

Rebate Program Modifications

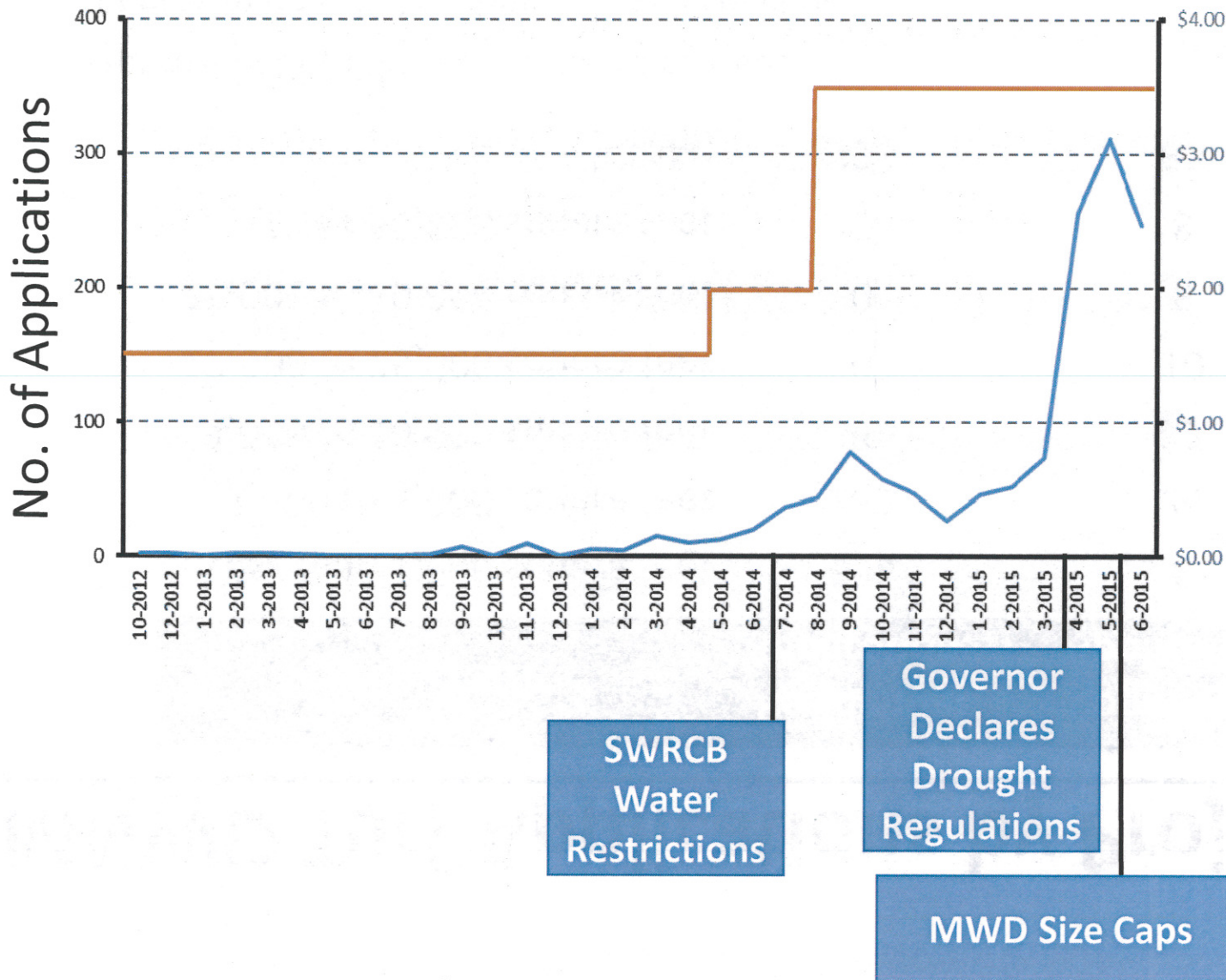
Finance & IT Board Meeting

August 19, 2015



Moulton Niguel Water
Leading the Way in Service

Unprecedented MNWD Turf Interest



Turf Program Recommendations

- **Overall Goal:** *Consistent clear program design to provide good customer service*
- Maintain constant funding level to customer
 - Commitment to \$2 / square foot funding for turf removal
 - MWD funding to vary based on regional funding
- Caps to match MWDOC- provides consistent customer experience
 - 3,000 Square foot cap on residential projects
 - 10,000 square foot cap on commercial projects
 - 25,000 square foot cap on public agency projects

Device Funding Recommendations

- Eliminate toilet supplemental funding
 - 1.28 gallons per flush toilets available at less than \$100 (current MWD funding level)
 - Jan. 1, 2016 all toilets sold in California required to be 1.28 gallons per flush
 - MWDOC 2013 WUE Masterplan estimates >90% OC toilets are HE

- Match Soil Moisture Sensor & Controller Funding to Smart Timer Funding
 - New “smart” irrigation device funded by MWD & MWDOC in Fall 2014
 - Saves up to 70% on outdoor irrigation water use

Customer Communications



Infosend Side Seam flap and back

9 1/2"

4 1/8"

**LIVE WITHIN
YOUR BUDGET**

Reduce outdoor watering

Look for leaks

For more information, visit

www.mnwd.com/watersavingtips

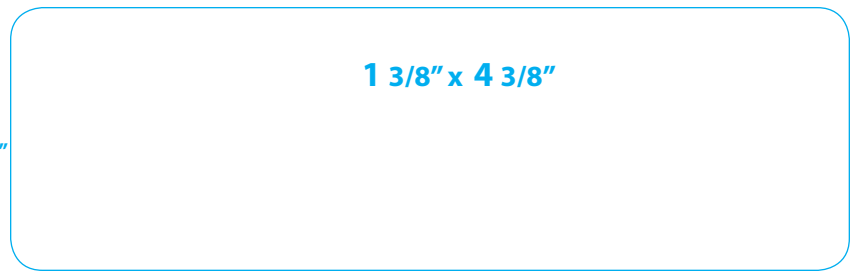
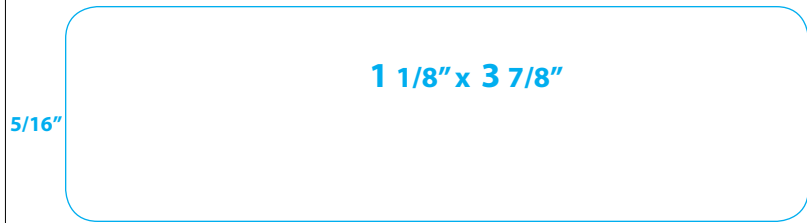
WASTE REDUCTION THROUGH DEGRADATION
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#3

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PRODUCED WITH 100% *Wind Power*

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**This summer is important.
Save water now.**

Infosend Side Seam flap and back

9 1/2"

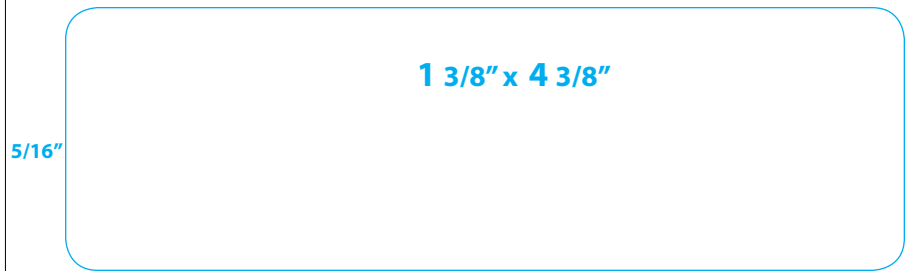
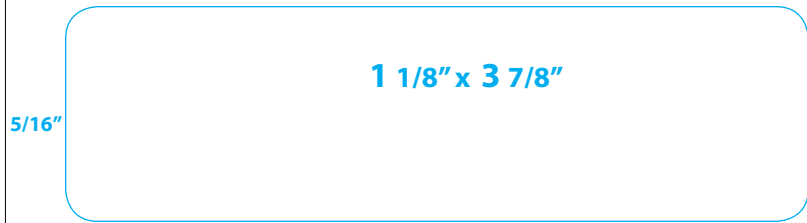
4 1/8"

LIVE within your **BUDGET**

- ✓ Look for leaks and fix them
- ✓ Reduce outdoor watering

For more information, visit
www.mnwd.com/watersavingtips

CYAN MAGENTA YELLOW BLACK



**Use water wisely.
Every drop matters.
Save water now.**

MNWD News

Summer 2015

MNWD | LEADING THE WAY IN SERVICE

www.mnwd.com

Dear MNWD Customers,



As California experiences a fourth year of extreme drought, one thing is clear

-- we need to be smart about how we use our limited water resources. Increasingly dry conditions, reduced water supply allocations, and state mandates requiring conservation have eliminated the luxury of routine water use.

For Californians, conservation is no longer optional -- it's mandatory.

Governor Brown adopted a landmark Executive Order mandating a **25 percent cut in statewide water use**.



To help achieve the statewide goal, we all need to take a hard look at how we are using water and work together to ensure that we all remain within our water budget. As new mandatory water restrictions start to take effect, our staff is here to answer your questions and help you achieve your conservation goals. To help keep you informed, we've launched **MNWD News** -- our new quarterly newsletter, providing your household with the up-to-date information you need to live water wise and within budget.

Sincerely,

Joone Lopez

Joone Lopez
MNWD General Manager

Statewide Drought Emergency: Live Within Your Budget

To increase conservation and ensure sustainable water supplies, MNWD implemented its water shortage contingency plan, which uses a phased approach to ease your household into heightened levels of water efficiency. Beginning June 1, 2015, MNWD encouraged all customers to live within their calculated water budget.



