NOTICE AND CALL OF SPECIAL MEETING
OF THE ENGINEERING & OPERATIONS
BOARD OF DIRECTORS'
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
March 18, 2013
8:00 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 March 18, 2013, at 8:00 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 February 19, 2013 Special Meeting of the 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.)***

4. A CLOSED SESSION WILL BE CONDUCTED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957.6 TO:

   CONFERENCE WITH LABOR NEGOTIATORS:
   District representatives:

   Joone Lopez, General Manager/Chief Negotiator
   Matt Collings, Director of Engineering and Operations
   Gina Hillary, Director of Human Resources
   Michael Gomez, Senior Financial Analyst

   Employee organization:

   Moulton Niguel Water District Employee Association (MNWDEA)

5. **DISCUSSION ITEMS**

6. Quarterly Report on Joint Powers Authority Activity

7. Quarterly Report on Communications License Program

8. Fiscal Year 2012-2013 Security Services - Contract Amendment

9. **INFORMATION ITEMS**

10. South Orange County Wastewater Authority Coastal Treatment Plant (Project Committee 15), Export Sludge Force Mains

11. Long Range Water Resources Plan

12. **Late Items (Special Meeting - No Additions)**

13. 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) 643-2006 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 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 24 hours prior to the scheduled time of the Special Meeting so noticed above; and posted 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.

Leslie C. Gray, Secretary
MOULTON NIGUEL WATER DISTRICT

# MINUTES OF THE SPECIAL MEETING OF THE ENGINEERING & OPERATIONS BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT

**February 19, 2013**

A Special 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 February 19, 2013. There were present and participating:

**DIRECTORS**

| | |
|---|---|
| Donald Froelich | Vice President/Chair |
| Brian Probolsky | Vice President |
| Scott Colton | Director |
| Richard Fiore | Director |
| Gary Kurtz | Director |
| Larry Lizotte | Director |

Also present and participating were:

**STAFF MEMBERS, LEGAL COUNSEL, AND PUBLIC MEMBERS**

| | |
|---|---|
| Joone Lopez | General Manager |
| Matt Collings | Director of Engineering and Operations |
| Gina Hillary | Director of Human Resources |
| Michael Gomez | MNWD |
| Eva Plajzer | MNWD |
| Mark Mountford | MNWD |
| Kelly Winsor | MNWD |
| Leslie Gray | Board Secretary |
| Doug Zytkewicz | MNWD |
| Ray McDowell | MNWD |
| Tom Rosales | South Orange County Wastewater Auth. |
| Brian Peck | South Orange County Wastewater Auth. |
| Ben Boyce | Laer Pearce & Associates |

1. Call Meeting to Order

2. Approve the Minutes of the January 14, 2013 Engineering and Operations Board of Directors' Meeting

*MOTION DULY MADE BY LARRY LIZOTTE AND SECONDED BY GARY KURTZ, THE REGULAR MINUTES OF THE JANUARY 14, 2013 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED.*

3. Public Comments

*None*

4. South Orange County Wastewater Authority Coastal Treatment Plant (Project Committee 15), Export Sludge Force Mains - Environmental Impact Report

*Joone Lopez stated staff has been working on this project with the SOCWA staff. Representatives of SOCWA were present to update the Board of Directors and answer questions on the project. Matt Collings introduced Brian Peck, Director of Engineering for SOCWA. The District is a participant in the SOCWA PC 15 (Coastal Treatment Plant), which exports sludge through two force mains to the Regional Treatment Plant. SOCWA has been investigating how to address the export sludge system.*

*Brian Peck then made a presentation on the project. He discussed the export sludge pipe failure and the need to replace or repair the line. Many alternatives are being examined in lieu of replacing the force main, with the trucking of sludge as one of the options.*

*To date, there have been many public meetings on the project, and a public hearing is scheduled for March 7, 2013. After a lengthy discussion, Tom Rosales stated he would take the Board of Directors' comments back to the PC 15 Committee to discuss. Joone Lopez stated she plans to bring this item back to the Board of Directors after the PC 15 meeting and report out. The Board thanked Brian Peck for his presentation.*

5. South Orange County Wastewater Authority J.B. Latham Treatment Plant (Project Committee 2), Proposed State Revolving Fund Application

*Joone Lopez stated that she has brought this project before the Board of Directors in the past; however, there is a change in the recommendation. Matt Collings stated that PC2 has identified several projects for an SRF loan application. Staff recommended not to proceed with the SRF loan but rather fund the projects individually as they occur.*

6. Quarterly Capital Improvement Program Status Report

*Eva Plajzer presented the quarterly Capital Improvement Program Status Report. There are $29M in capital expenses, with $6M being expended to-date. During the last quarter, five projects have been completed and fourteen additional projects are under construction.*

*Joone Lopez explained that the $29M in capital projects have not been expended due to staffing. Additional resources are being brought in to assist with the projects.*

7. Quarterly Operational Status Report

*Matt Collings presented the quarterly Operational Status Report. Brian Probolsky commented that he would prefer the District Activity Report page placed on the Finance & IT Board agenda going forward as he feels it is a financial item. Joone Lopez agreed and will refresh the District's payment system at an upcoming meeting.*

8. Fiscal Year 2012-2013 Meter Maintenance and Replacement Program - Expense Authorization

*Joone Lopez reported that a comprehensive meter program is being developed by staff and will be brought back to the Board in the near future.*

