthly water production (for last 10-15 years)
- MNWD’s summary of water billing data (by billing category for last 5 years)
- MNWD service area maps
- Demographic data (from Center for Demographic Research, DOF, SCAG, Census)
- Land use (general plan) data from cities/communities
- Weather data (from NOAA)
- MWDOC’s Updated South Orange County Water Reliability Study
- Other studies

Task 3 – Water Demand Forecast

Consultant will use a combination of a Water Unit Use Forecast Approach and Statistical Regression for the water demand forecast at the service area level. The first effort involves dividing billed water use by major category (e.g., single-family residential, multifamily residential, non-residential) by drivers of demand (e.g., housing for residential categories and employment for non-residential categories). This produces a water unit use (gallons per day/driver), which is then multiplied by future projections of the drivers to produce the water demand forecast by category.

Because water demand is not a constant, Consultant will adjust the water unit use over time to reflect changes in income, price of water, density of development and conservation with demand elasticities. Elasticities are numbers less than or greater than 1, and are either positive or negative values. The elasticity for price of water is usually negative—meaning as price increases, water use decreases. A price elasticity of -0.20 implies that if the real increase (above inflation) in price of water increases by 10 percent, water demand decreases by 2 percent. Consultant will use MWD’s elasticities for adjusting the unit water use over time, as published in their latest Integrated Resources Plan.

The second effort for the water demand forecast is a statistical regression of historical monthly water production against weather variables, population (or service accounts), unemployment rate (as a proxy for the economy), conservation and presence of drought. This regression formula will statistically explain past variations in water use and allow us to understand the potential variability of MNWD’s future demand projections.

The resulting water demand forecast for MNWD will be at the service area level, disaggregated by major billing categories and provided in five-year increments from 2015 to 2035. It will reflect changes in price of water, income, drivers in demographics, and water conservation. Consultant will also make a high-level, one-time adjustment to demands to account for MNWD’s shift to budget based pricing.

Task 4 – Reliability Assessment

The reliability assessment will involve characterizing MNWD’s existing water supply in terms of historical hydrologic conditions and potential climate change. Consultant will characterize the following impacts on MNWD’s reliability:

1. Drought (based on historical hydrology, with and without Delta Fix)
2. System Outage of MWD’s Key Facilities (e.g., Diemer Plant) and Shared MWD/OC Feeders

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3. System Outage of Delta (levee failure)
4. Climate Change

The reliability assessment will examine impacts on both water availability and system reliability (ability to deliver water). The reliability assessment will be compared to MNWD's existing Board policies.

Task 5 – Characterization of New Water Supply Projects

This task will characterize the water supply projects under consideration by MNWD. Projects that have been identified for this study include:

- Baker Water Treatment Plant
- Second Lower Cross Feeder
- Expansion of Recycling for Non-Potable Uses
- Indirect and Direct Potable Reuse
- Lower San Juan Creek Groundwater
- South Orange Coastal Desalination Project
- Poseidon Huntington Beach Desalination Project
- Camp Pendleton Conjunctive Use Project
- Cadiz Water Project
- Camp Pendleton Desalination
- Groundwater Banking ,local and regional
- Stormwater Capture
- Conservation

Many of the options have been studied by other agencies and Consultant will use the latest information to characterize these projects and identify the potential benefits to MNWD. However, several options have not been studied extensively or their benefits to MNWD have not been quantified. For these options, Consultant will use its expert engineering judgment and database of cost factors (based on work we have conducted for other agencies in the region) to characterize the options. Each supply option will be characterized based on the following attributes:

- Location and distance from MNWD
- Conveyance and treatment requirements
- Supply yield (average year and dry year)
- Resilience to climate change
- Capital and O&M cost
- Water quality
- Vulnerability to seismic disruption
- Timing for implementation
- Implementation issues (permitting challenges, customer acceptance, environmental impact)
- Operational complexity

Consultant will also review MNWD's conservation BMPs for compliance with California's mandated 20x2020 plan.

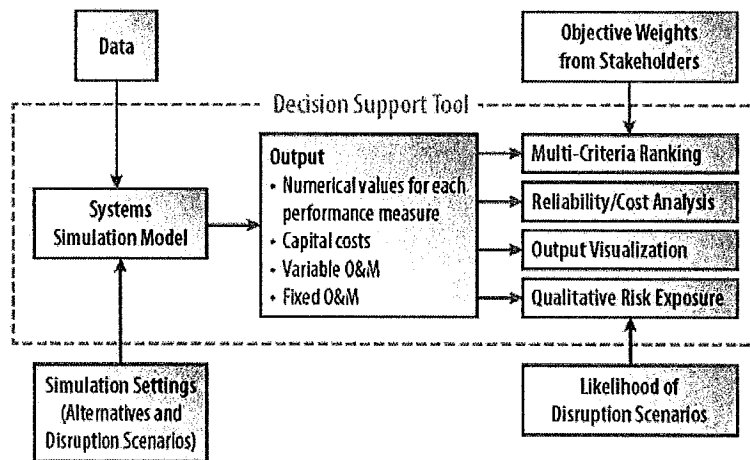
Task 6 – Development of Decision Tool

Consultant will use the commercial simulation software STELLA (<http://www.iseesystems.com>). STELLA uses object-oriented programming to construct stocks and flows mimicking the flow of water, as well as

other attributes such as cash flow, energy usage, and water quality. A great advantage to using a systems model for MNWD is that simulation settings for hydrologic and system outage scenarios can be made quickly, and additional supply options can be incrementally added to assess reliability and cost impacts. The systems model will be programmed with easy-to-navigate management panels so any user can utilize the model with basic one-day training. The systems model will be extremely intuitive to use, facilitating its on-going use by MNWD.

The systems model for MNWD will simulate the following in a dynamic fashion from 2015 to 2035 on a monthly and peak-day basis: (1) water demand-supply balance; (2) lifecycle costs and cash flows; (3) water quality, using mass balance; and (4) storage operations. The output from the model can be for a single project or combination of projects. The model will link to a MS Excel output file that will be used to compare multiple scenarios, rank alternatives against criteria, and show trade-offs between reliability improvement and cost. Figure 1 shows the relationship between the STELLA model and MS Excel file.

Figure 1. Relationship between Systems Model and MS Excel File



As part of this task, Consultant will provide MNWD with a one-day training session, along with a simple user's guide to the Decision Tool.