✓ **Stage 2:** This stage went into effect on **July 1, 2015**, and you are required to remain within your water budget or pay a penalty

resulting in a charge of \$9.04 for every billing unit of water used in excess of your water budget. Tier 1 corresponds to your indoor water budget, and Tier 2 corresponds to your outdoor water budget. Visit www.mnwd.com/watersavingtips for more information on how to use water wisely, and remember that every drop matters!

Water Budgets Reduced on April 1



Indoor Water Budget

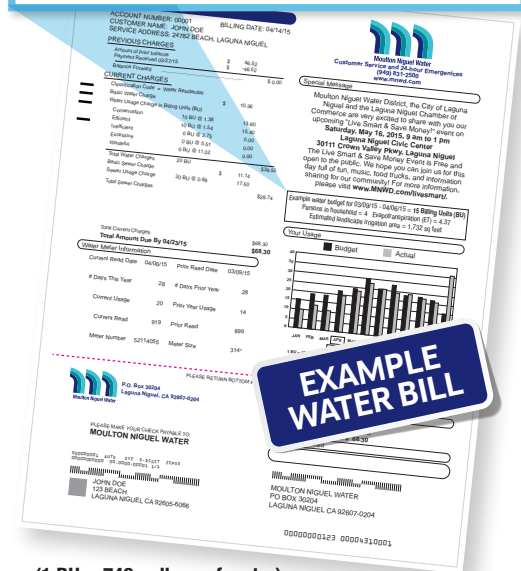
60 gallons per person per day



Outdoor Water Budget

Outdoor water budgets based on a mix of California native plants and lawn

Example water budget for 03/09/15 - 04/06/15
= 15 Billing Units (BU)
Persons in household = 4 Evapotranspiration (ET) = 4.37
Estimated landscape irrigation area = 1,732 sq feet



(1 BU = 748 gallons of water)

To live within your budget, MNWD encourages you to:

- ✓ Carefully review your water bill, which lists your water budget, and call MNWD with questions
- ✓ Monitor your household's water use
- ✓ Apply for available rebate programs featured on MNWD's website

Conservation At A Glance

MNWD has developed a multi-faceted plan to encourage all of our customers to reduce water use and ensure a sustainable water supply.

Water Budget Based Rate Structure

- ➔ Calculated water budgets based on customer needs
- ➔ Encourages efficient water use
- ➔ Provides funding from inefficient water users to further water conservation and rebate programs
- ➔ Recognized by the state as an effective strategy to achieve conservation
- ➔ Complies with all aspects of Proposition 218

Water Shortage Contingency Plan

- ➔ Targets inefficient water users first
- ➔ Imposes penalties for exceeding individual water budgets
- ➔ Encourages reductions in outdoor water use before indoor water use

YOUR MNWD BOARD OF DIRECTORS

- Duane D. Cave
- Scott F. Colton
- Richard S. Fiore
- Donald Froelich
- Gary R. Kurtz
- Larry R. Lizotte
- Brian S. Probolsky



MNWD in the Community

More than 600 Community Members Broke Out Their Umbrellas to Participate in Our Family-Friendly Live Smart Community Event

Moulton Niguel Water District, joined by the City of Laguna Niguel and the Laguna Niguel Chamber of Commerce, hosted a dynamic and engaging community event on May 16 to provide information to customers on how to “live smart” by saving water and energy and taking advantage of conservation rebates from local utilities. Despite the rain, more than 600 members of our community showed up to learn more about maximizing water and energy efficiency while saving money. To all who attended, we appreciate your dedication to conservation and want to thank you for making our Live Smart community event successful and worthwhile.



Students showing off their water cycle projects at MNWD's booth at the OC Children's Water Education Festival in March.

PHOTOS COURTESY OF THE ORANGE COUNTY REGISTER

WHAT ELSE CAN I DO?

TO HELP CONSERVE WATER SUPPLIES MNWD ENCOURAGES CUSTOMERS TO FOLLOW THESE BEST WATER MANAGEMENT PRACTICES:

DO

-  Replace your lawn with drought-tolerant landscaping
-  Check for and fix leaks, breaks or malfunctions
-  Ensure outdoor watering does not produce excessive water flow or runoff

DON'T

-  Wash down hard or paved surfaces
-  Wash your car at home; instead, use a commercial car wash
-  Request water at restaurants unless you're going to drink it

Moulton Niguel Water District (MNWD) provides drinking water, recycled water, and wastewater service to approximately 170,000 customers in South Orange County. Have questions? Call us at 949.831.2500 or email us at outreach@mnwd.com.

www.mnwd.com



Let's get friendly.

This Summer

This Fall

CALIFORNIA FRIENDLY. SAVE WATER. SAVE TIME.

Let your lawn take a nap this summer and give it a makeover this fall with California friendly plants! Saving water is beautiful. Visit www.mnwd.com/watersavingtips for more information.



Moulton Niguel Water
Leading the Way in Service

www.mnwd.com

PO BOX 30204

LAGUNA NIGUEL CA 92607-0204

WATER SHORTAGE CONTINGENCY PLAN

STAGE **2** IN EFFECT

LIVE within *your* **BUDGET**

**Saving water is beautiful.
Go California friendly.
Use water wisely.**

Thirsty for more information?

www.mnwd.com/morewatersavingtips



Check me out.

MAKE A MOVE. FIX YOUR LEAKY TOILETS.

A leaking toilet can waste 30 to 500 gallons per day. Checking your toilet for leaks is easy to do, but it must be done correctly. Visit www.mnwd.com/watersavingtips to learn how to check for leaks.



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WATER SHORTAGE CONTINGENCY PLAN

STAGE 2 IN EFFECT



**Check toilets for leaks.
Every drop matters.**

Thirsty for more information?

www.mnwd.com/morewatersavingtips



Pay attention to me.

LOOK FOR LEAKS AND FIX THEM

Going over your water budget can be costly. Even the smallest leak can waste thousands of gallons of water. Visit www.mnwd.com/watersavingtips to learn how to check for leaks.



Moulton Niguel Water
Leading the Way in Service

www.mnwd.com

PO BOX 30204

LAGUNA NIGUEL CA 92607-0204

WATER SHORTAGE CONTINGENCY PLAN

STAGE 2 IN EFFECT



**Check for leaks.
Use water wisely.
Every drop matters!**

Thirsty for more information?

www.mnwd.com/morewatersavingtips

Don't forget about me.



- Shorten watering times
- Reduce watering days
- Adjust watering based on weather

CHECK YOUR SPRINKLER TIMER REGULARLY

Visit www.mnwd.com/watersavingtips to create your customized watering schedule



Moulton Niguel Water
Leading the Way in Service

www.mnwd.com

PO BOX 30204

LAGUNA NIGUEL CA 92607-0204

WATER SHORTAGE CONTINGENCY PLAN

STAGE 2 IN EFFECT

LIVE WITHIN YOUR BUDGET

**Check the weather.
Adjust your sprinkler timer.
Avoid overwatering.**

Thirsty for more information?

www.mnwd.com/morewatersavingtips



Partnerships with Cities





YOU NEVER MISS SOMETHING UNTIL IT IS GONE!

STORY IN PART BY MOULTON NIGUEL WATER DISTRICT

There’s an old saying, “You never miss the water till the well runs dry.” In other words, you never miss something until it’s gone. Well, in California, the proverbial well is almost dry and our water supplies are limited. As our State tries to deal with the worst drought in California’s recent history, we all need to rethink how we use one of our most precious resources - water.

Over the past several years, the City of Laguna Niguel has implemented several water saving measures to decrease water usage and enhance water conservation efforts. Over 90% of City parks and slopes are irrigated using recycled water and efforts are currently underway to convert the remaining 10% to recycled water. Five of the City’s major sports fields have been replaced with synthetic grass, completely eliminating the need for water irrigation. In partnership with Moulton Niguel Water District, the City recently converted the medians along Crown Valley Parkway from potable to recycled

water and replaced the vegetation with drought tolerant plants.

Moulton Niguel Water District (MNWD) is actively working to address new and pressing water supply challenges during California’s severe drought. In order to balance the needs of their customers with the need for increased conservation during the drought, the District has implemented a number of innovative initiatives.



To help residents better understand the District’s plans to address drought and water supply challenges, and how customers may be affected, MNWD has put together a list of frequently asked questions, some of which are outlined below.

(Continued on page 5)



Photo Courtesy of United States Geological Survey (USGS)



(Continued from page 4)

WHERE DOES OUR WATER COME FROM?

MNWD imports 75 percent of its water from Northern California and the Colorado River. The District has worked to supplement these supplies by treating and delivering recycled water, which accounts for 25 percent of the District's supply and can be used by customers for irrigation.

WHAT'S THE PROBLEM? California faces a fourth year of extreme drought, a rebounding economy, and a growing population. In the face of these challenges, Governor Brown has called for a mandatory **25 percent reduction in statewide water use** and the State Water Resources Control Board has enacted mandatory conservation regulations.

WHAT SHOULD CUSTOMERS DO? Stay within your water budget. To encourage water conservation, MNWD has altered the way customers' water budgets are calculated. For indoor water-use, customers were previously allotted 65 gallons of potable water per-individual-per-day. The allotment has been decreased to 60 gallons per-individual-per-day.

The District has also changed how outdoor water budgets are calculated. The new calculation no longer supports irrigation for a full lawn, but instead supports native plants, which utilize less water. The change will require customers with full lawns to convert some portion of outdoor landscape to drought-tolerant plants in order to stay within the new outdoor water budget. To support this change, MNWD is continuing to offer customers rebates for turf



removal. For more information on available rebates, visit mnwd.com/rebates.

WHAT CHANGES WILL CUSTOMERS SEE WITH THE NEW RATES?

Along with the changes in water budgets, MNWD has also updated its rate structure to further incentivize conservation and allow the District to invest in capital improvement projects, including increased emergency water storage and additional recycled water supplies.

