



**ENGINEERING & OPERATIONS
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
July 13, 2015
8:30 AM
Approximate Meeting Time: 3 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE JUNE 15, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING
3. PUBLIC COMMENTS
Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

DISCUSSION ITEMS

4. Condition Assessment of Central Intertie Pipeline
5. Flores Avenue Water Main Construction Contract Award
6. Utility Main Breaker Replacements Construction Contract Award
7. Fiscal Year 2015-16 Meter Maintenance and Replacement Program
8. Pump Refurbishment Service Agreements for Fiscal Year 2015-16 and 2016-17
9. Spoils Removal Service Agreement for Fiscal Year 2015-16 and 2016-17
10. Dump Truck Purchase for Fiscal Year 2015-16
11. Backhoe Purchase for Fiscal Year 2015-16
12. Cross Connection Inspection Services Agreement for Project Partners, Inc.

INFORMATION ITEMS

13. Water Usage Update
14. Quarterly Construction Progress Report
15. Quarterly Communications License Program Report
16. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
17. Late Items (Appropriate Findings to be Made)
 - a. Need to take immediate action; and
 - b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

ADJOURNMENT

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

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



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

June 15, 2015

A Regular Meeting of the Engineering & Operations Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 8:30 AM on June 15, 2015. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President/Chair
Richard Fiore	Director (arrived at 8:33 a.m.)
Donald Froelich	President
Gary Kurtz	Director (via teleconference)
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived at 8:49 a.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Todd Novacek	Assistant Director of Operations
Ruth Zintzun	Finance Manager
Michael Bell	Public Financial Management
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Drew Atwater	MNWD
Todd Dmytryshyn	MNWD
Megan Geer	MNWD
Ray McDowell	MNWD
Megan Schneider	MNWD
Leah VanDerMaatan	MNWD
Rod Woods	MNWD

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Nate Getz
Daryle Bailey
Jonathan Thomas
Thomas Myers

Godwin Pumps
Simplus Management
Ware Malcomb
Ware Malcomb

1. CALL MEETING TO ORDER

The meeting was called to order by Scott Colton at 8:30 a.m.

2. APPROVE THE MINUTES OF THE MAY 18, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY DONALD FROELICH, MINUTES OF THE MAY 18, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS MEETING WERE APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. RICHARD FIORE AND BRIAN PROBOLSKY WERE ABSENT.

3. PUBLIC COMMENTS

None.

Richard Fiore arrived at 8:33 a.m.

DISCUSSION ITEMS

4. Fiscal Year 2015-16 Proposed Budget

Ruth Zintzun answered questions regarding the Budget. Staff recommends that the Board of Directors approve the resolution entitled, "Approving a Budget Appropriation and Adopting the Operating Budget and Capital Improvement Program Budget for Fiscal Year 2015-16."

5. Amendment No. 1 to the Consulting Services Agreement - Ware Malcomb

Matt Collings gave a brief introduction of Amendment No. 1 to the Consulting Services Agreement - Ware Malcomb. Staff recommends that the Board of Directors approve Amendment No. 1 to the Consulting Services Agreement with Ware Malcomb for an amount not-to-exceed \$98,500 for a total contract amount of \$124,000; authorize the General Manager to approve change orders up to 10% of the total contract value; and authorize the General Manager to execute Amendment No. 1. Discussion ensued regarding the services agreement.

Brian Probolsky arrived at 8:49 a.m.

6. Encantamar Pipeline Abandonment Construction Contract Award

Richard Fiore recused himself from the discussion in regards to the Encantamar Pipeline Abandonment as his firm has provided legal services for the Encantamar HOA. Marc Serna gave a brief description of the Encantamar Pipeline Abandonment Construction Contract Award. Staff recommends that the Board of Directors award the construction services contract for the Encantamar 16" Abandonment Project No. 2014.004 to Ferreira Construction Co., Inc. in the amount of \$68,786; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value. Discussion ensued regarding the scope of the project.

7. On-Call Service Agreement for Sewer Line Repairs

Richard Fiore returned to the meeting. Todd Novacek provided details about the On-call Service Agreement for Sewer Line Repairs. Staff recommends that the Board of Directors authorize the General Manager to execute the On-Call Service Agreement for Sewer Short Liner Repairs with Tunnelworks Services, Inc., for the not-to-exceed amounts of \$125,000 for FY 2015-16 and \$50,000 for FY 2016-17, for a total not-to-exceed Agreement amount of \$175,000. Discussion ensued regarding the service agreement.

8. Amendment No. 6 to Agreement with ATS Communications for FY 2015-16

Joone Lopez gave a brief background of the ATS Communications agreement. Staff recommends that the Board of Directors approve Amendment No. 6 with ATS Communications for a not-to-exceed amount of \$90,000 for FY 2015-16 for a total contract value of \$428,357; and authorize the General Manager to execute Amendment No. 6 to the Professional Services Agreement. Discussion ensued regarding the agreement.

9. Security Services for Fiscal Year 2015-16

Marc Serna provided details on the Security Services Agreement. Staff recommends that the Board of Directors approve Amendment No. 4 with G4S to extend the term of the agreement to June 30, 2016 and increase the agreement total by an amount up to \$65,000 for a total not-to-exceed agreement amount of \$315,000. Discussion ensued regarding the agreement and services that G4S provides the District.

INFORMATION ITEMS

10. Update on Water Usage

Matt Collings provided an update on the water usage trends.

11. Future Agenda Items (Any items added under this section are for discussion at future meetings only)

None.

12. Late Items (Appropriate Findings to be Made)

Staff has none.

CLOSED SESSION

13. CONFERENCE INVOLVING A JOINT POWERS AGENCY: SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)

Pursuant to Government Code Sections 54956.96 (a) (1), (b)/54956.8, a Closed Session will be conducted for the following purpose:

Discussion will concern: Conference with Real Property Negotiators, conveyance of AWMA Bridge/easement to County of Orange
PROPERTY - The AWMA Bridge and associated easement is located at the intersection of AWMA Road and Alicia Parkway at the entrance to the County's Woods Canyon/Aliso Canyon Wilderness Parks
NEGOTIATING PARTIES - SOCWA, County of Orange/Stacy Blackwood
SOCWA NEGOTIATORS - General Manager, Director of Operations
UNDER NEGOTIATION – Price/Terms of Payment
Name of MNWD representative on SOCWA Board: Director Larry Lizotte

The Board entered closed session at 9:56 a.m. and exited at 10:26 a.m. Scott Colton stated that there was no reportable action taken on this item.

ADJOURNMENT

The meeting was adjourned at 10:27 a.m.

Respectfully submitted,

Tim Bonita
Recording Secretary



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

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

SUBJECT: Condition Assessment of Central Intertie Pipeline

DIVISION: District-wide

SUMMARY:

Issue: District staff issued Request for Proposals (RFP) for a comprehensive engineering condition assessment of the Central Intertie Pipeline.

Recommendation: It is recommended that the Board of Directors approve the Professional Consulting Services Agreement with Pure Technologies U.S. Inc. in the amount of \$998,563; and authorize the General Manager to execute the agreement.

Fiscal Impact: There are sufficient funds in the Fiscal Year 2015-16 Operating Budget.

BACKGROUND:

The Moulton Niguel Water District (District) owns and operates a large-diameter potable water transmission main in Oso Parkway. This transmission main is referred to as the Central Intertie Pipeline (CIP) and is the District's only connection to the South County Pipeline. The CIP currently delivers more than half of the imported potable water to the District and is expected to deliver even more water following completion of the Baker Water Treatment Plant in Summer 2016.

The CIP was constructed in the 1990s over 10 years. The pipeline begins as a 54-inch diameter CML&C steel pipe at the South County Pipeline Turnout and ends as a 36-inch diameter CML&C steel pipe at the Bridlewood Flow Control Facility. Exhibit A shows the location of the facilities.

In 2012, the Board of Directors awarded a contract to CH2M Hill for the inspection and external condition assessment of the CIP. The condition assessment recommended various repairs and related cathodic protection activities, which have

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Condition Assessment of the Central Intertie Pipeline

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been incorporated into the District's 10-year Capital Improvement Program. CH2M Hill also recommended performing a more thorough inspection of the CIP.

District staff performed a detailed evaluation of available in-line inspection technologies. The technologies that were evaluated included visual, acoustic, ultrasonic, remote field eddy current, and magnetic flux leakage (MFL) inspections. Each technology involves complete dewatering of the CIP. The method that provides the most reliable and conclusive results for the particular type and size of pipeline is the MFL inspection. MFL Inspection will provide the following benefits:

- Highest resolution and confirmed reliability of detections
- The mortar lining can be left intact
- No excavations will be required
- Detection of localized corrosion (metal loss for every square inch of pipeline, inside and outside)
- Proven technology with such agencies as San Diego County Water Authority, Metropolitan Water District of Southern California, and San Francisco Public Utilities Commission.

DISCUSSION:

On March 24, 2015, staff issued a Request for Proposals for a comprehensive engineering condition assessment of the CIP from the South County Pipeline Turnout to the Cabot Flow Control Facility. The assessment will consist of the following items:

- Pipeline geometry evaluation
- MFL inspection
- Detection, verification and repairs, if needed, of metal loss
- Engineering analysis and report
- Dewatering, confined space entry, winching, materials and labor for repairs, traffic control, and other support related activities.

Two proposals were received and are summarized below.

Firm	Fee Estimate
Pure Technologies U.S., Inc.	\$998,563
Electromechanical Technologies, Inc.	\$996,413

The proposals were evaluated based on the overall quality and contents, specific methods to accomplish the work, overall experience and stability of the firm, proposed team, past performance and references, and proposed fees and fee structure.

Condition Assessment of the Central Intertie Pipeline

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Both proposals were responsive and of high quality. The firm that will provide the best overall value to the District is Pure Technologies U.S., Inc. Staff recommends that the Board of Directors award the contract to Pure Technologies U.S., Inc.

The Professional Consulting Agreement has been reviewed and approved by District counsel. A copy of the agreement is attached for reference. The District's standard ten day termination clause is included as a provision in the agreement.

Attachments:

1. Exhibit A – Location Map
2. Agreement for Professional Consulting Services



54" Central Intertie Pipeline (CIP)



Path: C:\GIS\Projects\Projects_2015\CapitalImprovement\Projects\54in\54in.mxd - 6



Scale = 1:15,600



**Exhibit "A" Location Map
Condition Assessment of 54-inch
Central Intertie Pipeline (CIP)**

**AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND PURE TECHNOLOGIES, INC.
MNWD PROJECT: CONDITION ASSESSMENT FOR CENTRAL INTERTIE PIPELINE
CONTRACT NO. OM15-16.002**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between Pure Technologies U.S., 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 condition assessment services to MNWD in connection with its Condition Assessment of Central Intertie Pipeline Project (the "Project"). 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, AUTHORIZATION

Section 1.1 CONSULTANT proposes to perform those services which are described in the Scope of Work. MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. CONSULTANT shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement, and in accordance with any terms as to such facilities and equipment specified in **Exhibit A**. 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 Work, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

Section 1.2 CONSULTANT agrees to complete all other work within the time periods set forth in the Scope of Work. Time is of the essence in this Agreement. 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**.

Section 1.3 John Galleher CONSULTANT'S Project Director, who is duly licensed professional engineer in the State of California, shall be the project manager for the Project. CONSULTANT will not make any changes in CONSULTANT'S project manager, in consultants, in subcontractors, in

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outside labor arrangements, or in associations or joint ventures which are required to accomplish any part of the Scope of Work without prior written approval of MNWD.

Section 1.4 As part of the services, CONSULTANT intends to subcontract certain Services under this Agreement. Separate subcontracts may be entered into between CONSULTANT and the subcontractor(s) listed in Exhibit A2 hereto. Any additional subcontractors CONSULTANT proposes to use are subject to prior written approval by MNWD.

Section 1.5 MNWD shall make available to CONSULTANT at no cost all technical data in MNWD's possession, including maps, plans, drawings, past reports, prior studies, prior plan operating data, and other information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 1.6 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 written consent, or as compelled by order of court.

Section 1.7 All original drawings and other documents, including detailed calculations developed for the Project shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION II herein, be furnished to and become the property of MNWD. CONSULTANT will furnish to MNWD the agreed upon number of reports and supporting documents including video and photographs and all other deliverables as listed in the Scope of Work. These instruments of service are furnished for MNWD's use in connection with the services provided for in this Agreement and shall become MNWD's property upon receipt. All such documents and deliverables 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 written consent, or as compelled by order of court. CONSULTANT may retain a copy of all reports and documents for their files.

Section 1.8

A. All proprietary and other information received from CONSULTANT by MNWD, whether received in connection with the CONSULTANT'S proposal to MNWD or otherwise in connection with the service under this Agreement will be disclosed upon request for disclosure, pursuant to the Public Records Act; provided however that if any information is set apart and clearly marked "trade secret" when it is provided to MNWD, MNWD shall give notice to CONSULTANT of any request for disclosure of such information. CONSULTANT will then have five (5) days from the date it receives such notice to enter into an agreement with MNWD providing for the defense of, and complete indemnification and reimbursement of all costs (including plaintiff's attorney fees) incurred by, MNWD in any legal action to compel disclosure of such information under the Public Records Act. CONSULTANT shall have sole responsibility for defense of the actual "trade secret designation of such information.

B. The parties understand and agree that any failure by CONSULTANT to respond or timely respond to the notice provided by MNWD , and/or failure to enter into or timely enter into an agreement with MNWD, in accordance with the provision of subsection A, above, shall constitute a complete waiver by CONSULTANT of any rights regarding the information designated "trade secret" by CONSULTANT, and such information will be disclosed by MNWD pursuant to applicable procedures required by the Public Records Act.

SECTION II – FEES AND PAYMENT

Section 2.1 In consideration for providing the services referred to in SECTION I herein, MNWD agrees to compensate CONSULTANT on a time and materials basis, with a not-to-exceed maximum amount of **Nine Hundred Ninety-Eight Thousand Five Hundred Sixty-Three (\$998,563)**, including labor, equipment, and materials, and all taxes as applicable. The breakdown of the compensation for the services is listed in Exhibit A.

Section 2.2 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the number of hours worked by various labor categories, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by CONSULTANT.

SECTION III – COMPLIANCE WITH LAWS; SAFETY; WARRANTY

Section 3.1 In performing 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. CONSULTANT represents and warrants to MNWD that CONSULTANT and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature required by a State License Board or any other regulatory body that are legally required to perform the Services. CONSULTANT shall provide proof of such licensure to MNWD prior to any performance of the Services. CONSULTANT represents and warrants to MNWD that CONSULTANT and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

CONSULTANT shall be solely and completely responsible for the safety of all CONSULTANT personnel and subcontractors during performance of the services and work. CONSULTANT shall fully comply with all state, federal and other laws, rules, regulations and orders relating to safety of the public and workers. CONSULTANT will comply with all applicable safety practices during performance of the Services and work, and to comply with any other safety rules, regulations and policies specified in the Scope of Work.

Section 3.2 CONSULTANT represents that the services will be performed in a professional and workmanlike manner and will conform to generally accepted professional standards.

Section 3.3 No part of the services or this Agreement is or will be inconsistent with any obligation CONSULTANT may have to others.

SECTION IV - INSURANCE AND INDEMNIFICATION

Section 4.1 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 (\$2,000,000) for each claim and in annual aggregate. The following provisions shall apply if the professional liability coverage is written on a claims-made basis:

- (a) The retroactive date of the policy must be shown and must be before the date of this

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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 4.2 General/ Automobile Liability Insurance. CONSULTANT and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a commercial 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 commercial 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. Such liability and property damage insurance shall include contractual liability for the assumption of liability through the indemnity in this Agreement, and products and completed operations of Consultant and its sub-consultants/subcontractors.

All insurance provided under this Section shall name MNWD, the City of Mission Viejo, and each of those public entities' respective directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 4.3 Worker's Compensation. By its signature hereunder, 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 subconsultants/subcontractors shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 4.4 Requirements of All Policies. All policies of insurance required under this Section 4 shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior

written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or 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 subconsultant's/subcontractor's) insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the 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 4.5 Indemnity.

(a) To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend District, City of Mission Viejo, and their directors, elected officials, officers, employees and agents from and against all claims, damages, losses and expenses, and costs including costs of defense and attorneys' fees, arising out of, in connection with, or resulting from, or alleged to have arisen out of or resulted from, the operations or work of the CONSULTANT or its subcontractors/subconsultants hereunder, provided that any such claim, damage, loss or expense is: (i)(a) attributable to bodily injury, personal injury, sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the CONSULTANT, its subcontractor, anyone directly or indirectly employed by any of them or anyone whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder (except, to the extent of the sole negligence, active negligence or willful misconduct of such indemnified party, in which case CONSULTANT's indemnification obligation shall be reduced in proportion to the indemnified party's share of liability for its sole or active negligence or willful misconduct, if any); or (ii) arise out of, pertain to, or relate to CONSULTANT's or its sub-consultant's/subcontractor's negligence including negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the professional services under this Agreement, or due to failure, neglect or refusal of the CONSULTANT to faithfully perform the services and any of the CONSULTANT's obligations under the Agreement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 4.5. It is expressly acknowledged by the CONSULTANT that the foregoing obligations of CONSULTANT include the duty to defend as set forth in Section 2778 of the California Civil Code the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

(b) In any and all claims against the indemnified parties by any employee of the CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or

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anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the CONSULTANT, or any subcontractor, or other person under workers' compensation acts, disability benefit acts, or other employee acts.

(c) The foregoing provisions of this Section are intended to be, and shall be interpreted in a manner that is, consistent with Civil Code Section 2782.8 as it exists as of the date of this Agreement. The 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 V - TERMINATION OR ABANDONMENT

Section 5.1 This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Work under this Agreement by providing written notice to CONSULTANT at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, CONSULTANT shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 5.2 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 II of this Agreement.

Section 5.3 In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original drawings, video, photographs and other documents and deliverables developed for that portion of the work completed and/or being suspended or abandoned.

SECTION VI - GENERAL

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

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

Section 6.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

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

To CONSULTANT - Attn: John Galleher
Pure Technologies U.S., Inc.
600 West Broadway, Suite 500
San Diego, CA 92101

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

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

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

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

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

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

#4.

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 – Pure Technologies U.S., Inc.

By: _____
Title: _____

EXHIBIT A

SCOPE OF WORK/COSTS



April 20, 2015

Rodney S. Woods, P.E.
Moulton Niguel Water District
26161 Gordon Road
Laguna Hills, CA 92653

Subject: Proposal for the Condition Assessment of the Central Intertie Pipeline

Mr. Woods,

Pure Technologies U.S. Inc. (Pure Technologies) is pleased to submit to Moulton Niguel Water District the attached proposal to provide the condition assessment of the Central Intertie Pipeline.

Pure Technologies is a recognized industry leader in the inspection, assessment, and management of pressurized pipeline (potable water pipelines and wastewater force mains), having built a reputation of providing state-of-the-art and innovative solutions for our clients. Pure Technologies has over 200 engineers and scientists dedicated to this purpose, many of which have taken leadership roles in the industries' recent initiatives to assess pressurized pipelines across the nation.

Pure Technologies will utilize state-of-the-art techniques to assess the condition and evaluate the remaining useful life of the above referenced pipeline. Pure Technologies is committed to providing the highest quality engineering services in an efficient, defensible, and cost effective manner.

The final engineering report will be prepared, signed and stamped by a registered engineer from the State of California.

Our Legal Department has reviewed the provided sample Professional Services Agreement. We have a few comments regarding indemnification that we would like to discuss, given an opportunity, but as it stands we have no exceptions to executing the referenced agreement. We have insurance (liability) coverage up to \$25,000,000.

Also, we do not have any issues or exemptions from public disclosure of any proprietary information pertinent to technologies and methods proposed for the project.

If any internal repair work is required, our sub-contractor J.F. Shea will be compliant with the State of California Prevailing Wage Laws.

After your review of the enclosed proposal, if you have any questions regarding any of the material contained herein, please do not hesitate to contact me.

Thank you and best regards,

Myron Shenkiryk
Regional Manager, Western Region
Pure Technologies U.S. Inc.
Phone: 619-272-7040
Email: Myron.Shenkiryk@puretechltd.com

John J. Galleher, Jr., P.E.
Vice President, Western Region
Pure Technologies U.S. Inc.
Phone: 619-272-7040
Email: John.Galleher@puretechltd.com

PROPOSAL

CONDITION ASSESSMENT OF THE CENTRAL INTERTIE PIPELINE

Prepared for:

Moulton Niguel Water District



Prepared by:

Pure Technologies U.S. Inc.

April 20, 2015





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APPENDIX A - RISK MANAGEMENT PLAN





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1. EXECUTIVE SUMMARY

Pure Technologies U.S. Inc. (Pure Technologies) is pleased to submit this proposal to Moulton Niguel Water District (Moulton Niguel). We understand that the scope of work includes determining pipe ovality, a comprehensive non-destructive inspection of the entire length and circumference to detect and quantify steel wall loss and a comprehensive interpretive data evaluation that results in an evaluation of the remaining life expectancy and recommendations for maintaining adequate life expectancy of the Central Intertie Pipeline.

The portion of the Central Intertie Pipeline to be assessed travels along Oso Parkway from Cabot Road to the Arroyo Trabuco Canyon. This section of the pipeline spans an approximate length of 13,686 feet and passes directly under Interstate-5. The Central Intertie Pipeline is a 54-Inch cement mortar lined and coated welded steel pipe that was installed under three different contracts. The scope of the assessment is specified below in Table 1.

Table 1 - Central Intertie Pipeline Assessment Scope				
Contract	Inside Diameter (inches)	From Station	To Station	Approximate Distance (feet)
OAD-52	54	3+88	22+58	1,870
OAD-48-1	54	39+49	114+00	7,462
OAD-48-2	54	114+00	157+54	4,354
Total Distance:				13,686

Pure Technologies has the technology and the experience to assist Moulton Niguel in their efforts to protect and ensure the integrity of their critical transmission main. The Magnetic Flux Leakage (MFL) technology is the best non-destructive tool on the market (e.g. highest

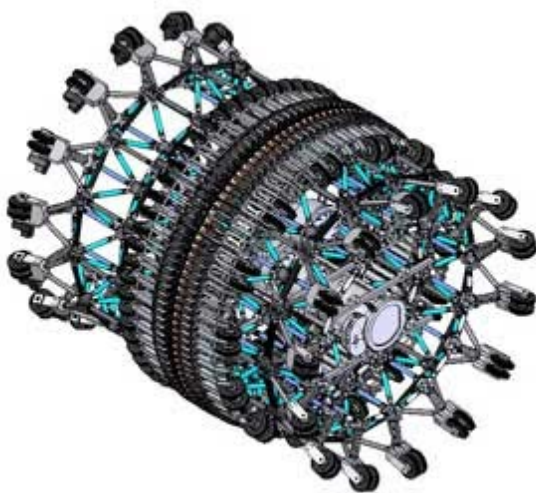


Figure 1: MFL Inspection Tool

resolution and confirmed reliability) to provide detailed data on the actual condition of the steel pipelines. This data combined with a comprehensive engineering evaluation will allow Moulton Niguel to correct pipeline deficiencies in a timely manner, thereby reducing costly failures, and provide recommended maintenance procedures ensuring that the pipeline continues to deliver water in a safe and reliable manner.

A sub consultant is needed for portions of the pipeline where slopes exceed 20% in order to winch the MFL tool through the pipeline. Pure Technologies has utilized the services of J.F. Shea on similar projects to provide contractor services such as winching, pipe excavations and restoration.



The Pure Technologies team will offer the following:

- Pure Technologies' MFL tool provides the highest resolution available for inline nondestructive metal wall loss detection. High resolution data is important when assessing critical mains as lower resolution tools can miss important defects.
- Pure Technologies' approach to pipeline management is to maintain the asset rather than replace it. In our experience on steel pipelines, condition assessment and spot repair can often extend the remaining useful life of a pipe for decades. This "Assess and Address" approach provides a Utility significant savings over the traditional "Replace the Pipeline" approach.
- Pure Technologies has a highly qualified structural analysis team that will evaluate the MFL data to determine the risk associated with a defect identified by the MFL tool.
- Pure Technologies together, with the proposed team of sub consultants provides a turnkey solution.