*Larry Lizotte left at 10:45 a.m.*

*It was noted that this is one area related to procurement that needs improvement. Going forward, meter purchases will be brought to Board on a more regular basis. Staff is recommending that the Board of Directors ratify the purchases with Aquametrics in the amount of $207,632 and authorize additional meter purchases with Aquametrics for an amount not-to-exceed $434,348 and Equarius for an amount not to exceed $301,629 for the Fiscal Year 2012-2013.*

9. Manhole Rehabilitation Project, Project No. 2012.004 - Construction Contract Change Order Amendment

*Joone Lopez reported that staff identified additional manholes that require rehabilitation since the last Board update on manhole rehabilitation. In order to ensure timely maintenance of the manholes and to maximize the benefit from the recent bid, staff determined that having the flexibility to increase the contract with Ayala Engineering to accommodate additional manholes would save the District time and money. After some discussion, staff recommended that the Board authorize an additional $140,000 for additional manholes and allow staff to determine the best value for service. At the end of the Fiscal Year 2012-2013, staff will report back on how the money was spent and which contractors were used.*

*Brian Probolsky left at 11:10 a.m.*

*Matt Collings reported on several projects for information purposes only:*

- *South Coast Water District Special Wastewater Discharge Permit*
- *Relocation of 12-inch Pipeline at Oso Parkway*
- *14-inch Pipeline Repair on Pacific Island Drive*
- *Baker Water Treatment Plant Project Update*

**14.** **Late Items (Special Meeting - No Additions)**

*None*

**15.** Adjournment

*Thereafter, the Regular Meeting of the Engineering and Operations Board of Directors of the Moulton Niguel Water District was adjourned at 11:21 a.m.*

Respectfully submitted,

Leslie C. Gray
Board Secretary

# Moulton Niguel Water District

Moulton Niguel Water

## STAFF REPORT

**TO:** Board of Directors **MEETING DATE: March 18, 2013**

**FROM:** Matt Collings, Director of Engineering and Operations

**SUBJECT: Quarterly Update on Joint Powers Authority Activity**

## SUMMARY

**Issue:** The District participates in several Joint Powers Authorities and other regional partnerships or programs that impact District operations and finances.

**Recommendation:** Information item only.

**Fiscal Impact:** The District has adopted a Fiscal Year 2012-2013 budget of $9,401,998 for Operating and Maintenance Expenses and $8,049,333 for Capital Expenses associated with various Joint Powers Authorities and other regional partnerships and programs. A detailed breakdown is provided in Table 1 below.

## BACKGROUND:

The District participates in several Joint Powers Authorities, including the South Orange County Wastewater Authority (SOCWA) and San Juan Basin Authority (SJBA), and regional partnerships, such as the Joint Regional Water Supply System (JRWSS). District appointed individuals consisting of Board members and/or staff represent the District at these various entities. Each entity is operated by either a staff of the Joint Power Authority or a contracted agency responsible for executing the operations and maintenance functions, completing necessary capital improvements, preparing annual budgets, and processing invoices as necessary. Table 1 below provides a summary of the various Joint Powers Authorities and regional partnerships of which the District is a member, a breakdown of the annual District budget for each entity, and the expenses to date as of February 28, 2013. The summary includes only entities with facilities currently in operation and on-going operations and maintenance requirements. The summary does not include on-going capital projects, i.e. South Orange County Ocean Desalter and the Baker Water Treatment Plant, as these projects are updated as their development progresses.

Table 1

| Joint Powers Authority or Regional Partnership | Adopted Budget FY 2012-2013 | Expended to Date FY 2012-2013 |
|---|---|---|
| South Orange County Wastewater Authority (SOCWA) | $8,884,700 | $5,928,681 |
| San Juan Basin Authority (SJBA) | $65,281 | $65,281 |
| Joint Regional Water Supply System (JRWSS) | $448,000 | $334,931 |
| Santiago Aqueduct Commission (SAC) | $4,017 | $3,906 |
| **TOTAL** | **$9,401,998** | **$6,332,799** |

**HIGHLIGHTS:**

During the period covered by this quarterly update (December, January, and February) the following notable items were addressed, discussed, or executed:

South Orange County Wastewater Authority:

- Administrative:
  - SOCWA has prepared a draft budget for Fiscal Year 2013-2014 for review by the member agencies.
  - SOCWA staff has hired a Director of Administration. Recruitment for the Director of Operations is on-going.
  - SOCWA has adjusted the Finance Committee Meeting to meet quarterly. SOCWA staff will evaluate the effectiveness of the changes going forward.
  - District staff participated in the SOCWA Managers Meeting.
- Project Committee 2 (J.B. Latham Plant):
  - Three of four PC 2 member agencies, including the District, have elected to not participate in the SRF loan application. The schedule for execution of the capital improvement program at PC2 has been delayed as a result of the evaluation of the SRF loan application.
- Project Committee 15 (Coastal Treatment Plant):
  - SOCWA staff conducted a public hearing to review comments on the EIR for the export sludge force main replacement project. Following the Public Hearing, the PC15 Board certified the Environmental Impact Report and adopted a resolution directing staff to proceed with the replacement of the force mains along the east bank alignment.
  - The PC 15 Board will awarded the design-build contract for the export sludge equalization basin to the design-build team of Pascal Ludwig and Tetra Tech. Additionally, at the March Board meeting, the PC 15 Board

approved the CEQA documentation and awarded the construction services contract to Carollo.