The new rates will affect **ALL** customers including residential, commercial, irrigation and recycled water customers. Residential customers will continue to have a five-tier rate structure that includes Tier 1 for indoor use, Tier 2 for outdoor use and Tiers 3-5 signaling customers' inefficient water use. For more information on specific rate changes, customers can call the District at (949) 448-4050 or visit www.mnwd.com.

WHAT CAN CUSTOMERS DO TO HELP SAVE WATER DURING THE DROUGHT?

- Limit watering hours and duration.
- Ensure outdoor watering does not produce excessive water flow or runoff.
- Do not water during the rain.
- Eliminate turf in the Fall and plant drought-tolerant landscaping.
- Check for and fix leaks, breaks or malfunctions.
- Do not wash down hard or paved surfaces.
- Reduce car washing.
- Re-circulate water in fountains and decorative water features.
- Cover swimming pools/spas to prevent evaporation.

For more information on water saving ideas, call (949) 448-4050 or visit www.mnwd.com



STAGE 2 WATER SHORTAGE CONTINGENCY PLAN GOES INTO EFFECT

JULY 1, 2015



At a recent City Council meeting, representatives from Moulton Niguel Water District, (MNWD) urged customers to stay within their water budget. As the District prepares to implement Stage 2 of its Water Shortage

Contingency Plan, that message has stronger significance today than it did a month ago.

Starting **July 1st**, MNWD will implement Stage 2 of a state-required Water Shortage Contingency Plan (WSCP) in order to manage supply and demand during California's unprecedented drought and address the need for increased water conservation.



Stage 2, requires customers to stay within their allocated water budget or face substantially increased rates of approximately \$9.00 per centum cubic foot (ccf).

The WSCP consists of a five-stage phased approach to ease customers into

increased levels of water use efficiency based on water supplies.



STAGE 1 Called for customers to voluntarily reduce water use and stay within their allocated budget.



STAGE 2 Requires customers to stay within their allocated water budget or face substantially increased rates.



If implemented, Stages 3 and 4 will require the District to decrease the amount of water customers are allowed to use.

Stage 3 outdoor water budgets will be reduced by 40% and Stage 4 outdoor water budgets will be reduced by 70%.



STAGE 5 If Stage 5 becomes necessary in the event demand becomes inconsistent with drought conditions or water supply challenges, residential and commercial customers will not be permitted to utilize any potable water outdoors.

As with Stage 2, customers exceeding their allocated water budgets in Stages 3, 4 and 5 will also face substantially increased rates of approximately \$9.00 per ccf.

So what can customers do to help save water during the drought?



(Continued from page 2)

REDUCE OUTDOOR WATERING THIS SUMMER

While using water efficiently is important throughout the year, sometimes the timing of water use can make a big difference for the District's water supply.

Rising temperatures during the Summer often coincide with rising outdoor water use, primarily due to an increase in lawn and landscape watering. Moulton Niguel Water District is encouraging its customers to follow best water management practices as follows:



Replace your lawn with drought-tolerant landscaping



Ensure outdoor watering does not produce excessive runoff



Do not water during the rain



Cover swimming pools and spas to prevent evaporation



Give your hose a break! Don't wash down hard or paved surfaces. Sweep driveways, sidewalks and steps instead of hosing them off



Don't wash your car at home; instead, use a commercial car wash



Check for and fix leaks, breaks or malfunctions



Don't request water at restaurants unless you're going to drink it

Moulton Niguel Water District continues to offer voluntary water saving programs, including turf removal rebates, home water surveys, sprinkler adjustments, and more. These programs have proven effective in reducing water-use. For more information on voluntary conservation programs and practices, please visit: <http://www.mnwd.com/rebates>





ANYONE FOR PICKLEBALL?

The City of Laguna Niguel has partnered with OC Parks to utilize one of the tennis courts at Laguna Niguel Regional Park for pickleball.



The proposal was presented to the County's OC Parks division earlier this year to address the growing popularity of the sport and the need for additional facilities.

The tennis court was modified with a USAPA basic court overlay and now serves a dual-purpose accommodating those who wish to play pickleball while at the same time, allowing tennis players to use the court when pickleball is not in play.

OC Parks agreed to a 12-month trial run of the program during which time they will evaluate input from pickleball and tennis users to determine if the pickleball courts should become a permanent fixture at the park.



The pickleball court will be operated by OC Parks and is open to the public during normal business hours.

MOULTON NIGUEL WATER



DISTRICTS ASKS CUSTOMERS TO "LIVE WITHIN YOUR BUDGET"

(Story in part courtesy of Moulton Niguel Water District (MNWD))

With Summer in full swing, saving water is of paramount importance. Thank you to our customers for helping us reach our 20% water reduction target

in June 2015 compared to our usage in 2013. As Summer continues, MNWD outdoor water use is primarily the key area where we can continue to conserve our water by doing the following:

- Reduce watering times and days. Consider letting your lawn take a nap this summer, and think about giving your yard a makeover this fall by planting California friendly plants in areas containing non-functional turf!
- Avoid overwatering, overspray, and runoff.
- Check sprinkler timers often to ensure settings are correct.
- Use a weather based watering schedule or install a weather based irrigation controller.*
- Change your sprinkler nozzles to water-efficient rotating nozzles or install drip irrigation.
- Look for leaks (both indoors and outdoors).

Visit www.mnwd.com/watersavingtips for more information on creating your own watering schedule, how to look for leaks, and other great ways to save water! Thank you for doing your part to live within your water budget and save water.

*Rebates may be available. Visit www.mnwd.com/rebates for more information.



From: Megan Schneider
To: "[Melissa Au-Yeung](#)"
Subject: RE: City Views Newsletter
Date: Saturday, July 11, 2015 10:33:00 PM
Attachments: [LWYB1.png](#)
[LWYB1.jpg](#)
[MNWD Logo - Transparent.png](#)

Hi Melissa –

Thank you so much! Here's the article, below. Attached are copies of our logo and the Live Within Your Budget campaign identity logo.

MNWD Asks Customers to “Live Within Your Budget”

The hot summer months are upon us, and saving water is of paramount importance. Thank you to our customers for helping us reach our 20% water reduction target in June 2015 compared to our usage in 2013. As we continue into the summer, outdoor water use is primarily the key area where we can continue to conserve our water by doing the following:

- Reduce watering times and days. Consider letting your lawn take a nap this summer, and think about giving your yard a makeover this fall by planting California friendly plants in areas containing non-functional turf!
- Avoid overwatering, overspray, and runoff.
- Check sprinkler timers often to ensure settings are correct.
- Use a weather based watering schedule or install a weather based irrigation controller.*
- Change your sprinkler nozzles to water-efficient rotating nozzles or install drip irrigation.*
- Look for leaks (both indoors and outdoors).

Visit www.mnwd.com/watersavingtips for more information on creating your own watering schedule, how to look for leaks, and other great ways to save water! Thank you for doing your part to live within your water budget and save water.

*Rebates may be available. Visit www.mnwd.com/rebates for more information.

Additionally, we have a number of print resources that you are welcome to use graphics from. Here are a few links:

- Fact Sheet, Lawn Signs, Window Clings, Posters: <https://mnwd.sharefile.com/d-s81b6b32de1e4d4eb>
- Postcards: <https://mnwd.sharefile.com/d-s1aa4eac37ce47638>

Please do not hesitate to contact me if you have any questions, or if you'd like more information from us. We are happy to help!

Have a great day,

[Megan Yoo Schneider](#)

Moulton Niguel Water District

27500 La Paz Road | Laguna Niguel, CA 92677

mschneider@mnwd.com | o: 949.831.2500 | d: 949.448.4020 | c: 949.795.6159

MNWD Logo - 2 inches



From: Melissa Au-Yeung [mailto:MAu-Yeung@ci.laguna-hills.ca.us]

Sent: Friday, July 10, 2015 10:38 AM

To: Megan Schneider

Subject: City Views Newsletter

Hi Megan,

We have about half a page open in our upcoming issue of City Views (our quarterly newsletter). We thought it might be a good idea to include some info from the water district, with everything going on with the drought. We would need the article no later than Wednesday, July 15th.

Let me know if that's something you might be interested in pulling together. I understand it's fairly short notice so please let me know if you're not able to pull something together before then, so we can prepare a different article.

Thanks!

Melissa Au-Yeung
Assistant to the City Manager
City of Laguna Hills
(949) 707-2621