Task 7 – Evaluation of Alternatives

Consultant will develop alternatives or portfolios that represent various combinations of individual water supply projects. Consultant anticipates using “themes” to guide the development of alternatives, such as: low-cost, high reliability, low implementation risk or high water quality. By evaluating thematic alternatives, MNWD can quickly see trade-offs and develop higher performing hybrid alternatives. To evaluate and rank alternatives, Consultant will use a method called multi-attribute rating. This technique compares performance of alternatives against criteria. Criteria will be hierarchical (e.g., main criteria, sub criteria) in nature. Anticipate criteria may include:

- Reliability
- Lifecycle costs
- Water quality
- Local control
- Implementation risk
- Environmental impact

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Consultant will strive to use as many quantitative performance metrics for the criteria as possible. However, some performance metrics will likely be qualitative in nature—meaning they will use a relative score from 1 to 5, with 1 being poor and 5 being superior. When a qualitative metric is used, Consultant will clearly define the ranges for the scores. Each criterion will also require a weight of relative importance (the sum of all criteria weights must equal 100%). Consultant proposes that the Board establish these criteria weights for increased buy-in.

The multi-attribute rating technique will be programmed into the MS Excel file to facilitate ranking of alternatives. This ranking process will clearly show trade-offs between the criteria and how well the alternative performs overall.

Another dimension of the analysis will be illustrating the trade-off between cost and reliability improvement. Consultant will illustrate this trade-off using a cost curve comparing incremental cost of reliability improvement with overall reliability. Often, especially when trying to minimize risk of system failures, the cost of improving reliability is exponential—meaning adding the last incremental reliability benefit (usually greater than 95% reliability) adds significantly more cost.

Task 8 – Report and Deliverables

Based on the results of the work completed in Task 7, Consultant will prepare a draft report that summarizes the analysis and provides recommendations. One important feature of this plan will be the development of an adaptive implementation strategy. In order for this Plan to have longevity and usefulness, Consultant will identify those uncertainties (or risk triggers) that are most important in project implementation. These could be demand growth, success of a Delta fix, or climate change. Each risk trigger will have certain outcomes, and based on those outcomes, different actions that MNWD can take (e.g., implementing elements of the preferred alternative). After receiving comments from MNWD on the draft report, Consultant will finalize the report.

In addition to the report, CDM Smith will provide MNWD with other deliverables for this project. The full list of deliverables is shown in Table 2.

Table 2. Project Deliverables

Deliverable	Quantity/Format
Summary of Evaluation Results for Demand Forecast, Reliability Assessment, Characterization of Supply Options, and Ranking of Alternatives	Hard copies provided before meetings with MNWD staff (see Table 1 for schedule of meetings)
Draft Report	Five hard copies
Final Report	Five bound hard copies One PDF file, electronic One native file, electronic
Systems Model (STELLA software)	One copy of model (software license included in our budget)
User's Guide on Systems Model	One hard and one electronic copy
MS Excel Ranking File	One electronic copy of spreadsheet file
Back Up Files	One electronic copy of all spreadsheet and back up files

* All final files will be delivered to MNWD on a CD.

EXHIBIT B
LIST OF SUBCONSULTANTS

NONE

#6.

EXHIBIT C
BREAKDOWN OF COSTS

Long Range Water Resources Plan

Project Fee

CDM Smith, Inc

The level of effort and budget to complete MNWD’s LRWRP is presented in Table 1. The schedule for completing the work is presented in Figure 1.

Table 1. Consultant Level of Effort and Budget

	Labor Hours											Labor Dollars	Other Direct Costs*	Total Fee
	PM - Rodrigo	PE - Voelz	Knowledge Experts	Alt. Evaluation - Lopez Calva	Demand Forecast - Davis	Supply Analysis - Hartwich	Assistant Engineers/Planners	Graphic Artist	Word Processing	Administrative	Total			
Base Tasks														
Task 1 - Project Management/Meetings	72	12	0	40	0	0	8	0	8	14	154	\$31,460	\$300	\$31,760
Task 2 - Data Collection	4	0	0	4	4	4	20	0	0	0	36	\$5,220	\$100	\$5,320
Task 3 - Water Demand Forecast	24	0	0	0	48	16	64	0	0	0	152	\$22,760	\$100	\$22,860
Task 4 - Reliability Assessment	8	4	12	8	0	24	10	0	0	0	66	\$11,840	\$100	\$11,940
Task 5 - Characterization of New Projects	8	16	32	24	24	24	32	12	10	0	182	\$29,860	\$100	\$29,960
Task 6 - Decision Support Model & Training	32	0	0	80	0	0	140	0	0	0	252	\$39,560	\$2,500	\$42,060
Task 7 - Evaluation of Alternatives	32	16	20	56	0	16	64	0	0	0	204	\$36,500	\$200	\$36,700
Task 8 - Report and Other Deliverables	32	8	12	60	12	12	72	24	32	0	264	\$40,620	\$600	\$41,220
Total Base Tasks	212	56	76	272	88	96	410	36	50	14	1,310	\$217,820	\$4,000	\$221,820
<i>Billing Rate (\$/hr)</i>	255	200	225	200	150	150	110	100	70	90				

* Includes software license for decision support software.

Figure 1. Consultant Schedule to Complete LRWRP

Tasks	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014
Project Management & Meetings	☆										
Data Collection											
Water Demand Forecast											
Reliability Assessment											
Characterization of New Projects											
Decision Support Model											
Evaluation of Alternatives											
Report											

☆ Project Kick-off Meeting

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EXHIBIT D

SCHEDULE OF ENGINEERING FEES

CDM Smith, Inc.
Billing Rates
2013-2014

Vice President	\$255
Associate	\$200
Principal	\$190
Grade 7 Engineer/Planner/Scientist	\$185
Grade 6	\$170
Grade 5	\$155
Grade 4	\$140
Grade 3	\$125
Grade 2	\$110
Graphic Artist/CAD/GIS	\$100
Admin-Finance	\$95
Admin-Word Processing	\$70
Admin-Office	\$65
Copies and postage	cost plus 10%
Mileage	\$0.565/mile



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 15, 2014

FROM: Marc Serna, Director of Engineering and Operations
Rod Woods, Principal Engineer

SUBJECT: East Aliso Creek Reservoir Recoating and Improvements Agreement

DIVISION: District-wide

SUMMARY:

Issue: Specialty inspection services are required for the East Aliso Creek Reservoir Recoating and Improvements Project (Project No. 2013.001). These specialty services are related to the coating and structural aspects of the project.