Since 1993, Pure Technologies has been a world leader providing engineering analysis, non-destructive testing and monitoring technologies to better understand the condition of major infrastructure. Pure Technologies is committed to providing Moulton Niguel a successful inspection, condition assessment, and structural engineering analysis with the best inspection techniques and technologies available.



Figure 2: Project Management

2. IDENTIFICATION OF CONTRACTOR

Legal Name and Address

Pure Technologies U.S. Inc.
8920 State Route 108, Suite D
Columbia, MD 21045

Legal Status of Company

Corporation



3. EXPERIENCE

Pure Technologies and our team of experienced and reputable sub consultants will meet the needs of the proposed project. Below are brief summaries of each company. Further information on our experience can be found in the Case Studies below and in the bios in the Key Personnel Section.



Pure Technologies U.S. Inc. (Pure Technologies) is a world leader in the development and application of innovative technologies for inspection, monitoring and management of large diameter water and wastewater pressure pipelines. Pure Technologies' expertise and technologies are being used around the world to help utility operators mitigate pipeline deterioration and maximize capital budgets for rehabilitation and replacement programs.

Pure Technologies' Assess and Address™ engineering services platform is driven by a suite of world-renowned technologies that help water and wastewater utilities develop a tailored, comprehensive and cost-effective management program for their large-diameter systems; Assess and Address programs allow utilities to maximize their capital budget and minimize the risk of major pipeline failure.

For the past five years, through its Metallic Pipe Initiative, Pure Technologies has developed state-of-the-art condition assessment techniques (technologies and engineering evaluations) for all types of pressurized metallic pipe, including steel, ductile iron and cast iron. Pure Technologies combines these technologies with engineering services to provide actionable recommendations for extending the life of large diameter pressure pipelines. In addition to being an industry leading technology provider, through its Pure Engineering Services division (PES), Pure has developed engineering and analytical techniques to turn data from the technologies into "actionable information" so that agencies can proactively and safely manage these critical assets.



J.F. Shea Construction, Inc. (J.F. Shea) is a California based construction company with over 130 years of experience constructing water and wastewater projects. J.F. Shea has built bridges over water, tunnels through it and facilities to treat, store, and supply it, as well as dams, subways and pipelines. In recent years, Shea has completed in excess of 441,000 lineal feet of pipeline construction for water systems throughout Southern California. Most recently, J.F. Shea assisted Pure Technologies with the condition assessment of approximately 27,000 lineal feet of the San Diego County Water Authority's Pipeline 3. The work included excavation, machine winching support, mortar removal, pipe coating repairs, backfill and environmental restoration at each site location. J.F. Shea's ability to complete each of these unique and challenging projects on schedule and within budget demonstrates their experience, expertise, commitment to quality, financial capacity, and proven track record. J.F. Shea Construction, Inc. is one of today's largest and most respected civil contractors in the nation and is well qualified to perform the scope of work outlined for Moulton Niguel's condition assessment of the Central Intertie Pipeline. Pure Technologies will receive the benefit of a financially secure, professional construction company, dedicated to meeting the needs of their project.



San Diego County Water Authority:

Pipeline 3 and Pipeline 4 Condition Assessment

Project Manager: Martin Coghill; Phone: 760-233-3233; **Email:** MCoghill@sdcwa.org

Value: \$1,077,000 (Pipeline 3), \$1,119,000 (Pipeline 4)

The Water Authority’s asset management program was initiated in 2009 to formalize and consolidate a number of asset management efforts being implemented separately. This included the Aqueduct Protection Program, which, for 15 years prior, had mainly focused its comprehensive assessment efforts on the 82 miles of ageing prestressed concrete cylinder pipe (PCCP) within the Water Authority’s pipelines. Utilizing state-of-the-art technology, the Water Authority is actively including the comprehensive assessment of critical components of its 127 miles of welded steel pipe and making long-term projections of remaining useful life based on data gathered.

Two significant challenges faced during the pair of inspections were tight shutdown windows and steep terrain along the alignment of the pipelines. Both inspections were to be completed in less than 21 days and slopes of up to 34 degrees were negotiated.



Figure 3: 96-inch MFL Tool used during inspection of Pipeline 4



Figure 4: Winching of MFL Tool during the inspection of Pipeline 3

The MFL inspection of Pipeline 4 covered 11 miles and was completed over an 18 day period, while the inspection of Pipeline 3 covered 10 miles and was completed over a 16 day period.

Following the completion of the MFL data analysis, a total of 1,966 locations of wall loss were identified. Of the 3,511 pipe sections inspected, 2,312 pipe sections (66%) had no detectable damage. Of the 1,199 pipe sections that did have damage, 47 sections had areas of wall loss greater than 50% wall loss.



San Diego County Water Authority:

Pipeline 3 Condition Assessment

Project Manager: Nathan Faber; Phone: 760-233-3206; **Email:** NFaber@sdcwa.org

Value: \$305,000 (Pure Technologies), \$185,000 (AECOM)

As part of the conveyance system for the Carlsbad Seawater Desalination Project, the San Diego County Water Authority needed to reverse the normal flow direction for a five-mile reach of Pipeline 3, thereby subjecting the pipeline to steady-state and transient operating pressures in excess of the pipeline's design criteria. To evaluate the pipeline improvements needed to accommodate this reconfiguration, the Water Authority worked with the project's private developer to conduct a range of pipeline condition assessments and evaluations, including out-of-roundness evaluations, MFL testing, internal and external inspections, and operational constraints.



Figure 5: Corrosion pitting on the exterior of this pipe was consistent with MFL inspection data.



Figure 6: Exterior inspection of Pipeline 3

Pure Technologies, under contract to the project's private developer, conducted an MFL inspection of the pipeline, which provided data on the location, extent, and percentage of nominal wall thickness (depth of corrosion). The data was collected for 26,590 feet of 72- to 75-inch internal diameter rubber gasketed steel mortar lined pipeline. J.F. Shea provided winching support to safely convey the inspection tool through areas with steep slopes. Out of the 892 pipes inspected, 7 pipe sections exhibited areas of broad metal loss due to corrosion and pitting. Both internal and external inspections were conducted for verification of the MFL results. The verifications were performed by performing direct wall measurements with handheld Ultrasonic Testing (UT) equipment. The UT results confirmed the locations and percentage of metal loss identified with from the MFL data.



San Francisco Public Utilities Commission:

MFL Inspection of Steel Mortar Lined Pipe

Project Manager: Margaret Hannaford; Phone: 209-989-2063;

Email: MHannaford@sflower.org

San Francisco Public Water Utilities (SFPUC) operates three parallel cement mortar lined steel pipelines 47.5 miles long, otherwise known as the San Joaquin Pipelines, which range in size from 56- to 78-inches in diameter. Some have been in service for nearly 80 years, prompting the utility to seek an advanced method of condition assessment to find potential corrosion damage, third party damage and to assess joint integrity to prepare a replacement or repair plan should the need arise. To accomplish this, SFPUC utilized the high resolution MFL technology, a technology which they funded the development of.

Inspections were performed in 2008 (6.3 miles) and 2010 (7.4 miles) on 58-inch sections of the San Joaquin Pipelines. In 2008, there were 126 locations of metal loss located with the thinnest measured at 89% of the original steel wall. In 2010, there were 229 locations of metal loss located with the thinnest measured at 72% of the original steel wall.



Figure 7: MFL inspection of 58" Pipeline

The MFL technology detected locations of pipe wall loss and hidden pitting that was not visible through an external assessment (i.e. over the line surveys). The results were validated by internal and external inspections of damaged pipe sections, providing a comprehensive understanding of the pipeline location, full circumference and length, establishing the locations of weak points for repair and mitigation, and ultimately saving millions of dollars in unnecessary replacement.



4. CONDITION ASSESSMENT APPROACH

Moulton Niguel has requested a comprehensive, nondestructive condition assessment and interpretive evaluation of the entire length and circumference of the Central Intertie Pipeline using the latest technologies available.

The assessment is to include the following:

- Pipe ovality determination where the minimum pipe diameter will be documented.
- A comprehensive, nondestructive inspection of the entire length and circumference of the pipe to detect and quantify steel wall loss.
- A preliminary analysis of the MFL data to be submitted in the format of a table of pipes identifying the dimensions and location (longitudinal and radial) of areas with wall loss greater than 50%. The preliminary data analysis report shall be completed within 72 hours following the final day of data collection.
- In-field verification of pipe wall loss identified in preliminary data analysis.
- Structural engineering evaluation of the defects to determine their structural significance.
- Steel patch repairs of pipe wall in areas deemed necessary based on data analysis.
- A comprehensive evaluation of the MFL data will be performed and included in the final report.
- A calculation of the remaining life expectancy.
- Recommendations for extending the remaining useful life of the pipeline.

Pure Technologies has performed a general review of the subject pipeline and has developed the following project approach to provide a comprehensive assessment.

4.1 Pipe Ovality Assessment

Measuring pipe ovality is an important step in the condition assessment for two reasons:

1. Structural evaluation: Deflections in steel pipe can be used in the structural analysis of the pipeline to identify any radial distortions of the pipeline that may have been caused by overburden, poor bedding, installation, or any combination of the three.
2. Geometry review for inspection tools: Pure Technologies is proposing to traverse the subject pipelines with a full diameter MFL inspection tool. Measuring pipe ovality prior to this step, will allow the project team to identify and address challenges (e.g. Dents or deformations that reduce effective pipe diameter) that may be present prior to performing the field work.

Measuring pipe ovality on large diameter pipes such as Central Intertie will be achieved using handheld laser distance readers. Mechanical methods of geometry measurement are less accurate for diameters of this size and may not provide the accuracy required for a proper structural analysis. In areas of severe out-of-roundness, mechanical methods may fail to extend far enough to measure the entire diameter of the pipe, giving false ovality measurements.



4.1.1 Handheld Laser Distance Reader

4.1.1.1 Laser Distance Reader Technology Description

A laser distance reader calculates distance through precision optics and laser physics using the phase-shift method, in which a laser hits an object and compares its reflection with the beam sent out, or using the time-of-flight method in which the time it takes for an optical pulse to reflect back is calculated. The tool is handheld and measurements are taken by place the unit on one side of the pipe and pointing it towards the other side of the pipe. The process is similar to using a conventional tape measure, except a laser beam is used instead of metal tape.



Figure 8: Laser Distance Reader

4.1.1.2 Laser Distance Reader Specifications

- Inspection Rate: Approximately 1.5 miles per day taking ovality measurements at 2 locations per pipe
- Set up time: Less than 1 minute per site
- Measuring Accuracy: +/- 0.04-inch

4.1.1.3 Laser Distance Reader Data Analysis

Prior to the inspection, Moulton Niguel’s pipe laying information will be entered into a mobile spreadsheet so that during the inspection measurements can be entered and correlated at the same time. The spreadsheet will calculate the ovality in real time, so findings can be communicated as they are encountered and further pipe investigation can occur where appropriate. The ovality of the entire line can be viewed as a chart similar to Figure 9.

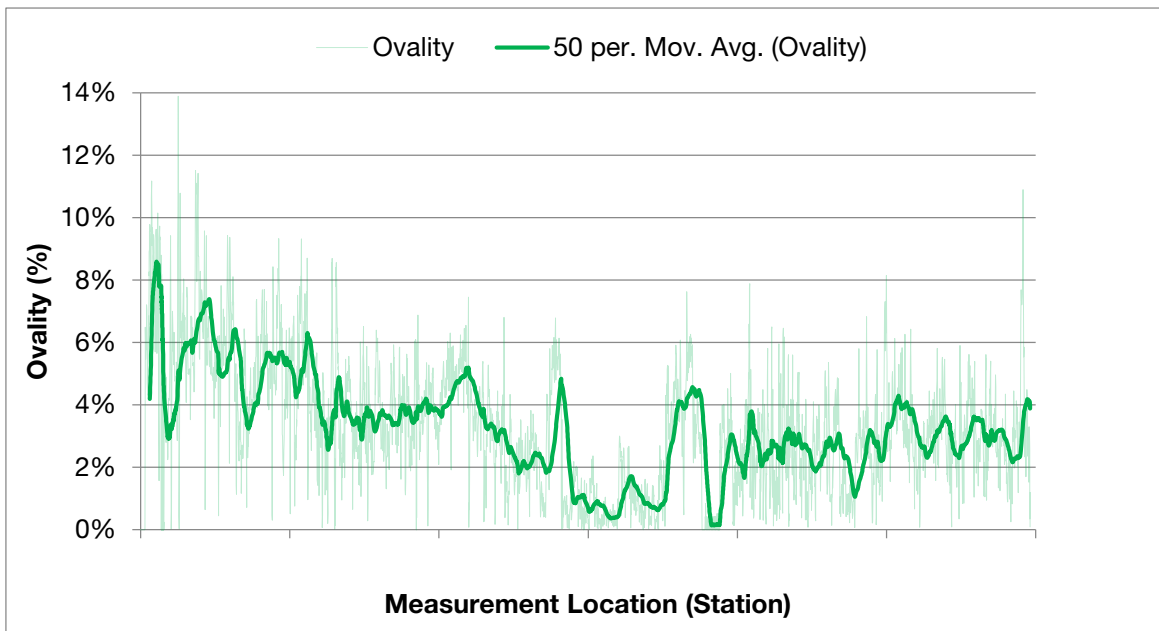


Figure 9: Ovality Analysis



4.1.1.4 Risks Affecting the Quality of Data Gathered

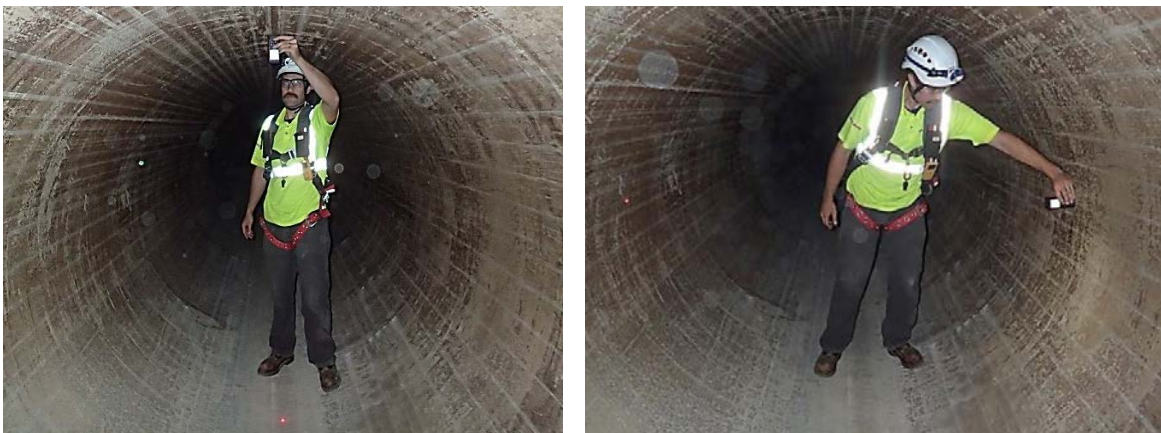
There are generally low risks affecting the quality of data gathered when using a handheld laser distance reader for short measurements such as inside these pipelines. Water remaining in the pipe can interfere with measurement taking. Water may cause uncertainty in the distance calculation. This risk can be averted by placing the laser distance reader just outside of where the pipeline is not dewatered (i.e., not take the measurement at the invert but at 5:00)

4.1.2 Pipe Ovality Inspection Plan

The pipe ovality assessment will begin as soon as the pipeline is dewatered and safe for entry. Two personnel will work inside the pipe to perform the measurements with the handheld laser distance meter.

The typical pattern for out-of-roundness in cement mortar-lined welding steel pipe is in the center of the pipe to show the highest percentage of ovality and for the joints to show the lowest percentage of ovality. This is due to the inherent rigidity of the joint. Whereas providing data points for every 1-foot interval is possible, Pure Technologies recommends that for the sections assessed with the laser distance meter, that data is collected at the joint and at the axial center of the pipe. This will cost effectively and efficiently provide the information needed for the structural analysis.

In general, 2 measurements (one vertical and one horizontal) will be taken per location to provide a height and width. If signs of buckling are observed, a minimum of 4 measurements will be taken to provide more detail on the extent of buckling. The data will be collected simultaneously as the pipe wall assessment is being performed. The results will be presented in both the measured distances and the percentage of ovality.



Figures 10a and 10b: Ovality measurement with handheld laser distance reader



4.2 MFL Pipe Wall Assessment



Figure 11: Wall Loss of a Steel Pipe

The scope of work requires a comprehensive, nondestructive inspection of the entire length and circumference to detect and quantify steel wall loss. Pure Technologies proposes to achieve this goal by using MF to identify wall loss of the cylinder. In-line MFL scans the full circumference and length of a pipeline, providing high resolution information on the pipe wall condition. MFL scans the pipe through cement mortar linings to measure remaining steel wall thickness and provide depth and location of metal wall loss caused by corrosion, pitting, or other deterioration mechanisms. This high resolution data is required to perform a comprehensive evaluation using structural models incorporating steel pipe industry standards

including the American Society of Mechanical Engineers (ASME) Standard B31G-2009. One of the structural criteria that B31G-2009 states is that if wall loss is less than 10% the pipe can be put back in service, however, if wall loss is more than 80% immediate repair is required. While this is a simplistic approach to structural evaluation, only a high resolution tool such as MFL can provide the data necessary for performing the required assessment.

4.2.1 MFL Technology Description

The MFL tool records perturbations in the magnetic field caused by defects and anomalies in the pipe wall. A magnetic field introduced into the pipeline wall by magnets attached to the tool and saturates the pipe wall. As the tool travels through the pipeline, sensors record variations of the magnetic field around defects. Where a defect is present, the remaining wall is too thin to carry the full magnetic field and the flux is diverted around the defects or “leaks” out of the pipe. This change in the magnetic field is recorded and used to specify the size and depth of the defect.

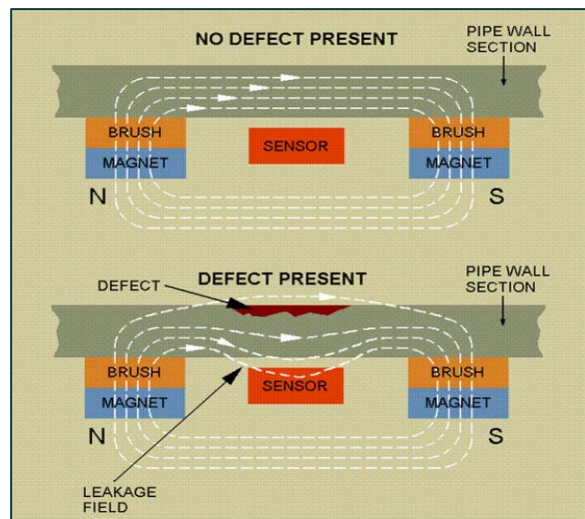


Figure 12: MFL Principle



4.2.2 MFL Capabilities and imitations

4.2.2.1 Defect Detection

Pure Technologies' MFL tool is a proprietary system that offers the highest inspection resolution available in the water industry. The figure below compares Pure Technologies MFL data to traditional MFL data. It is clear that the Pure Technologies data has a much higher resolution allowing the detection of smaller defects than other methods. The tool can identify defects as small as 0.25 inch diameter with 10% wall loss. The ability to detect defects is dependent on several factors, including tool settings, pipe properties and defect properties.

While this is the best available technology on the market, it should be noted that very shallow, long or narrow metal-loss regions are difficult to detect with all MFL or electromagnetic tools. In addition, electric resistance seam weld corrosion or stress-corrosion cracks do not produce measurable signals and may not be detected by MFL or electromagnetic tools. Longitudinal cracks are generally not detectable. However, circumferential cracking is will produce a detectable MFL signal. Small pits in a grouping or cluster may affect defect quantification and characterization.

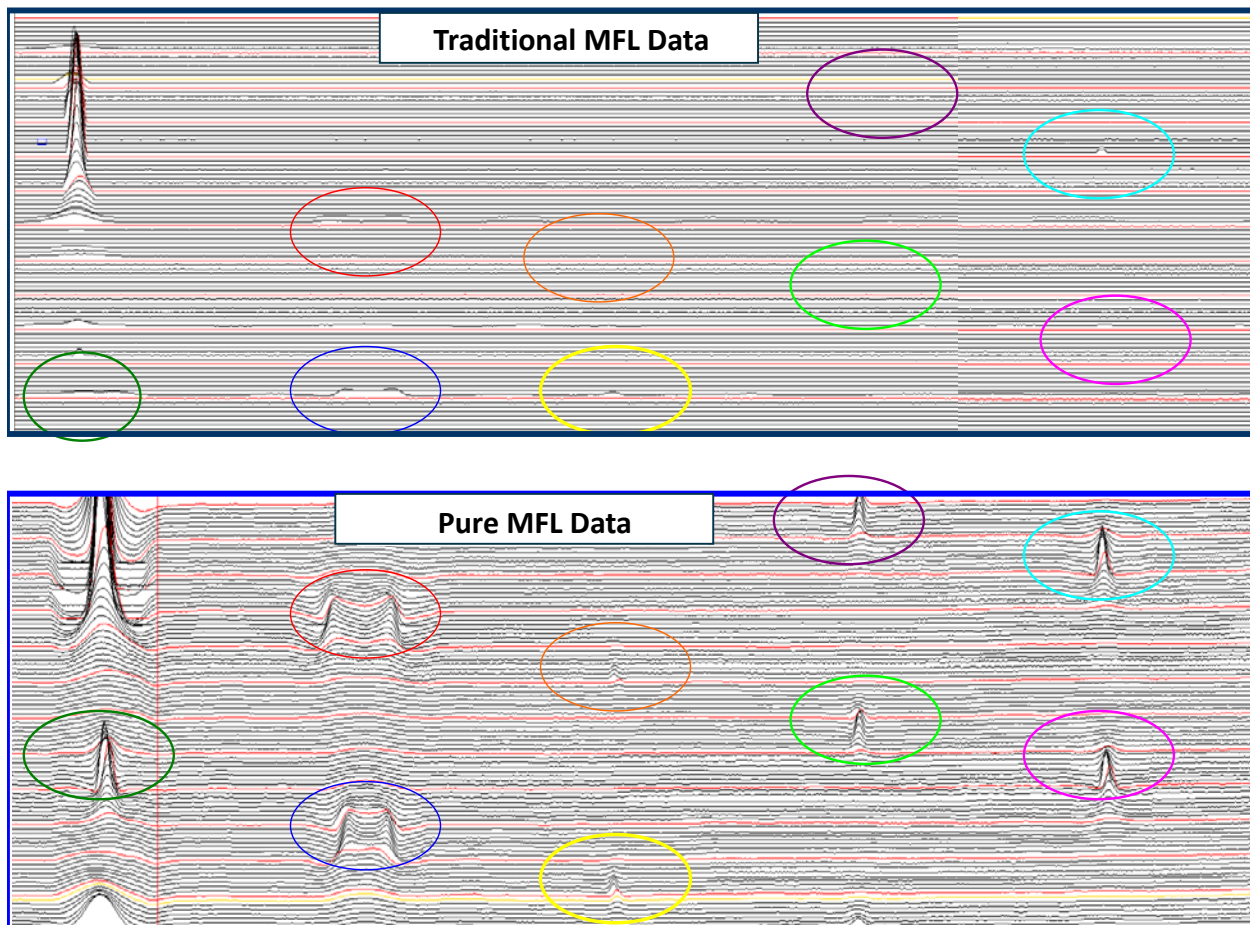


Figure 13: Pure Technologies' High Resolution MFL Data Compared to Traditional MFL Data



Detecting Defects at Joints

Defects can be detected in close proximity to joints, but with limitation. Pipe joints create noise in the MFL data as the tool passes. This noise can make the amplitude of the metal loss signals appear smaller than their true signal. Additionally, the thickness of the mortar lining can greatly increase at the bell end of a joint causing lift-off of the magnet and sensor. Sensor lift-off on its own initially appears as a defect in MFL data until further analysis. Also, if the mortar thickness is greater than one inch, magnetic saturation of the pipe wall can be lost.