Reduce Outdoor Watering



Save Water



Moulton Niguel Water
Leading the Way in Service

www.mnwd.com



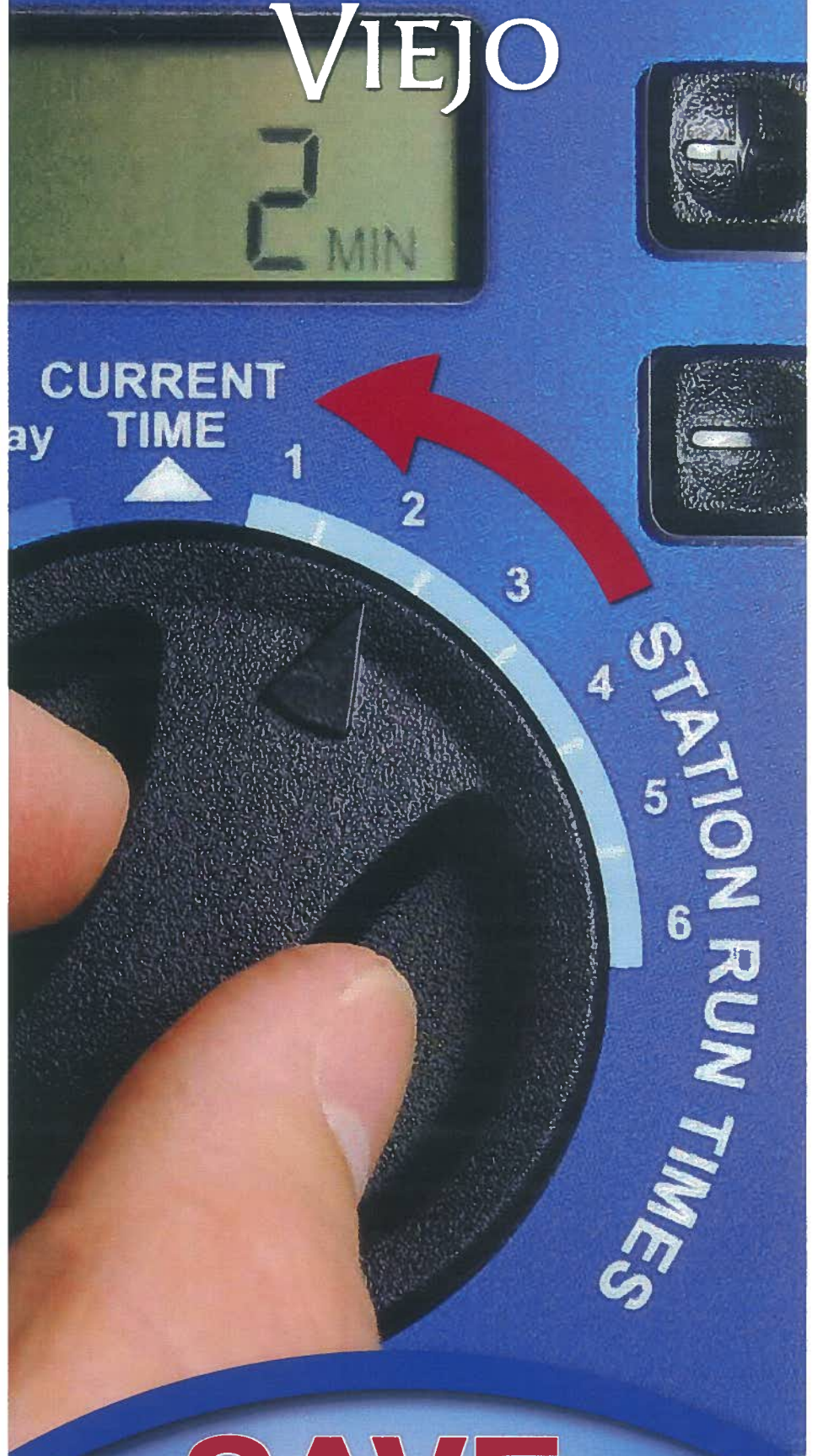
MISSION
VIEJO



**REDUCE
OUTDOOR
WATERING**



MISSION
VIEJO



**SAVE
WATER
NOW**

Media Relations





FOR IMMEDIATE RELEASE:

August 6, 2015

CONTACT:

Megan Schneider
(949) 448-4020
MSchneider@mnwd.com

Moulton Niguel Water District Customers Achieve 27 Percent Reduction in July 2015

Laguna Niguel, CA – Moulton Niguel Water District’s (MNWD) customers achieved a 27 percent reduction during the month of July compared to usage in 2013 by increasing water conservation efforts. MNWD customers saved over 265 million gallons in July, resulting in a total savings of over 465 million gallons since the clock started on June 1, 2015, for water agencies and cities throughout California to meet their reduction targets issued by the State Water Resources Control Board (SWRCB) in order to implement the Governor’s Executive Order to reduce water usage by 25 percent statewide.

During the month of July, MNWD revamped a direct mail campaign to provide customers with water conservation tools and tips such as adjusting outdoor watering schedules based on weather, looking for leaks, and considering California friendly garden makeovers. The campaign utilized a tongue-in-cheek approach with catchy taglines such as “Don’t forget about me,” “Check me out,” and “Let’s get friendly.”

In addition to its proactive implementation of the Water Shortage Contingency Plan (WSCP) in May, in advance of the SWRCB’s announcement of individual agency targets, MNWD engaged in extensive and comprehensive customer communication efforts, placing ads in local papers, distributing weekly information to its customers, and working with the cities served by MNWD to enlist their help and the Citizens’ Advisory Committee to get the word out over the last three months. MNWD is also continuing to enhance its customer communication efforts by working with cities, other local agencies, and community groups to do more to help customers during the hot summer months. This past week, MNWD staff distributed informational banners to local garden stores and nurseries encouraging customers to select water efficient devices and plants, and all customers participating in the turf removal program are offered illustrative lawn signs to display during their landscape conversion process.

“Our customers have worked hard to conserve water wherever they can, and their efforts are recognized and greatly appreciated,” stated Don Froelich, Board President of MNWD. “As the hot summer months continue, it is of paramount importance that our customers continue to do their part to save water.”

The Board of Directors will continue to evaluate the appropriate response level of its WSCP and work with surrounding agencies to collaborate on immediate and long-term solutions to ensure service reliability. The SWRCB's regulations require agencies to achieve their target reduction by the end of February of 2016. Agencies that do not comply with their respective targets that range from 8 to 36 percent throughout the State could be subject to fines up to \$10,000 per day. The individual targets were based on the residential gallons per day per person calculation by the SWRCB.

MNWD's water budget based rate structure, extensive recycled water program, which meets 25 percent of the service area's overall water demand, and long-standing conservation programs have been recognized by the SWRCB as effective strategies for managing water demand. As California faces a new reality of prolonged, multi-year droughts, MNWD remains committed to working with its customers to preserve our most precious resource.

About MNWD

Moulton Niguel Water District (MNWD) provides drinking water, recycled water, and sewer service to more than 170,000 customers in Laguna Niguel, Aliso Viejo, Laguna Hills, Mission Viejo, and Dana Point. Approximately 25 percent of MNWD's water is provided through local water recycling programs. Approximately 75 percent of MNWD's water is imported from the Metropolitan Water District of Southern California – a regional water wholesaler that delivers water from Northern California and the Colorado River.

###



Our customers saved over

265

million gallons in July.

Let's keep it going!

BE A TURNOFF



For more information, visit our *new* page:

LIVE within your **BUDGET**

www.yourmnwd.com



IT'S
SUMMMER.

**Our customers
saved over**

200

**million gallons
in June.**

Let's keep it going!

**Let's take a
look outside.**

SAVE WATER OUTDOORS:

- ✓ **Let your lawn take a nap this summer**
- ✓ **Give your yard a makeover this fall**
- ✓ **Plant *California friendly plants***
- ✓ **Look for leaks and fix them**
- ✓ **Use water efficient sprinkler nozzles**
- ✓ **Eliminate overspray and runoff**
- ✓ **Adjust watering based on weather**

LIVE with
your
BUDGET

For more information, visit
www.mnwd.com/watersavingtips

Partnerships with Local Agencies





Water Saving is Beautiful



Look for water saving plants and devices in the store today.

Performing a landscape makeover?

You could qualify for a rebate. Visit your local water provider's website for more information and resources.*

**Rebates based on availability. Rebate amounts vary, and specific requirements must be met to qualify for a rebate.*

SAVE

- ✓ WATER
- ✓ TIME
- ✓ ENERGY



www.etwd.com



www.lbcwd.org



www.mnwd.com



www.smw.com



www.tcwd.ca.gov



www.sanjuancapistrano.org



www.san-clemente.org

Make saving *water*



your *goal* today!

visit www.yourmnwd.com



Moulton Niguel Water
Leading the Way in Service

Make saving *water*



your *goal* today!

visit www.yourmnwd.com



LIVE within *your*
BUDGET



 **Reduce outdoor watering**

www.yourmnwd.com



Outreach Consultants



Outreach Support – Six Month Scope of Work

Consultant	Scope	Cost
Orange Label	Collateral Development	\$14,400
	Market Research and Communication Strategy Development	\$31,875
	Graphic Design and Project Support	\$28,100
	Subtotal	\$74,375
21 Strategies	Media Relations and Support	\$12,250
	Government Affairs	\$13,750
	Subtotal	\$26,000
Thomas Communications Group	Speakers Bureau Program	\$15,000
	Subtotal	\$15,000
Communications LAB	Two (2) Instructional Videos	\$14,000
	Subtotal	\$14,000
Total		\$129,375

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
ORANGE LABEL ART AND ADVERTISING, INC.
AGREEMENT NO. OM15-16.018**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between Orange Label Art and Advertising, Inc., hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of consulting services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide marketing services (the "Services") to MNWD. The scope of work to be performed by CONSULTANT 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 - CONSULTING SERVICES

Section 1.1 CONSULTANT shall provide the Services to MNWD as further defined in **Exhibit A**. This Agreement, including all attached Exhibits form the Agreement between the parties.

SECTION II – SCOPE OF SERVICES AND PERFORMANCE

Section 2.1 CONSULTANT shall perform the Services in accordance with **Exhibit A**, the terms of this Agreement, and as directed by MNWD. MNWD reserves the right to develop additional Services and related requirements as it deems appropriate to meet the needs and objectives of MNWD and this Agreement.

Section 2.2 CONSULTANT acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Consultants for the Services in its sole discretion.

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry 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 for the provision of Services under this Agreement. 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 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT

perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, 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 Services, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, 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 amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT 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, CONSULTANT shall immediately commence the work described in Exhibit A. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT's manager in charge of the Services is Rochelle Reiter/Michelle Torr.

Section 2.7 Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S manager in charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Services. CONSULTANT is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. CONSULTANT shall not allow any subcontractor to commence work or services under any subcontract until all insurance required of CONSULTANT has been obtained for the subcontractor.

Section 2.8 MNWD shall make available to CONSULTANT, at no cost, all information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 2.9 All documents and information generated by CONSULTANT and any of CONSULTANT'S subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONSULTANT or CONSULTANT'S subcontractors to any third parties other than with MNWD's prior written approval, or as compelled by order of court.