- Project Committee 17 (Regional Treatment Plant):
  - The PC 17 Board approved the design contract to Tetra Tech for the rehabilitation of the influent manholes and pipeline as a result of the video inspection following the pipeline failure in July 2012.
- Biosolids Management:
  - In January, SOCWA executed an amendment to the disposal agreement with Orange County Waste and Recycling that allows for a total of 140 tons per day of biosolids disposal at the Prima Deschecha landfill. This is an increase of 55 tons per day above the previous agreement limitations. Additionally, the amendment clarifies that the 140 tons per day is extended to all of SOCWA's member agencies.
  - SOCWA staff continues to work with Santa Margarita Water District to review the proposed Biosolids Management Project that is being considered at the Chiquita Wastewater Treatment Plant. The Engineering Committee has supported the initial consideration of sending 20-25 tons of solids per day to review the cost impacts and operational benefits.

San Juan Basin Authority:

- Groundwater Management Plan Update:
  - The SJBA, in conjunction with the Municipal Water District of Orange County and its representatives, have finalized the groundwater modeling efforts necessary to allow for completion of the Groundwater Management Plan Update.
  - The Technical Advisory Committee is currently reviewing management plan alternatives for consideration in the Groundwater Management Plan Update.

Joint Regional Water Supply System:

- Budget:
  - South Coast Water District staff have presented the draft Fiscal Year 2013-2014 budget to member agencies for review and comment.
- Use Audit Report:
  - Staff has reviewed the Use Audit report and will be meeting with staff from the South Coast Water District to discuss outstanding questions and comments.
- Bradt Reservoir Floating Cover Replacement:
  - The JRWSS has secured the services of Hilts Consulting Group, Inc. to prepare the construction documents for the replacement of the Bradt Reservoir floating cover for an amount not-to-exceed $190,000. The existing floating cover was installed in 1987 and has been budgeted for replacement for several years following a series of inspection reports of the cover.

The District has joint ownership and responsibilities in other regional facilities, including the Upper Chiquita Reservoir, the Upper Oso Reservoir and Recycled System, and the East Orange County Feeder #2. The District works closely with the responsible operators for each of these facilities when budgets are established and throughout the year on various operational items. District staff will be coordinating with the various responsible agencies to confirm any budget adjustments required for the upcoming Fiscal Year 2013-2014 budget.

**RECOMMENDATION:**

No action required at this time. Staff will continue to provide quarterly update of regional related activities and bring specific items to the Board as required for updates or action.

# Moulton Niguel Water District

Moulton Niguel Water

**STAFF REPORT**

**TO:** Board of Directors **MEETING DATE: March 18, 2013**

**FROM:** Matt Collings, Director of Engineering and Operations
Eva Plajzer, Principal Engineer

**SUBJECT: Quarterly Update on the Activities within the Communications License Program**

## SUMMARY

**Issue:** The District staff is responsible for administering the Communications License Program per the Communication License Agreement and License Policy adopted by the Board of Directors in March 2012.

**Recommendation:** Information item only.

**Fiscal Impact:** The Communication License Program is a revenue generating activity that has historically generated up to $1.5 million per year.

## BACKGROUND:

In the 1990s, the District approved the first communication facility to be constructed at one of the District's facilities. As the communication industry grew, the District was repeatedly approached about use of District facilities. The District developed the Communications License Program (Program) with a primary objective to provide an economic benefit to the District's ratepayers through a monthly lease program. The District's first responsibility is to provide water and wastewater service to its customers, and development of the Program should not interfere with the District's ability to provide that quality service. With those objectives in place, the District's Board of Directors (Board) approved a Communications Lease Agreement and Lease Policy, which was implemented on January 1, 2001 and updated to a Communication License Agreement and License Policy on March 15, 2012. Since that time, the District's Program has grown to include 56 agreements with various amendments on several of those agreements. These communications facilities are distributed among 17 of the District's sites. The Program currently generates about $1.5 million in revenue for the District each Fiscal Year.

The District's engineering staff has administered the development of new agreements and modifications to existing agreements. The administration of the Program includes

implementation of Board policy, point of contact with the existing or proposed cell carriers, plan check review of construction documents, approval of new agreements or amendments, inspection of communication facility construction activities, and oversight of the monthly lease payments. As the number of agreements grew, the Program required a significant time commitment from staff. In 2010, staff began utilizing a consultant, ATS Communications, to assist with the administration of the Program. The current budget allocation for on-call assistance is $80,000 for fiscal year 2012-13.

**HIGHLIGHTS:**

During the period covered by this quarterly update (December, January, and February) staff has performed various internal and external activities for the Program:

Program implementation activities:

- Continue to assess internal and external processes for processing applications and agreements and look for improvements
- Evaluating potential changes to the Program to assist staff in evaluation of lease defaults and possibility of penalties for defaults.

Program administration activities:

- Received new applications for improvements or lease amendments:
  - AT&T – 2
  - Sprint - 4
  - Verizon - 1
  - T-Mobile – 8
- Received $16,050 in application fees for this reporting period for a total of $41,300 for the 2012-13 Fiscal Year.
- Received $36,000 in back-rent payments from T-Mobile for Seville, Moulton Peak and Sheep Hills Reservoirs. T-Mobile submitted applications for various improvements at these facilities. Upon review by the consultant of the existing leases as part of the application process, it became apparent that T-Mobile installed some existing facilities without District approval. Staff directed the consultant to negotiate back-rent payments with T-Mobile and initiate a lease amendment process. The negotiated back-rent was $12,000 per site, which equates to about five years of back rent for changes not included in the existing lease.
- Expenses for the program include:
  - About $27,000 paid to ATS Communications for program support during this reporting period for a fiscal year total of about $61,000.
  - Approximately 230 staff hours for administration, submittal review, inspections, billing, etc., for this report period for a fiscal year total of about 700 hours.
- Continued processing of 35 existing applications.
- Engaged in lease amendment negotiations on one Verizon, four AT&T and eight T-Mobile leases.
- Inspected various Sprint facilities jointly with Sprint and advised on needed repairs.
- Inspected T-Mobile facilities and issued three lease default letters for unauthorized facilities, which resulted in back-rent payments discussed earlier.