Recommendation: It is recommended that the Board of Directors approve the Engineering Services Agreement with Harper and Associates Engineering, Inc. in the amount of \$93,530; authorize the General Manager to execute the agreement; and authorize the General Manager or designee to execute agreement amendments up to 10% of the agreement amount.

Fiscal Impact: None. Project No. 2013.001 has a total project budget of \$2,550,000 from Fund 7, Replacement and Refurbishment.

BACKGROUND:

The East Aliso Creek Reservoir was constructed in 1972 as part of the Improvement District No. 1 Plan of Works. The reservoir is a 10 million gallon (MG) potable water steel tank and serves the District's 450-zone in Laguna Niguel (Figure 1). East Aliso Creek Reservoir is the largest tank in the District, representing nearly 15% of the District's operating storage. It is a critical facility in the District's potable water distribution system.

District steel reservoirs are coated to protect the steel shell, floor, and roof. The District inspects all reservoirs every 10 years to determine if and when repairs to the coating or steel surfaces are necessary or if a complete recoating is appropriate. The

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East Aliso Creek Reservoir Recoating and Improvements Agreement

September 15, 2014

Page 2 of 3

East Aliso Creek Reservoir was recently drained and inspected as part the District's annual maintenance program for reservoirs. The inspections showed corrosion and structural damage that required repairs.

On May 15, 2014, the Board of Directors awarded the construction contract to J. Colon Coating in the amount of \$2,202,718. The work will include structural and corrosion repairs, tank operation and safety improvements, cathodic protection system testing and sacrificial anode installation, and re-coating of the interior and exterior of the reservoir.

DISCUSSION:

A request for proposals was sent out for the required specialty inspection services, and on August 13, 2014, the District received three proposals. The table below summarizes the proposals received:

Firm	Proposal Fee
Harper and Associates Engineering, Inc. (Harper)	\$93,530
CSI Services, Inc. (CSI)	\$95,494
MCS Inspection Group, Inc. (MCS)	\$180,980

The proposals were evaluated based on related projects experience, understanding of the project objectives and scope of work, project team experience and expertise, responsiveness to the request for proposal, unique qualifications, level of effort, and proposal fees.

The proposals from Harper and CSI were extremely competitive. Consequently, staff prepared supplemental questions for Harper and CSI to obtain a better understanding of their proposed approaches to providing the required services. Although the proposed project teams and levels of effort were comparable, the firm that showed the best overall understanding of the project was Harper and Associates Engineering, Inc. The proposed agreement and scope of work is provided in Exhibit A.

East Aliso Creek Reservoir Recoating and Improvements Agreement

September 15, 2014

Page 3 of 3

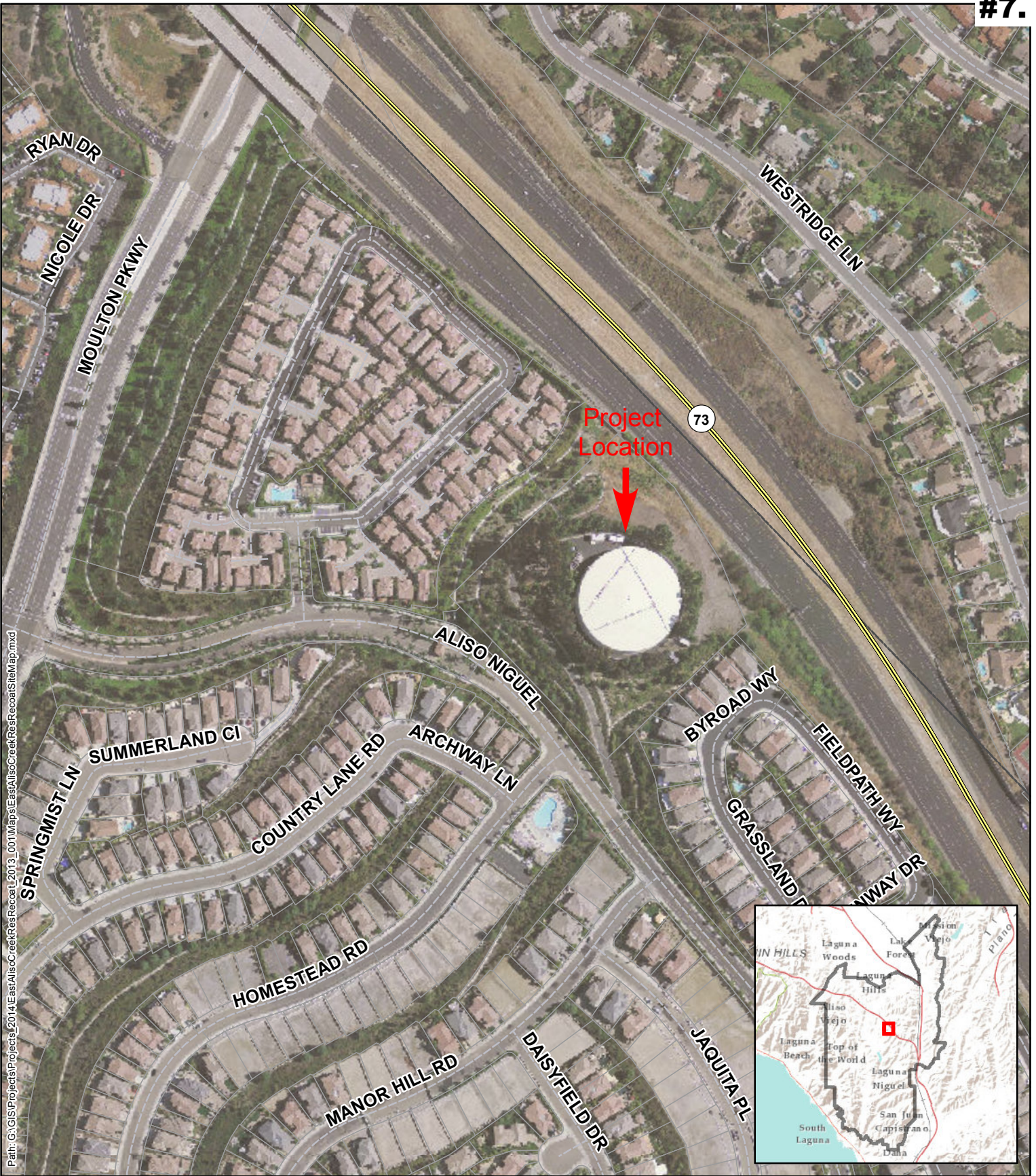
SUMMARY OF PROJECT BUDGET:

Project 2013.001 East Aliso Creek Reservoir Recoating and Improvements:

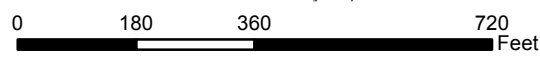
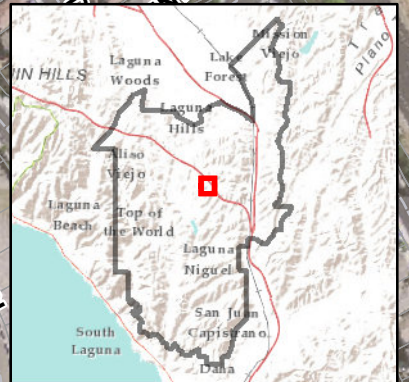
	Project Budget	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$20,000	\$18,840	\$0	\$18,840
Construction	\$2,430,000	\$2,202,718	\$220,442	\$2,423,160
Specialty Inspection	\$100,000	\$93,530	\$9,353	\$102,883
Totals	\$2,550,000			\$2,544,883

 Currently Proposed Amount

- Attachments: 1. Figure 1 - Site Map
2. Exhibit A – Proposed Agreement and Scope of Work



Path: G:\GIS\Projects\Projects_2014\EastAlisoCreek\ResRecoat\SiteMap.mxd



Scale = 1:3,500

Figure 1
East Aliso Creek Reservoir
Recoat and Improvement
Site Map
(2013.001)

**AGREEMENT FOR ENGINEERING SERVICES BETWEEN
MOULTON NIGUEL WATER DISTRICT AND HARPER & ASSOCIATES ENGINEERING, INC.
MNWD PROJECT: INSPECTION SERVICES FOR EAST ALISO CREEK
RESERVOIR RE-COATING AND REHABILITATION
CONTRACT NO. 2013.001**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2014 (the "Effective Date"), by and between Harper & Associates Engineering, Inc., hereinafter referred to as the "ENGINEER" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of engineering services to MNWD by ENGINEER. MNWD and ENGINEER may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

ENGINEER proposes to provide inspection services to MNWD in connection with its East Aliso Creek Water Reservoir Re-Coating and Rehabilitation project (the "Project"). The scope of work to be performed by ENGINEER under this Agreement is described in **Exhibit A** hereto, which is incorporated herein (the "Scope of Work").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

SECTION I - ENGINEERING SERVICES, AUTHORIZATION

Section 1.1 ENGINEER proposes to perform those services which are described in the Scope of Work. MNWD may request or ENGINEER may recommend, that ENGINEER perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. Upon MNWD's request for additional or changed work, ENGINEER shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Work, MNWD and ENGINEER shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. Upon execution of each addendum, (i) the Scope of Work shall thereafter be as described in **Exhibit A**, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the work shall be as set forth in the addendum. Following execution of any addendum, all terms and provisions of the Agreement, except as expressly modified by such addendum, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

Section 1.2 ENGINEER agrees to complete the inspection work described in the Scope of Work no later than **August 31, 2015**. ENGINEER further agrees to complete all other work within the time periods set forth in the Scope of Work. Time is of the essence in this Agreement.

ENGINEER agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond ENGINEER'S control which may affect the work schedule. In the event the time for completing the Scope of Work is projected to be exceeded due to circumstances beyond the control of ENGINEER, ENGINEER shall have an additional amount of time to be agreed upon in writing between the parties pursuant to Section 1.1

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and an executed addendum, in which to complete the work. ENGINEER shall not begin work on any services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, ENGINEER shall immediately commence the work described in **Exhibit A**.

Section 1.3 ENGINEER'S civil engineer, duly licensed in the State of California, who shall be the Principal in Charge of work, is Krista Harper, P.E.

As part of the Project, ENGINEER intends to subcontract certain services for the Project. Separate subcontracts may be entered into between ENGINEER and the subconsultants listed in **Exhibit B** hereto. Any additional subconsultants ENGINEER proposes to use are subject to prior written approval by MNWD.

Without prior written approval of MNWD, ENGINEER will not make any changes in ENGINEER'S Principal in Charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Work. ENGINEER is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by ENGINEER. Nothing contained in this Agreement creates any contractual relationship between any subconsultant/subcontractor and MNWD. ENGINEER shall not allow any subconsultant/subcontractor to commence work or services under any subcontract until all insurance required of ENGINEER has been obtained for the subconsultant/subcontractor.

Section 1.4 MNWD shall make available to ENGINEER at no cost all technical data in MNWD's possession, including maps, past reports, prior studies, prior plan operating data, and other information reasonably required by ENGINEER and relating to the work to be performed under this Agreement.

Section 1.5 All documents and information generated by Engineer and any of Engineer's subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by Engineer or Engineer's subcontractors to any third parties other than with MNWD's written consent, or as compelled by order of court.

Section 1.6 All original drawings and other documents, including detailed calculations developed for the Project shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION II herein, be furnished to and become the property of MNWD.

Engineer may retain a copy of all reports and documents for their files.

Section 1.7 Except as otherwise required by law, ENGINEER will not disclose or cause their respective officers, directors, employees, representatives, agents, advisors, or subconsultants to disclose or use any of the content of negotiations or Confidential Information, furnished or otherwise permitted for review, by one party to the other in connection with the proposed transactions. For purposes of this paragraph, "Confidential Information" means information supplied by one party to the other, except information which is part of public record.

SECTION II – FEES AND PAYMENT

Section 2.1 In consideration for providing the inspection services referred to in SECTION I herein, MNWD agrees to compensate ENGINEER on an hourly rate basis, with a not-to-exceed maximum amount of **Ninety-Three Thousand Five Hundred Thirty Dollars (\$93,530.00)**. The breakdown of the costs for the Project is attached hereto as **Exhibit C** which is incorporated herein. Compensation shall be on an hourly rate basis for labor costs as defined herein below in

Section 2.2.

Section 2.2 Labor costs shall be the total number of hours worked on the job by each employee multiplied by the applicable hourly billing rate. The Fee Schedule set forth in **Exhibit D** attached hereto and incorporated herein sets forth the current billing rates of ENGINEER.