Section 2.10 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 2.11 All original drawings, artwork, media, final deliverables and other documents, developed pursuant to this Agreement shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION IV herein, be furnished to and become the property of MNWD.

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **January 31, 2016** unless otherwise terminated by either party pursuant to Section VII herein.

SECTION IV – FEES AND PAYMENT TERMS

Section 4.1 MNWD agrees to compensate CONSULTANT up to a not-to-exceed maximum amount of **Seventy-Four Thousand Three Hundred Seventy-Five Dollars (\$74,375.00)** in consideration for its performance of the Services. The breakdown of the fees for the Services is attached hereto as **Exhibit B, Breakdown of Fees** which is incorporated herein.

Section 4.2 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the date or period of Services, a complete description of the Services performed, the total amount due and, when requested by MNWD, any support documentation sufficient to validate the charges for each invoice item. Only one bill per month shall be submitted by CONSULTANT, showing amounts due for CONSULTANT during the monthly billing period. Incomplete invoices will be returned unpaid to CONSULTANT.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 Professional Liability Insurance. CONSULTANT 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 dated before the 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, CONSULTANT 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 CONSULTANT'S cost any extended reporting provisions of the policy should the CONSULTANT 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. CONSULTANT 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 CONSULTANT 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, 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 and 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 VII, 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 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 CONSULTANT'S (and its 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 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 5.5 Indemnity.

CONSULTANT agrees to indemnify, defend and hold harmless MNWD and its officers, directors, officials, and employees from and against all claims, damages, losses and expenses including attorneys' fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the CONSULTANT, its subconsultants or anyone for whose acts any of them may be liable. This section will survive the expiration or

early termination of this Agreement. CONSULTANT is not responsible for errors or omissions in the data provided by District to the CONSULTANT.

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 VI - SUBCONTRACTING

Section 6.1 No obligations under this Agreement shall be subcontracted without prior written approval by MNWD, which approval shall not be unreasonably withheld or delayed.

Section 6.2 In the event that subcontracting is approved by MNWD, CONSULTANT shall ensure that:

- 1) Each subcontractor complies in all respects with the provisions of this Agreement.
- 2) Its subcontractor maintains the same level of insurance coverage as required of CONSULTANT in Section V of this Agreement.

Section 6.3 CONSULTANT is as responsible to MNWD for the acts and omissions of its subcontractor as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. Supplier shall remain the primary debtor and be responsible for the due and timely performance by any subcontractor.

SECTION VII - TERMINATION OR ABANDONMENT

Section 7.1 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 thirty (30) calendar days' written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Services 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 7.2 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 IV of this Agreement.

Section 7.3 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 once payment has been made in full for the stated project.

SECTION VIII - GENERAL

Section 8.1 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 consulting services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 8.2 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. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 8.3 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

To CONSULTANT - Attn: Rochelle Reiter
Orange Label Art and Advertising, Inc.
4000 MacArthur Boulevard, Suite 520
Newport Beach CA 92660

Section 8.4 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 8.5 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 8.6 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 8.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. 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 8.8 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 8.9 This is a non-exclusive Agreement for the services contemplated herein.

Section 8.10 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 8.11 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 as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

CONSULTANT – Orange Label Art and Advertising, Inc.

By: _____
Title: _____

EXHIBIT A SCOPE OF WORK

Consultant shall perform the following services pursuant to this Agreement:

I. Marketing Strategy + Project Facilitation

- A. Orange Label will engage in a relationship to serve current marketing needs and to sustain and support ongoing outreach activities and projects, as needed. This relationship structure will be tracked and billed hourly, by a blended agency rate of \$175/hr per person.
- B. The blended agency rate will apply to the following activities:
 - a. Email Blast Strategy Development - Includes recommendation of CRM platform for campaign building, email analytics management and deployment, communication frequency recommendation, key communication touchpoints and messaging evolution (from provided concepts and content).
 - b. Print Media Recommendations
 - c. Direct Mail Strategy Development
 - d. Ongoing Digital Recommendations
 - e. Project Management and Facilitation
 - f. Reporting and Analytics/Optimization Analysis
 - g. Strategy Meetings and Account Communication
- C. Commitment to Quality Assurance
 - a. No creative piece or campaign messaging will arrive at completion without MNWD's approval. The Orange Label team will ensure that the appropriate point of contact at MNWD provides written approval for any project work, as well as approvals for copy and design. Any options for creative or campaign messaging will be reviewed with the MNWD point of contact for feedback and approval, with the option of reviewing final artwork and content with the Orange Label team in-person, via tele-meeting and screen share, or via email.
- D. Reporting & Analytics
 - a. Orange Label will provide comprehensive tracking and analysis on a monthly basis. The frequency of reporting may be adjusted upon mutual agreement. Our reports are custom generated based on the most valued key performance indicators and overall goal tracking per initiative.
 - b. In the digital world, numbers don't always equal analysis. Both quantity and quality of traffic and engagements are examined, and our team specifically pinpoints issues of investigation and optimization, and will share the ongoing findings and recommendations with the MNWD team.

II. Digital Campaign Development

- A. In order to gather valuable demographic and behavioral data specific to the Moulton Niguel Water District's constituents, Orange Label will implement highly-targeted social media pay-per-click campaigns to simultaneously communicate the value and significance of water use reduction with Moulton Niguel's residents, while testing

nuanced messages and unique creative within each audience segment. The information garnered from these campaigns will identify which types of messages resonate with each audience segment, and will allow for marketing creative to optimize prior to launching a larger outreach effort.

B. Orange Label will develop Facebook Pay-Per-Click campaign to target residents within the Moulton Niguel Water District, as well as a LinkedIn Pay-Per-Click campaign to target professionals, business owners and decision makers at small, medium and large companies within the district to reduce water usage. Each campaign's creative will link out directly to a custom-designed landing page for further tracking and engagement.

a. Facebook Pay-Per Click Campaign Investment Summary

i. Ad Campaigns (pay-per-click)

1. Campaign Creation..... \$950/campaign

Includes: Campaign set-up, recommended audience target + spend, development of up to 3 ad variations (text and images) for a single campaign's messaging and audience optimization.

ii. Campaign Management..... \$900/campaign per month + actual spend

iii. Includes: Ongoing management and tracking of the campaign's bids and optimization.

iv. Campaign Reporting and Analytics.....\$600/campaign per month

v. Includes: Detailed reporting and analytics with an assessment by the Orange Label team (include one formal report per month upon conclusion of the campaign).

vi. Fees for Facebook advertising space to be approved by client and paid directly to Facebook by client. Facebook fees are an additional cost that are not included in the amount of this Agreement.

b. LinkedIn Pay-Per Click Campaign Investment Summary

i. Ad Campaigns (pay-per-click)

1. Campaign Creation..... \$950/campaign

Includes: Campaign set-up, recommended audience target + spend, development of up to 4 ad variations (text and images) for a single campaign's messaging and audience optimization.

ii. Campaign Management..... \$900/campaign per month + actual spend

iii. Includes: Ongoing management and tracking of the campaign's bids and optimization.

iv. Campaign Reporting and Analytics.....\$600/campaign per month

v. Fees for LinkedIn advertising space to be approved by client and paid directly to LinkedIn by client. LinkedIn fees are an additional cost that are not included in the amount of this Agreement.

c. Includes: Detailed reporting and analytics with an assessment by the Orange Label team (include one formal report per month upon conclusion of the campaign).

III. Design & Project Support: Estimated Project Activity

A. Project activity estimates are outlined below to provide a sense for ongoing project pricing. Final projects and scope will be determined following additional research and recommendations. In addition to the individual project costs below, the management of the project activity and necessary facilitation will be charged by the blended, hourly

agency rate. Consultant must receive written authorization from MNWD prior to its performance of design and project support Services under this Agreement.

- a. Print Ad Artwork (per ad) \$3,800: Includes creative concept copy, artwork for a full-page 4 color ad.
- b. Print Ad Resize \$220: Includes reformatting an existing ad to new specs, with no changes to imagery or copy.
- c. Direct Mail Postcard Artwork (per card) \$2,250: Postcard spec: 6"x10.5". Includes copy and artwork.
- d. Email Blast Artwork (per blast) \$1,950: Includes artwork only. Programming to be quoted separately.
- e. Online Banner Ad Artwork \$875: Includes static artwork for up to 3 banner spec sizes
- f. Media Planning, Buying and Placement: 15% Commission

B. Campaign Landing Page Development

- a. Landing Page Artwork and Creation, Template Design \$2,025: The creation of the Campaign Landing Page quoted includes creative concept, graphic design, production management and launch facilitation via Wishpond programming, a separate third party selected by the client or direct hosting.
- b. Custom Landing Page Artwork and Creation, Custom Programming \$3,400: The creation of the Campaign Landing Page quoted includes strategic direction, creative concept, graphic design, production management and programming activity.

Notes:

- Upon approval of select projects, a detailed project timeline will be provided for the client's review and approval.
- Stock photography/video/music and custom photography/video/music are not included in the above pricing.
- Each project cost includes 2 rounds of revisions. Each additional round will be billed at \$125/hr.

IV. Research, Brand Positioning & Messaging Platform Development

This process is designed to allow the Orange Label team to fully comprehend Moulton Niguel Water District's short and long-term goals, and to gain an understanding for how the specified marketplace views the MNWD brand. By establishing this foundation, we are able to develop powerful campaign messaging and strategies to reach desired publics.