- Issued a letter of default to MetroPCS for unauthorized construction at Rancho Reservoir. MetroPCS removed the unauthorized conduit, which was placed on top of the fill line to the reservoir, and is working with the District to amend their lease for a new location to install their conduit.

**RECOMMENDATION:**

No action required at this time. Staff will continue to implement the approved policy and provide quarterly updates to the District's Board of Directors.

# Moulton Niguel Water District

Moulton Niguel Water

**STAFF REPORT**

**TO:** Board of Directors **MEETING DATE: March 18, 2013**

**FROM:** Matt Collings, Director of Engineering and Operations
Todd Novacek, Assistant Director of Operations
Adrian Tasso, Superintendent of Facilities Operations

**SUBJECT: Security Services for Fiscal Year 2012/2013 and Fiscal Year 2013/2014**

## SUMMARY

**Issue:** The District utilizes contract services to provide security at the Main Office and the Operations Yard.

**Recommendation:** Approve a contract amendment with G4S Security Services to extend the term of the contract to June 30, 2014 and increase the contract amount by $150,000 for a total not-to-exceed $190,000.

**Fiscal Impact:** The Fiscal Year 2012/2013 does not contain budget for security services. Funds will be transferred from Contract Services Coordinator Business Unit to support the Fiscal Year expenses. Appropriate funds will be added in the proposed Fiscal Year 2013/2014 draft budget.

**Previously Related Action:** None

## BACKGROUND/DISCUSSION:

The District operates from two facilities, the Main Office and the Operations Yard, with slightly more than 100 employees. Regular operations involve day-to-day communications and interactions with customers, contractors, business vendors, and other stakeholders entering the District facilities on a daily basis. Additionally, both facilities have assets, i.e. equipment, vehicles, cash, etc., that require safeguarding. Staff had identified a need to improve security services at each of the District's facilities.

In late 2012, District staff contacted several vendors to discuss security services for the District. The discussions included a review of personnel, costs, summary of

services provided, and experience. Staff received proposals from four vendors and, based on a review of the proposals and discussions over the phone, selected two vendors to interview: G4S Security Services and Universal Protection Services. . After meeting with them and reviewing the pricing structure, staff selected G4S to provide security services for an amount not-to-exceed $40,000. The contract was executed in December and is scheduled to terminate on April 17, 2013. A copy of the contract is provided as an attachment to this Agreement.

The current cost for the security services is approximately $1,200 per week per guard ($22.08 per hour and $30.91 per hour for overtime). The guards are on-site for 10-hours per day from Monday through Friday including evening board meetings. The guards provide periodic patrol of the sites while checking on individuals into both facilities. District staff has determined that the security services provided at both sites is a worthwhile deterrent to various potentially conflict based issues that could otherwise negatively impact District personnel.

District staff continues to look at all options for improving security at all of the District's facilities. The Human Resources department is in the process of developing Identification Cards for staff. Operations staff and the Information Technology department are investigating the potential for surveillance cameras at the District's two administrative facilities along with critical operational sites. Finally, the District is coordinating additional trainings for staff on safe working environments and how to respond in an emergency.

**RECOMMENDATION:**

District staff is recommending the Board of Directors take the following actions under the consent calendar at the March 21, 2013 Regular Board Meeting:

- Approve a contract amendment with G4S Security Services to extend the term of the contract to June 30, 2014 and increase the contract amount by $150,000 for a total not-to-exceed $190,000.

# CONTRACT SERVICES AGREEMENT BETWEEN THE MOULTON NIGUEL WATER DISTRICTAND G4S SECURITY SOLUTIONS FOR ANNUAL SECURITY SERVICES FISCAL YEAR 2012-2013

This Agreement is made and entered into as of December 14, 2012, between the Moulton Niguel Water District, a California water district (hereafter "MNWD"), and G4S Secure Solutions (USA) Inc., a Florida corporation (hereafter "Provider"). MNWD and Provider may be referred to individually as "party" or together as "parties" in this Agreement.

## RECITALS

A. MNWD requires security services, including security personnel for various facilities and facility sites MNWD owns or operates, as further described in this Agreement ("security services").

B. Provider represents that it has the necessary State of California business license, qualified, trained and certified security personnel, permits, and skills required to perform the security services pursuant to the terms and standards set forth in this Agreement.