Due to these limitations, it is possible for a defect in close proximity to a joint to be identified during the final comprehensive MFL data analysis and not the preliminary analysis.

Location Accuracy

Axial location of defects is based on distance from joints as recorded by the onboard odometers and correlated with known pipe features and the signal produced by joints. Defects are located with an accuracy of $\pm 1\%$ of the axial distance from the nearest recognizable pipeline feature, or ± 3 inches when referenced to a girth weld on the same pipe joint. Radial location is determined using a calibration of gyroscope sensors and known pipe features as reference points. Radial location accuracy is ± 10 degrees.

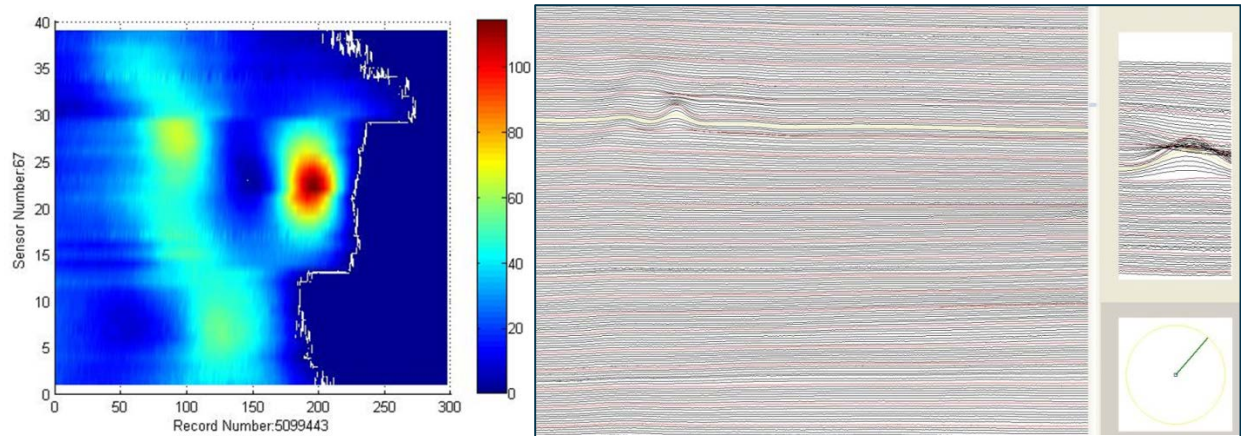
Risks Affecting the Quality of Data Gathered

MFL inspections detect perturbations or disturbances in the magnetic field caused by anomalies in the pipe. Anomalies that are consistent with those caused by metallic wall loss are of particular importance. However, the induced magnetic field of interest can be masked or distorted in size and shape from other interferences, affecting the ability to detect, quantify and locate them. The main risk to data quality are impacts, uneven pipe floor, excessive debris and vibration, all of which can produce noise which can generate signals similar to damage or mask actual damage. The inspection crew takes every effort to move the tool smoothly through the pipeline to ensure optimum data quality. Detailed field notes document excessive tool motion for analysis consideration, reducing the chance of false positives. In addition, a sensitive accelerometer is integrated into the design of the tool, which allows for analysts to find where there was excessive motion and to eliminate false signals from this source.

4.2.2.2 MFL Data Analysis

Once an anomaly is detected, its signal must be analyzed to quantify the metal loss and the structural significance on the continued safe operation of the pipeline. Many methods are employed to interpret MFL signals and characterize the defects. Several signal characteristics, such as peak amplitude, signal duration and number of responding sensors from the flux leakage response are all considered. By using unique data analysis algorithms in conjunction with advanced applied mathematics, and conventional empirical techniques, proper classification and defect characterization can be performed. Accuracy in available pipeline information, pipe type and configuration, background noise, debris, tool speed and movement, are considered in the interpretation of each anomaly. Anomalies identified are analyzed and characterized by percent wall loss to indicate level of severity.

#4.



Figures 14a and 14b: MFL Data Sample Contour Plot (left) and Line Trace (right)

4.2.2.3 MFL Tool Specifications

Set up time: 2-3 days

Distance per run: Can run continually until an obstacle is encountered, winching is required due to slopes, or the ATV used to convey the tool requires charging

Rate: Approximately 1 to 2.5 mile per day depending on slopes and obstacles

Size: Full pipe diameter

Weight: Approximately 3000 lbs.

Lining thickness: ≤ 1 inch

4.2.2.4 MFL Inspection Plan

The first 2 to 3 days will be spent assembling the MFL tool inside the pipe. On day 4 the MFL inspection will commence. In general, the MFL tool will be conveyed through the pipeline using ATVs. In areas of steep slopes the MFL tool will be winched and pulled through the pipeline. Winching will be performed by J.F. Shea.

A detailed inspection schedule will be generated and included in the planning document after the site visit.

Risks of Damage and Risk Mitigation

During the MFL inspection, both the wheels and the magnets are in full contact with the pipe wall. As the tool traverses the pipeline there is some risk that the lining may be damaged by the magnets. This is generally not a concern for smooth sections; however, the presence of cracks and or protrusions will increase this risk. If there are vulnerable areas that the Moulton Niguel does not want to risk damaging, the magnets can be bound with straps until that section has been passed. It is advised that this is only done when the risk of damage outweighs the benefit of inspection because the data collected while bound will not be analyzable as the distance between the magnets and the steel cylinder will exceed the maximum allowable distance.



4.2.2.5 *On-Site Analysis*

Pure will work closely with Moulton Niguel to expedite the data analysis schedule in order for pipe repairs to take place during the shutdown. In order to determine if a pipe is in immediate need of repair, both the data analysis and engineering analysis should be completed and reviewed for quality assurance and quality control (QA/QC). Having an analyst onsite can accelerate the process of data and inspection knowledge transfer. The analyst can work to analyze data as the inspection progresses, allowing Moulton Niguel a daily update on the inspection progress and preliminary results.

Data analysis is a time intensive and detail intensive activity that should be done systematically and with regular QA/QC. The process begins with correlating the data to the pipeline information so that each signal can be analyzed with an understanding of the pipe properties and features. Once correlated, each pipe is examined for any anomalies in the signal. Anomalies that are consistent with the characteristics of wall loss are then measured so that approximate size, depth and location can be provided. After the MFL data analysis is complete, the engineering analysis can take place. The results of which will indicate which pipes should be repaired and when.

The speed that the analysis can be completed depends on the amount of data collected, the number of defects identified, and the accuracy of the pipeline information provided. In general, the less distress that exists, the faster the results can be produced. However, for sections with high levels of distress, or significant mileage, or complicated correlation, it may only be possible to list the potentially distressed pipes without any measurements until after the field work has been completed.



4.4 Verifications and Repairs

Pure Technologies along with Moulton Niguel will select pipe sections for verification and repair based on the results of the preliminary MFL data analysis and structural engineering analysis. The verifications will be performed by measuring wall thickness in areas of reported wall loss using a hand held ultrasonic thickness (UT) tool. Measurements of non-damaged wall will also be taken for comparison. The UT technology sends an ultrasonic pulse into the pipe wall, receives the reflected pulse after it has passed through the pipe wall and returned, and measures the time of travel through the pipe wall. Using the wave velocity and the distance traveled through the wall, the remaining wall thickness is calculated. The measurement is immediate, and can be accurate within +/- 0.001 inch.

The main consideration in performing UT is the tool must be in contact with the steel cylinder, therefore, the mortar must be removed prior to testing. Ultrasonic testing can be performed either internally or externally. External testing requires the pipe be excavated and the mortar removed in the area of the defect. Internal testing requires manned access to the pipeline and the lining removed in the area of the defect. Pipe selection will be based on level of distress, accessibility and input from Moulton Niguel.



Figure 15: UT Verification of San Diego County Water Authority's Pipeline 3



Figure 16: Welded steel patch repair on San Diego County Water Authority's Pipeline 3

While the steel pipe wall is exposed during verification, J.F. Shea may perform welded steel patch repairs at locations of confirmed corrosion requiring immediate attention.

Any destructive measures taken during the verifications will undergo remedial measures. These measures will be conducted by J.F. Shea. To restore the pipe, J.F. Shea will repair the mortar that was removed.



4.5 Engineering Analysis

Engineering analysis will be performed by Pure Technologies to provide Moulton Niguel with actionable recommendations following the in-line inspections. When evaluating what repairs are necessary and how to safely manage a pipeline, Pure Technologies will consider many variables including, inspection data, structural assessment, impact of a failure on the surrounding environment, and a qualitative risk evaluation. The risk analysis will consider not only the likelihood of failure based on the inspection data and structural modeling but also the consequence of failure. This is important because not all pipe wall deterioration requires immediate repair or replacement. Some can be monitored over time to maximize the life of the asset. To develop actionable information from the inspection data, Pure Technologies has developed an innovative series of structural analysis models steel pipelines. The Engineering Analysis will include the following tasks:

1. **Structural Design Evaluation:** The minimum pipe wall thickness will be calculated using current conditions for the length of the pipeline, using the most current design AWWA M11 design standard.
2. **Level 1 Corrosion Assessment:** The significance of corrosion wall loss can be evaluated using ASME B31G “Manual for Determining the Remaining Strength of Corroded Pipelines.” The analysis is output into graphical form and can be used to reference the pipeline pressure and defect size and yield limit.
3. **Optional Finite Element Analysis:** Finite Element Analysis (FEA) is the most accurate method for determining the significance of defects on the pipeline. A computational model is used to simulate the pipe, loads and defects in combination to compute the pressure at which the pipe will fail. This method is applicable to specific pipe sections and is time intensive (2-3 days per model). It can be employed, if required.
4. **Qualitative Risk Assessment:** Pipe sections will be scored for risk taking in to account Consequence of Failure (input from Moulton Niguel required), Likelihood of Failure based on failure history, ovality, soil conditions, MFL defects, and any visual indications.
5. **Recommendations for repairs and validations:** The significance of the defects found during the inspection will be determined using the results of the M11 table and the B31G Analysis. If defects are approaching the structural yield of the pipe, they will be recommended for immediate repair. Other points may be recommended for repair and validation if the consequence elevates the risk of the pipe. The Risk matrix, in combination with the M11 table and B31G Analysis will assist with decision making during the inspection and repair shutdown.
6. **Remaining Useful Life Analysis:** Statistically estimate when the pipeline may likely deteriorate beyond tolerable limits. This analysis is based on actual wall thickness measurements obtained during the validations to determine the range in existing wall thicknesses and approximate the rate of deterioration which are then input into a Monte Carlo simulation for Remaining Useful Life estimation.



4.5.1 Structural Design Analysis: AWWA M11

While steel pipes have been used in water transmission mains for nearly 150 years, the first AWWA standard for design and production was not issued until 1964. Using the equations presented in AWWA M11, the minimum pipe wall thickness required to withstand both internal pressure and external loading along the length of the pipeline will be calculated and plotted. Since internal pressure and external load act in opposite directions, they are analyzed as separate loading conditions with the higher required thickness governing.

Because the only structural component of a steel pipe is the steel itself, any loss of cross-sectional area due to corrosion has an immediate impact on the overall strength of the pipe. Calculating the required thickness and comparing that to the measured thicknesses for each pipe can show which pipes have an available factor of safety should corrosion wall loss occur and which pipes are mostly likely to fail should any damage to the steel take place.

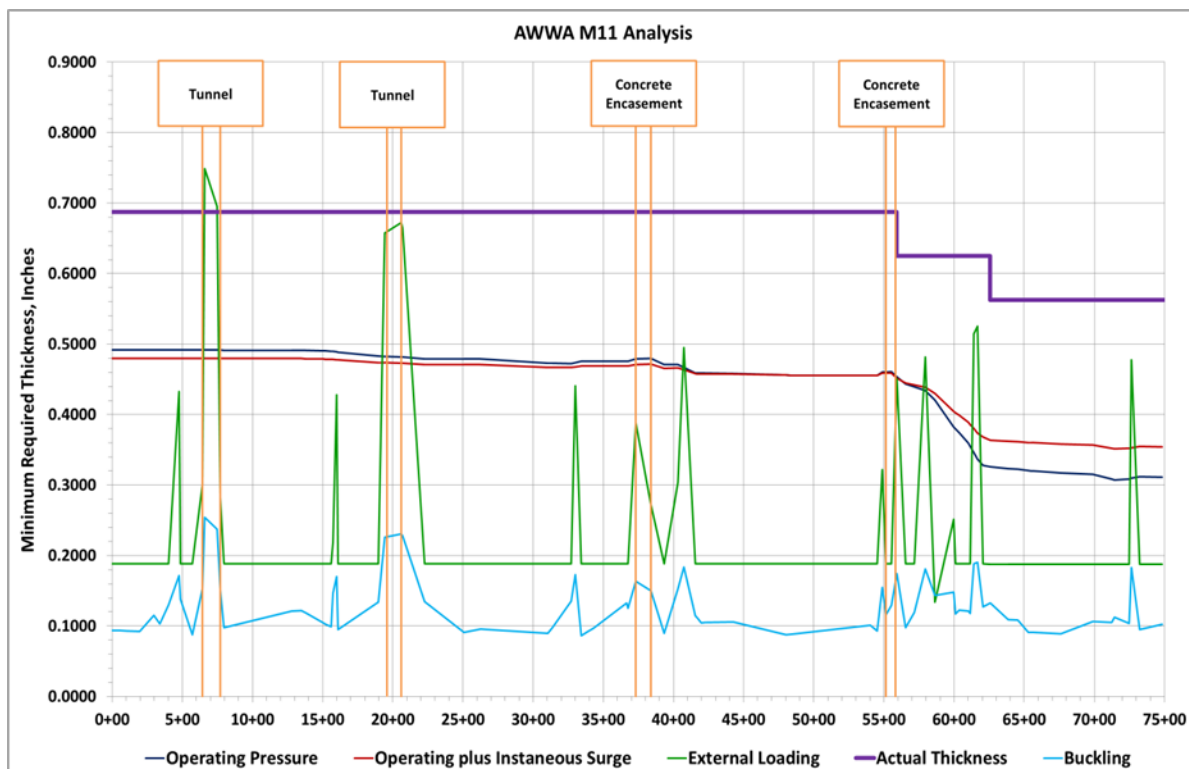


Figure 17: Example of AWWA M11 Evaluation Output

The following inputs are required for the AWWA M11 analysis. Where data is not available, conservative assumptions will be made. Conservative assumptions will yield in less accurate findings and could result in an overly conservative response.

- Overburden
- Elevations
- Flow data
- Pressure data



4.5.2 Level 1 Corrosion Assessment: ASME B31G

While AWWA M11 is a useful tool for assessing the overall condition of the pipeline, it is also beneficial to evaluate the impact of specific corrosion wall loss. A Pipeline Research Council International (PRCI) report compiled in 2011, "Pipeline Defect Assessment: A Review & Comparison of Commonly Used Methods" presents five models that can be used to assess corrosion found in a metallic pipeline. These models can provide a preliminary, or Level 1, assessment of specific corrosion defects and are best used to prioritize areas of corrosion to be considered for repair. One of the more commonly used models, ASME B31G is a two-parameter method that evaluates the hoop stress generated throughout the pipeline. The assessment is based on Maxey's surface flaw equation and the simplified method assumes that the full area of corrosion has a parabolic shape. The two parameters used in this evaluation are the length of the corrosion and the depth of the corrosion. ASME B31G also provides guidance on the interaction of corrosion wall loss defects in close proximity and calculating the resulting burst pressure. Wall loss greater than 80% will be recommended for immediate repairs.

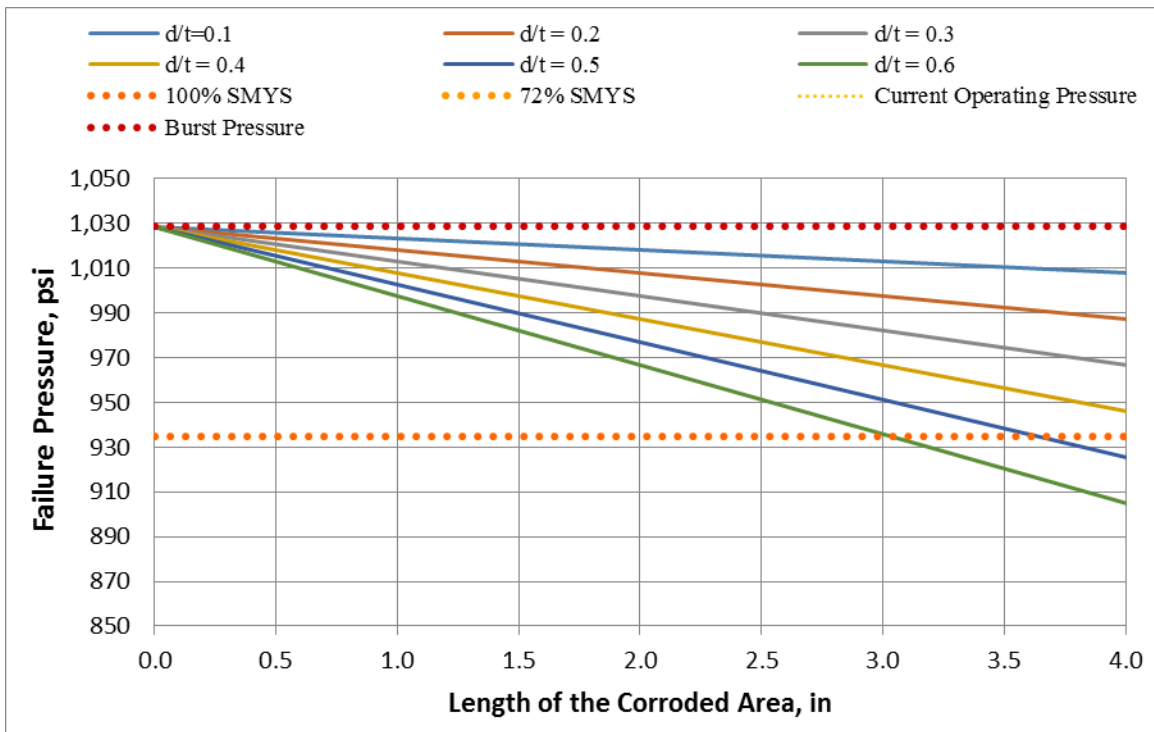


Figure 18: Example of AWWA M11 Evaluation Output

The inputs for the B31G assessment are as follows. Where data is not available, conservative assumptions will be made. Conservative assumptions will yield in less accurate findings and could result in an overly conservative response.

- Material specifications (Yield and Ultimate Strength)
- Standard pipe length
- Expected wall thickness
- Internal pressure



4.5.3 Finite Element Analysis

Finite Element Analysis is currently the most accurate method for the assessment of corroded steel pipe and can consider the actual geometry and position of a defect, interaction of multiple defects, the internal pressure, the external loading and soil interactions for each analyzed pipe. FEA also allows for the application of various loading conditions and the creation of accurate defect profiles that reflect the current condition of the pipe. The FEA model developed by Pure Technologies determines the structural consequence of corrosion in a particular steel pipe. Defect areas are modeled and manipulated to simulate the growth of the corroded area. The model considers the simultaneous effect of internal pressure, external earth load, pore water pressure, and live load acting on the pipe. The resulting stress developed in the pipe wall is then compared with the minimum yield strength of the steel to determine the internal pressure required to reach yield.

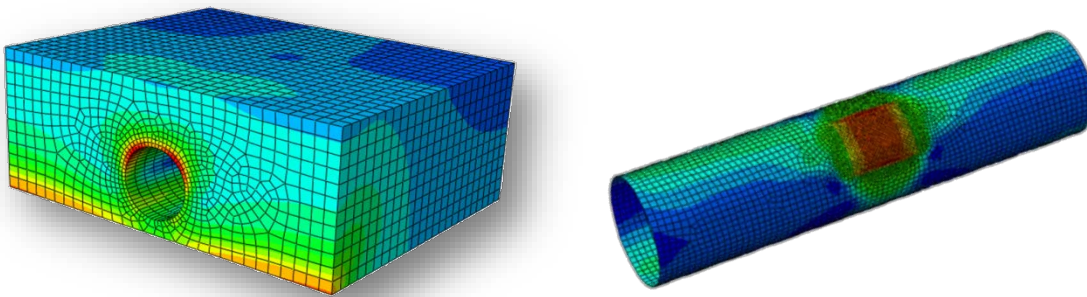


Figure 19: Example of Finite Element Analysis Model

The inputs for the risk assessment are as follows. Where data is not available, conservative assumptions will be made. Conservative assumptions will yield in less accurate findings and could result in an overly conservative response.

- Soil and bedding conditions
- Material specifications (Yield/Ultimate Strength and Modulus of Elasticity)

4.5.4 Risk Assessment

Pipeline risk is the product of the Consequence of Failure and the Likelihood of Failure. Pure will work closely with Moulton Niguel to understand and define the Consequence of Failure. Initially the Likelihood of Failure can be defined using readily available pipeline data. However, it will ultimately be defined by the results of the MFL inspection in combination with structural engineering evaluation. A preliminary risk assessment of the pipeline can be generated prior to the inspection and then updated based on the inspection results and engineering analysis. Repair and Replacement decisions can be made based on the level of calculated risk and potential for risk mitigation that the repair and replacement alternatives offer.

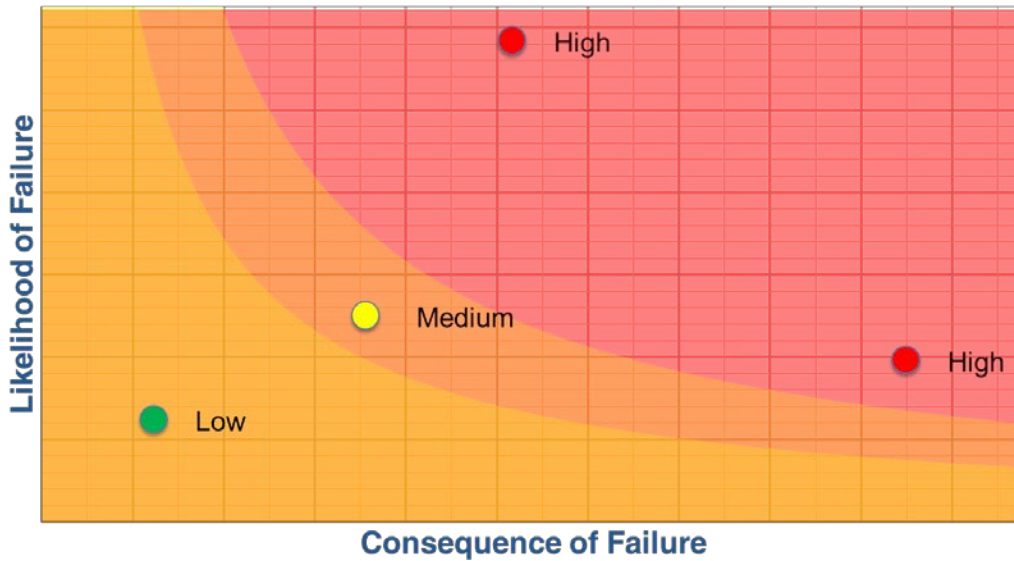


Figure 20: Example of Risk Assessment

The minimum inputs for the risk assessment are as follows. Where data is not available, conservative assumptions will be made. Conservative assumptions will yield less accurate risk estimation and could result in an overly conservative response.