- A. **Orange Exploration™**: These "fact-finding meetings" occur between Orange Label and the Moulton Niguel Water District team. The purpose of these meetings is to explore, comprehend and align on the short-term and long-term objectives and vision, in detail. This is accomplished by gaining insight into the following areas:

- i. – The Core Business Objectives
- ii. – The Key Marketing Objectives
- iii. – Marketing Limitations/Problems
- iv. – Salient Historical Contextual Facts

- v. – Current Policies and Programs
- vi. – Each Constituency to be Impacted
- vii. – Market Research Findings
- viii. – Client Sensitivities
- ix. – Competitive Landscape

- B. After the Orange Exploration is completed, Orange Label will interview a sample mix of Moulton Niguel Water District's target demographic segments to gain an understanding for how the outside world, perceives the Moulton Niguel Water District. Through these discussions, the Orange Label team is able to discover the authentic language that connects and creates a positive emotional response within the current constituencies.
- C. Orange Label will develop a list of questions designed specifically to reveal the core attitudes, perceptions and key benefits surrounding Moulton Niguel Water District offering through the eyes of the target demographic. The questions will be submitted to MNWD for approval prior to any interviews taking place. Orange Label will interview of up to 30 individuals either over the phone or in person. The results and subsequent analysis from the View from the Field™ are documented thoroughly and are reviewed with the MNWD team during the presentation.
- D. Online Market Survey: To generate additional qualitative constituent data in the short timeframe, it is recommended that an online survey is conducted with 100 individuals within the local area to be examined in addition to the in-depth interviews. The combination of a competitive analysis and an online market survey will provide the following insight:
- i. Snapshot of Demographic Information
 - ii. Recognized Terminology and Language
 - iii. Authentic Audience Language
 - iv. Constituency Behavior and Attitudes
 - v. Motivations and Media Habits
 - vi. Marketplace Perceptions
- E. **The Juice™**: After carefully considering the **Orange Exploration™**, combined with the insight gained from the **View from the Field™** as well as additional secondary market research findings, the Orange Label strategic creative team develops the brand positioning statement options and messaging platform recommendations for the Moulton Niguel Water District. This process involves intense brainstorming and collaboration, distilling the most compelling messages that resonate with each target audience.

**EXHIBIT B
BREAKDOWN OF FEES**

I. Fees

Description	Amount*
<i>Initial Engagement Services</i>	
Marketing Strategy and Project Facilitation <i>(Marked against the agency's standard hourly billing structure)</i>	
<i>85 hours x Blended Agency Rate of \$175/hour</i>	\$14,875
<i>Digital Campaign Development</i>	
Facebook Pay-Per-Click (1 month campaign)	\$2,450
Linkedin Pay Per Click (1 month campaign)	\$2,450
<i>Design and Project Support (subject to prior authorization by MNWD)</i>	
Ongoing project activity including artwork, programming, creative services	\$28,100
<i>Research and Brand Positioning (Fixed Fee)</i>	
Orange Exploration, View from the Field and Survey Monkey Research	\$17,000
Brand Positioning Statement and Messaging Platform Recommendations	\$9,500
TOTAL	\$74,375

*Amounts include all mark-up and reimburseable expenses.

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
21ST CENTURY COMMUNICATION STRATEGIES, LLC
AGREEMENT NO. OM15-16.020**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between 21st Century Communication Strategies, LLC, hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of consulting services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide government and media relations services (the "Services") to MNWD. The scope of work to be performed by CONSULTANT 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:

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SECTION II – SCOPE OF SERVICES AND PERFORMANCE

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Section 2.2 CONSULTANT acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Consultants for the Services in its sole discretion.

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry 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 for the provision of Services under this Agreement. 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 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, 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 Services, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, 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 amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT 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, CONSULTANT shall immediately commence the work described in **Exhibit A**. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT's manager in charge of the Services is Steve Greyshock.

Section 2.7 Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S manager in charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Services. CONSULTANT is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. CONSULTANT shall not allow any subcontractor to commence work or services under any subcontract until all insurance required of CONSULTANT has been obtained for the subcontractor.

Section 2.8 MNWD shall make available to CONSULTANT, at no cost, all information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 2.9 All documents and information generated by CONSULTANT and any of CONSULTANT'S subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONSULTANT or CONSULTANT'S subcontractors to any third parties other than with MNWD's prior written approval, or as compelled by order of court.

Section 2.10 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 2.11 All original drawings, artwork, media, final deliverables and other documents, developed pursuant to this Agreement shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION IV herein, be furnished to and become the property of MNWD.

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **January 31, 2016** unless otherwise terminated by either party pursuant to Section VII herein.

SECTION IV – FEES AND PAYMENT TERMS

Section 4.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT a monthly retainer in the amount of Four Thousand Two Hundred Fifty Dollars (\$4,250.00) per month, plus direct and other expenses, as further described in **Exhibit A**. Total payments under this Agreement shall not exceed **Twenty-Six Thousand Dollars (\$26,000.00)**.

Section 4.2 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the date or period of Services, a complete description of the Services performed, the total amount due and, when requested by MNWD, any support documentation sufficient to validate the charges for each invoice item. Only one bill per month shall be submitted by CONSULTANT, showing amounts due for CONSULTANT during the monthly billing period. Incomplete invoices will be returned unpaid to CONSULTANT.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 Professional Liability Insurance. CONSULTANT 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 dated before the 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, CONSULTANT 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 CONSULTANT'S cost any extended reporting provisions of the policy should the CONSULTANT 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. CONSULTANT 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 CONSULTANT 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, 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 and 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 VII, 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 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 CONSULTANT'S (and its 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 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 5.5 Indemnity.

CONSULTANT agrees to indemnify, defend and hold harmless MNWD and its officers, directors, officials, and employees from and against all claims, damages, losses and expenses including attorneys' fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the CONSULTANT, its subconsultants or anyone for whose acts any of them may be liable. This section will survive the expiration or

early termination of this Agreement. CONSULTANT is not responsible for errors or omissions in the data provided by District to the CONSULTANT.

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 VI - SUBCONTRACTING

Section 6.1 No obligations under this Agreement shall be subcontracted without prior written approval by MNWD, which approval shall not be unreasonably withheld or delayed.

Section 6.2 In the event that subcontracting is approved by MNWD, CONSULTANT shall ensure that:

- 1) Each subcontractor complies in all respects with the provisions of this Agreement.
- 2) Its subcontractor maintains the same level of insurance coverage as required of CONSULTANT in Section V of this Agreement.

Section 6.3 CONSULTANT is as responsible to MNWD for the acts and omissions of its subcontractor as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. Supplier shall remain the primary debtor and be responsible for the due and timely performance by any subcontractor.

SECTION VII - TERMINATION OR ABANDONMENT

Section 7.1 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 thirty (30) calendar days' written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Services 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 7.2 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 IV of this Agreement.

Section 7.3 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 VIII – GENERAL

Section 8.1 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 consulting services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 8.2 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. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 8.3 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

To CONSULTANT - Attn: Steve Greyshock, Vice President
 21st Century Communications Strategy, LLC
 37 Cloudcrest
 Aliso Viejo, CA 92656

Section 8.4 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 8.5 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 8.6 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 8.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. 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 8.8 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 8.9 This is a non-exclusive Agreement for the services contemplated herein.

Section 8.10 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 8.11 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 as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

21st Century Communications Strategy, LLC

By: _____
Title: _____

EXHIBIT A
SCOPE OF WORK

Government & Media Relations Program Elements

Following discussions with MNWD staff, 21Strat has refined its proposal for final consideration. We believe the following reflects an accurate description of services and associated costs, and we look forward to executing this scope on behalf of the District.

STRATEGIC PLAN & IMPLEMENTATION TIMELINE

As a first step, 21Strat will prepare a comprehensive program that enumerates specific tasks, timeframe, audiences and expected results for both government and media relations efforts. We will seek buy-in from the GM and potentially the Board prior to its implementation. However, its components will reflect the items listed below. The completed product will be a succinct, actionable and measurable strategic implementation plan.

Program Element Cost: \$1,000

POSITIONING & EXTERNAL RELATIONS

21Strat has differentiated itself in Orange County by working extensively with the region's elected and government leaders. We've collaborated with these leaders to help understand their goals and advance their objectives, oftentimes in service to good public policy, and not client-consultant arrangements. This has established 21Strat as a trusted source for strategic insights, information and support, and gives us a comparative advantage that can be tapped to efficiently and effectively build deeper relationships with your core stakeholders. Note: this program will be cross-coordinated with the speaker's bureau program to ensure efforts are optimized and not duplicated.

- **Identify Key Targets:** In conjunction with staff and potentially Board members, identify a comprehensive set of government and other relevant stakeholders important to MNWD and its objectives. We would anticipate local, county, state and federal electeds and their staffs, and regional bodies (e.g. Regional Water Quality Control Board, other utilities, OCTA, etc.) We will coordinate with the Speaker's Bureau on list development. Importantly, 21Strat would help MNWD prioritize these stakeholders to ensure strategic efficiencies.
 - **Background & Context:** 21Strat will prepare background and briefing information for as many of these targets as necessary. This information may include policy decisions (i.e. water-related votes), personal and political interests, professional background and other relevant information. It will help ensure MNWD can navigate this process smoothly and effectively. We will also monitor relevant policy positions and meetings.
-

- **Meeting & Process Facilitation:** 21Strat’s comparative advantage ensures that we can quickly assemble and facilitate meetings that have clear agendas and purpose.
- **Defining the “Ask”:** Every meeting should have a specific aim or ask, and 21Strat will help develop and follow through on this critical element. At times, this may be as simple as an introduction or as complex as requesting support for a tricky public policy matter.
- **Reporting & Follow Through:** Immediately following initial engagement, 21Strat will develop a meeting report with clearly defined delegations and follow up, completing these tasks as necessary.
- **Coalition Building:** The aforementioned process is an ongoing dialogue that will fill our “reservoir of goodwill.” When necessary, we must tap this reservoir to advance the District’s objectives. 21Strat will advise MNWD on when/if these stakeholders should be engaged to provide vocal support for District initiatives. 21Strat would also prepare the appropriate tools (letters, sample resolutions, etc.).