**NOW, THEREFORE,** MNWD and Provider agree as follows:

## Section 1. PROVIDER'S SERVICES

**1.1** Provider will furnish and perform the security services including the provision of uniformed security personnel at MNWD sites and facilities, all as described in this section and in **Exhibit 1** ("Schedule of Services") attached to and incorporated in this Agreement. Provider acknowledges and agrees MNWD may revise the sites, decrease the number of uniformed security personnel, and/or their service hours and/or shifts at the sites from time-to-time during the term of this Agreement upon five (5) calendar days notice to Provider, subject to the limit on total compensation to be paid under this Agreement for security services pursuant to Section 4. MNWD may request an increase in the number of security personnel, their service hours, or a revision in the shifts or posts, upon reasonable advance notice. Provider will honor a request to furnish additional personnel provided personnel are available and the request does not create any unreasonable scheduling requirements. MNWD shall pay any increase or shall be entitled to a decrease from Provider which results from such changes or modifications in accordance with the Schedule of Services. Updated 'post orders' will be made to **Exhibit 1** in the event any such changes to personnel/hours/shifts/sites are made, and shall be automatically incorporated in this Agreement upon execution by both parties.

**1.2** Provider acknowledges and agrees MNWD may use other security service providers for security services at sites other than where Provider is furnishing the security services hereunder, in MNWD's sole discretion, during the term of this Agreement (as may be extended).

1.3 Provider shall furnish all uniformed personnel and any tools or other equipment as may be required to perform the security services under this Agreement. All security personnel will be unarmed and shall not carry a firearm while on MNWD's premises and sites. Provider shall furnish all security services in a commercially reasonable manner, and in accordance with generally accepted industry standards. Provider shall maintain and keep a license issued by the State of California ("State") during the term of this Agreement for provision of the security services. A current copy of this license will be kept on file by MNWD.

1.4 Provider covenants and agrees as follows:

a. All security personnel performing the security services are employees of Provider and not of MNWD.
b. All security personnel assigned to MNWD sites will have a pre-employment background investigation and drug screening prior to assignment.
c. All security personnel assigned to MNWD sites shall be in compliance with training and all other requirements under the State's "Private Security Services Act" in the Business and Professions Code, as well as any State regulations thereunder, or any other State and federal laws governing the qualifications, etc. of security personnel.
d. All security personnel will be neatly uniformed, courteous, and demonstrate positive human relations skills.
e. All security personnel will be able to effectively communicate verbally and in writing and will be able to effectively respond to emergencies.
f. All security personnel will demonstrate reliable attendance and other identified job skills.
g. If MNWD, at any time, is dissatisfied for any lawful reason with any security officer assigned to the MNWD sites, Provider, upon request by MNWD, will replace such security officer.
h. If a security officer fails to arrive at MNWD's premises as scheduled, Provider will provide a replacement as soon as practicable.
i. Provider will obtain copies of any MNWD workplace policies with which security personnel must comply and be responsible for distribution to, and compliance by, Provider's security personnel.

1.5 MNWD's staff may make investigations as they deem necessary to determine the ability of the Provider to provide acceptable security services to MNWD on a continuing basis during the term of this Agreement. The Provider will furnish MNWD's representatives all information necessary for this purpose upon request.

1.6 Provider is an independent contractor and not an employee of MNWD. No permitted or required approval of MNWD representatives of post orders, schedules, hours, rates or services of Provider, or investigations thereof, will be construed as making MNWD responsible for the manner in which Provider performs the security services. Such approvals and investigations are intended only to give MNWD the right to satisfy itself with the quality of services performed by Provider.

1.7 MNWD recognizes that Provider is not an insurer of property or persons, and Provider makes no warranty, express or implied, that the security services will prevent loss, damage, or injury to MNWD's guests, invitees, employees or property. Notwithstanding,

Provider is not relieved of its responsibility to provide commercially reasonable best efforts in its performance of this Agreement.

**Section 2. SAFETY STANDARDS, COMPLIANCE WITH LAW**

**2.1** Provider's security services and operations shall be conducted so as to provide maximum safety to Provider's personnel and to the general public, and in compliance with all safety laws, rules and regulations of the State, federal, and local agencies. Provider shall have a current Safety Manual that meets SB 198 requirement for injury and illness prevention and have that Safety Manual on file with MNWD prior to commencement of performance of the security services.

**2.2** Provider shall comply with all applicable laws, rules and regulations of the State, federal, and local agencies in performing the security services under this Agreement.

**Section 3. TERM**

**3.1** The initial term ("initial term") of this Agreement is from December 17, 2012, to and including April 21, 2013, ("expiration") unless otherwise terminated earlier by either party pursuant to Section 5. This Agreement may be extended, at MNWD's option, for an additional year to and including April 21, 2014, with the same scope and fee as listed in **Exhibit 1**. An extension will be based upon a satisfactory review of Provider's performance, MNWD's needs, and appropriation of funds and approval by the MNWD Board of Directors. The parties will prepare a written amendment indicating the effective date, the length of the extended Agreement and any additional requirements of the parties.

**Section 4. COMPENSATION, PAYMENT**

**4.1** Compensation for the security services provided under this Agreement will be determined on a time and materials basis, but shall not exceed the total amount of FORTY-FIVE THOUSAND DOLLARS ($45,000.00) during the initial term. Compensation shall be paid in accordance with the Schedule of Services in **Exhibit 1**, which establishes the Standard Rates for the uniformed security personnel and the materials used in support thereof (i.e. SecureTrax) that will be paid by MNWD during the term of this Agreement, which includes all sales, use and/or similar taxes. The total compensation authorized for payment on a time and materials basis under this Agreement during the initial term only, cannot exceed FORTY-FIVE THOUSAND DOLLARS ($45,000.00). Any security services performed by Provider, at the written request of MNWD, that are outside the scope of security services described under Section 1 above shall be paid at the rates quoted by Provider in advance of the services, as agreed to by MNWD in writing. Overtime hours in excess of forty hours per week or eight hours per day, whichever is applicable to local labor laws, and holiday hours (holidays are as follows: Thanksgiving Day, Christmas Day, New Year's Day, Memorial Day, Labor Day, Fourth of July) will be paid at the Overtime Rates provided in **Exhibit 1**. Provider acknowledges that these rates are inclusive of all benefits which it may provide to its security personnel, and applicable taxes for all material charges.