- Minimum allowable wall thickness (from M11 and B31G evaluations)
- GIS or geographical information regarding the surrounding area. (i.e., hospitals, schools, railway crossings, gas lines etc.)
- Year of installation
- Historical Failure records

4.5.5 Remaining Useful Life Evaluation

Using wall thickness measurements collected by the MFL tool and UT testing, the remaining useful life of the pipeline can be estimated. The first step in the remaining useful life analysis is to estimate the rate of wall loss based on the original thickness (from record drawings) of the pipe and the wall thickness obtained from the MFL tool and UT measurements obtained during the inspection and verification/repairs. The allowable thickness to yield is estimated using the distribution of wall thicknesses and the yield thickness from the structural evaluation. Utilizing these parameters along with random number generation and a normal probability density function, a Monte Carlo simulation is used to generate multiple combinations of the likely rate of wall loss and thickness to yield. Every time a simulation is computed, a corresponding time to yield is calculated, generating multiple estimates of remaining useful life. Typically, Pure Technologies will perform this analysis to generate 10,000 simulated estimates of remaining useful life based on the inspection data. By generating 10,000 simulations, it is expected that the extreme end of the probability distribution will be captured (i.e. potential early failure and portions of pipe that may be “long lived”). Results of a typical simulation are shown in the graph below.

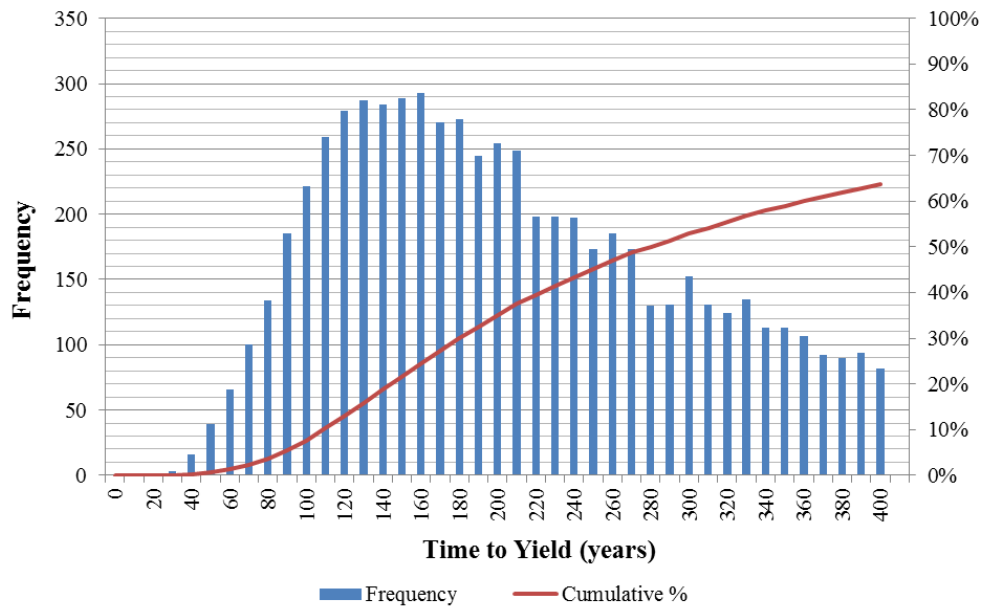


Figure 21: Example of the Simulated Time to Yield – Remaining Useful Life Estimation

4.5.6 Recommendations for Repairs and Validations

A large amount of the proposed tasks such as Design Evaluation, Corrosion Assessment and the Preliminary Risk Assessment, can be done in advance of the MFL field work. Using the Risk Matrix in combination with the results of the AWWA M11 and B31G results will allow Moulton Niguel to prioritize targeted repairs based on severity of damage and risk. Any pipes with greater than 80% wall loss will be immediately recommended for repair. Pipes approaching the yield limit according the B31G Analysis will be flagged for repairs. However, pipes categorized as high risk and flagged for repairs may qualify for immediate repairs based on Moulton Niguel's level of risk tolerance. For example, a pipe that may be only at 50% of yield (medium likelihood) but located in close proximity to a freeway crossing (high consequence) may be considered for repair. In addition to the pipes recommended for immediate repair, Pure Technologies may also recommend random sampling and verification of inspection results to provide a higher statistical confidence in the data set collected and therefore, the Remaining Useful Life estimation.

4.6 Project Coordination and Reporting

The Pure Technologies Team will provide project management and coordination, prepare draft and final project reports, and assist Moulton Niguel with presentations on the results of the work.

- Kick-Off Workshop: Conduct a kick-off workshop with Moulton Niguel's Engineering and Operations/Maintenance Departments to review the following:
 - Scope of work, schedule, responsibilities
 - Project goals and objectives
 - Coordination and support needs



- **Project Coordination and Management:** Coordinate with Moulton Niguel and provide internal management of project schedule and budget.
- **Project Plan:** Prepare and submit to Moulton Niguel a project plan.
- **Draft Report:** Prepare a draft report summarizing the results of the data acquisition and data analysis.
- **Final Report:** Meet with Moulton Niguel to receive review comments on the draft report. Prepare a final report. Two weeks after receipt of the Moulton Niguel's final comments, submit three hard copies and one electronic copy of a final report incorporating the Moulton Niguel's comments.
- **Presentation Assistance:** Assist Moulton Niguel's staff in developing and delivering a presentation on the findings and recommendations of the work.

4.7 Deliverables

The results of the condition assessment will be presented in two methods: a preliminary analysis and a final report.

The preliminary analysis will be in the format of a table of pipes identifying dimensions and location (longitudinal and radial) of areas with wall loss greater than 50%. The extent of the defect information will depend on the amount and complexity of defects in that section.

In cases where the quantity of defects is too great to analyze in the given time frame, at minimum the preliminary analysis will present which pipes have defects and which pipes are likely most critical. The preliminary data analysis report shall be completed and submitted within 72 hours following the final day of data collection. The results will be preliminary and subject to change after the full detailed analysis.

The final report will be a comprehensive and detailed documentation of the entire project, and will include the following:

- Raw and interpreted data result for:
 - Pipe ovality results: distance measurements per location (horizontal and vertical) and calculated percentage of ovality
 - MFL inspection results: defect findings including size, dimension, measurement of wall loss and location (orientation, horizontal station number and pipe number)
- A summary of any differences between the onsite and final analysis
- Verification results: details and findings
- An evaluation of the remaining life expectancy
- Recommendations for extending the remaining useful life of the pipeline



5. OPERATIONAL APPROACH

5.1 Safety

Pure Technologies will prepare a Site Safety Plan (SSP) for use during the condition assessment. The SSP will identify and addresses associated with planned field activities and present the minimum health and safety requirements for establishing and maintaining a safe working environment during the course of work. In the event of conflicting requirements, the procedures or practices that provide the highest degree of personnel protection will be implemented. If scheduled activities change or if site conditions encountered during the course of the work are found to differ substantially from those anticipated, the Pure Technologies Safety Manager and Project Manager will be informed immediately upon discovery, and appropriate changes will be made to this SSP.

Pure Technologies' health and safety programs and procedures, including medical monitoring, respiratory protection, injury and illness prevention, hazard communication, and personal protective equipment (PPE), are documented in the Pure Technologies Health & Safety Manual. The Health & Safety Manual is readily accessible to Pure Technologies employees via the Pure Technologies database and through Pure Technologies' electronic health and safety management system.

5.2 Rope Support

Rope support for crew members may be needed in sections of the pipeline with steep slopes. Pure Technologies has certified rope support personnel and equipment to ensure the safety of crew members while traversing the pipeline.

5.2.1 Emergency Services and Onsite Rescue

Local emergency services will be notified of the scope of work to be performed in advance of the assessment. In addition, J.F. Shea will provide standby rescue personnel and equipment to be onsite when workers are in the pipeline. Rescue personnel are trained and certified yearly in the proper methods for extrication from confined spaces.



Figures 22a and 22b: J.F. Shea Confined Space Rescue Training (left) and Onsite Rescue Trailer (right)



5.2.2 Air Monitoring and Pipeline Ventilation

Pipeline feature vaults and the pipeline itself are considered confined spaces. Entry to these areas will require air monitoring to ensure atmospheric conditions are within acceptable levels. Atmospheric conditions will be recorded at the access point and continually monitored by personal air monitors worn by personnel. Acceptable atmospheric conditions are as follows:

- Hydrogen Sulfide: less than 10 parts per million (ppm);
- Oxygen: between 19.5% and 23.5%
- Lower Explosive Limit: less than 10%; and
- Carbon Monoxide: below 25 ppm

Fresh air will be pushed into the pipeline through the use of a confined space blower. The blower will be stationed at the Cabot Flow Control facility and pushing air through the blowoff structure located at Station 3+88.

5.3 Conveyance of MFL Tool

In areas where slopes exceed the ATV towing ability, and for safety reasons, winching of the MFL tool will be required to traverse the full inspection length. In conjunction with J.F. Shea, a tentative winching schedule has been determined (Table 2).

Table 2 - Winching Locations			
Winch Point	Station	Type of Winch	Length of Winch (feet)
1	39+70	Lower	20
2	63+00	Pull	40
3	73+00	Pull	40
4	93+00	Pull	80
5	143+90	Lower	214
6	157+34	Pull	190



Figure 23: Winching Operations



5.4 Data Retrieval and Quality Check

Throughout the inspection, data is recorded to an on-board removable hard drive. This removable hard drive allows for instant retrieval of data and onsite data quality verification. At the end of each inspection day, the MFL data is viewed on a laptop to ensure good quality data was recorded.

Additionally, an onboard monitor alerts personnel to the quality of data in real-time. As the tool traverses the pipeline, personnel can view the status of each sensor on the tool and ensure data is being recorded properly.

5.5 Removal of and Reinstallation of Appurtenances

Following the shutdown of the line, J.F. Shea will remove all necessary appurtenances. Once work in the pipeline is complete, J.F. Shea will reinstall the appurtenances with new stainless steel bolts and class 300 gaskets. Reinstallation of appurtenances includes touchup paint.

5.6 Dewatering of Pipeline

Dewatering of the pipeline will be initiated by Moulton Niguel personnel. Moulton Niguel will use gravity to drain the pipeline as much as possible through blowoff structures located at Station 3+88 and Station 50+50. Once the pipeline has been gravity drained, J.F. Shea will use a submersible pump to remove the remaining water at the two blowoff structures.

A 2,954 foot long section of the pipeline crosses the Arroyo Trabuco Canyon from Station 128+00 to Station 157+44 and has no blowoff structure at the low point. In order to dewater this section, J.F. Shea will enter the pipeline through the pumping wet well located at Station 154+85 and lower a submersible pump to Station 151+10.

Moulton Niguel will be responsible for determining where to discharge the water from the pipeline and for dechlorination of the water.

5.7 Schedule

The schedule of the assessment will be a critical part to this project. Due to the heavy traffic on Oso Parkway, it is expected the majority of the assessment will take place during overnight shifts. A sample schedule has been created and can be viewed in Figure 23. The final schedule will be determined in the planning document for the assessment and approved by Moulton Niguel.

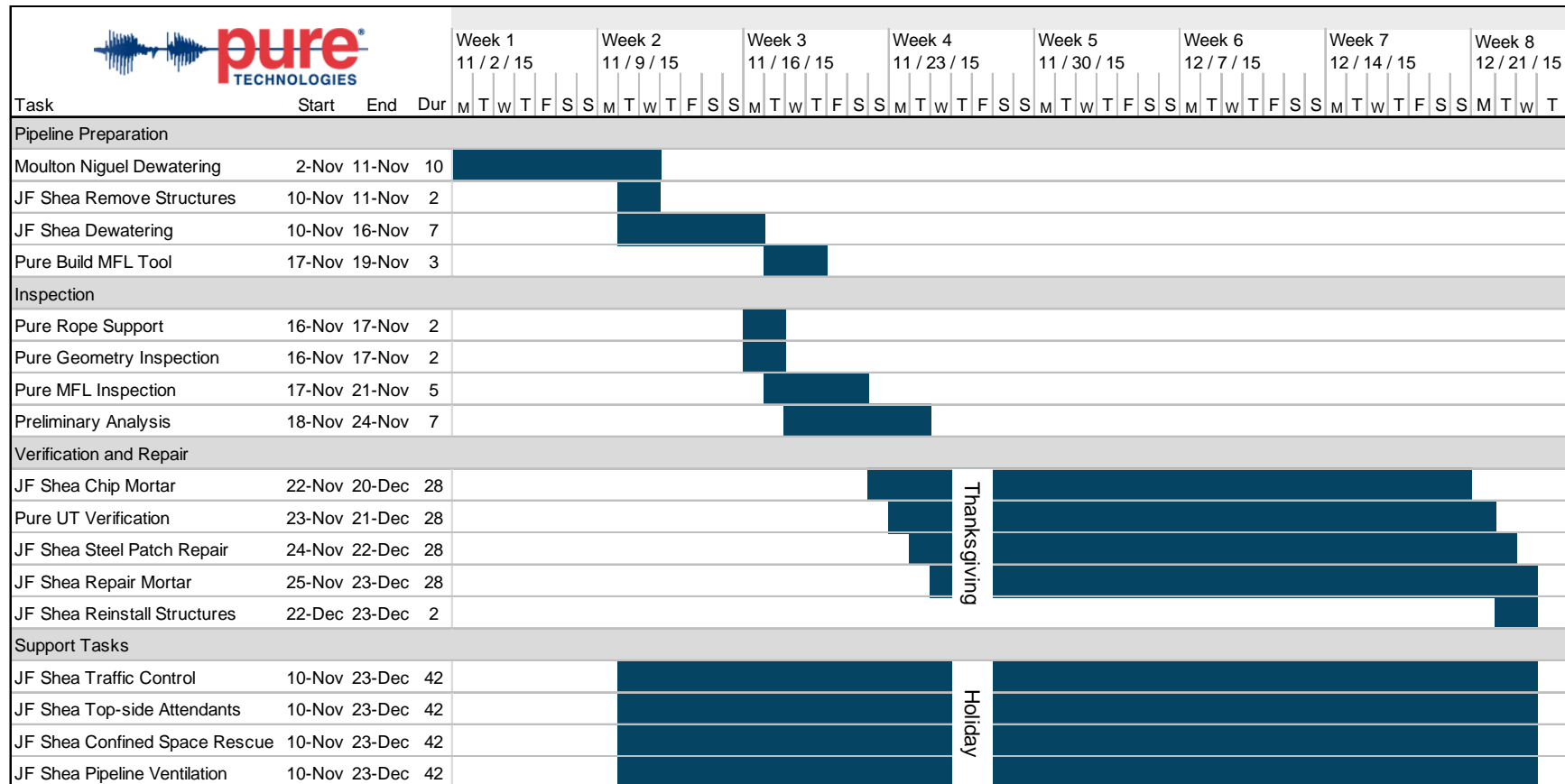


Figure 24: Tentative Assessment Schedule



6. KEY PERSONNEL

John Galleher, Project Director (Pure Technologies)

John Galleher is a registered corrosion engineer in the State of California with over 22 years of experience in management of large, complex water infrastructure asset management programs. These include the development of specialized inspection and condition assessment procedures for pipelines and associated facilities as well as risk and consequence of failure matrices allowing for prioritization of replacement and rehabilitation projects. Mr. Galleher provides expertise in the assessment of aging water infrastructure (gravity and pressure) through the implementation of numerous inspection technologies.

Mr. Galleher worked for the San Diego County Water Authority for over 18 years and was one of the prime developers of an internationally-recognized Aqueduct Protection Program for both small and large diameter pipelines. He serves as Pure Technologies' metallic pipeline assessment leader, having managed or provided technical expertise on over 100 miles of PCCP assessment projects and over 300 miles of pressure and gravity pipeline assessments. John provides expertise in the assessment of aging water infrastructure (gravity and pressure) through the implementation of numerous inspection technologies while supervising engineering staff in successful condition assessment program/project execution.

Experience Highlights

- Managed a \$900 million dollar Asset Management Program for the San Diego County Water Authority that included determining remaining service life, pipeline replacement plans, coordination with finance groups for CIP funding and implementing a corrosion mitigation program.
- Performed emergency repairs on numerous large and small diameter pipelines utilizing the most current rehabilitation techniques including carbon fiber, steel slip lining, structural encasements, and individual pipe replacements.
- Current chair of ASCE's Pipeline Executive Committee
- Past chair of NACE – San Diego (1999)
- Vice Chair of ASCE's "Condition Assessment of Water Pipelines" committee
- Co-Chair and Technical Editor ASCE's Pipelines 2004: Pipeline Engineering and Construction What's on the Horizon?
- Technical Editor for ASCE's Pipelines 2009, Infrastructure's Hidden Assets

As Project Director, Mr. Galleher will provide senior project management throughout the entire project. He will be the liaison between team members from Pure Technologies and all sub consultants, as well as the main point of contact for the Water Authority. Mr. Galleher will ensure the project stays on schedule and he will manage report production.



Christopher Kyea, Inspection Project Manager (Pure Technologies)

Christopher Kyea has experience in the implementation, and management of pipeline inspection and assessment technologies. He has hands on experience with the inspection and management of Pure Technologies' inspection systems, including the Water Authority's 2014 MFL inspection. For this project, Mr. Kyea will manage the MFL inspection and Pipe Ovality inspection. He has reviewed the pipelines and developed the inspection plans in this proposal, and upon award will develop the project plan.

Ali Alavinasab, Engineering Analysis (Pure Technologies)

Ali Alavinasab is a Professional Engineer and Doctor of Mechanical, Aeronautical, Civil and Structural Engineering. Dr. Alavinasab is a pioneer in the evaluation of the remaining life of damaged pipelines. He has over 11 years of experience in failure analysis of structures, vibration analysis of structures, and modeling of composites using advanced finite element analysis (FEA). He has led several innovative projects dealing with the development of methods for modeling nano-composites and condition assessment of water and wastewater pipelines. For this project, Dr. Alavinasab will be responsible for the engineering analysis of the MFL data.

Limin Wang, Senior Data Analyst (Pure Technologies)

Limin Wang is an engineer and a Doctor of Electrical Engineering. She specializes in signal processing and data analysis of MFL inspection results. She is also involved in the Firmware design of the MFL inspecting tools and software design of the MFL data analysis tools. For this project, Ms. Wang will lead the MFL data analysis. She will also perform the on-site analysis for the daily reports.

Matt Miller, Inspection Team Leader (Pure Technologies)

Matt has 17 years of experience in the field of Construction Management. During his time in Construction Management, he was responsible for many ground-up and utility projects throughout the South Central US. Matt joined Pure Technologies in 2010 as the lead project manager of a large Sahara project in Hampton Roads, Virginia. In 2012, Matt was assigned as the Regional Operations Manager of Pure Technologies MFL Magnetic Flux Leakage Inspection Division in Salt Lake City, UT. In 2013, Matt was assigned as the Regional Operations Manager of Pure Technologies South Central Division in Dallas, Texas where he coordinates operational needs for several technologies, including MFL. For this project, Mr. Miller will lead the MFL and Pipe Ovality inspections. He will ensure that good quality data and field notes are collected safely and on time.

Kelly Tally, Contractor Services (J.F. Shea)

Ms. Tally has thirteen years of experience in the construction industry. Her numerous responsibilities have included project cost control, scheduling and planning, and supervision of project teams. Ms. Tally has been involved in the 2012, 2013, and 2014 MFL inspections for San Diego County Water Authority. For this project, Ms. Tally will assist with the planning, preparations and execution of dewatering the pipeline and conveying the MFL tool through the pipelines, including winching of the tool where required. She will also manage the repairs and subsequent restoration of pipe and environment after verifications are complete.



7. COST PROPOSAL

Table 3 - Cost Proposal				
Task	Unit Cost	Unit	Qty	Total
Project Management & Administration				
Kick off meeting and workshop	-	per pipeline	-	Included in MFL pricing below.
Coordination Meetings	-	per pipeline	-	
QA/QC	-	per pipeline	-	
Presentation assistance	-	per pipeline	-	
Administrative Costs	\$100	per hour	40	\$4,000
Pipeline Geometry				
Geometric evaluation, analysis, and report	-	per pipeline	-	Included in MFL pricing below.
Geometric Technicians (2)	-	per day	-	
Geometric Surface Support	-	per day	-	
Rope Support for Personnel Traversing Pipeline	-	per day	-	
Magnetic Flux Leakage (MFL)				
Mobilization of MFL Equipment & initial testing	\$100,000	per pipeline	1	\$100,000
MFL Scanning	\$100,000	per mile	2.59	\$259,000
MFL On-site Analysis and reporting	N/A	per pipeline	-	N/A
Defect Verification and Repair¹				
Ultrasonic Testing & Reporting	\$1,650	per location	30	\$49,500
J.F. Shea Steel Pipe Repair Materials and Welder	\$960	per location	30	\$28,800
Pipeline Condition Assessment				
Engineering Analysis	-	per pipeline	-	\$75,000
Technical Memorandum	-	per pipeline	-	
Review meetings with Moulton Niguel	-	per pipeline	-	
Draft Report	-	per pipeline	-	
Final Report	-	per pipeline	-	
J.F. Shea Setup				
Mobilization of Winching Equipment	-	per pipeline	-	\$49,676
Traffic Control Permits	-	per pipeline	-	
New Stainless Steel Bolts and Class 300 Gaskets	-	per pipeline	-	
Touchup Paint Material	-	per pipeline	-	
Mortar Materials	-	per pipeline	-	



Table 3 - Cost Proposal				
Task	Unit Cost	Unit	Qty	Total
J.F. Shea Pipeline Preparation				
Removal and Re-installation of Appurtenances	-	per pipeline	-	\$79,787
Equipment and Materials for Dewatering Pipeline	-	per pipeline	-	
Personnel for Dewatering Pipeline	-	per pipeline	-	
J.F. Shea Personnel and Equipment¹				
Supervision	\$7,440	per day	42	\$312,480
Confined Space Rescue Crew, Equipment, and Trailer		per day		
Personnel and Equipment for Confined Space Ventilation		per day		
Personnel and Equipment for Top-side Attendants		per day		
Personnel and Equipment for Winching MFL Tool		per day		
Personnel and Equipment for Mortar Chipping and Repair		per day		
Personnel and Equipment for Painting Appurtenances		per day		
Personnel for Traffic Control		per day		
Equipment for Traffic Control	\$960	per day	42	\$40,320
Total Not to Exceed Cost				\$998,563

1. Time and Materials: Compensation for these line items shall be on a time and materials basis, to be billed at the rates set forth in Table 3, with total billings not to exceed \$998,563.



APPENDIX A

Risk Management Plan



Risk Management Plan				
Topic	Location	Risk Identified	Potential Outcome	Risk Mitigation Measures
Safety	Entire Pipeline	Pipeline isolation	Unsafe pipe entry without double isolation	No pipe entry until confirmed safe by MNWD; Ensure double-isolation or single isolation + safety siphon is implemented at all possible water intrusion locations
Technical	Out-of-roundness	Potential out-of-roundness/ovality of pipeline	Equipment jam	Perform internal ID measurements. Implement modifications to tool if required to navigate through out-of-round section.
Technical & Safety	Multiple portions of pipeline	Very steep inclines / descents	Loss of traction for ATVs. Slip hazard for personnel	Provide winch support for equipment available at all locations. Provide rope support for personnel.
Access	All pipeline structures	Limited and difficult access due to limited work space and proximity to traffic	Efficient field operations are impacted	Consider limitations in work plan. Limit size of vehicle convoy. Assign staff to focus on vehicle logistics. Develop traffic control plans.
Access and Coordination	Entire Pipeline	Not identifying potential field issues	Unplanned impacts to field operations	Ensure open communication and coordination between MNWD, Pure, JF Shea, Mission Viejo, and Rancho Santa Margarita.
Environmental	Three low spots in pipeline	Dewatering of line within guidelines	Damage to local habitats	The capacity of the pump used should not exceed the allowable rate to dewater the pipeline. Discharge hoses should go through proper dechlorination into a sewer, storm drain, or catch basin.

-55-

#4.