Section 2.3 Payments will be made based on submittal of invoices by ENGINEER. Invoices will include the number of hours worked by various labor categories, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by ENGINEER, showing invoices for ENGINEER and each subconsultant utilized during the monthly billing period.

SECTION III – PREVAILING WAGE

Section 3.1 MNWD is a public agency in the State of California and is subject to the provisions of law relating to public contracts. It is agreed that all provisions of law applicable to public contracts are a part of this Agreement to the same extent as though set forth herein. ENGINEER represents and warrants that it is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 1600, *et seq.*, (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects, and will comply with the Prevailing Wage Laws, including but not limited to the payment of prevailing wages. A copy of these prevailing rates is on file at the office of MNWD and shall be made available to any interested party on request. A copy of such prevailing wage rates shall be posted on the jobsite by ENGINEER.

Section 3.2 ENGINEER shall comply with Labor Code Section 1775. In accordance with said Section 1775, ENGINEER shall forfeit as a penalty to MNWD \$200.00 for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any services performed under the Agreement by ENGINEER or by ENGINEER’s subcontractors in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the ENGINEER.

SECTION IV - WARRANTY/DISCLAIMER

Section 4.1 ENGINEER is employed to render inspection services pursuant to this Agreement only, and any payments made to ENGINEER are compensation solely for such services as it may render and recommendations it may make in carrying out the work. ENGINEER makes no warranty, either expressed or implied, as to its services furnished under this Agreement, including any findings, opinions, recommendations, factual presentations, or professional advice, other than that such services will be performed in accordance with generally accepted professional engineering practices and principles.

Section 4.2 ENGINEER will provide any construction or operation and maintenance cost opinions based on exercise of his experience and judgment in applying presently available cost data, but it is recognized that ENGINEER has no control over cost of labor and materials, or over competitive bidding proceedings and market conditions, so that it cannot warrant that construction or capital costs will not vary from such costs estimates.

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Section 4.3 In performing services under this Agreement, ENGINEER shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

Section 4.4 If the Project results in construction of any kind, the parties agree MNWD and ENGINEER shall be indemnified by the contractor for all claims, damages, losses and expenses arising out of or resulting from the contractor's performance of work including injury to any worker on the job site except for the negligence of MNWD or ENGINEER, such indemnity to be in accordance with MNWD's construction documents. MNWD and ENGINEER shall be named as additional primary insured(s) by contractor's General Liability Insurance policies without offset and all construction documents and insurance certificates shall include wording to such effect.

ENGINEER and MNWD shall not be responsible for the means, methods, techniques, sequences, or procedure of construction selected by contractors or the safety precautions and programs incident to the work of contractor and will not be responsible for a contractor's failure to carry out work in accordance with contract documents.

The services to be performed by ENGINEER are intended solely for the benefit of MNWD. Nothing contained herein shall confer any rights upon or create any duties on the part of ENGINEER toward any person or persons not a party to this Agreement including, but not limited to any contractor, subcontractor, supplier, or the agents, officers, employees, insurers, or sureties of any of them. Any reuse of documents or data for other than the intended use shall be at the sole risk of MNWD.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 Professional Liability Insurance. ENGINEER and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a professional liability (errors and omissions) policy of insurance having coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. The following provisions shall apply if the professional liability coverage is written on a claims-made basis:

- (a) The retroactive date of the policy must be shown and must be before the dated date of this Agreement.
- (b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of this Agreement or the services hereunder.
- (c) If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, ENGINEER must provide extended reporting coverage for a minimum of five (5) years after completion of the services. MNWD shall have the right to exercise at the ENGINEER's cost any extended reporting provisions of the policy should the ENGINEER cancel or not renew the coverage.
- (d) A copy of the claims reporting requirements must be submitted to MNWD prior to the commencement of any work under this Agreement.

Section 5.2 General/ Automobile Liability Insurance. ENGINEER and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims

which may arise from or in connection with the performance of the work under this Agreement by ENGINEER and its sub-consultants/subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a “per occurrence” basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this section.

All insurance provided under this Section 5.2 shall name MNWD and its’ directors, officers, employees and representatives as additional insureds under each such policy (“additional insureds”) and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 5.3 Worker’s Compensation. By its signature hereunder, ENGINEER certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and that ENGINEER will comply with such provisions before commencing the performance of work under this Agreement. ENGINEER and subconsultants/subcontractors shall maintain throughout the term of this Agreement workers’ compensation insurance with limits no less than the statutory limits, and Employer’s Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer’s Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its’ directors, officers, employees and representatives.

Section 5.4 Requirements of All Policies. All policies of insurance required under this SECTION V shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. ENGINEER shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

In the case of additional insured provisions, any insurance afforded the additional insureds by this Agreement is primary insurance as to the additional insureds. Any insurance or self-insurance maintained by the additional insureds shall be excess of the ENGINEER’s (and its subconsultant’s/subcontractor’s) insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its’ directors, officers, employees and representatives; or the ENGINEER shall provide a financial guarantee satisfactory to MNWD guaranteeing payment of losses and related investigations, claim administration and defense expenses. Maintenance of insurance coverage as specified in this Agreement is a material term of this Agreement, and any failure to maintain or renew coverage, or to provide evidence thereof, as required by the terms is a material breach of this Agreement.

Section 5.5 Indemnity.

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ENGINEER shall hold harmless and indemnify, including the cost to defend, MNWD and its' directors, officers, employees and representatives from liability, claims, damages, demands, actions, attorney's fees, costs and expenses (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to the operations and work of the ENGINEER and its sub-consultants/subcontractors under this Agreement (other than professional services), and (ii) that arise out of, pertain to, or relate to ENGINEER's or its sub-consultant's/ subcontractor's negligence including negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the professional services under this Agreement.

ENGINEER shall defend itself and MNWD and its' directors, officers, employees and representatives against any and all liabilities, claims, losses, damages, actions, attorney's fees, costs and expenses (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to ENGINEER's or its sub-consultant's/ subcontractor's operations and work under this Agreement (other than professional services), and (ii) that arise out of, pertain to, or relate to ENGINEER's or its sub-consultant's/ subcontractor's negligence including negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the professional services under this Agreement.

The foregoing provisions of this Section are intended to be, and shall be interpreted in a manner that is, consistent with Civil Code Section 2782.8 as it exists as of the date of this Agreement. The ENGINEER'S obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by ENGINEER hereunder.