The Standard and Overtime Rates quoted on the Schedule of Services will remain in effect during the initial term of this Agreement.

4.2 Compensation for security services will be billed monthly by Provider in accordance with the MNWD requested format. Provider's invoice will account for the site where services are performed in addition to named personnel, total hours worked by such personnel, and Hourly Rate. MNWD will make payment to the Provider within thirty (30) calendar days of receipt and approval of the invoices by MNWD. Only one bill per month shall be submitted by Provider, on or around the 10th day of each month, showing invoices for Provider for security services performed during the monthly billing period.

4.3 Acceptance and payment by MNWD for security services furnished under this Agreement will not in any way relieve the Provider of its responsibility to provide such services in strict accordance with State, federal, and local law. Neither MNWD's acceptance of, nor payment for, any security services will be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

4.4 Provider will pay all wages, state and federal withholding taxes, social security taxes, local occupational taxes, unemployment taxes, and other amounts normally required by an employer arising from Provider's employment of the security personnel assigned to MNWD's premises and Provider will indemnify and hold MNWD harmless, including costs and reasonable attorney's fees, from and against any or all of these obligations and payments.

4.5 Provider acknowledges California Labor Code Section 2810 and Provider's full compliance with the same, and further, stipulates to the fact that, in addition to the information to be provided in accordance with this Agreement, a full disclosure compliant with Section 2810 is attached hereto as **Exhibit 2**. Should any information in **Exhibit 2** change, Provider will send a revised **Exhibit 2** to MNWD as soon as reasonably possible, which shall be deemed automatically incorporated in the terms of this Agreement upon receipt.

## Section 5. TERMINATION

5.1 Either party may terminate this Agreement by providing written notice to the other party ten (10) calendar days in advance of the date of termination; provided, MNWD may terminate the Agreement immediately without any advance notice or penalty in the event Provider is in breach of any of the terms of this Agreement, as determined by MNWD in its discretion, and Provider may immediately terminate this Agreement without advance notice or penalty in the event MNWD has failed to remit payment due Provider within sixty (60) calendar days of receipt and approval of the invoices by MNWD. Other than as provided herein, upon termination neither party will have any further duties, obligations, responsibilities, or rights under this Agreement. On any termination, Provider will be entitled to the reasonable value of the security services performed for which it has not received prior compensation, subject to any offset from such payment representing MNWD's damages from any breach of the terms of this Agreement by Provider pursuant to this Section 5. In no event, will Provider be entitled to receive compensation in excess of the compensation specified under Section 4 of this Agreement.

## Section 6. INDEMNITY

6.1 Provider shall defend, and indemnify and hold harmless, MNWD and MNWD's officers, directors, employees and agents from and against all claims, demands, losses, damages,

costs, expenses, and legal liability arising out of or in connection with, or allegedly arising out of or in connection with, any negligence, or reckless or willful misconduct, of Provider, or its officers, directors, employees or agents, and resulting in: (i) injury to or death of persons, including but not limited to employees or agents of MNWD, or of Provider, and third parties; (ii) injury to property of MNWD, Provider, or a third party; or (iii) violation of any State, federal or local law, rule or regulation; except to the extent caused by the sole or active negligence or willful misconduct of MNWD, or its directors, officers, employees or agents. In no event will Provider be liable for MNWD's own loss of business or profits, penalties, or special or indirect, consequential, punitive, exemplary or liquidated damages incurred by MNWD, except as could be incurred under (iii) above. MNWD shall give notice to Provider of any loss, damage, expense, claim, lawsuit, liability, fine or penalty (collectively herein "Claim") within a reasonable time of the occurrence giving rise to the Claim, or receipt of notice of the Claim. Provider's total liability to MNWD and MNWD's officers, directors, employees and agents collectively under this indemnity obligation, shall be limited to the total amount of the insurance coverage aggregate limits as required under Section 7.3 (ii) this Agreement.

**6.2** Provider shall pay all costs and fees that may be incurred by MNWD in enforcing this indemnity, including reasonable attorney's fees.

**6.3** The terms of this Section 6 shall survive the expiration or termination of this Agreement.

**Section 7. INSURANCE**

**7.1** In addition to the requirements set forth below, during the course of the Agreement, Provider will pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of Provider in connection with or related to the security services provided under this Agreement.

**7.2** Provider shall not commence work under this Agreement until it has obtained all insurance required by MNWD nor shall Provider allow any allowed subcontractor to commence security services until all insurance required has been obtained.