EXHIBIT A2

LIST OF SUBCONTRACTORS

- 1) J.F. Shea Construction, Inc.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

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

SUBJECT: Flores Avenue Water Main Construction Contract Award

DIVISION: 4

SUMMARY:

Issue: Staff issued the Notice Inviting Sealed Proposals (Bids) for the Flores Avenue 8” Water Main Installation, Project No. 2014.018.

Recommendation: It is recommended that the Board of Directors award the construction services contract for the Flores Avenue 8” Water Main Installation Project No. 2014.018 to Ferreira Construction Co., Inc. in the amount of \$154,042; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

Fiscal Impact: Project No. 2014.018 is budgeted in Fund 14, Planning and Construction with a current project budget of \$300,000.

BACKGROUND:

The project is located in a residential area within Flores Avenue between Hillhurst Drive and Benecia Avenue in the City of Laguna Niguel. The new 8” pipeline will replace an existing isolated 6” asbestos cement easement pipeline to ensure water supply reliability and quality by continuing to provide a looped system.

Construction documents for the Flores Avenue 8” Water Main Installation project were prepared by Lee & Ro, Inc. The work generally includes: installation of approximately 700 feet of C900 PVC pipe, installation of new fire hydrant assemblies and valves, relocation of one existing service connection, abandonment of the existing easement pipeline, removal and disposal of interfering piping, and paving.

#5.

Flores Avenue Water Main Construction Contract Award

July 13, 2015

Page 2 of 2

DISCUSSION:

A request for bids was issued to six qualified pipeline contractors. On June 16, 2015, the District received six sealed bids. The table below summarizes the bids received:

Firm	Bid
Ferreira Construction Co., Inc.	\$154,042
Kennedy Pipeline Construction	\$179,950
Shoffeitt Pipeline, Inc.	\$188,440
Paulus Engineering, Inc.	\$198,442
GCI Construction, Inc.	\$207,210
T.E. Roberts, Inc.	\$218,900
Engineer's Estimate	\$225,000

Staff has determined that the lowest responsible and responsive bidder is Ferreira Construction Co., Inc. Staff has completed its review of the contract documents and has determined that they are in order. Ferreira Construction Co., Inc. has performed quality work in the past for the District and is well-qualified to perform this type of work.

SUMMARY OF PROJECT BUDGET:

	Project Budget	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$31,000*	\$31,000	\$0	\$31,000
Geotechnical	\$10,000	\$10,000	\$0	\$10,000
Construction	\$247,000	\$154,042	\$15,404	\$169,446
Legal, Permits, District Labor	\$12,000	\$12,000	\$0	\$12,000
Totals	\$300,000	\$207,042	\$15,404	\$222,446

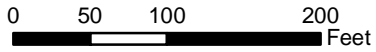
* \$24,127 has been expended to date.

 Currently Proposed Amount

Attachment: Exhibit A – Location Map



Path of GIS Projects 2015 Capital Improvement Projects Flores station.mxd



Scale = 1:1,500

**Exhibit "A" Location Map
 Flores Ave. 8" Water Main Installation
 Contract No. 2014.018**



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

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

SUBJECT: Utility Main Breaker Replacements Construction Contract Award

DIVISION: 4 and 6

SUMMARY:

Issue: Staff issued the Notice Inviting Sealed Proposals (Bids) for the Utility Main Breaker Replacements, Project No. 2014.005.

Recommendation: It is recommended that the Board of Directors award the construction services contract for the Utility Main Breaker Replacements Project No. 2014.005 to Southern Contracting Company in the amount of \$127,000; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

Fiscal Impact: Project No. 2014.005 is budgeted in Fund 7, Rehabilitation and Replacement with a current project budget of \$170,000. The proposed project budget is \$216,700. The additional funds required will be transferred from the savings in Project No. 2014.018 in Fund 14 under the authority of the General Manager; the overall Fiscal Year 2015-16 CIP budget will not be impacted.

BACKGROUND:

The existing utility service sections at the Aliso Creek and Lower Salada Lift Stations contain outdated fused disconnects in lieu of thermal magnetic main circuit breakers. The fused disconnects are no longer standard for the industry and present a challenge for system maintenance, particularly when needing to restore power to the stations. The primary scope of the project is to replace two utility service sections. Additional scope includes miscellaneous code updates and performing extended maintenance on the electrical switchgear.

#6.

Utility Main Breaker Replacements Construction Contract Award

July 13, 2015

Page 2 of 2

Construction documents for the Utility Main Breaker Replacements project were prepared by Lee & Ro, Inc. Prior to preparing construction documents, Lee & Ro, Inc. performed a comprehensive electrical system evaluation of each site to confirm required sizing and identify related electrical system improvements.

DISCUSSION:

A request for bids was issued to five qualified electrical contractors. On June 16, 2015, the District received three sealed bids. The table below summarizes the bids received:

Firm	Bid
Southern Contracting Co.	\$127,000
Snowden Electric Co. Inc.	\$178,547
Halcyon Electric, Inc.	\$210,000
Engineer's Estimate	\$98,000

Staff has determined that the lowest responsible and responsive bidder is Southern Contracting Co. Staff has completed its review of the contract documents and has determined that they are in order. Southern Contracting Co. is a reputable electrical contractor that is well-qualified to perform this type of work. Although three bids were submitted, the bid from Halcyon Electric, Inc. was considered non-responsive as the bid documents were submitted late.

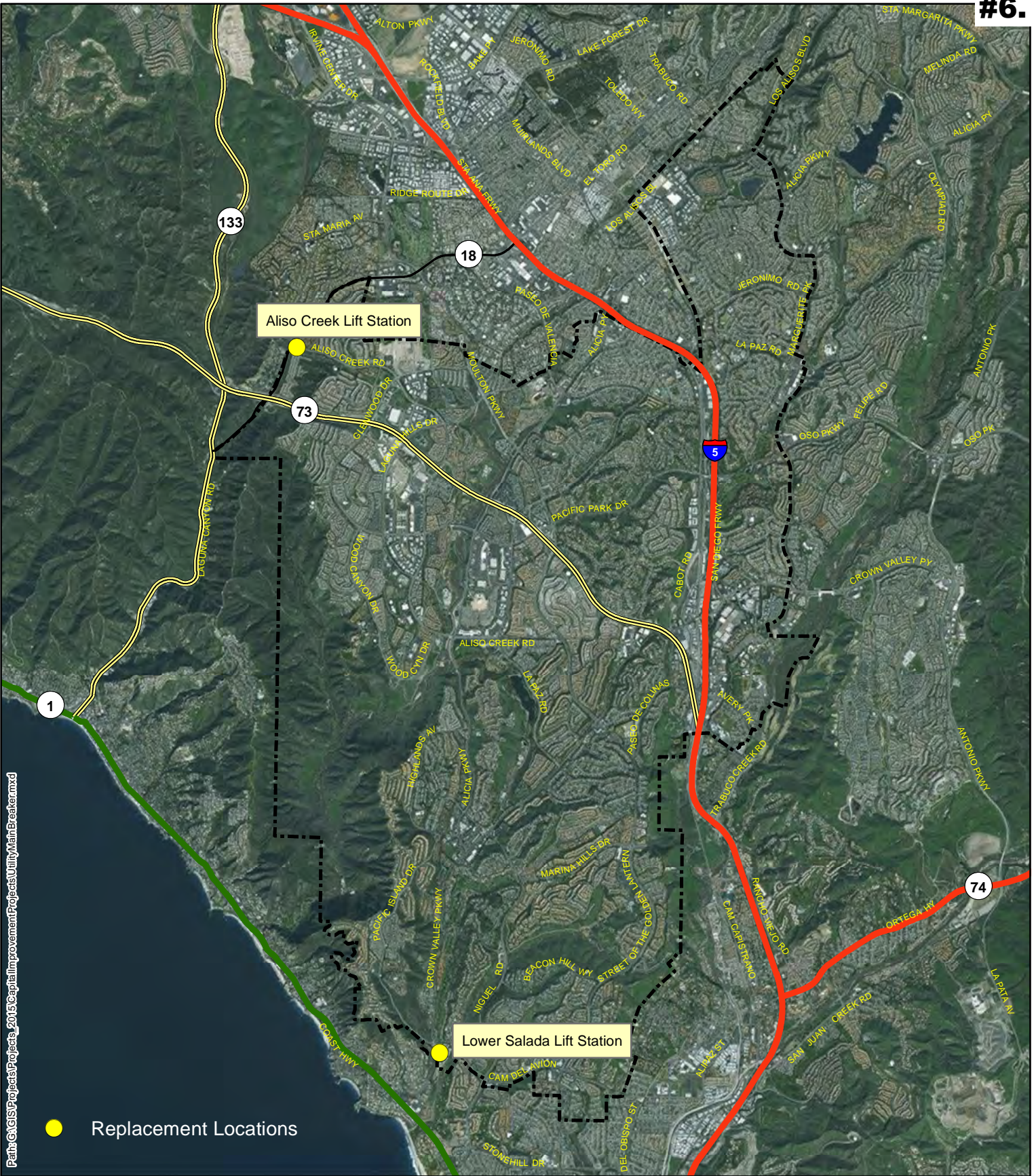
SUMMARY OF PROJECT BUDGET:

	Project Budget	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$52,000*	\$52,000	\$0	\$52,000
Construction	\$93,000	\$127,000	\$12,700	\$139,700
Legal, Permits, Utility Fees, District Labor	\$25,000	\$25,000	\$0	\$25,000
Totals	\$170,000	\$204,000	\$12,700	\$216,700

* \$37,197 has been expended to date.

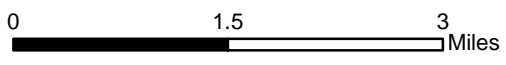
Currently Proposed Amount

Attachment: Exhibit A – Location Map



Path:\GIS\Projects\Projects_2015\CapitalImprovementProjects\UtilityMainBreaker.mxd

● Replacement Locations



Scale = 1:85,000

Exhibit "A" Location Map
Utility Main Breaker Replacements
Contract No. 2014.005



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

FROM: Marc Serna, Director of Engineering and Operations
Doug Zytkevicz, Superintendent of Customer Service

SUBJECT: Fiscal Year 2015-16 Meter Maintenance and Replacement Program

DIVISION: District-wide

SUMMARY:

Issue: Staff requests authorization to procure meters for Fiscal Year (FY) 2015-16 for the meter maintenance and replacement program.

Recommendation: It is recommended that the Board of Directors authorize meter and meter-related purchases for an amount not-to-exceed \$859,000 for FY 2015-16.

Fiscal Impact: Sufficient funds are included in the approved FY 2015-16 Operating budget.

BACKGROUND:

The Moulton Niguel Water District (District) has 54,918 meters that provide potable and recycled water service to District's customers. The Customer Service Department maintains, repairs, and replaces these meters on an on-going basis as necessary. On average, staff replaces approximately 3,000 meters and performs additional maintenance on approximately 1,600 meters each year. Meter purchases are brought to the Board each year for approval consideration.

Based on past replacement rates and experience, staff estimates approximately 750 meters will need to be replaced in FY 2015-16 as a result of maintenance-related activity. In addition to regular maintenance, District staff also performs meter replacements of obsolete and worn-out meters. For FY 2015-16, staff has identified 3,030 meters (1¾" and 1") from various residential routes that are due for meter replacement. The majority of the meters proposed to be replaced are 19 to 25 years old. Per AWWA standards, meters are at the end of their useful life at 15 to 20 years.

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Fiscal Year 2015-16 Meter Maintenance and Replacement Program

July 13, 2015

Page 2 of 3

The District also has approximately 2,487 irrigation meters in service, consisting of both 1½” and 2” meters. Based on prior year repair and replacement levels, the District expects to replace approximately 200 irrigation meters in FY 2015-16.

Meters are also sold to the public when new developments are constructed or when customers up-size their services. Approximately 100 meters were sold to the public in FY 2014-15. Staff does not anticipate a significant change in public meter sales in the upcoming fiscal year as there are limited numbers of vacant, un-metered parcels within the District’s boundary. Staff estimates 100 new meters will be required for public meter purchases in FY 2015-16.

Table 1 summarizes the estimated number of meters required to be purchased for FY 2015-16.

Table 1 Meters to Be Purchased	
Meter Replacement	
- Residential	3,030
- Irrigation	200
Public Meter Purchases	100
Meter Maintenance Related	750
TOTAL	4,080

DISCUSSION:

Staff compiled a list of meter specifications based on the District’s requirements for meter quality, functionality and compatibility and issued a Request for Quote (RFQ) to four (4) pre-qualified meter distributor/manufacturers representing that were capable of meeting the District’s specifications: Aqua-Metric (Sensus), iFlow Energy Solutions (Kamstrup), Equarius Water Works (Neptune), and Badger Meter.

After receiving the RFQ and assessing all requirements, Equarius (Neptune) and Badger chose not to submit quotes due to lack of product availability and conflicts with functional specification capabilities.

Fiscal Year 2015-16 Meter Maintenance and Replacement Program

July 13, 2015

Page 3 of 3

The price quotes from the two qualified meter manufacturers and single source lid supplier are listed in Table 2 below.

Manufacturer & Type	¾-inch Meter	1-inch Meter	1½-inch Meter	2-inch Meter	Meter Lids
iFlowEnergy Solutions (Kamstrup)	\$123.52	\$235.29	\$564.36	\$729.41	
Aqua-Metric (Sensus)	\$118.22	\$151.79	\$1,187.38	\$963.85	
LG Supply					\$23/each

Based on the price quotes received, staff is recommending the purchase of ¾-inch and 1-inch meters and meter parts from Aqua-Metric and 1½-inch and 2-inch meters and parts from iFlowEnergy Solutions. Additionally, staff recommends single sourcing the purchase of meter lids to LG Supply. Meter lids were competitively priced by staff in 2014 and it was determined that LG Supply offers a higher quality, more aesthetic lid design, at a competitive price that better satisfies the District's standards than what was offered by other suppliers.

Staff's meter purchase recommendation for FY 2015-16 is detailed in Table 3.

Description	Supplier	Estimated Quantity	Cost
Residential Meter Replacement	Aqua-Metric (¾" and 1")	3,030	\$362,000
Meter System Maintenance	Aqua-Metric	750	\$212,000
Irrigation Meter Replacement	iFlow Energy Solutions (1-½ " and 2")	200	\$146,000
New meter sales	Aqua-Metric	100	\$45,000
Meter lids	LG supply	4,080	\$94,000
TOTAL			\$859,000



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

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

SUBJECT: Pump Refurbishment Service Agreements for Fiscal Year 2015-16 and 2016-17

DIVISION: District-wide

SUMMARY:

Issue: The current pump refurbishment service agreements expired on June 30, 2015. Staff requires authorization to enter into new multi-year service agreements for pump refurbishment to be performed on an as-needed basis for Fiscal Year (FY) 2015-16 and 2016-17.

Recommendation: It is recommended that the Board of Directors approve and authorize the General Manager to execute the following agreement documents:

- 1) Pump Refurbishment Services Agreement with Evans Hydro, Inc. for a not-to-exceed amount of \$70,000 for FY 2015-16 and a not-to-exceed amount of \$90,000 for FY 2016-17 for a total two-year agreement amount of \$160,000.
- 2) Pump Refurbishment Services Agreement with Weber Water Resources for a not-to-exceed amount of \$30,000 for FY 2015-16 and a not-to-exceed amount of \$45,000 for FY 2016-17 for a total two-year agreement amount of \$75,000.
- 3) Pump Refurbishment Services Agreement with Pacific Coast Pump and Equipment for a not-to-exceed amount of \$30,000 for FY 2015-16 and a not-to-exceed amount of \$45,000 for FY 2016-17 for a total two-year agreement amount of \$75,000.

Fiscal Impact: Sufficient funds are included in the FY 2015-16 budget and will be included in the FY 2016-17 Budget.

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Pump Refurbishment Service Agreements for Fiscal Year 2015-16 and 2016-17

July 13, 2015

Page 2 of 3

BACKGROUND:

The Moulton Niguel Water District (District) operates 158 pumps within various pump and lift stations for potable water, recycled water, and wastewater operations. Staff performs routine maintenance of the pumps on an on-going basis. During the maintenance process, staff inspects and evaluates the condition of the pumps for wear on the bearings, shafts, rings and other signs of potential pump failure. Pumps determined to be in need of repair are removed from the facilities and sent out for refurbishment services that cannot be performed while the pumps are operating or on-site. Services provided during this type of refurbishment include fabricating new shaft sleeves, wear rings, pressed bearings, impeller balancing, and modifications. Staff evaluates each pump and sends out 8 to 10 pumps for refurbishment on an annual basis.

Regular maintenance and refurbishment of the pumps allows the District to maximize the useful service life of each pump unit. Further, the pumps operate at a higher level of efficiency when maintained appropriately, which reduces the energy cost required to operate the pump units. The annual costs for the pump refurbishment services vary based on the type and quantity of services required. Last fiscal year, the District expended \$135,000 on pump refurbishment activities. Based on refurbishment schedules, staff estimates the pump refurbishment costs will be \$130,000 for FY 2015-16 and \$180,000 for FY 2016-17.

DISCUSSION:

Due to the time sensitivity of taking the District's pumps offline for service, staff has determined it is in the best interest of the District to contract with multiple service providers for pump refurbishment in order to account for provider availability and to enable multiple pump refurbishment, when needed.

Staff has evaluated the limited number of qualified, local contractors capable of providing this service based on response time, warranty, available equipment, capabilities, references from other Districts, and price. Based on their qualifications, staff is recommending the Board authorize the General Manager to enter into agreements with Evans Hydro, Inc. for a total agreement amount of \$160,000, Weber Water Resources for the total agreement amount of \$75,000 and Pacific Coast Pump and Equipment for the total agreement amount of \$75,000 for FY 2015-16 and FY 2016-17 for pump refurbishment services. Evans Hydro has provided high-quality and reliable service to the District and will be the primary service provider. Weber Water Resources and Pacific Coast Pump and Equipment will be secondary level providers to the District and staff anticipates using their services as required based on their availability, performance, and reliability.

The Pump Refurbishment Services Agreement has been reviewed and approved by District counsel. A copy of the agreement is attached for reference. The District's standard ten day termination clause is included as a provision in the agreement.

Pump Refurbishment Service Agreements for Fiscal Year 2015-16 and 2016-17

July 13, 2015

Page **3** of **3**

Attachments:

- 1) Pump Refurbishment Services Agreement with Evans Hydro, Inc.
- 2) Pump Refurbishment Services Agreement with Weber Water Resources
- 3) Pump Refurbishment Services Agreement with Pacific Coast Pump and Equipment

**MOULTON NIGUEL WATER DISTRICT
PUMP REFURBISHMENT SERVICES
(Fiscal Year 2015-16 and 2016-17)
Agreement No. OM15-16.010**

THIS AGREEMENT (“Agreement”) is approved and entered into as of _____, 2015 (the “Effective Date”), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter called “District”, and EVANS-HYDRO, INC., hereinafter called “Contractor”. District and Contractor are sometimes referred to in this Agreement individually as a “party” or jointly as the “parties.”

RECITALS

- A. District requires pump refurbishment services, as further described in this Agreement and in **Exhibit 1, Scope of Work** and its attachments attached hereto and incorporated in this Agreement (the “Services”).
- B. Contractor represents that it has the necessary licenses, equipment, permits, and skills required to perform the Services pursuant to the terms and standards set forth in this Agreement.

NOW, THEREFORE, District and Contractor for the consideration stated herein agree as follows:

1. **SCOPE OF WORK, PERFORMANCE STANDARDS.**

(a) Contractor shall perform the Services in accordance with the Scope of Work and specifications set forth in attached **Exhibit 1** and the other terms of this Agreement in consultation with District representatives, including the provision of labor, and materials (not otherwise provided by District itself), for various facilities throughout District, from time to time during the term of this Agreement. The quantity of work to be performed and materials provided outlined in **Exhibit 1** is only an estimate. The expected scope and amount of Services to be performed is on an as-needed basis. Contractor acknowledges and agrees District does not guarantee any minimum or maximum amount of Services to be provided under this Agreement and District may use other Contractors for the Services throughout the term of this Agreement, in its sole discretion. Except as otherwise specified under **Exhibit 1**, Contractor shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional and workmanlike manner, and in accordance with generally accepted industry standards, to the satisfaction of District.

(b) The Services shall be performed in accordance with the terms of this Agreement including all attached Exhibits, the Services specifications, and the permitting, licensing or other requirements of any governmental or municipal entity within whose jurisdiction the Services are

#8.

performed, including municipal storm water ordinances, which are by this reference incorporated into this Agreement. It shall be the Contractor's responsibility to ascertain and keep informed of all such existing and future requirements of other governmental entities concerning the Services performed under this Agreement, including acquisition of necessary permits and licenses by municipalities related to Services in public right of way and payment of the fees or costs thereof.

(c) Contractor is an independent contractor and not an employee of District. No permitted or required approval of District representatives of costs, schedules, documents, or services of Contractor or investigations thereof, will be construed as making District responsible for the manner in which Contractor performs the Services. Such approvals and investigations are intended only to give District the right to satisfy itself with the quality of work performed by Contractor.

2. PUBLIC SAFETY; SAFETY REQUIREMENTS. Contractor shall be solely and completely responsible for the safety of all persons and property during performance of the Services and work. Contractor's operations for the Services shall be conducted so as to provide maximum safety to Contractor's employees, to the general public and to District's representatives, and in compliance with all safety laws, rules and regulations of the State of California ("State"), federal, and local agencies. It is Contractor's responsibility to have a current safety program on file with District prior to commencement of any Services under this Agreement. It is Contractor's responsibility to have a current Safety Manual that meets SB 198 requirement for injury and illness prevention and have that Safety Manual on file with District.

3. COMPLIANCE WITH LAW, LICENSE.

(a) Contractor at all times during the performance of the Services shall comply with, cause its agents, employees and representatives to observe and comply with and shall remain fully informed of all local, State, and federal laws, ordinances, rules, regulations or other requirements, including any permits issued for the Services, that may in any manner affect those employed to perform any of the Services or that may in any way affect the performance of the Services. In performing the Services, Contractor shall comply with, and give all notices required pursuant to all laws, ordinances, rules, regulations and other requirements applicable to the Services. Contractor shall be liable for any violation of law, ordinance, rule, regulation or other requirement in connection with performance of the Services. Contractor shall bear all liability and costs, including fines, arising from performance of the Services that are contrary to any applicable law, ordinance, rule, regulation, or other requirement.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contractor must provide its DIR Registration number to the District.

4. DISTRICT OBSERVATION. Contractor's performance of Services is subject to observation and inspection by District's representatives. The observation, if any, by the District's representative of the Services shall not relieve Contractor of any of obligations under the Agreement as prescribed, or Contractor's obligations to perform the Services in accordance with all terms and provisions required by municipal permits.

5. AGREEMENT PRICE; TERM.

(a) Contractor shall perform all Services pursuant to this Agreement at the “unit prices” in the schedule of work items attached as **Exhibit 2, Fee Schedule**, which establishes unit prices for components of the Services, including materials, listed in the schedule. There shall be no increase to the unit prices if an adjustment to the number of Contractor’s staff or service hours is needed to meet the Agreement requirements for the Services. The total compensation paid to Contractor during the term of this Agreement shall not exceed **One Hundred Sixty Thousand Dollars (\$160,000)** (the “Agreement Maximum Amount”). Notwithstanding the foregoing, the total compensation during the 2015-16 fiscal year of the Agreement term shall not exceed **Seventy Thousand Dollars (\$70,000)** and the total compensation during the 2016-17 fiscal year of the Agreement term shall not exceed **Ninety Thousand Dollars (\$90,000)**. Contractor is responsible for and shall pay all sales, consumer, use, and other taxes in connection with materials for the Services.

(b) Work will be billed by Contractor in accordance with District’s invoicing requirements, including sufficient detail on work items under the Agreement pricing. Contractor's invoice will account for the location of the Services performed in addition to sufficient cost details as required by District. District will make payment to the Contractor within thirty (30) calendar days of receipt and approval of an invoice by District, provided District may withhold amounts as necessary to satisfy properly filed claims for labor or material; estimated actual costs for correcting defective work; amounts claimed by District as forfeiture due to offsets, and as otherwise provided for under Section 9. No certificate given or payment made under the Agreement shall be conclusive evidence of performance of the Agreement and no payment shall be an acceptance of any defective work or improper materials.