SECTION VI - TERMINATION OR ABANDONMENT

Section 6.1 This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by ENGINEER of any or all services listed in the Scope of Work under this Agreement by providing written notice to ENGINEER at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, ENGINEER shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 6.2 ENGINEER shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and ENGINEER agree that in the event MNWD suspends or terminates performance by ENGINEER for any cause other than the intentional or negligent error or omission of ENGINEER, ENGINEER shall be entitled to payment of compensation incurred prior to the effective date of the suspension or termination, as determined under SECTION II of this Agreement.

Section 6.3 In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original drawings and other documents developed for that portion of the work completed and/or being suspended or abandoned.

SECTION VII - GENERAL

Section 7.1 ENGINEER represents that it is aware of no facts or circumstances which would

impair its ability to provide fair and unbiased advice to MNWD in the course of performing the engineering services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 7.2 This Agreement represents the entire understanding of MNWD and ENGINEER as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it.

Section 7.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Marc Serna, Director of Engineering and Operations
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677-3489

To ENGINEER - Attn: Krista Harper, P.E.
Harper & Associates Engineering, Inc.
1240 E. Ontario Ave., Suite 102-312
Corona, CA 92881

Section 7.4 California law shall govern the interpretation of this Agreement. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

Section 7.5 In the event an action is commenced by either party to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all costs and expenses, including court costs, plus a reasonable amount for attorney's fees.

Section 7.6 If any section of this Agreement or provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

Section 7.7 It is expressly understood and agreed that ENGINEER is an independent contractor and not an employee of MNWD while engaged in carrying out this Agreement. ENGINEER warrants that it will not represent, at any time or in any manner, that ENGINEER is an employee or agent of MNWD. ENGINEER shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD.

The person signing this Agreement on behalf of each party hereto represents he/she has authority to sign on behalf of, respectively, MNWD or ENGINEER.

Section 7.8 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns;

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provided, however, that no assignment of this Agreement or any interest herein shall be made by ENGINEER without prior written consent of MNWD.

Section 7.9 This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

ENGINEER – Harper & Associates Engineering

By: _____
Title: _____

EXHIBIT A**SCOPE OF WORK****TASK NO. 1**

PROJECT MANAGEMENT SERVICES - The objective of this item is to provide management services which will assist the District during the construction phase and help guarantee the project is completed in accordance with the specifications. As a firm that specializes in reservoir rehabilitation, HAE has a thorough understanding of the management required to provide a successful project.

1. Assist the District in conducting Pre-Construction Conference to enable all relevant parties to comprehend scope of project, implementation of specifications, and District requirements. Prepare an agenda and minutes for the Pre-Construction Conference covering all aspects of Contractor's questions and clarifications of project and present to all parties.
2. Prepare a video of the site conditions prior to the commencement of any construction work. Take additional photographs and video throughout the project as required to document site conditions.
3. Review all Contractor invoices, inspection reports, and inspector estimates of percent completion and make recommendations to the District for payment to Contractor as appropriate.
4. Prepare change orders as needed. The modifications communicated by change order would be fully documented with drawings, sketches, and/or written descriptions of the work required.
5. Assist the District in final acceptance of the project upon completion of all work by the Contractor. Prepare a punch list of items during the final project walk for the Contractor to complete.
6. Prepare a final project report documenting information from all inspection tasks, test results, and other required information.
 - a. Submit three (3) hard copies and a pdf file of the final report to the District for review and approval. Accomplish all revisions determined necessary by the District.
 - b. Submit three (3) hard copies and a pdf file of the final report to the District.
7. Participate in additional meetings as requested by the District.

TASK NO. 2

GENERAL INSPECTION SERVICES - The objective of this item is to provide inspection services which will help guarantee the project is completed in accordance with the specifications

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and plans and to expedite the services as to not impact the project schedule.

1. Inspection Activity Reports - Shall identify daily start and stop times, size of Contractors crew, equipment used, visitors to job site, climatic conditions throughout the day, quantity of materials used, work accomplished, periods of Contractor down time and cause, inspection procedures used and results, verification and recording of surface preparation, coating material "batch numbers" mixing, thinning, application, and thickness. All entries shall be dated and timed. Daily inspection reports, including diagrams of the coating work accomplished, shall be submitted to the District.
2. Observe the Contractor for compliance with site and job safety requirements. Inform the District of any concerns or problems concerning site or job safety observed. Direct the Contractor to comply with all safety orders.
3. Observe and note all deliveries of materials with respect to the Contractor's conformance to the contract documents and shop drawings.
4. Take digital photos during key points in the project to document the construction progress and submit photo files on a CD with the final report.

TASK NO. 3

FIELD COATING AND PAINTING INSPECTION - This is critical to the success of the project. Without full-time quality control inspection of the coating and painting operations, the District will be jeopardizing the 20 to 25 year life of the coating and painting systems. As can be seen below, the inspector provides critical services to verify the work is being accomplished in accordance with the specifications.

1. SURFACE PREPARATION INSPECTION - Physical inspection of blast cleaned surfaces to verify compliance with specification, removal of dust, etc.
 - a. Weather conditions will be verified by use of an electronic or sling psychrometer to determine suitability of climatic conditions.
 - b. Surfaces will be observed to determine compliance with specifications.
 - i. Preliminary Cleaning - Surfaces will be inspected to verify removal of grease, oil, chemicals, etc. after completion of solvent cleaning of surfaces.
 - ii. Abrasive Blast Cleaning
 - (1) Inspect blasted surfaces at the end of each day's shift to determine compliance with specification. Physical tests for surface profile will be performed using a K-T Surface Profile Comparator. At completion of blast cleaning each shift, areas not meeting specification will be re-blasted and tests again performed. This cycle will be repeated until surfaces are accepted for material application.