The general liability and business automobile insurance will be comprehensive in form, for the term of this Agreement and on a 'per occurrence' basis. All policies will have a clause providing that thirty (30) calendar days written notice will be given to MNWD prior to any cancellation of such policies. All insurance will be issued and underwritten by insurance companies licensed and authorized to do business in the State, or be on the State's approved 'LESLI' List, and have at least an "A-" policyholder's rating and a financial rating not less than Class VII in accordance with the most current Best's Rating Guide - Property/Casualty, or better, or as otherwise approved by MNWD. Provider may satisfy the limit requirements set forth below in a single policy or multiple policies, provided, however, that any such additional policies written as excess insurance will not provide any less coverage than that provided by Provider's first or primary policy. All policies shall name "MNWD, and its directors, officers, employees and agents" as additional insured thereunder ("Additional Insured"), to the extent of Provider's indemnification obligation under the Agreement. All of the policies of insurance provided hereunder shall be primary insurance and not contribute with any other insurance maintained by the Additional Insured, and the insurer shall waive all rights of subrogation and contribution it

may have against the Additional Insured. In the event any of said policies of insurance are canceled, Provider shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 7 to MNWD.

**7.3** Provider shall take out and maintain at all times during this Agreement the following policies of insurance, **which shall comply with the terms of Section 7.2 as well as the following:**

(i) Workers Compensation Insurance and Employers Liability Insurance. Worker's compensation insurance as required by State laws, and employer's liability insurance with limits not less than $1,000,000 each accident and $1,000,000 for disease per employs. This insurance shall be in strict accordance with the requirements of the most current and applicable state Workers' Compensation insurance laws. Provider shall execute the *Certificate* required by Section 1861 of the Labor Code on **Exhibit 3** attached to this Agreement prior to commencement of any security services.

(ii) Commercial General Liability Insurance. Commercial general liability in a combined limit of not less than $2,000,000 per occurrence, $4,000,000 aggregate with such aggregate to apply separately to the security services. Commercial General Liability insurance coverage shall be equivalent to Insurance Services Office Form CG 00 01. Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in Section 6 of this Agreement. This insurance shall name the Additional Insureds using ISO endorsement CG 20 10 11 85, or both CG 20 10 and CG 23 37 forms if later revisions are used.

(iii) Business Automobile Insurance. Business automobile insurance with a liability limit of not less than $2,000,000 each accident. The policy shall include coverage for owned, non-owned, and hired vehicles.

**7.4** Nothing in the insurance requirements set forth in this Agreement is to be construed as limiting the liability of Provider or Provider's insurers. Provider agrees that the provisions of Section 7 shall not be construed as limiting in any way the extent to which Provider may be held responsible for the payment of damages or other costs to MNWD, or any persons or property, resulting from Provider's activities or the activities of any person or persons for which Provider is otherwise responsible.

**Section 8. ADDITIONAL PROVISIONS**

**8.1** Notices. All notices, bills, and payments will be made in writing and may be given by personal delivery, or by U.S. Mail, postage prepaid, and addressed as follows:

To: MNWD

Moulton Niguel Water District
P.O. Box 30203
Laguna Niguel, CA 92607-0203
ATTN.: General Manager
(949) 831- 2500
(949) 831-7991 FAX

To: Provider: G4S Secure Solutions (USA) Inc.
2300 E. Katella Ave. Ste 150
Anaheim, CA 92806
ATTN.: General Manager
(714) 939-4900

Each party shall provide the other party with written notice of any change of address or telephone/FAX number that occurs as soon as practicable.

**8.2** Entire Agreement; Severability. This Agreement represents the entire understanding of MNWD and Provider as to those matters contained herein. No prior oral or written understanding will be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both parties. 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.

**8.3** Assignment. 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, Provider shall not assign this Agreement, nor any part thereof, nor any monies due, or to become due hereunder, without the prior written consent of MNWD. Any assignment or delegation in violation of this section shall be void. In no event shall any contractual relationship be created between any third party and MNWD.

**8.4** Property. All MNWD software, equipment, and other property used by Provider's security personnel shall remain the exclusive property of MNWD. Likewise, any property furnished by Provider for use by security personnel while assigned at MNWD's premises shall remain the exclusive property of Provider.

**8.5** Force Majeure. Provider will not be liable for any failure or delay in performance of this Agreement, in whole or in part, where such failure or delay is caused by circumstances beyond Provider's control, including but not limited to acts of God, severe weather, fire, terrorism, vandalism or civil riots, war, civil disturbance, labor activity or strike, court order or other events beyond Provider's reasonable economic control.

**8.6** Confidential Information. All processes, documents, data, material, policies, or other information pertaining to MNWD's operations which is learned by Provider or furnished to Provider shall be maintained by Provider in strict confidence and shall not be used by Provider except for the direct benefit of MNWD, nor disclosed by Provider to any person or entity at any time for any reason, except as may be otherwise required by law. In furtherance of this provision, Provider agrees to execute such confidentiality agreements as requested by MNWD from time to time. The terms of this provision shall survive the termination or cancellation of this Agreement.

**8.7** Attorney Fees. In the event an action is filed by either party to enforce any rights or obligations under this Agreement, the prevailing party will be entitled to recover all attorney's fees and court costs, in addition to any other relief granted by the court.

**8.8** Governing Law/Venue. The provisions of this Agreement will be interpreted and enforced in accordance with the laws of the State. 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 agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

**8.9** Interpretation. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if all parties prepared this Agreement.

**8.10** No Third Party Rights. The parties intend not to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established herein.

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

**8.12** Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together constitute one and the same instrument.

[Remainder of Page Left Blank.]

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed the day and year first above written.