(c) Acceptance and payment by District for the Services will not in any way relieve Contractor of its responsibility to perform the Services and the Agreement in strict accordance with State, federal, and local law. Neither District's acceptance of, nor payment for, any Services will be construed to operate as a waiver of any rights under the Agreement, or of any cause of action arising out of the performance of the Agreement.

(d) The term of the Agreement is from the **Effective Date to and including June 30, 2017** (“expiration”), unless otherwise terminated earlier by either party pursuant to Section 12.

6. PUBLIC LAW REQUIREMENTS; PREVAILING WAGE.

(a) District is a public agency in the State and is subject to the provisions of law relating to public contracts. It is agreed that all provisions of law applicable to public contracts are a part of this Agreement to the same extent as though set forth herein. Contractor represents and warrants that it is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects, and will be comply with the Prevailing Wage Laws, including but not limited to the payment of prevailing wages. A copy of

#8.

these prevailing wage rates are on file with the Department of Industrial Relations and can be found online with the State of California at <http://www.dir.ca.gov/dlsr/pwd>. A copy of such prevailing wage rates shall be posted on the jobsite by Contractor. It shall be mandatory Contractor to pay not less than the specified rates to all workers employed by them in the execution of the Services.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contracts/subcontracts shall not be entered into after April 1, 2015, with any contractor without proof of current registration to perform work consistent and in compliance with the requirements of Sections 1725.5 and 1771.1. Contractor acknowledges that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contracts entering into with any Contractor or subcontractor, in violation of Section 1771.1(a), shall be subject to cancellation by the District at the sole discretion of the District consistent with Section 1771.1(e).

(c) Contractor is responsible for furnishing those records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, pursuant to the procedures set forth in Section 1771.4 of the Labor Code. Contractor's DIR Registration No. is 1000014678.

(d) Contractor acknowledges that it is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(e) The Contractor shall post job site notices, pursuant to the requirements set forth in the Labor Code and related applicable regulations, including but not limited to, those provisions addressing the posting of notice relating to prevailing wage compliance.

7. AGREEMENT DOCUMENTS. The Agreement includes all of the Agreement documents as follows: this Agreement and all exhibits and attachments to the foregoing documents.

8. NO SUBCONTRACTORS. Contractor agrees and represents that none of the Services will be subcontracted, and that Contractor will perform all Services. It is agreed and acknowledged that should Contractor fail to conform hereto or with any of the requirements of Section 4100 *et seq.* of the Public Contract Code, Contractor shall be subject to the applicable statutory penalties, and to the requirements of Labor Code Sections 1777.1 or 1777.7 relating to payment of wages to ineligible subcontractors' employees, and the corresponding return of all subcontracting payments to District.

9. REMEDIES FOR DEFAULT. Without limiting any other right or remedy of District, should District not receive proper Services, cooperation, and response to its requests from Contractor in compliance with this Agreement and the Scope of Work, District reserves the right to withhold payments due to Contractor under this Agreement until said items are completed or corrected by Contractor or, at District's election, completed or corrected by others. The entire cost of any such work performed by others shall be deducted from the payments due to Contractor hereunder. Without limiting any other right or remedy of District, District shall have the right to offset against any amount payable to Contractor under this Agreement, any back charges provided

for in the Exhibits in this Agreement, and any loss or damage caused by Contractor's lack of performance or breach of this Agreement.

10. INSURANCE

(a) In addition to the requirements set forth below, during the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of Contractor in connection with or related to the Services provided under the Agreement.

(b) During the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by District as listed in this Section. Contractor shall not commence Services under the Agreement until it has obtained all insurance required by the Agreement. Two (2) sets of originally executed certificates of insurance and all required endorsements evidencing the required coverage detailed in this Section shall be provided by Contractor with the Contractor's executed copy of this Agreement, and prior to commencement of any Services.

(c) The commercial general liability and business automobile insurance will be comprehensive in form, and be for the term of this Agreement and on a 'per occurrence' basis. All policies will have a clause providing that thirty (30) calendar days written notice will be given to District prior to any cancellation of such policies. All insurance will be issued and underwritten by insurance companies having at least an "A-" policyholder's rating and a financial rating not less than Class VII in accordance with the most current Best's Rating Guide - Property/Casualty, or better, or as otherwise approved by District. Contractor may satisfy the limit requirements set forth below in a single policy or multiple policies, provided, however, that any such additional policies written as excess insurance will not provide any less coverage than that provided by Contractor's first or primary policy. All policies shall name Moulton Niguel Water District and each of its directors, elected officials, officers, employees and agents as additional insureds thereunder ("Additional Insureds"). All of the policies of insurance provided hereunder shall be primary insurance and not additional to or contribute with any other insurance carried or maintained by, or for the benefit of, the Additional Insureds, and the insurer shall waive all rights of subrogation and contribution it may have against the Additional Insureds; these requirements shall be set forth in endorsements to policies. In the event any of said policies of insurance are canceled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 10 to District.

(d) In the event District consents, and Contractor subcontracts any portion of the Services under the Agreement, the Agreement between Contractor and such subcontractor shall require the subcontractor to maintain the same policies, limits and terms of insurance that Contractor is required to maintain pursuant to this Section 10, in accordance with all of the requirements of this Section 10.

(e) Contractor shall take out and maintain at all times during the Agreement the following policies of insurance, which shall comply with the other terms of Section as well as the following:

#8.

- (i) Workers Compensation Insurance and Employers Liability Insurance. Worker's compensation insurance as required by State laws, and employer's liability insurance with limits not less than \$1,000,000 each accident and \$1,000,000 for disease per employs, **which will include the subrogation and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall be in strict accordance with the requirements of the most current and applicable state Workers' Compensation insurance laws. Contractor shall execute the Certificate required by Section 1861 of the Labor Code on **Exhibit 3** attached to this Agreement prior to commencement of any Services.
- (ii) Commercial General Liability Insurance. Commercial general liability in a combined limit of not less than \$2,000,000 per occurrence, \$4,000,000 aggregate with such aggregate to apply separately to the Services. Commercial General Liability insurance coverage shall be equivalent to Insurance Services Office Form CG 00 01. Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in Section 11 of this Agreement, **as well as the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall name the Additional Insureds using ISO endorsement CG 20 10 11 85, or both CG 20 10 and CG 20 37 forms if later revisions are used.
- (iii) Business Automobile Insurance. Business automobile insurance with a liability limits of not less than \$1,000,000 each accident for bodily injury and property damage. The policy shall include coverage for any auto, owned, non-owned, and hired vehicles, **and include the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.**

(f) Nothing in the insurance requirements set forth in this Agreement is to be construed as limiting the liability of Contractor or Contractor's insurers or sureties. Contractor agrees that the provisions of this Section 10 shall not be construed as limiting in any way the extent to which Contractor may be held responsible for the payment of damages or other costs to District, or any persons or property, resulting from Contractor's activities or the activities of any person or persons for which Contractor is otherwise responsible, including Contractor's subcontractors, if any.

11. INDEMNIFICATION

(a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend District, and each its directors, elected officials, officers, employees, members and agents from and against all claims, damages, losses and expenses, and costs including costs of defense and attorneys' fees, arising out of, in connection with, or resulting from, or alleged to have arisen out of or resulted from, the performance of the Services or work hereunder, provided that any such claim, damage, loss or expense is: (a) attributable to bodily injury, personal injury,

sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder (except, to the extent of the sole negligence, active negligence or willful misconduct of such indemnified party, in which case Contractor's indemnification obligation shall be reduced in proportion to the indemnified party's share of liability for its sole or active negligence or willful misconduct, if any); **or** (c) due to failure, neglect or refusal of the Contractor to faithfully perform the Services or work and any of the Contractor's obligations under the Agreement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 11. It is expressly acknowledged by the Contractor that the foregoing obligations of Contractor include the duty to defend the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

(b) In any and all claims against the indemnified parties by any employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor, or any subcontractor, or other person under workers' compensation acts, disability benefit acts, or other employee acts.

(c) This indemnity obligation shall survive the termination or expiration of the Agreement and the completion of the Services and work hereunder.

12. **TERMINATION.** Either party may terminate this Agreement by providing written notice to the other party ten (10) business days in advance of the date of termination; provided, District may terminate the Agreement without any advance notice in the event Contractor is in material breach of any of the terms of this Agreement, as determined by District in its discretion. In the event Contractor terminates this Agreement, Contractor is responsible for the completion of any Services still outstanding in accordance with the terms of the Agreement. Contractor's indemnity and warranty obligations shall survive the expiration or termination of this Agreement, as well as any outstanding obligations of Contractor at the time of termination. On any termination, Contractor will be entitled to the reasonable value of the Services performed for which it has not received prior compensation under this Agreement, subject to any offset from such payment representing District's damages from any material breach of the terms of the Agreement by Contractor or as otherwise provided for under Section 5. In no event, will Contractor be entitled to receive compensation in excess of the compensation specified under Section 5 of this Agreement. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

13. **RECORDS.** Contractor shall preserve and retain any and all records of or related to the Services, including all records of or related to this Agreement and the Services and obligations contained herein, for a period of no less than four (4) years commencing upon final payment to Contractor under the Agreement or, if an examination, review or audit is commenced but not completed within such period, until such examination, review or audit has been completed.

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Additionally, pursuant to Government Code Section 8546.7, the State has the right to examine, review, audit and/or copy such records during the three (3) year period following final payment to Contractor pursuant to the Agreement. Contractor, upon request, shall make the records of the work available for the purposes described in this section at all reasonable times during the period Contractor is required to preserve and maintain such records.

14. SUCCESSORS; ASSIGNMENT. This Agreement is binding on the successors of the parties. This Agreement may not be assigned by Contractor except upon written consent of District.

15. ATTORNEYS' FEES. In the event of any declaratory or other legal or equitable action instituted between District and Contractor in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party all of its attorneys' fees, and costs and expenses.

16. THIRD-PARTY CLAIMS/DISTRICT NOTICE. Contractor agrees that it will process and administer any and all claims from third parties received in connection with Contractor's performance of the Services, consistent with the terms of Sections 10 and 11 of this Agreement. In accordance with Public Contract Code Section 9201, District shall timely notify Contractor if District receives any third-party claim relating to the Services or the Agreement. District shall be entitled to recover from Contractor District's reasonable costs incurred in providing such notification.

17. NOTICE. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person or to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Contractor:	Evans Hydro, Inc. 18128 S. Santa Fe Ave. Rancho Dominguez, CA 90221
If to District:	Notices: Moulton Niguel Water District 27500 La Paz Road Laguna Niguel, CA 92677 Attn: Director of Engineering and Operations
If to District:	Billing: Moulton Niguel Water District P.O. Box 30203 Laguna Niguel, CA 92607-0203 Attn: Purchasing (949) 831-2500

Any notice to Contractor's surety (or any other person) shall be addressed to the addresses provided in the Agreement or such substitute addresses in accordance with the terms provided herein. Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be fully delivered and received 24 hours after mailing as provided above.

18. INTEGRATION; ATTACHMENTS. This Agreement supersedes any and all agreements between the parties hereto which are prior in time to this Agreement. Neither District nor Contractor shall be bound by any understanding, agreement, promise, representation or stipulation expressed or implied not specified herein. The Exhibits attached hereto are incorporated herein as part of this Agreement.

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

20. AMENDMENTS. No addition to or modification of any provision contained in the Agreement shall be effective unless fully set forth in a writing signed by both District and Contractor.

21. GOVERNING LAW; VENUE. The Agreement shall be construed in accordance with and governed by the laws of the State. In the event of any legal action to enforce or interpret the 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.

22. DUE AUTHORITY OF SIGNATORIES; COUNTERPARTS. Each person signing this Agreement represents and warrants that he or she has been duly authorized by appropriate action of the party he or she represents to execute, and thereby bind such party to, this Agreement. This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and both of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

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

24. INTERPRETATION. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if both parties prepared this Agreement.

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

“DISTRICT”:

MOULTON NIGUEL WATER DISTRICT

By: _____

Title: General Manager

DATE: _____

“CONTRACTOR”:

EVANS HYDRO, INC.

By: _____

Title: Authorized Officer/Representative*

DATE: _____

* Complete and attach one of the following: Corporate Certificate executed by Corporate Secretary; or, Notarization of Authorized Officer/Representative signature

CORPORATE CERTIFICATE*

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

[_____] , Secretary

(CORPORATE SEAL)

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

EXHIBIT 1**SCOPE OF WORK****Purpose:**

Contractor shall provide pump refurbishment services to MNWD for the repair of its pumps on an as-needed basis.

Services Detail:

Services to include fabricating new shaft sleeves, wear rings, pressed bearings, impeller balancing, and modifications. Contractor shall provide, at its expense, the facility, equipment and labor necessary to complete the Services. Services shall take place during regular business hours only.

Services may include but are not limited to the following, based on specific repair needs for each pump to be determined at the time of service:

- Disassemble and inspection of pump
- Sandblast all applicable parts
- Shaft polish and straight
- Replace thrust and radial bearings, and lip seals
- Manufacture (2) new sleeves packing bronze
- Center sleeve manufacture new bronze
- Impeller wear ring journal machine to install new ring
- Impeller ring manufacture new bronze
- Center bushing skim cut to clean 100% ID.
- Case wear ring skim cut to clean 100% ID
- Balance the impeller 4w/n
- Replace gasket, packing, and lantern ring
- Reassemble rotating element
- Paint and prep for shipment

EXHIBIT 2
FEE SCHEDULE

EXHIBIT 3

**MOULTON NIGUEL WATER DISTRICT
PUMP REFURBISHMENT SERVICES
(Fiscal Year 2015-16, 2016-17)**

WORKERS' COMPENSATION DECLARATION

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

(ONE OF THE BOXES BELOW MUST BE CHECKED, AND FORM SIGNED BELOW)

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

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

Carrier _____

Policy Number _____

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

Date: _____

Contractor: _____

Authorized Officer/ Representative

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

**MOULTON NIGUEL WATER DISTRICT
PUMP REFURBISHMENT SERVICES
(Fiscal Year 2015-16 and 2016-17)
Agreement No. OM15-16.010**

THIS AGREEMENT (“Agreement”) is approved and entered into as of _____, 2015 (the “Effective Date”), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter called “District”, and WEBER WATER RESOURCES, hereinafter called “Contractor”. District and Contractor are sometimes referred to in this Agreement individually as a “party” or jointly as the “parties.”

RECITALS

- A. District requires pump refurbishment services, as further described in this Agreement and in **Exhibit 1, Scope of Work** and its attachments attached hereto and incorporated in this Agreement (the “Services”).
- B. Contractor represents that it has the necessary licenses, equipment, permits, and skills required to perform the Services pursuant to the terms and standards set forth in this Agreement.

NOW, THEREFORE, District and Contractor for the consideration stated herein agree as follows:

1. **SCOPE OF WORK, PERFORMANCE STANDARDS.**

(a) Contractor shall perform the Services in accordance with the Scope of Work and specifications set forth in attached **Exhibit 1** and the other terms of this Agreement in consultation with District representatives, including the provision of labor, and materials (not otherwise provided by District itself), for various facilities throughout District, from time to time during the term of this Agreement. The quantity of work to be performed and materials provided outlined in **Exhibit 1** is only an estimate. The expected scope and amount of Services to be performed is on an as-needed basis. Contractor acknowledges and agrees District does not guarantee any minimum or maximum amount of Services to be provided under this Agreement and District may use other Contractors for the Services throughout the term of this Agreement, in its sole discretion. Except as otherwise specified under **Exhibit 1**, Contractor shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional and workmanlike manner, and in accordance with generally accepted industry standards, to the satisfaction of District.

(b) The Services shall be performed in accordance with the terms of this Agreement including all attached Exhibits, the Services specifications, and the permitting, licensing or other requirements of any governmental or municipal entity within whose jurisdiction the Services are

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performed, including municipal storm water ordinances, which are by this reference incorporated into this Agreement. It shall be the Contractor's responsibility to ascertain and keep informed of all such existing and future requirements of other governmental entities concerning the Services performed under this Agreement, including acquisition of necessary permits and licenses by municipalities related to Services in public right of way and payment of the fees or costs thereof.

(c) Contractor is an independent contractor and not an employee of District. No permitted or required approval of District representatives of costs, schedules, documents, or services of Contractor or investigations thereof, will be construed as making District responsible for the manner in which Contractor performs the Services. Such approvals and investigations are intended only to give District the right to satisfy itself with the quality of work performed by Contractor.

2. PUBLIC SAFETY; SAFETY REQUIREMENTS. Contractor shall be solely and completely responsible for the safety of all persons and property during performance of the Services and work. Contractor's operations for the Services shall be conducted so as to provide maximum safety to Contractor's employees, to the general public and to District's representatives, and in compliance with all safety laws, rules and regulations of the State of California ("State"), federal, and local agencies. It is Contractor's responsibility to have a current safety program on file with District prior to commencement of any Services under this Agreement. It is Contractor's responsibility to have a current Safety Manual that meets SB 198 requirement for injury and illness prevention and have that Safety Manual on file with District.

3. COMPLIANCE WITH LAW, LICENSE.

(a) Contractor at all times during the performance of the Services shall comply with, cause its agents, employees and representatives to observe and comply with and shall remain fully informed of all local, State, and federal laws, ordinances, rules, regulations or other requirements, including any permits issued for the Services, that may in any manner affect those employed to perform any of the Services or that may in any way affect the performance of the Services. In performing the Services, Contractor shall comply with, and give all notices required pursuant to all laws, ordinances, rules, regulations and other requirements applicable to the Services. Contractor shall be liable for any violation of law, ordinance, rule, regulation or other requirement in connection with performance of the Services. Contractor shall bear all liability and costs, including fines, arising from performance of the Services that are contrary to any applicable law, ordinance, rule, regulation, or other requirement.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contractor must provide its DIR Registration number to the District.

4. DISTRICT OBSERVATION. Contractor's performance of Services is subject to observation and inspection by District's representatives. The observation, if any, by the District's representative of the Services shall not relieve Contractor of any of obligations under the Agreement as prescribed, or Contractor's obligations to perform the Services in accordance with all terms and provisions required by municipal permits.

5. AGREEMENT PRICE; TERM.

(a) Contractor shall perform all Services pursuant to this Agreement at the “unit prices” in the schedule of work items attached as **Exhibit 2, Fee Schedule**, which establishes unit prices for components of the Services, including materials, listed in the schedule. There shall be no increase to the unit prices if an adjustment to the number of Contractor’s staff or service hours is needed to meet the Agreement requirements for the Services. The total compensation paid to Contractor during the term of this Agreement shall not exceed **Seventy-Five Thousand Dollars (\$75,000)** (the “Agreement Maximum Amount”). Notwithstanding the foregoing, the total compensation during the 2015-16 fiscal year of the Agreement term shall not exceed **Thirty Thousand Dollars (\$30,000)** and the total compensation during the 2016-17 fiscal year of the Agreement term shall not exceed **Forty-Five Thousand Dollars (\$45,000)**. Contractor is responsible for and shall pay all sales, consumer, use, and other taxes in connection with materials for the Services.

(b) Work will be billed by Contractor in accordance with District’s invoicing requirements, including sufficient detail on work items under the Agreement pricing. Contractor's invoice will account for the location of the Services performed in addition to sufficient cost details as required by District. District will make payment to the Contractor within thirty (30) calendar days of receipt and approval of an invoice by District, provided District may withhold amounts as necessary to satisfy properly filed claims for labor or material; estimated actual costs for correcting defective work; amounts claimed by District as forfeiture due to offsets, and as otherwise provided for under Section 9. No certificate given or payment made under the Agreement shall be conclusive evidence of performance of the Agreement and no payment shall be an acceptance of any defective work or improper materials.

(c) Acceptance and payment by District for the Services will not in any way relieve Contractor of its responsibility to perform the Services and the Agreement in strict accordance with State, federal, and local law. Neither District's acceptance of, nor payment for, any Services will be construed to operate as a waiver of any rights under the Agreement, or of any cause of action arising out of the performance of the Agreement.

(d) The term of the Agreement is from the **Effective Date to and including June 30, 2017** (“expiration”), unless otherwise terminated earlier by either party pursuant to Section 12.

6. PUBLIC LAW REQUIREMENTS; PREVAILING WAGE.

(a) District is a public agency in the State and is subject to the provisions of law relating to public contracts. It is agreed that all provisions of law applicable to public contracts are a part of this Agreement to the same extent as though set forth herein. Contractor represents and warrants that it is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects, and will be comply with the Prevailing Wage Laws, including but not limited to the payment of prevailing wages. A copy of

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these prevailing wage rates are on file with the Department of Industrial Relations and can be found online with the State of California at <http://www.dir.ca.gov/dlsr/pwd>. A copy of such prevailing wage rates shall be posted on the jobsite by Contractor. It shall be mandatory Contractor to pay not less than the specified rates to all workers employed by them in the execution of the Services.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contracts/subcontracts shall not be entered into after April 1, 2015, with any contractor without proof of current registration to perform work consistent and in compliance with the requirements of Sections 1725.5 and 1771.1. Contractor acknowledges that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contracts entering into with any Contractor or subcontractor, in violation of Section 1771.1(a), shall be subject to cancellation by the District at the sole discretion of the District consistent with Section 1771.1(e).

(c) Contractor is responsible for furnishing those records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, pursuant to the procedures set forth in Section 1771.4 of the Labor Code. Contractor's DIR Registration No. is 1000006548.

(d) Contractor acknowledges that it is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(e) The Contractor shall post job site notices, pursuant to the requirements set forth in the Labor Code and related applicable regulations, including but not limited to, those provisions addressing the posting of notice relating to prevailing wage compliance.

7. AGREEMENT DOCUMENTS. The Agreement includes all of the Agreement documents as follows: this Agreement and all exhibits and attachments to the foregoing documents.

8. NO SUBCONTRACTORS. Contractor agrees and represents that none of the Services will be subcontracted, and that Contractor will perform all Services. It is agreed and acknowledged that should Contractor fail to conform hereto or with any of the requirements of Section 4100 *et seq.* of the Public Contract Code, Contractor shall be subject to the applicable statutory penalties, and to the requirements of Labor Code Sections 1777.1 or 1777.7 relating to payment of wages to ineligible subcontractors' employees, and the corresponding return of all subcontracting payments to District.

9. REMEDIES FOR DEFAULT. Without limiting any other right or remedy of District, should District not receive proper Services, cooperation, and response to its requests from Contractor in compliance with this Agreement and the Scope of Work, District reserves the right to withhold payments due to Contractor under this Agreement until said items are completed or corrected by Contractor or, at District's election, completed or corrected by others. The entire cost of any such work performed by others shall be deducted from the payments due to Contractor hereunder. Without limiting any other right or remedy of District, District shall have the right to offset against any amount payable to Contractor under this Agreement, any back charges provided

for in the Exhibits in this Agreement, and any loss or damage caused by Contractor's lack of performance or breach of this Agreement.

10. INSURANCE

(a) In addition to the requirements set forth below, during the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of Contractor in connection with or related to the Services provided under the Agreement.

(b) During the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by District as listed in this Section. Contractor shall not commence Services under the Agreement until it has obtained all insurance required by the Agreement. Two (2) sets of originally executed certificates of insurance and all required endorsements evidencing the required coverage detailed in this Section shall be provided by Contractor with the Contractor's executed copy of this Agreement, and prior to commencement of any Services.