Program Element Cost: \$10,500

MEDIA RELATIONS

21Strat will pursue high-value media relations activities on behalf of MNWD each month. Media pitching will cover water use reductions, CIP updates, human-interest stories (e.g. significant workplace achievements, etc.) and other proactive opportunities. Importantly, we will position MNWD as a go-to source for water-related stories either directly or indirectly related to the District’s operations. Of course, reactive and crisis-related media is a reality that is also anticipated in this proposal. Tactics include:

- Monthly press releases (1-2 per month)
- Regular columns
- Reporter cultivation and education
- Media list updates and maintenance
- Editorial board (as needed and for major initiatives)
- Weekly media reports and analysis for staff and board (mobile-friendly)

Additional Media Considerations & Solutions

- **Local Concerns & Solutions:** The south OC media market is fractured and turnover is a legitimate concern for MNWD. Reporters cycle through seemingly monthly, taking any time and educational investment made by MNWD with them. 21Strat will monitor this reality closely and recommend briefings or other action when necessary.
-

- **Regional Opportunities:** 21Strat holds deep relationships with the Register’s primary water reporters, namely Aaron Orlovski. We are regular sources for his stories – both on-the-record and background – and have a trust-based relationship. We are eager to bring MNWD and its initiatives to him for great regional exposure.
- **Sacramento:** We work to bring local stories that may be relevant to greater policy strategies (e.g. funding) and place them in oft-read Sacramento blogs and policy publications. This is a cost-effective way of increasing MNWD’s influence and exposure in the Capitol.

Program Element Cost: \$9,000

ADMINISTRATIVE MANAGEMENT & CONSULTATION

Staff has suggested weekly or semi-weekly meetings to ensure progress and explore opportunities. We agree. This allows us to have a firm grasp on operational/policy updates and provide ongoing strategic consultation. It is recommended that these sessions occur with the GM and outreach team, folding in the Public Affairs team once they are established. We also suggest quarterly or semi-monthly “all hands” sessions to ensure all consultants are moving in the same direction on behalf of MNWD. Finally, this function includes monthly reports for staff and board reference.

Program Element Cost: \$5,000

Proposed Final Budget

For purposes of this proposal, we have estimated costs based on a six-month program. Per client direction, we have provided a monthly retainer account structure and have revised the numbers according to the refined scope and timeframe from the original proposal.

Name	Key Actions	Budget
Strategic Plan & Timeline	Initial meetings, develop detailed government and media relations plan and timeline; identify stakeholders and develop contact list, prepare and discuss plan with District GM (and potentially Board committee)	\$1,000
Positioning & External Relations	Develop and prioritize stakeholder target list; refine with client input; research and provide background/context to client; arrange and facilitate stakeholder meetings; conduct necessary follow up and coalition-building efforts	\$10,500
Media Relations	Craft and place high-value stories through a variety of tactics, including press releases, columns, media/reporter engagement; broaden MNWD's reach and influence through targeted placements; leverage relationships in local media to build support for MNWD objectives	\$9,000
Management & Consultation	Facilitate regular client meetings to review results, adjust strategies, and explore opportunities; coordinate messaging and strategies with other consultants; work with new PA staff to position for success; regular account maintenance	\$5,000
Monthly Retainer	Based on six-month contract beginning August 1	\$4,250
Expenses	Mileage, copies, etc. (billed as incurred)	\$500
TOTAL AMOUNT		\$26,000

RATE & EXPENSE SCHEDULE

Although this is a retainer account, 21Strat can bill by the hour for out-of-scope services per client direction and approval. Our standard rates are as follows:

Hourly Rates:

- Principals: \$175/hour
- Associate: \$125/hour

Expenses

- Mileage: \$0.575/mile
- Printing: \$0.10/black and white copy; \$0.25/color copy
- Vendors: 15% markup for vendors subcontracted under 21Strat

ADDENDUM A – SUMMARY OF MONTHLY OF ACTIVITIES

(Added July 28, 2015)

The following lists the general and specific activities we anticipate as part of this scope of work. While each month may vary slightly, these are the standard deliverables and tasks anticipated in the proposed budget.

Media Relations

Press Releases: Draft and work to place two press releases per month; message and “story” will be developed in conjunction with client, but will align with overall message and operational strategy of MNWD. Potential recurring releases include: results of water-use reduction, human-interest stories (e.g. customers saving well and key operational/infrastructure advancements).

Columns: Draft and work to place one column per month in the Aliso Viejo & Laguna Niguel News; draft and work to place one column per quarter in full edition of OC Register; topics must be key initiatives that support major District goals.

Reporter “Desk Side Briefings”: Maintaining a constant and productive dialogue with key reporters will be important to maintain MNWD’s message in the headlines. We’ve included one reporter briefing per month in our estimate. This can be coffee, desk side, at the District HQ or elsewhere. The aim is not necessarily to secure a story, but rather serve as a resource, update on key state, regional and local issues and build trust. We envision targeting several reporters, including Tomoya Shimura, Aaron Orłowski, Kelly Zhou with the Register,

Media Reports/Clippings: Prepare daily media reports with headline, brief synopsis, and links to relevant state, regional and local stories.

Summary:

- 2 Press Releases
 - 1 Column
 - 1 “desk side” briefing
 - Daily media reports
 - 2 team meetings (split with government relations for efficiency)
 - As needed crisis and messaging support
-
- **Approximate Hours:** 20

Government Relations

While this element certainly has routine monthly tasks and deliverables, much of it will be driven by strategic initiatives and timing. For example, we will deliver on a series of stakeholder outreach meetings (and the requisite deliverables) monthly, but coalition building will be activated only when necessary.

Agenda Monitoring & Reports: Prepare weekly reports on relevant issues being considered by local, regional and statewide agencies.

Stakeholder Meetings: On average, arrange, facilitate and attend two meetings per month. This includes briefing/background document on each meeting as well as a follow up memorandum with next steps and a recap. 21Strat will maintain comprehensive summary of all for current and future reference.

Summary:

- 2 stakeholder meetings
 - 2 stakeholder briefing documents and requisite research
 - 4 agenda monitoring reports and summaries (weekly)
 - 2 meeting follow ups
 - Regular maintenance of stakeholder database and summary of meetings
 - 2 team meetings (split with media relations for efficiency)
 - As needed consultation and support
-
- **Approximate Hours:** 18
-
-

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
COMMUNICATIONS LAB
AGREEMENT NO. OM15-16.019**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between Communications LAB, hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of consulting services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide video production services (the "Services") to MNWD. The scope of work to be performed by CONSULTANT 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 - CONSULTING SERVICES

Section 1.1 CONSULTANT shall provide the Services to MNWD as further defined in **Exhibit A**. This Agreement, including all attached Exhibits form the Agreement between the parties.

SECTION II – SCOPE OF SERVICES AND PERFORMANCE

Section 2.1 CONSULTANT shall perform the Services in accordance with **Exhibit A**, the terms of this Agreement, and as directed by MNWD. MNWD reserves the right to develop additional Services and related requirements as it deems appropriate to meet the needs and objectives of MNWD and this Agreement.

Section 2.2 CONSULTANT acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Consultants for the Services in its sole discretion.

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry 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 for the provision of Services under this Agreement. 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 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT

perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, 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 Services, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, 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 amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT 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, CONSULTANT shall immediately commence the work described in Exhibit A. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT's manager in charge of the Services is Brian Lochrie.

Section 2.7 Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S manager in charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Services. CONSULTANT is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. CONSULTANT shall not allow any subcontractor to commence work or services under any subcontract until all insurance required of CONSULTANT has been obtained for the subcontractor.

Section 2.8 MNWD shall make available to CONSULTANT, at no cost, all information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 2.9 All documents and information generated by CONSULTANT and any of CONSULTANT'S subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONSULTANT or CONSULTANT'S subcontractors to any third parties other than with MNWD's prior written approval, or as compelled by order of court.

Section 2.10 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 2.11 All original drawings, artwork, media, final deliverables and other documents, developed pursuant to this Agreement shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION IV herein, be furnished to and become the property of MNWD.

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **January 31, 2016** unless otherwise terminated by either party pursuant to Section VII herein.

SECTION IV – FEES AND PAYMENT TERMS

Section 4.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT on a flat fee basis at the prices listed in Exhibit A. The total maximum fee payable for the Services performed pursuant to this Agreement is **Fourteen Thousand Dollars (\$14,000)**. The breakdown of the fees for the Services is listed in Exhibit A.

Section 4.2 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the date or period of Services, a complete description of the Services performed, the total amount due and, when requested by MNWD, any support documentation sufficient to validate the charges for each invoice item. Only one bill per month shall be submitted by CONSULTANT, showing amounts due for CONSULTANT during the monthly billing period. Incomplete invoices will be returned unpaid to CONSULTANT.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 Professional Liability Insurance. CONSULTANT 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 dated before the 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, CONSULTANT 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 CONSULTANT'S cost any extended reporting provisions of the policy should the CONSULTANT 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. CONSULTANT 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 CONSULTANT 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, 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 and 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 VII, 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 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 CONSULTANT'S (and its 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 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 5.5 Indemnity.

CONSULTANT agrees to indemnify, defend and hold harmless MNWD and its officers, directors, officials, and employees from and against all claims, damages, losses and expenses including attorneys' fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the CONSULTANT, its subconsultants or anyone for whose acts any of them may be liable. This section will survive the expiration or early termination of this Agreement. CONSULTANT is not responsible for errors or omissions in

the data provided by District to the CONSULTANT.

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 VI - SUBCONTRACTING

Section 6.1 No obligations under this Agreement shall be subcontracted without prior written approval by MNWD, which approval shall not be unreasonably withheld or delayed.