- (2) Upon completion of above inspection, dust and other surface contaminants will be removed as specified and surfaces visually and physically inspected for compliance with specification.
2. MATERIALS APPLICATION INSPECTION - After approval of surface preparation, ongoing inspection monitors weather conditions, Contractor's application equipment and its operation, mixing of primer, and physical inspection of prime coat application, including spray techniques, cleanliness of surface thickness, etc.
 - a. Weather conditions will be verified by use of an electronic or sling psychrometer to determine suitability of climatic conditions.
 - b. Contractor's equipment will be monitored to ensure operation will not contribute to any degradation of application (oil, moisture, etc.).
 - c. Applied materials will be inspected for compliance with specification and mixing/thinning operations will be monitored.
 - d. Surfaces will be re-inspected to verify no dust or other contaminants are on surfaces and remedial cleaning performed as required.
 - e. After approval of surfaces, application will be carefully monitored to verify materials are evenly applied at the proper thickness and with no overspray to interfere with adhesion.
 3. FINISH COAT(S) INSPECTION - After approval of prime coat application, ongoing inspection monitors weather conditions, Contractor's application equipment and its operation, mixing of primer, and physical inspection of prime coat application, including spray techniques, cleanliness of surface thickness, etc.
 - a. Procedures outlined in 2. above will be repeated during application of additional materials, including careful examination of areas where cleaning penetrated coating film to verify edges of film have not lifted, curled, etc. Where defects exist, additional cleaning will be performed to bring area into compliance with specification and area will be recoated as required.
 4. FINAL INSPECTION - Requires input at conclusion of finish coatings to ensure application, film continuity (holiday detection), and dry film thickness are in complete conformance with specification.
 - a. DRY FILM THICKNESS TESTING
 - i. Prior to testing dry film thickness on any given day, Inspector will calibrate his instrument against N.B.S. metal plate standard. No plastic shims will be used. Instrument will be re-calibrated at the beginning of the afternoon session or at any time the instrument may have been subjected to impact against scaffold, structure, etc.
 - ii. The coating will be tested to determine if it has sufficiently dried to eliminate indentation of the probe into the coating, which subtracts mils from the correct reading. If the coating does deform, the testing will be postponed until the coating is firm enough to prevent deformation by the gauge.

#7.

- iii. Dry film thickness measurements will be taken on 3' centers until it is determined deficient readings warrant more tests to truly indicate the thickness of the area. Testing will be performed as deemed necessary to accurately determine the thickness, regardless of what the Contractor may say. If widespread deficiencies are found, the Contractor will be advised to determine if they prefer Inspector to proceed with testing after they apply additional material.
- iv. After completion of the testing and after the Contractor has recoated all of the deficient areas, tests on the recoated areas will be repeated until the minimum dry film thickness is obtained.

b. HOLIDAY DETECTION (INTERIOR ONLY)

- i. After completion of dry film thickness testing, all surfaces will then be holiday detected, utilizing the specified detector.
- ii. The Tinker-Razor AP or AP-W High Voltage Holiday Detector power pack voltage will be set according to the voltage required in the specification.
- iii. Holiday detection and marking of defective areas will be performed as noted above under "DRY FILM THICKNESS TESTING".
- iv. All marked areas will then be repaired and holiday detection performed again. Re-detection and marking will continue until the surface is holiday-free, unless otherwise instructed by the Owner or his Representative.

5. LIMITATIONS OF AUTHORITY

a. RESIDENT PROJECT INSPECTOR

- i. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment, unless authorized by ENGINEER/OWNER in writing.
- ii. Shall not exceed limitations of CONSULTANT'S AUTHORITY as set forth in the Agreement or the Contract Documents.
- iii. Shall not undertake any of the responsibilities of CONTRACTOR, subcontractor or CONTRACTOR'S superintendent.
- iv. Shall not advise on, issue directions relative to, or assume control over safety precautions and programs in connection with the work.
- v. Shall not advise on, issue directions regarding, or assume control over any aspect of the CONTRACTOR'S means, methods, techniques, sequences, or procedures of construction, unless such advice or directions are specifically required by the Contract Documents.
- vi. Shall not accept Shop Drawings or sample submittals from anyone other than CONTRACTOR, and shall immediately deliver such submittals to ENGINEER/OWNER.

- vii. Shall not authorize ENGINEER/OWNER to occupy the Project in whole or in part.
- b. DEFINITIONS: ENGINEER/OWNER is intended to apply as a joint reference or a single reference subject to the applicable circumstance.

TASK NO. 4

STRUCTURAL AND TANK IMPROVEMENTS INSPECTION - The objective of this item is to observe the Contractor's work during construction of structural and tank improvements to ensure the project is completed in accordance with the specifications and plans.

1. Provide as needed quality control inspection of the structural/safety modifications. The structural items shall include handrailing, center vent, exterior staircase, interior ladders, safety climb devices, overflow pipe, roof plates, and cathodic protection system. Inspection will involve a minimum of fifteen (15) site visits.
2. Perform visual inspection of the welds during structural modifications including reinspection after repair of defective welds. Witness air pressure testing, vacuum testing, and x-ray testing performed by the Contractor when required.
3. After structural modification, inspect finished surfaces for nicks, abrasions, etc. and supervise repair.
4. Review and evaluation of welder's credentials and welding procedures.

#7.

EXHIBIT B

LIST OF SUBCONSULTANTS

N/A

EXHIBIT C
BREAKDOWN OF COSTS

**MOULTON NIGUEL WATER DISTRICT
EAST ALISO CREEK RE-COAT AND IMPROVEMENTS**

	TASK	Project Manager		Engineering Tech.		Coating Inspector		Clerical		Mileage		Total
		Hrs	Cost	Struc. Inspector		Hrs	Cost	Hrs	Cost	Mi.	\$/Mi.	
				Hrs	Cost							
			\$ 140.00		\$ 75.00		\$ 75.00		\$ 45.00		\$ 0.50	
1	Project Management	32	\$ 4,480.00	16	\$ 1,200.00			4	\$ 180.00	80	\$ 40.00	\$ 5,900.00
2	General Inspection	4	\$ 560.00	12	\$ 900.00			4	\$ 180.00	80	\$ 40.00	\$ 1,680.00
3	Coating/Paint Inspection					1056	\$ 79,200.00					\$ 79,200.00
4	Structural Inspection			90	\$ 6,750.00						\$ -	\$ 6,750.00
	TOTAL											\$ 93,530.00
<p>The coating/painting inspection hours are based on 8 hours per day for 132 working days. If work is accomplished in fewer days, cost would be reduced accordingly.</p>												

EXHIBIT D**SCHEDULE OF ENGINEERING RATES**

Principal Engineer	\$190.00 per hour
Expert Witness/Deposition	\$250.00 per hour
Registered Corrosion Engineer	\$165.00 per hour
Registered Structural Engineer	\$175.00 per hour
Project Manager	\$140.00 per hour
Engineer/Diver	\$125.00 per hour
Engineering Technician	\$75.00 per hour
Engineering Aide/Tender	\$62.50 per hour
Coating/Paint Inspector	\$75.00 per hour
Draftsperson (CADD)	\$82.00 per hour
Clerical	\$45.00 per hour

The above hourly rates include instruments commonly used in corrosion and related testing. Specialized instrumentation and test equipment and facilities may require an additional charge.