(c) The commercial general liability and business automobile insurance will be comprehensive in form, and be for the term of this Agreement and on a 'per occurrence' basis. All policies will have a clause providing that thirty (30) calendar days written notice will be given to District prior to any cancellation of such policies. All insurance will be issued and underwritten by insurance companies having at least an "A-" policyholder's rating and a financial rating not less than Class VII in accordance with the most current Best's Rating Guide - Property/Casualty, or better, or as otherwise approved by District. Contractor may satisfy the limit requirements set forth below in a single policy or multiple policies, provided, however, that any such additional policies written as excess insurance will not provide any less coverage than that provided by Contractor's first or primary policy. All policies shall name Moulton Niguel Water District and each of its directors, elected officials, officers, employees and agents as additional insureds thereunder ("Additional Insureds"). All of the policies of insurance provided hereunder shall be primary insurance and not additional to or contribute with any other insurance carried or maintained by, or for the benefit of, the Additional Insureds, and the insurer shall waive all rights of subrogation and contribution it may have against the Additional Insureds; these requirements shall be set forth in endorsements to policies. In the event any of said policies of insurance are canceled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 10 to District.

(d) In the event District consents, and Contractor subcontracts any portion of the Services under the Agreement, the Agreement between Contractor and such subcontractor shall require the subcontractor to maintain the same policies, limits and terms of insurance that Contractor is required to maintain pursuant to this Section 10, in accordance with all of the requirements of this Section 10.

(e) Contractor shall take out and maintain at all times during the Agreement the following policies of insurance, which shall comply with the other terms of Section as well as the following:

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- (i) Workers Compensation Insurance and Employers Liability Insurance. Worker's compensation insurance as required by State laws, and employer's liability insurance with limits not less than \$1,000,000 each accident and \$1,000,000 for disease per employs, **which will include the subrogation and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall be in strict accordance with the requirements of the most current and applicable state Workers' Compensation insurance laws. Contractor shall execute the Certificate required by Section 1861 of the Labor Code on **Exhibit 3** attached to this Agreement prior to commencement of any Services.
- (ii) Commercial General Liability Insurance. Commercial general liability in a combined limit of not less than \$2,000,000 per occurrence, \$4,000,000 aggregate with such aggregate to apply separately to the Services. Commercial General Liability insurance coverage shall be equivalent to Insurance Services Office Form CG 00 01. Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in Section 11 of this Agreement, **as well as the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall name the Additional Insureds using ISO endorsement CG 20 10 11 85, or both CG 20 10 and CG 20 37 forms if later revisions are used.
- (iii) Business Automobile Insurance. Business automobile insurance with a liability limits of not less than \$1,000,000 each accident for bodily injury and property damage. The policy shall include coverage for any auto, owned, non-owned, and hired vehicles, **and include the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.**

(f) Nothing in the insurance requirements set forth in this Agreement is to be construed as limiting the liability of Contractor or Contractor's insurers or sureties. Contractor agrees that the provisions of this Section 10 shall not be construed as limiting in any way the extent to which Contractor may be held responsible for the payment of damages or other costs to District, or any persons or property, resulting from Contractor's activities or the activities of any person or persons for which Contractor is otherwise responsible, including Contractor's subcontractors, if any.

11. INDEMNIFICATION

(a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend District, and each its directors, elected officials, officers, employees, members and agents from and against all claims, damages, losses and expenses, and costs including costs of defense and attorneys' fees, arising out of, in connection with, or resulting from, or alleged to have arisen out of or resulted from, the performance of the Services or work hereunder, provided that any such claim, damage, loss or expense is: (a) attributable to bodily injury, personal injury,

sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder (except, to the extent of the sole negligence, active negligence or willful misconduct of such indemnified party, in which case Contractor's indemnification obligation shall be reduced in proportion to the indemnified party's share of liability for its sole or active negligence or willful misconduct, if any); **or** (c) due to failure, neglect or refusal of the Contractor to faithfully perform the Services or work and any of the Contractor's obligations under the Agreement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 11. It is expressly acknowledged by the Contractor that the foregoing obligations of Contractor include the duty to defend the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

(b) In any and all claims against the indemnified parties by any employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor, or any subcontractor, or other person under workers' compensation acts, disability benefit acts, or other employee acts.

(c) This indemnity obligation shall survive the termination or expiration of the Agreement and the completion of the Services and work hereunder.

12. TERMINATION. Either party may terminate this Agreement by providing written notice to the other party ten (10) business days in advance of the date of termination; provided, District may terminate the Agreement without any advance notice in the event Contractor is in material breach of any of the terms of this Agreement, as determined by District in its discretion. In the event Contractor terminates this Agreement, Contractor is responsible for the completion of any Services still outstanding in accordance with the terms of the Agreement. Contractor's indemnity and warranty obligations shall survive the expiration or termination of this Agreement, as well as any outstanding obligations of Contractor at the time of termination. On any termination, Contractor will be entitled to the reasonable value of the Services performed for which it has not received prior compensation under this Agreement, subject to any offset from such payment representing District's damages from any material breach of the terms of the Agreement by Contractor or as otherwise provided for under Section 5. In no event, will Contractor be entitled to receive compensation in excess of the compensation specified under Section 5 of this Agreement. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

13. RECORDS. Contractor shall preserve and retain any and all records of or related to the Services, including all records of or related to this Agreement and the Services and obligations contained herein, for a period of no less than four (4) years commencing upon final payment to Contractor under the Agreement or, if an examination, review or audit is commenced but not completed within such period, until such examination, review or audit has been completed.

#8.

Additionally, pursuant to Government Code Section 8546.7, the State has the right to examine, review, audit and/or copy such records during the three (3) year period following final payment to Contractor pursuant to the Agreement. Contractor, upon request, shall make the records of the work available for the purposes described in this section at all reasonable times during the period Contractor is required to preserve and maintain such records.

14. SUCCESSORS; ASSIGNMENT. This Agreement is binding on the successors of the parties. This Agreement may not be assigned by Contractor except upon written consent of District.

15. ATTORNEYS' FEES. In the event of any declaratory or other legal or equitable action instituted between District and Contractor in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party all of its attorneys' fees, and costs and expenses.

16. THIRD-PARTY CLAIMS/DISTRICT NOTICE. Contractor agrees that it will process and administer any and all claims from third parties received in connection with Contractor's performance of the Services, consistent with the terms of Sections 10 and 11 of this Agreement. In accordance with Public Contract Code Section 9201, District shall timely notify Contractor if District receives any third-party claim relating to the Services or the Agreement. District shall be entitled to recover from Contractor District's reasonable costs incurred in providing such notification.

17. NOTICE. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person or to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Contractor: Weber Water Resources
237 West Orange Show Lane
San Bernardino, CA 92408-2037
Attn: Don Rice

If to District: Notices:
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677
Attn: Director of Engineering and Operations

If to District: Billing:
Moulton Niguel Water District
P.O. Box 30203
Laguna Niguel, CA 92607-0203
Attn: Purchasing
(949) 831-2500

Any notice to Contractor's surety (or any other person) shall be addressed to the addresses provided in the Agreement or such substitute addresses in accordance with the terms provided herein. Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be fully delivered and received 24 hours after mailing as provided above.

18. INTEGRATION; ATTACHMENTS. This Agreement supersedes any and all agreements between the parties hereto which are prior in time to this Agreement. Neither District nor Contractor shall be bound by any understanding, agreement, promise, representation or stipulation expressed or implied not specified herein. The Exhibits attached hereto are incorporated herein as part of this Agreement.

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

20. AMENDMENTS. No addition to or modification of any provision contained in the Agreement shall be effective unless fully set forth in a writing signed by both District and Contractor.

21. GOVERNING LAW; VENUE. The Agreement shall be construed in accordance with and governed by the laws of the State. In the event of any legal action to enforce or interpret the 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.

22. DUE AUTHORITY OF SIGNATORIES; COUNTERPARTS. Each person signing this Agreement represents and warrants that he or she has been duly authorized by appropriate action of the party he or she represents to execute, and thereby bind such party to, this Agreement. This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and both of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

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

24. INTERPRETATION. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if both parties prepared this Agreement.

#8.

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

“DISTRICT”:

MOULTON NIGUEL WATER DISTRICT

By: _____
Title: General Manager

DATE: _____

“CONTRACTOR”:

WEBER WATER RESOURCES

By: _____
Title: Authorized Officer/Representative*

DATE: _____

* Complete and attach one of the following: Corporate Certificate executed by Corporate Secretary; or, Notarization of Authorized Officer/Representative signature

CORPORATE CERTIFICATE*

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

[_____] , Secretary

(CORPORATE SEAL)

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

EXHIBIT 1**SCOPE OF WORK****Purpose:**

Contractor shall provide pump refurbishment services to MNWD for the repair of its pumps on an as-needed basis.

Services Detail:

Services to include fabricating new shaft sleeves, wear rings, pressed bearings, impeller balancing, and modifications. Contractor shall provide, at its expense, the facility, equipment and labor necessary to complete the Services. Services shall take place during regular business hours only.

Services may include but are not limited to the following, based on specific repair needs for each pump to be determined at the time of service:

- Disassemble and inspection of pump
- Sandblast all applicable parts
- Shaft polish and straight
- Replace thrust and radial bearings, and lip seals
- Manufacture (2) new sleeves packing bronze
- Center sleeve manufacture new bronze
- Impeller wear ring journal machine to install new ring
- Impeller ring manufacture new bronze
- Center bushing skim cut to clean 100% ID.
- Case wear ring skim cut to clean 100% ID
- Balance the impeller 4w/n
- Replace gasket, packing, and lantern ring
- Reassemble rotating element
- Paint and prep for shipment

EXHIBIT 2
FEE SCHEDULE

EXHIBIT 3

**MOULTON NIGUEL WATER DISTRICT
PUMP REFURBISHMENT SERVICES
(Fiscal Year 2015-16, 2016-17)**

WORKERS' COMPENSATION DECLARATION

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

(ONE OF THE BOXES BELOW MUST BE CHECKED, AND FORM SIGNED BELOW)

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

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

Carrier _____

Policy Number _____

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

Date: _____

Contractor: _____

Authorized Officer/ Representative

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

**MOULTON NIGUEL WATER DISTRICT
PUMP REFURBISHMENT SERVICES
(Fiscal Year 2015-16 and 2016-17)
Agreement No. OM15-16.010**

THIS AGREEMENT (“Agreement”) is approved and entered into as of _____, 2015 (the “Effective Date”), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter called “District”, and PACIFIC COAST PUMP AND EQUIPMENT, hereinafter called “Contractor”. District and Contractor are sometimes referred to in this Agreement individually as a “party” or jointly as the “parties.”

RECITALS

- A. District requires pump refurbishment services, as further described in this Agreement and in **Exhibit 1, Scope of Work** and its attachments attached hereto and incorporated in this Agreement (the “Services”).
- B. Contractor represents that it has the necessary licenses, equipment, permits, and skills required to perform the Services pursuant to the terms and standards set forth in this Agreement.

NOW, THEREFORE, District and Contractor for the consideration stated herein agree as follows:

1. **SCOPE OF WORK, PERFORMANCE STANDARDS.**

(a) Contractor shall perform the Services in accordance with the Scope of Work and specifications set forth in attached **Exhibit 1** and the other terms of this Agreement in consultation with District representatives, including the provision of labor, and materials (not otherwise provided by District itself), for various facilities throughout District, from time to time during the term of this Agreement. The quantity of work to be performed and materials provided outlined in **Exhibit 1** is only an estimate. The expected scope and amount of Services to be performed is on an as-needed basis. Contractor acknowledges and agrees District does not guarantee any minimum or maximum amount of Services to be provided under this Agreement and District may use other Contractors for the Services throughout the term of this Agreement, in its sole discretion. Except as otherwise specified under **Exhibit 1**, Contractor shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional and workmanlike manner, and in accordance with generally accepted industry standards, to the satisfaction of District.

(b) The Services shall be performed in accordance with the terms of this Agreement including all attached Exhibits, the Services specifications, and the permitting, licensing or other requirements of any governmental or municipal entity within whose jurisdiction the Services are

#8.

performed, including municipal storm water ordinances, which are by this reference incorporated into this Agreement. It shall be the Contractor's responsibility to ascertain and keep informed of all such existing and future requirements of other governmental entities concerning the Services performed under this Agreement, including acquisition of necessary permits and licenses by municipalities related to Services in public right of way and payment of the fees or costs thereof.

(c) Contractor is an independent contractor and not an employee of District. No permitted or required approval of District representatives of costs, schedules, documents, or services of Contractor or investigations thereof, will be construed as making District responsible for the manner in which Contractor performs the Services. Such approvals and investigations are intended only to give District the right to satisfy itself with the quality of work performed by Contractor.

2. PUBLIC SAFETY; SAFETY REQUIREMENTS. Contractor shall be solely and completely responsible for the safety of all persons and property during performance of the Services and work. Contractor's operations for the Services shall be conducted so as to provide maximum safety to Contractor's employees, to the general public and to District's representatives, and in compliance with all safety laws, rules and regulations of the State of California ("State"), federal, and local agencies. It is Contractor's responsibility to have a current safety program on file with District prior to commencement of any Services under this Agreement. It is Contractor's responsibility to have a current Safety Manual that meets SB 198 requirement for injury and illness prevention and have that Safety Manual on file with District.

3. COMPLIANCE WITH LAW, LICENSE.

(a) Contractor at all times during the performance of the Services shall comply with, cause its agents, employees and representatives to observe and comply with and shall remain fully informed of all local, State, and federal laws, ordinances, rules, regulations or other requirements, including any permits issued for the Services, that may in any manner affect those employed to perform any of the Services or that may in any way affect the performance of the Services. In performing the Services, Contractor shall comply with, and give all notices required pursuant to all laws, ordinances, rules, regulations and other requirements applicable to the Services. Contractor shall be liable for any violation of law, ordinance, rule, regulation or other requirement in connection with performance of the Services. Contractor shall bear all liability and costs, including fines, arising from performance of the Services that are contrary to any applicable law, ordinance, rule, regulation, or other requirement.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contractor must provide its DIR Registration number to the District.

4. DISTRICT OBSERVATION. Contractor's performance of Services is subject to observation and inspection by District's representatives. The observation, if any, by the District's representative of the Services shall not relieve Contractor of any of obligations under the Agreement as prescribed, or Contractor's obligations to perform the Services in accordance with all terms and provisions required by municipal permits.

5. AGREEMENT PRICE; TERM.

(a) Contractor shall perform all Services pursuant to this Agreement at the “unit prices” in the schedule of work items attached as Exhibit 2, Fee Schedule, which establishes unit prices for components of the Services, including materials, listed in the schedule. There shall be no increase to the unit prices if an adjustment to the number of Contractor’s staff or service hours is needed to meet the Agreement requirements for the Services. The total compensation paid to Contractor during the term of this Agreement shall not exceed Seventy-Five Thousand Dollars (\$75,000) (the “Agreement Maximum Amount”). Notwithstanding the foregoing, the total compensation during the 2015-16 fiscal year of the Agreement term shall not exceed Thirty Thousand Dollars (\$30,000) and the total compensation during the 2016-17 fiscal year of the Agreement term shall not exceed Forty-Five Thousand Dollars (\$45,000). Contractor is responsible for and shall pay all sales, consumer, use, and other taxes in connection with materials for the Services.

(b) Work will be billed by Contractor in accordance with District’s invoicing requirements, including sufficient detail on work items under the Agreement pricing. Contractor's invoice will account for the location of the Services performed in addition to sufficient cost details as required by District. District will make payment to the Contractor within thirty (30) calendar days of receipt and approval of an invoice by District, provided District may withhold amounts as necessary to satisfy properly filed claims for labor or material; estimated actual costs for correcting defective work; amounts claimed by District as forfeiture due to offsets, and as otherwise provided for under Section 9. No certificate given or payment made under the Agreement shall be conclusive evidence of performance of the Agreement and no payment shall be an acceptance of any defective work or improper materials.

(c) Acceptance and payment by District for the Services will not in any way relieve Contractor of its responsibility to perform the Services and the Agreement in strict accordance with State, federal, and local law. Neither District's acceptance of, nor payment for, any Services will be construed to operate as a waiver of any rights under the Agreement, or of any cause of action arising out of the performance of the Agreement.

(d) The term of the Agreement is from the Effective Date to and including June 30, 2017 (“expiration”), unless otherwise terminated earlier by either party pursuant to Section 12.

6. PUBLIC LAW REQUIREMENTS; PREVAILING WAGE.

(a) District is a public agency in the State and is subject to the provisions of law relating to public contracts. It is agreed that all provisions of law applicable to public contracts are a part of this Agreement to the same extent as though set forth herein. Contractor represents and warrants that it is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects, and will be comply with the Prevailing Wage Laws, including but not limited to the payment of prevailing wages. A copy of

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these prevailing wage rates are on file with the Department of Industrial Relations and can be found online with the State of California at <http://www.dir.ca.gov/dlsr/pwd>. A copy of such prevailing wage rates shall be posted on the jobsite by Contractor. It shall be mandatory Contractor to pay not less than the specified rates to all workers employed by them in the execution of the Services.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contracts/subcontracts shall not be entered into after April 1, 2015, with any contractor without proof of current registration to perform work consistent and in compliance with the requirements of Sections 1725.5 and 1771.1. Contractor acknowledges that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contracts entering into with any Contractor or subcontractor, in violation of Section 1771.1(a), shall be subject to cancellation by the District at the sole discretion of the District consistent with Section 1771.1(e).

(c) Contractor is responsible for furnishing those records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, pursuant to the procedures set forth in Section 1771.4 of the Labor Code. Contractor's DIR Registration No. is _____.

(d) Contractor acknowledges that it is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(e) The Contractor shall post job site notices, pursuant to the requirements set forth in the Labor Code and related applicable regulations, including but not limited to, those provisions addressing the posting of notice relating to prevailing wage compliance.

7. AGREEMENT DOCUMENTS. The Agreement includes all of the Agreement documents as follows: this Agreement and all exhibits and attachments to the foregoing documents.

8. NO SUBCONTRACTORS. Contractor agrees and represents that none of the Services will be subcontracted, and that Contractor will perform all Services. It is agreed and acknowledged that should Contractor fail to conform hereto or with any of the requirements of Section 4100 *et seq.* of the Public Contract Code, Contractor shall be subject to the applicable statutory penalties, and to the requirements of Labor Code Sections 1777.1 or 1777.7 relating to payment of wages to ineligible subcontractors' employees, and the corresponding return of all subcontracting payments to District.

9. REMEDIES FOR DEFAULT. Without limiting any other right or remedy of District, should District not receive proper Services, cooperation, and response to its requests from Contractor in compliance with this Agreement and the Scope of Work, District reserves the right to withhold payments due to Contractor under this Agreement until said items are completed or corrected by Contractor or, at District's election, completed or corrected by others. The entire cost of any such work performed by others shall be deducted from the payments due to Contractor hereunder. Without limiting any other right or remedy of District, District shall have the right to offset against any amount payable to Contractor under this Agreement, any back charges provided

for in the Exhibits in this Agreement, and any loss or damage caused by Contractor's lack of performance or breach of this Agreement.

10. INSURANCE

(a) In addition to the requirements set forth below, during the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of Contractor in connection with or related to the Services provided under the Agreement.

(b) During the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by District as listed in this Section. Contractor shall not commence Services under the Agreement until it has obtained all insurance required by the Agreement. Two (2) sets of originally executed certificates of insurance and all required endorsements evidencing the required coverage detailed in this Section shall be provided by Contractor with the Contractor's executed copy of this Agreement, and prior to commencement of any Services.

(c) The commercial general liability and business automobile insurance will be comprehensive in form, and be for the term of this Agreement and on a 'per occurrence' basis. All policies will have a clause providing that thirty (30) calendar days written notice will be given to District prior to any cancellation of such policies. All insurance will be issued and underwritten by insurance companies having at least an "A-" policyholder's rating and a financial rating not less than Class VII in accordance with the most current Best's Rating Guide - Property/Casualty, or better, or as otherwise approved by District. Contractor may satisfy the limit requirements set forth below in a single policy or multiple policies, provided, however, that any such additional policies written as excess insurance will not provide any less coverage than that provided by Contractor's first or primary policy. All policies shall name Moulton Niguel Water District and each of its directors, elected officials, officers, employees and agents as additional insureds thereunder ("Additional Insureds"). All of the policies of insurance provided hereunder shall be primary insurance and not additional to or contribute with any other insurance carried or maintained by, or for the benefit of, the Additional Insureds, and the insurer shall waive all rights of subrogation and contribution it may have against the Additional Insureds; these requirements shall be set forth in endorsements to policies. In the event any of said policies of insurance are canceled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 10 to District.

(d) In the event District consents, and Contractor subcontracts any portion of the Services under the Agreement, the Agreement between Contractor and such subcontractor shall require the subcontractor to maintain the same policies, limits and terms of insurance that Contractor is required to maintain pursuant to this Section 10, in accordance with all of the requirements of this Section 10.

(e) Contractor shall take out and maintain at all times during the Agreement the following policies of insurance, which shall comply with the other terms of Section as well as the following:

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- (i) Workers Compensation Insurance and Employers Liability Insurance. Worker's compensation insurance as required by State laws, and employer's liability insurance with limits not less than \$1,000,000 each accident and \$1,000,000 for disease per employs, **which will include the subrogation and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall be in strict accordance with the requirements of the most current and applicable state Workers' Compensation insurance laws. Contractor shall execute the Certificate required by Section 1861 of the Labor Code on **Exhibit 3** attached to this Agreement prior to commencement of any Services.
- (ii) Commercial General Liability Insurance. Commercial general liability in a combined limit of not less than \$2,000,000 per occurrence, \$4,000,000 aggregate with such aggregate to apply separately to the Services. Commercial General Liability insurance coverage shall be equivalent to Insurance Services Office Form CG 00 01. Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in Section 11 of this Agreement, **as well as the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall name the Additional Insureds using ISO endorsement CG 20 10 11 85, or both CG 20 10 and CG 20 37 forms if later revisions are used.
- (iii) Business Automobile Insurance. Business automobile insurance with a liability limits of not less than \$1,000,000 each accident for bodily injury and property damage. The policy shall include coverage for any auto, owned, non-owned, and hired vehicles, **and include the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.**

(f) Nothing in the insurance requirements set forth in this Agreement is to be construed as limiting the liability of Contractor or Contractor's insurers or sureties. Contractor agrees that the provisions of this Section 10 shall not be construed as limiting in any way the extent to which Contractor may be held responsible for the payment of damages or other costs to District, or any persons or property, resulting from Contractor's activities or the activities of any person or persons for which Contractor is otherwise responsible, including Contractor's subcontractors, if any.

11. INDEMNIFICATION

(a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend District, and each its directors, elected officials, officers, employees, members and agents from and against all claims, damages, losses and expenses, and costs including costs of defense and attorneys' fees, arising out of, in connection with, or resulting from, or alleged to have arisen out of or resulted from, the performance of the Services or work hereunder, provided that any such claim, damage, loss or expense is: (a) attributable to bodily injury, personal injury,

sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder (except, to the extent of the sole negligence, active negligence or willful misconduct of such indemnified party, in which case Contractor's indemnification obligation shall be reduced in proportion to the indemnified party's share of liability for its sole or active negligence or willful misconduct, if any); **or** (c) due to failure, neglect or refusal of the Contractor to faithfully perform the Services or work and any of the Contractor's obligations under the Agreement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 11. It is expressly acknowledged by the Contractor that the foregoing obligations of Contractor include the duty to defend the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

(b) In any and all claims against the indemnified parties by any employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor, or any subcontractor, or other person under workers' compensation acts, disability benefit acts, or other employee acts.

(c) This indemnity obligation shall survive the termination or expiration of the Agreement and the completion of the Services and work hereunder.