**MOULTON NIGUEL WATER DISTRICT**

BY: _____
Joone K. Lopez, General Manager

DATE: 12/19/12

**APPROVED AS TO FORM**

BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel – Moulton Niguel Water District

By _____
Patricia B. Giannone

**PROVIDER: G4S Secure Solutions (USA) Inc.**

BY: _____
Jorge Villaverde, General Manager
Authorized Representative

DATE: 12/19/12

* Complete and attach one of the following: Corporate certificate executed by Corporate Secretary; or, Notarization of Authorized Representative

## CORPORATE CERTIFICATE*

I, _____, certify that I am the Secretary of the corporation named as PROVIDER in the foregoing Agreement; that _____, who signed said Agreement on behalf of Provider, was then President of said corporation; and that said Agreement was duly signed for and on behalf of said corporation by authority of its Governing Body and is within the scope of its corporate powers.

_____

[_____], Secretary

*(CORPORATE SEAL)*

*To be completed if Provider is a corporation. If Provider is a joint venture or partnership that includes a corporation(s), a certificate must be obtained from MNWD's office, completed and attached to this page.

**EXHIBIT 1**

# Schedule of Services

**Scope of Work:**

- Provide one (1) Custom Protection Officer for the District's Administrative Facility located at 27500 La Paz Road, Laguna Niguel, CA 92677
- Provide one (1) Custom Protection Officer for the District's Operations Facility located at 26161 Gordon Road, Laguna Hills, CA 92653
- Services to be provided include:
    - Providing surveillance and monitor and/or control ingress and egress into the Administrative Facility and Operations Facility
    - Check vulnerabilities at Facilities and report to the District's designated contact(s) in a timely fashion
    - Act and report on potential criminal opportunities, i.e. unlocked facilities, open doors, etc.
    - Investigate suspicious activities and take appropriate actions
    - Assist MNWD personnel with safety recommendations

**Working Hours:**

- Working hours at both facilities shall be from 7:00 a.m. to 5:00 p.m.
- Any modification to those hours will be provided in writing per the Agreement.

**Compensation:**

- Standard Rate = $22.08 per hour
- Overtime Rate = $30.91 per hour
- SecureTrax = $156 per month

  MNWD and G4S agree that the SecureTrax PDA, phone and data service and all associated software provided pursuant to this Agreement shall remain the property of G4S throughout the term of this Agreement and upon termination.

**EXHIBIT 2**

Certification Of Information For Compliance With Labor Code Section 2810
(Executed By Provider's Authorized Representative)

**Agreement with Moulton Niguel Water District for Annual Security Services (Fiscal Year 2012-2013)**

Provider hereby provides the following information in relation to the above referenced Agreement so as to comply with California Labor Code Section 2810:

Provider hereby represents and warrants that the contract amount/Hourly Rate is sufficient to allow Provider to comply with all applicable local, State and federal laws or regulations governing the labor or services to be provided under the Agreement. Provider warrants that the information set forth in this **Exhibit 2** is accurate. Provider agrees that if any of the information provided in Items 7 or 9 herein is an estimate, then Provider shall provide MNWD with updated information as it becomes known to Provider.

1. The name, address and telephone number of the person or entity ("Provider") through whom the labor or services are to be provided:

Name: G4S Secure Solutions USA Inc . Phone: (714) 939-4900
Address: _2300 East Katella Ave., Suite 150 Anaheim, CA 92806

2. A description of the labor service to be provided and a statement of when those services start and are to be completed, if not fully described in the contract. Security officer services at Operations Yard and Administration Office for the district.

3. Provider 's employer identification number: 59-0857245

4. Provider 's worker's compensation insurance carrier information:

Name of Carrier: New Hampshire Insurance Co

Phone Number: 866-283-7122

Insurance Policy Number: WC4346416

Address: N/A

5. The vehicle identification number of any vehicle that is owned by the Provider and used for transportation in connection with the services to be provided: No vehicles will be utilized in the scope of services.

The vehicle liability insurance policy number covering the vehicle:
Not Applicable however is provided under C.O.I. .

The name, address, and telephone numbers of the vehicles insurance carrier:

Name of the Carrier: National Union Fire Insurance Company of Pittsburg.
Phone Number: 866-283-7122
Address: N/A

6. The address of any real property where any workers will be housed in connection with the Agreement, or "N/A" if not applicable to this Agreement: Not Applicable.

7. The total number of workers to be employed under the Agreement, and the total amount of all wages to be paid, and days or dates wages, are to be paid:

Number of workers: 2

Total Amount of Wages: Refer to Compensation and Exhibit 1

Day / Dates Wages Paid: Every Friday

8. The amount of commission or other payments made to the Provider for security services under the Agreement: Not applicable.

9. The total number of persons who will be utilized under the Agreement as independent contractors along with a list of their current local, state and federal contractor's license ID numbers which may be required:

Number of Independent Contractors: **None**

Provider 's License Number(s): **PPC 3850,**

Date: 12/19/12 By: JORGE VILLAVICENCIO
Its: CONTRACT MANAGER
Provider G4S

Exhibit 2-2

## EXHIBIT 3

Worker's Compensation Insurance Certification

**WORKERS' COMPENSATION DECLARATION**

I hereby affirm under penalty of perjury one of the following declarations:

***(ONE OF THE BOXES BELOW MUST BE CHECKED)***

☐ I have and will maintain a certificate of consent from the California Labor Commission to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work to be performed under this contract.

X I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work to be performed under this contract. My workers' compensation insurance carrier and policy number are:

Carrier New Hampshire Insurance Company Producer –AON Risk Services Inc.

Policy Number WC04346415 Certificate# N/A

☐ I certify that, in the performance of the work on this contract, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and agree that, if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

Date: 12/19/12 Applicant: _____

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS ($100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.