Miscellaneous charges are computed at cost plus 15% (food, lodging, public transportation, rental equipment, special permits and fees).

Passenger cars and pickup trucks are charged at \$0.50 per mile.

Moulton Niguel Water District



STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 15, 2014

FROM: Marc Serna, Director of Engineering and Operations
Adrian Tasso, Superintendent of Facilities

SUBJECT: Portable Generator Purchase

DIVISION: District-wide

SUMMARY:

Issue: Purchase of a new 200kw portable generator

Recommendation: It is recommended that the Board of Directors approve the purchase of a new portable generator set from Cummins Cal Pacific for \$77,760.

Fiscal Impact: The adopted Fiscal Year 2014-2015 budget includes \$125,766 for the purchase of a new portable generator.

BACKGROUND:

The District currently owns one 350kw portable generator (Genset) in its equipment fleet. The Genset is used when an emergency stationary auxiliary engine at one of our lift stations or water pumping stations is out of service for repairs. The current 350kw unit is also utilized during emergency response activities and is capable of running any one of our facilities at full capacity.

Adding another Genset is necessary to allow the District to provide back-up power during refurbishments of stationary engines and to maintain a stand-by generator in the event of a power interruption. Adding a smaller 200kw Genset would provide the needed flexibility and improve maneuvering the unit at some of the District's smaller less accessible sites.

Requirements and specifications for the new generator were developed by staff based on equipment needs and support for essential District field functions.

#8.

Portable Generator Purchase

September 15, 2014

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DISCUSSION:

Based on District need, a request was issued to local vendors including Cummins Cal Pacific of Irvine, Caterpillar - Quinn Power Systems of City of Industry and Multiquip – Bay City Electric Works of San Bernardino. All vendors responded to the specifications put together by the District.

A breakdown of each vendor's proposal for the generator (out-the-door costs, including required accessories, taxes and fees) is listed below:

Tier 4 Diesel Portable Generator Set 200KW	
Cummins Cal Pacific	\$77,760
Caterpillar – Quinn Power System	\$120,711
Multiquip – Bay City Electric Works	\$113,794

Staff has reviewed and compared each proposal to ensure compliance with District requirements. The cost differential of approximately 45% is primarily due to the differences in volumetric sales, distributor markups, and size standardization for generator, fuel tank, and trailer options available by each of the manufacturers. The power capacity, fuel storage, run-time capability, and portability provided by the Cummins Generator meets all anticipated District power supply needs at the most cost-effective price.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 15, 2014

FROM: Marc Serna, Director of Engineering and Operations
Megan Geer, Contracts and Procurement Manager

SUBJECT: Fleet Vehicle Purchases

DIVISION: District-Wide

SUMMARY:

Issue: Purchase and replacement of one existing fleet vehicle and the purchase of a new fleet vehicle.

Recommendation: It is recommended that the Board of Directors authorize the purchase of two fleet vehicles from Theodore Robins Ford totaling \$53,571, the purchase of vehicle accessories in the amount of \$17,248 and the salvage of Unit 14.

Fiscal Impact: Sufficient funds are budgeted in the 2014-15 Fiscal Year Adopted Budget.

BACKGROUND:

The District has 92 vehicles in its fleet. In the current fiscal year budget, District staff has proposed to replace one existing fleet vehicle and to purchase one new fleet vehicle for the Cross Connection department. The current District policy is to work towards a goal of 15-years and/or 150,000 miles for each service vehicle prior to replacement.

DISCUSSION:

Based on District requirements, a request for quotation was issued to a number of local dealerships. Proposal prices from the dealerships are listed below for each vehicle as well as the total vehicle purchase price including required accessories.

#9.

Fleet Vehicle Purchases

September 15, 2014

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Replacement of Unit 14

Unit 14 is a 2006 Chevrolet C-1500 Hybrid with 89,003 miles. Unit 14 has primarily been used for meter repair and service, field service calls and emergency response by the District's Customer Service department. This vehicle was budgeted to be replaced in 2015-16; however, it has experienced a large number of transmission related issues since its purchase and has become exceedingly expensive to maintain in safe operational condition. Staff does not recommend expending any more funds to extend the life of the vehicle. Because the vehicle is currently inoperative at this time, staff has chosen to replace Unit 14 in the 2014-15 Fiscal Year.

The replacement of the existing Unit 14 is proposed to be a 2015 Ford F-150 XL with Utility Body or equal. The quotes provided by the various dealers are listed below. All dealer quotes include taxes and fees.

VEHICLE DEALER	QUOTE
Theodore Robins Ford	\$26,786
Santa Margarita Ford	\$27,009
Tuttle Click Ford	\$27,554
Villa Ford	\$27,690
Huntington Beach Jeep Chrysler	\$30,500
Premier Chevrolet	\$31,887
DeLillo Chevrolet	\$33,033
Guaranty Chevrolet	\$34,079

Purchase of New Vehicle –Cross Connection

This vehicle is a new addition to the District's fleet. The District's Cross Connection department filled a long-standing vacancy in April 2014 and is therefore in need of an additional field vehicle. The new vehicle will be used for field service calls, meetings with contractors, and will carry basic safety equipment and hand tools.

The proposed vehicle is a 2015 F-150 XL with Utility Body or equal. The quotes provided by the various dealers are listed below. All dealer quotes include taxes and fees.

Fleet Vehicle Purchases

September 15, 2014

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VEHICLE DEALER	QUOTE
Theodore Robins Ford	\$26,786
Santa Margarita Ford	\$27,009
Tuttle Click Ford	\$27,554
Villa Ford	\$27,689
Huntington Beach Jeep Chrysler	\$30,500
Premier Chevrolet	\$31,887
DeLillo Chevrolet	\$33,033
Guaranty Chevrolet	\$34,079

The Purchasing Department also requested quotes for the required accessories needed for each vehicle and the lowest priced options are listed below. Pricing includes labor where applicable. Accessories will be installed by District support staff, when possible, for time and cost efficiency.

ACCESSORY DETAIL	COST
Bedliner	\$700
Security Bed Cover	\$2,500
Rollout Storage System	\$1,400
Light Bar	\$3,200
Subtotal	\$7,800
Tax @ 8%	\$624
Shipping	\$200
Accessory Total (per vehicle)	\$8,624