Section 6.2 In the event that subcontracting is approved by MNWD, CONSULTANT shall ensure that:

- 1) Each subcontractor complies in all respects with the provisions of this Agreement.
- 2) Its subcontractor maintains the same level of insurance coverage as required of CONSULTANT in Section V of this Agreement.

Section 6.3 CONSULTANT is as responsible to MNWD for the acts and omissions of its subcontractor as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. Supplier shall remain the primary debtor and be responsible for the due and timely performance by any subcontractor.

SECTION VII - TERMINATION OR ABANDONMENT

Section 7.1 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 thirty (30) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Services 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 7.2 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 IV of this Agreement.

Section 7.3 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 VIII - GENERAL

Section 8.1 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 consulting services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 8.2 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. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 8.3 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

To CONSULTANT - Attn: Brian Lochrie
Communications LAB
701 E Chapman Ave
Orange, CA 92866

Section 8.4 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 8.5 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 8.6 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 8.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. 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 8.8 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 8.9 This is a non-exclusive Agreement for the services contemplated herein.

Section 8.10 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 8.11 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 as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

CONSULTANT – Communications LAB

By: _____

Title: _____

EXHIBIT A
SCOPE OF WORK



ATTACHMENT A

Video Production

Communications LAB has in-house video production capabilities that includes pre-production, production and post-production efforts. The equipment used results in broadcast-ready high-resolution HD videos that are appropriate for a variety of screens from a handheld mobile device to a computer screen to a big-screen TV to a movie theatre screen. Brian Lochrie will serve as the producer-director and production manager for the videos. Brian received his Communications degree from Cal State Fullerton with an emphasis in Radio-TV-Film. He spent the first ten years of his career in television as a producer, cameraman, editor and on-air talent. After transitioning to public relations 15 years ago, he continued to produce videos for clients and in recent years has focused on water use efficiency videos.

Communications LAB has produced more than a dozen videos dedicated to reduced outdoor water use and new water supplies for such clients as:

- The County of Orange (OC Stormwater Program – “Overwatering is Out”)
- Santa Margarita Water District (“Don’t Doubt the Drought”)
- East Orange County Water District (“When the temperature goes up, you water use needs to come down”)
- Poseidon Water (Huntington Beach Seawater Desalination Facility)

Communications LAB specializes in developing videos that are informative and educational as well as entertaining and engaging. Each video we propose to develop for Moulton Niguel Water District will be specifically focused to educate and engage your customers providing helpful information that will encourage water use efficiency. We recommend the development of videos that are shorter than two minutes in length to ensure we capture and engage the interest of the viewer. Most educational videos longer than two minutes tend to lose the interest of the viewer and reduce the likelihood that the viewer will conduct the behavior change recommended.

We break each video production into three segments: Pre-production, production and post-production.

Pre-Production

\$2,500 per video

In the pre-production phase, we begin by working with staff on the concept and the draft outline of the video. Once we agree upon the concept, the major “beats” of the video and the edited length of time of the video, Communications LAB will develop a draft script. We provide MNWD with up to three rounds of edits to the script. If requested, we can also provide a “storyboard,” which shows drawings for the major beats of the video. We typically provide storyboards if the client has trouble envisioning how the video will look based on the script provided.



Communications LAB typically budgets for 20-25 hours for pre-production time.

Production

\$2,000 per video

The production phase begins with location scouting and securing a production location that complies with the requirements of the production shoot. Ideally, the location will be relatively secluded or private to prevent onlooker interference or background “extras.” The location should also be distant from any areas where loud noises may interfere with production (trains, highway noise, children’s playgrounds, etc.).

Once a location has been secured and a production date is set, Communications LAB will work with the talent (in this case, likely to be an MNWD employee) who will serve as the water use efficiency expert. The script will be broken up into short scenes and we will produce and direct each scene individually and conduct as many takes as necessary before moving to the next scene.

Most one-and-a-half minute videos will take between 4-6 hours of on-site production time to finalize. This includes at least an hour of prep time by Communications LAB prior to the talent’s call time.

Total production time, which includes talent prep and location scouting is approximately 15-20 hours per production.

Post-Production

\$2,500 per video

Communications LAB has an in-house video editing bay where all post-production takes place. The client is welcome to attend during the editing process, but it is not required.

The post-production process begins with the downloading of the digital raw video to the computer for editing within the Final Cut Pro program. The download and compiling process takes place in real time (e.g. one minute of raw footage takes about one minute to download). Communications LAB will edit a “rough-cut” that may not include soft transitions (cross-fades / wipes / etc.) and may not include music. The client will review the rough cut and provide comments and suggested edits. Communications LAB will incorporate those agreed-upon edits and provide a finalized version. The client will review and provide any final edits.

Communications LAB will then provide a final version both in low resolution (.m4v or .mp4) as well as high resolution (.mov) and coordinate with other team members to upload the video to the MNWD website, social media channels and other agreed-upon platforms.



Total Post-Production time including downloading, identifying stock images/video/audio to be used, three rounds of edits and output to low resolution and high resolution is estimated to take between 20-25 hours for each video.

To produce two informational and educational videos, Communications LAB estimates a total cost of **\$14,000**.

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
THOMAS COMMUNICATIONS GROUP, LLC
AGREEMENT NO. OM15-16.021**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between Thomas Communications Group, LLC, hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of consulting services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide communication and outreach services (the "Services") to MNWD. The scope of work to be performed by CONSULTANT 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 - CONSULTING SERVICES

Section 1.1 CONSULTANT shall provide the Services to MNWD as further defined in **Exhibit A**. This Agreement, including all attached Exhibits form the Agreement between the parties.

SECTION II – SCOPE OF SERVICES AND PERFORMANCE

Section 2.1 CONSULTANT shall perform the Services in accordance with **Exhibit A**, the terms of this Agreement, and as directed by MNWD. MNWD reserves the right to develop additional Services and related requirements as it deems appropriate to meet the needs and objectives of MNWD and this Agreement.

Section 2.2 CONSULTANT acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Consultants for the Services in its sole discretion.

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry 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 for the provision of Services under this Agreement. 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 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, 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 Services, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, 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 amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT 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, CONSULTANT shall immediately commence the work described in **Exhibit A**. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT's manager in charge of the Services is Barbara Thomas.

Section 2.7 Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S manager in charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Services. CONSULTANT is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. CONSULTANT shall not allow any subcontractor to commence work or services under any subcontract until all insurance required of CONSULTANT has been obtained for the subcontractor.

Section 2.8 MNWD shall make available to CONSULTANT, at no cost, all information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 2.9 All documents and information generated by CONSULTANT and any of CONSULTANT'S subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONSULTANT or CONSULTANT'S subcontractors to any third parties other than with MNWD's prior written approval, or as compelled by order of court.

Section 2.10 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 2.11 All original drawings, artwork, media, final deliverables and other documents, developed pursuant to this Agreement shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION IV herein, be furnished to and become the property of MNWD.

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **January 31, 2016** unless otherwise terminated by either party pursuant to Section VII herein.

SECTION IV – FEES AND PAYMENT TERMS

Section 4.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT on a time and materials basis, with a not-to-exceed maximum amount of **Fifteen Thousand Dollars (\$15,000.00)**, at the rate listed in **Exhibit A**.

Section 4.2 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the date or period of Services, a complete description of the Services performed, the total amount due and, when requested by MNWD, any support documentation sufficient to validate the charges for each invoice item. Only one bill per month shall be submitted by CONSULTANT, showing amounts due for CONSULTANT during the monthly billing period. Incomplete invoices will be returned unpaid to CONSULTANT.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 Professional Liability Insurance. CONSULTANT 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 dated before the 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, CONSULTANT 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 CONSULTANT'S cost any extended reporting provisions of the policy should the CONSULTANT 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. CONSULTANT 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 CONSULTANT 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, 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 and 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.

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the data provided by District to the CONSULTANT.

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- 2) Its subcontractor maintains the same level of insurance coverage as required of CONSULTANT in Section V of this Agreement.

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Section 7.3 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.

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Section 8.1 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 consulting services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 8.2 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. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 8.3 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

To CONSULTANT - Attn: Barbara Thomas, Principal
 Thomas Communications Group, LLC
 20532 El Toro Road, Suite 210A
 Mission Viejo, CA 92692

Section 8.4 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 8.5 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 8.6 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 8.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. 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 8.8 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 8.9 This is a non-exclusive Agreement for the services contemplated herein.

Section 8.10 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 8.11 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 as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

Thomas Communications Group, LLC

By: _____

Title: _____

EXHIBIT A
SCOPE OF WORK

Scope of Work: Moulton Niguel Speakers Bureau Program

Description: Moulton Niguel Water District wants to increase its visibility in the community in order to promote MNWD's conservation message. Home Owner Associations are a top priority for MNWD since this is the greatest area of opportunity to gain access to water customers. Additionally, we will explore new, creative ways for MNWD's staff members to deliver presentations in the most effective way in order to convince customers and HOAs to reduce their water consumption. Other organizations that we will consider may be service clubs, civic organizations, schools, etc.

Program Includes:

- Identify specific goals and objectives for the Moulton Niguel Water District
- Review existing data, reports, existing web page/site and collateral materials
- Identify target groups and organizations and their unique needs
- Develop the positioning/strategy for the Speaker's Bureau
- Identify topics that will resonate with issues target audience segments
- Develop a flyer to send to prospective organizations/groups to promote speaking opportunities
- Program set-up and ongoing implementations
- Creation or enhancement of a database
- Ongoing engagement and vetting of target organizations/groups; reporting and

Program Investment:

Hourly Charge:	\$ 150.00 per hour
Materials:	TBD (as needed)

Thank you. We look forward to working with you.