12. **TERMINATION**. Either party may terminate this Agreement by providing written notice to the other party ten (10) business days in advance of the date of termination; provided, District may terminate the Agreement without any advance notice in the event Contractor is in material breach of any of the terms of this Agreement, as determined by District in its discretion. In the event Contractor terminates this Agreement, Contractor is responsible for the completion of any Services still outstanding in accordance with the terms of the Agreement. Contractor's indemnity and warranty obligations shall survive the expiration or termination of this Agreement, as well as any outstanding obligations of Contractor at the time of termination. On any termination, Contractor will be entitled to the reasonable value of the Services performed for which it has not received prior compensation under this Agreement, subject to any offset from such payment representing District's damages from any material breach of the terms of the Agreement by Contractor or as otherwise provided for under Section 5. In no event, will Contractor be entitled to receive compensation in excess of the compensation specified under Section 5 of this Agreement. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

13. **RECORDS**. Contractor shall preserve and retain any and all records of or related to the Services, including all records of or related to this Agreement and the Services and obligations contained herein, for a period of no less than four (4) years commencing upon final payment to Contractor under the Agreement or, if an examination, review or audit is commenced but not completed within such period, until such examination, review or audit has been completed.

#8.

Additionally, pursuant to Government Code Section 8546.7, the State has the right to examine, review, audit and/or copy such records during the three (3) year period following final payment to Contractor pursuant to the Agreement. Contractor, upon request, shall make the records of the work available for the purposes described in this section at all reasonable times during the period Contractor is required to preserve and maintain such records.

14. SUCCESSORS; ASSIGNMENT. This Agreement is binding on the successors of the parties. This Agreement may not be assigned by Contractor except upon written consent of District.

15. ATTORNEYS' FEES. In the event of any declaratory or other legal or equitable action instituted between District and Contractor in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party all of its attorneys' fees, and costs and expenses.

16. THIRD-PARTY CLAIMS/DISTRICT NOTICE. Contractor agrees that it will process and administer any and all claims from third parties received in connection with Contractor's performance of the Services, consistent with the terms of Sections 10 and 11 of this Agreement. In accordance with Public Contract Code Section 9201, District shall timely notify Contractor if District receives any third-party claim relating to the Services or the Agreement. District shall be entitled to recover from Contractor District's reasonable costs incurred in providing such notification.

17. NOTICE. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person or to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Contractor: Pacific Coast Pump and Equipment
1010 E Elm Ave
Fullerton, CA 92831
Attn:

If to District: Notices:
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677
Attn: Director of Engineering and Operations

If to District: Billing:
Moulton Niguel Water District
P.O. Box 30203
Laguna Niguel, CA 92607-0203
Attn: Purchasing
(949) 831-2500

Any notice to Contractor's surety (or any other person) shall be addressed to the addresses provided in the Agreement or such substitute addresses in accordance with the terms provided herein. Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be fully delivered and received 24 hours after mailing as provided above.

18. INTEGRATION; ATTACHMENTS. This Agreement supersedes any and all agreements between the parties hereto which are prior in time to this Agreement. Neither District nor Contractor shall be bound by any understanding, agreement, promise, representation or stipulation expressed or implied not specified herein. The Exhibits attached hereto are incorporated herein as part of this Agreement.

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

20. AMENDMENTS. No addition to or modification of any provision contained in the Agreement shall be effective unless fully set forth in a writing signed by both District and Contractor.

21. GOVERNING LAW; VENUE. The Agreement shall be construed in accordance with and governed by the laws of the State. In the event of any legal action to enforce or interpret the 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.

22. DUE AUTHORITY OF SIGNATORIES; COUNTERPARTS. Each person signing this Agreement represents and warrants that he or she has been duly authorized by appropriate action of the party he or she represents to execute, and thereby bind such party to, this Agreement. This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and both of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

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

24. INTERPRETATION. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if both parties prepared this Agreement.

#8.

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

“DISTRICT”:

MOULTON NIGUEL WATER DISTRICT

By: _____
Title: General Manager

DATE: _____

“CONTRACTOR”:

PACIFIC COAST PUMP AND EQUIPMENT

By: _____
Title: Authorized Officer/Representative*

DATE: _____

* Complete and attach one of the following: Corporate Certificate executed by Corporate Secretary; or, Notarization of Authorized Officer/Representative signature

CORPORATE CERTIFICATE*

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

[_____], Secretary

(CORPORATE SEAL)

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

EXHIBIT 1**SCOPE OF WORK****Purpose:**

Contractor shall provide pump refurbishment services to MNWD for the repair of its pumps on an as-needed basis.

Services Detail:

Services to include fabricating new shaft sleeves, wear rings, pressed bearings, impeller balancing, and modifications. Contractor shall provide, at its expense, the facility, equipment and labor necessary to complete the Services. Services shall take place during regular business hours only.

Services may include but are not limited to the following, based on specific repair needs for each pump to be determined at the time of service:

- Disassemble and inspection of pump
- Sandblast all applicable parts
- Shaft polish and straight
- Replace thrust and radial bearings, and lip seals
- Manufacture (2) new sleeves packing bronze
- Center sleeve manufacture new bronze
- Impeller wear ring journal machine to install new ring
- Impeller ring manufacture new bronze
- Center bushing skim cut to clean 100% ID.
- Case wear ring skim cut to clean 100% ID
- Balance the impeller 4w/n
- Replace gasket, packing, and lantern ring
- Reassemble rotating element
- Paint and prep for shipment

EXHIBIT 2
FEE SCHEDULE

EXHIBIT 3

**MOULTON NIGUEL WATER DISTRICT
PUMP REFURBISHMENT SERVICES
(Fiscal Year 2015-16, 2016-17)**

WORKERS' COMPENSATION DECLARATION

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

(ONE OF THE BOXES BELOW MUST BE CHECKED, AND FORM SIGNED BELOW)

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

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

Carrier _____

Policy Number _____

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

Date: _____

Contractor: _____

Authorized Officer/ Representative

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



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

FROM: Marc Serna, Director of Engineering & Operations
Brad Bruington, Superintendent of Operations

SUBJECT: Spoils Removal Service Agreement for Fiscal Year 2015-16 and 2016-2017

DIVISION: District-wide

SUMMARY:

Issue: The current spoils removal agreement expired on June 30, 2015. Staff requires authorization to enter into a new multi-year service agreement for spoils removal to be performed on an as-needed basis for FY 2015-16 and 2016-17.

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute a two year Spoils Removal Service Agreement with KB Miramontes, Inc., in the amount of \$95,000 per year, with a total not-to-exceed agreement amount of \$190,000.

Fiscal Impact: Sufficient funds are included in the FY 2015-16 Budget. Funds will be included in the FY 2016-17 Budget.

BACKGROUND:

Spoils material is generated on an ongoing basis as part of the District's operation and maintenance of its potable water, recycled water, and sewer systems. Spoils generally consist of wet clay, sand, concrete, and pavement. The spoils material is stored at the District's 2A location and then removed and disposed of at an offsite location by an approved and certified outside removal services contractor.

The spoils material storage bin at 2A is a concrete block structure that has the capacity to hold more than 110 cubic yards of material when completely full. Typically, the District fills the spoils bin and removal services are performed each month. Depending on District activities, quantities may require multiple removals throughout the month.

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Spoils Removal Service Agreement for Fiscal Year 2015-16 and 2016-2017

July 13, 2015

Page 2 of 2

DISCUSSION:

Staff issued a Request for Proposal to three local contractors that were fully qualified and capable to perform the required services. The table below summarizes the proposals received:

Summary of Proposals for Spoils Removal	
Firm	Proposal Amount (Per Load)
KB Miramontes, Inc.	\$6,198
Goodwin Construction	\$6,500
GM Grading	Declined

Staff recommends the Board authorize the General Manager to enter into a two year agreement with KB Miramontes, Inc., in the not-to-exceed amount of \$95,000 per year for FY 2015-16 and FY 2016-17, for a total not-to-exceed Agreement amount of \$190,000.

The Spoils Removal Service Agreement has been reviewed and approved by District counsel. A copy of the agreement is attached for reference. The District's standard ten day termination clause is included as a provision in the agreement.

Attachment: Spoils Removal Service Agreement

**MOULTON NIGUEL WATER DISTRICT
SPOILS REMOVAL SERVICES
(Fiscal Year 2015-16 and 2016-17)
Agreement No. OM15-16.003**

THIS AGREEMENT (“Agreement”) is approved and entered into as of July 1, 2015 (the “Effective Date”), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter called “District”, and KB MIRAMONTES, INC., hereinafter called “Contractor”. District and Contractor are sometimes referred to in this Agreement individually as a “party” or jointly as the “parties.”

RECITALS

- A. District requires spoils removal and disposal services at various facility sites owned or operated by District, as further described in this Agreement and in **Exhibit 1, Scope of Work** and its attachments attached hereto and incorporated in this Agreement (the “Services”).
- B. Contractor represents that it has the necessary licenses, equipment, permits, and skills required to perform the Services pursuant to the terms and standards set forth in this Agreement.

NOW, THEREFORE, District and Contractor for the consideration stated herein agree as follows:

1. **SCOPE OF WORK, PERFORMANCE STANDARDS.**

(a) Contractor shall perform the Services in accordance with the Scope of Work and specifications set forth in attached **Exhibit 1** and the other terms of this Agreement in consultation with District representatives, including the provision of labor, and materials (not otherwise provided by District itself), for various facilities throughout District, from time to time during the term of this Agreement. The quantity of work to be performed and materials provided outlined in **Exhibit 1** is only an estimate. The expected scope and amount of Services to be performed is on an as-needed basis. Contractor acknowledges and agrees District does not guarantee any minimum or maximum amount of Services to be provided under this Agreement and District may use other Contractors for the Services throughout the term of this Agreement, in its sole discretion. Except as otherwise specified under **Exhibit 1**, Contractor shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional and workmanlike manner, and in accordance with generally accepted industry standards, to the satisfaction of District.

(b) The Services shall be performed in accordance with the terms of this Agreement including all attached Exhibits, the Services specifications, and the permitting, licensing or other

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requirements of any governmental or municipal entity within whose jurisdiction the Services are performed, including municipal storm water ordinances, which are by this reference incorporated into this Agreement. It shall be the Contractor's responsibility to ascertain and keep informed of all such existing and future requirements of other governmental entities concerning the Services performed under this Agreement, including acquisition of necessary permits and licenses by municipalities related to Services in public right of way and payment of the fees or costs thereof.

(c) Contractor is an independent contractor and not an employee of District. No permitted or required approval of District representatives of costs, schedules, documents, or services of Contractor or investigations thereof, will be construed as making District responsible for the manner in which Contractor performs the Services. Such approvals and investigations are intended only to give District the right to satisfy itself with the quality of work performed by Contractor.

2. PUBLIC SAFETY; SAFETY REQUIREMENTS. Contractor shall be solely and completely responsible for the safety of all persons and property during performance of the Services and work. Contractor's operations for the Services shall be conducted so as to provide maximum safety to Contractor's employees, to the general public and to District's representatives, and in compliance with all safety laws, rules and regulations of the State of California ("State"), federal, and local agencies. It is Contractor's responsibility to have a current safety program on file with District prior to commencement of any Services under this Agreement. It is Contractor's responsibility to have a current Safety Manual that meets SB 198 requirement for injury and illness prevention and have that Safety Manual on file with District.

3. COMPLIANCE WITH LAW, LICENSE.

(a) Contractor at all times during the performance of the Services shall comply with, cause its agents, employees and representatives to observe and comply with and shall remain fully informed of all local, State, and federal laws, ordinances, rules, regulations or other requirements, including any permits issued for the Services, that may in any manner affect those employed to perform any of the Services or that may in any way affect the performance of the Services. In performing the Services, Contractor shall comply with, and give all notices required pursuant to all laws, ordinances, rules, regulations and other requirements applicable to the Services. Contractor shall be liable for any violation of law, ordinance, rule, regulation or other requirement in connection with performance of the Services. Contractor shall bear all liability and costs, including fines, arising from performance of the Services that are contrary to any applicable law, ordinance, rule, regulation, or other requirement.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contractor must provide its DIR Registration number to the District.

4. DISTRICT OBSERVATION. Contractor's performance of Services is subject to observation and inspection by District's representatives. The observation, if any, by the District's representative of the Services shall not relieve Contractor of any of obligations under

the Agreement as prescribed, or Contractor's obligations to perform the Services in accordance with all terms and provisions required by municipal permits.

5. AGREEMENT PRICE; TERM.

(a) Contractor shall perform all Services pursuant to this Agreement at the "unit prices" in the schedule of work items attached as **Exhibit 2, Fee Schedule**, which establishes unit prices for components of the Services, including materials, listed in the schedule. There shall be no increase to the unit prices if an adjustment to the number of Contractor's staff or service hours is needed to meet the Agreement requirements for the Services. The total compensation paid to Contractor during the term of this Agreement shall not exceed **One Hundred Ninety Thousand Dollars (\$190,000)** (the "Agreement Maximum Amount"). Notwithstanding the foregoing, the total compensation during each fiscal year of the Agreement term shall not exceed **Ninety-Five Thousand Dollars (\$95,000)** per year. Contractor is responsible for and shall pay all sales, consumer, use, and other taxes in connection with materials for the Services.

(b) Work will be billed by Contractor in accordance with District's invoicing requirements, including sufficient detail on work items under the Agreement pricing. Contractor's invoice will account for the location of the Services performed in addition to sufficient cost details as required by District. District will make payment to the Contractor within thirty (30) calendar days of receipt and approval of an invoice by District, provided District may withhold amounts as necessary to satisfy properly filed claims for labor or material; estimated actual costs for correcting defective work; amounts claimed by District as forfeiture due to offsets, and as otherwise provided for under Section 9. No certificate given or payment made under the Agreement shall be conclusive evidence of performance of the Agreement and no payment shall be an acceptance of any defective work or improper materials.

(c) Acceptance and payment by District for the Services will not in any way relieve Contractor of its responsibility to perform the Services and the Agreement in strict accordance with State, federal, and local law. Neither District's acceptance of, nor payment for, any Services will be construed to operate as a waiver of any rights under the Agreement, or of any cause of action arising out of the performance of the Agreement.

(d) The term of the Agreement is from the **Effective Date to and including June 30, 2017** ("expiration"), unless otherwise terminated earlier by either party pursuant to Section 12.

6. PUBLIC LAW REQUIREMENTS; PREVAILING WAGE.

(a) District is a public agency in the State and is subject to the provisions of law relating to public contracts. It is agreed that all provisions of law applicable to public contracts are a part of this Agreement to the same extent as though set forth herein. Contractor represents and warrants that it is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "Public Works" and "Maintenance" projects, and will be

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comply with the Prevailing Wage Laws, including but not limited to the payment of prevailing wages. A copy of these prevailing wage rates are on file with the Department of Industrial Relations and can be found online with the State of California at <http://www.dir.ca.gov/dlsr/pwd>. A copy of such prevailing wage rates shall be posted on the jobsite by Contractor. It shall be mandatory Contractor to pay not less than the specified rates to all workers employed by them in the execution of the Services.

(b) Contractor must be registered with the Department of Industrial Relations pursuant to the requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Contracts/subcontracts shall not be entered into after April 1, 2015, with any contractor without proof of current registration to perform work consistent and in compliance with the requirements of Sections 1725.5 and 1771.1. Contractor acknowledges that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contracts entering into with any Contractor or subcontractor, in violation of Section 1771.1(a), shall be subject to cancellation by the District at the sole discretion of the District consistent with Section 1771.1(e).

(c) Contractor is responsible for furnishing those records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, pursuant to the procedures set forth in Section 1771.4 of the Labor Code. Contractor's DIR Registration No. is 1000023953.

(d) Contractor acknowledges that it is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(e) The Contractor shall post job site notices, pursuant to the requirements set forth in the Labor Code and related applicable regulations, including but not limited to, those provisions addressing the posting of notice relating to prevailing wage compliance.

7. AGREEMENT DOCUMENTS. The Agreement includes all of the Agreement documents as follows: this Agreement and all exhibits and attachments to the foregoing documents.

8. NO SUBCONTRACTORS. Contractor agrees and represents that none of the Services will be subcontracted, and that Contractor will perform all Services. It is agreed and acknowledged that should Contractor fail to conform hereto or with any of the requirements of Section 4100 *et seq.* of the Public Contract Code, Contractor shall be subject to the applicable statutory penalties, and to the requirements of Labor Code Sections 1777.1 or 1777.7 relating to payment of wages to ineligible subcontractors' employees, and the corresponding return of all subcontracting payments to District.

9. REMEDIES FOR DEFAULT. Without limiting any other right or remedy of District, should District not receive proper Services, cooperation, and response to its requests from Contractor in compliance with this Agreement and the Scope of Work, District reserves the right to withhold payments due to Contractor under this Agreement until said items are completed or corrected by Contractor or, at District's election, completed or corrected by others. The entire cost of any such work performed by others shall be deducted from the payments due

to Contractor hereunder. Without limiting any other right or remedy of District, District shall have the right to offset against any amount payable to Contractor under this Agreement, any back charges provided for in the Exhibits in this Agreement, and any loss or damage caused by Contractor's lack of performance or breach of this Agreement.

10. INSURANCE

(a) In addition to the requirements set forth below, during the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of Contractor in connection with or related to the Services provided under the Agreement.

(b) During the entire term of the Agreement, Contractor will pay for and maintain, in full force and effect, all insurance required by District as listed in this Section. Contractor shall not commence Services under the Agreement until it has obtained all insurance required by the Agreement. Two (2) sets of originally executed certificates of insurance and all required endorsements evidencing the required coverage detailed in this Section shall be provided by Contractor with the Contractor's executed copy of this Agreement, and prior to commencement of any Services.

(c) The commercial general liability and business automobile insurance will be comprehensive in form, and be for the term of this Agreement and on a 'per occurrence' basis. All policies will have a clause providing that thirty (30) calendar days written notice will be given to District prior to any cancellation of such policies. All insurance will be issued and underwritten by insurance companies having at least an "A-" policyholder's rating and a financial rating not less than Class VII in accordance with the most current Best's Rating Guide - Property/Casualty, or better, or as otherwise approved by District. Contractor may satisfy the limit requirements set forth below in a single policy or multiple policies, provided, however, that any such additional policies written as excess insurance will not provide any less coverage than that provided by Contractor's first or primary policy. All policies shall name Moulton Niguel Water District and each of its directors, elected officials, officers, employees and agents as additional insureds thereunder ("Additional Insureds"). All of the policies of insurance provided hereunder shall be primary insurance and not additional to or contribute with any other insurance carried or maintained by, or for the benefit of, the Additional Insureds, and the insurer shall waive all rights of subrogation and contribution it may have against the Additional Insureds; these requirements shall be set forth in endorsements to policies. In the event any of said policies of insurance are canceled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 10 to District.

(d) In the event District consents, and Contractor subcontracts any portion of the Services under the Agreement, the Agreement between Contractor and such subcontractor shall require the subcontractor to maintain the same policies, limits and terms of insurance that Contractor is required to maintain pursuant to this Section 10, in accordance with all of the requirements of this Section 10.

(e) Contractor shall take out and maintain at all times during the Agreement the following policies of insurance, which shall comply with the other terms of Section as well as the

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following:

- (i) Workers Compensation Insurance and Employers Liability Insurance. Worker's compensation insurance as required by State laws, and employer's liability insurance with limits not less than \$1,000,000 each accident and \$1,000,000 for disease per employs, **which will include the subrogation and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall be in strict accordance with the requirements of the most current and applicable state Workers' Compensation insurance laws. Contractor shall execute the Certificate required by Section 1861 of the Labor Code on **Exhibit 3** attached to this Agreement prior to commencement of any Services.
- (ii) Commercial General Liability Insurance. Commercial general liability in a combined limit of not less than \$2,000,000 per occurrence, \$4,000,000 aggregate with such aggregate to apply separately to the Services. Commercial General Liability insurance coverage shall be equivalent to Insurance Services Office Form CG 00 01. Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in Section 11 of this Agreement, **as well as the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.** This insurance shall name the Additional Insureds using ISO endorsement CG 20 10 11 85, or both CG 20 10 and CG 20 37 forms if later revisions are used.
- (iii) Business Automobile Insurance. Business automobile insurance with a liability limits of not less than \$1,000,000 each accident for bodily injury and property damage. The policy shall include coverage for any auto, owned, non-owned, and hired vehicles, **and include the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (c) above.**

(f) Nothing in the insurance requirements set forth in this Agreement is to be construed as limiting the liability of Contractor or Contractor's insurers or sureties. Contractor agrees that the provisions of this Section 10 shall not be construed as limiting in any way the extent to which Contractor may be held responsible for the payment of damages or other costs to District, or any persons or property, resulting from Contractor's activities or the activities of any person or persons for which Contractor is otherwise responsible, including Contractor's subcontractors, if any.

11. INDEMNIFICATION

(a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend District, and each its directors, elected officials, officers, employees, members and agents from and against all claims, damages, losses and expenses, and costs including costs of

defense and attorneys' fees, arising out of, in connection with, or resulting from, or alleged to have arisen out of or resulted from, the performance of the Services or work hereunder, provided that any such claim, damage, loss or expense is: (a) attributable to bodily injury, personal injury, sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder (except, to the extent of the sole negligence, active negligence or willful misconduct of such indemnified party, in which case Contractor's indemnification obligation shall be reduced in proportion to the indemnified party's share of liability for its sole or active negligence or willful misconduct, if any); **or** (c) due to failure, neglect or refusal of the Contractor to faithfully perform the Services or work and any of the Contractor's obligations under the Agreement. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 11. It is expressly acknowledged by the Contractor that the foregoing obligations of Contractor include the duty to defend the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

(b) In any and all claims against the indemnified parties by any employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor, or any subcontractor, or other person under workers' compensation acts, disability benefit acts, or other employee acts.

(c) This indemnity obligation shall survive the termination or expiration of the Agreement and the completion of the Services and work hereunder.

12. **TERMINATION.** Either party may terminate this Agreement by providing written notice to the other party ten (10) business days in advance of the date of termination; provided, District may terminate the Agreement without any advance notice in the event Contractor is in material breach of any of the terms of this Agreement, as determined by District in its discretion. In the event Contractor terminates this Agreement, Contractor is responsible for the completion of any Services still outstanding in accordance with the terms of the Agreement. Contractor's indemnity and warranty obligations shall survive the expiration or termination of this Agreement, as well as any outstanding obligations of Contractor at the time of termination. On any termination, Contractor will be entitled to the reasonable value of the Services performed for which it has not received prior compensation under this Agreement, subject to any offset from such payment representing District's damages from any material breach of the terms of the Agreement by Contractor or as otherwise provided for under Section 5. In no event, will Contractor be entitled to receive compensation in excess of the compensation specified under Section 5 of this Agreement. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

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13. RECORDS. Contractor shall preserve and retain any and all records of or related to the Services, including all records of or related to this Agreement and the Services and obligations contained herein, for a period of no less than four (4) years commencing upon final payment to Contractor under the Agreement or, if an examination, review or audit is commenced but not completed within such period, until such examination, review or audit has been completed. Additionally, pursuant to Government Code Section 8546.7, the State has the right to examine, review, audit and/or copy such records during the three (3) year period following final payment to Contractor pursuant to the Agreement. Contractor, upon request, shall make the records of the work available for the purposes described in this section at all reasonable times during the period Contractor is required to preserve and maintain such records.

14. SUCCESSORS; ASSIGNMENT. This Agreement is binding on the successors of the parties. This Agreement may not be assigned by Contractor except upon written consent of District.

15. ATTORNEYS' FEES. In the event of any declaratory or other legal or equitable action instituted between District and Contractor in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party all of its attorneys' fees, and costs and expenses.

16. THIRD-PARTY CLAIMS/DISTRICT NOTICE. Contractor agrees that it will process and administer any and all claims from third parties received in connection with Contractor's performance of the Services, consistent with the terms of Sections 10 and 11 of this Agreement. In accordance with Public Contract Code Section 9201, District shall timely notify Contractor if District receives any third-party claim relating to the Services or the Agreement. District shall be entitled to recover from Contractor District's reasonable costs incurred in providing such notification.

17. NOTICE. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person or to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Contractor: KB Miramontes, Inc.
27758 Santa Margarita Parkway #270
Mission Viejo, CA 92691
Attn: Mario Miramontes

If to District: Notices:
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677
Attn: Director of Engineering and Operations

If to District:

Billing:

Moulton Niguel Water District
P.O. Box 30203
Laguna Niguel, CA 92607-0203
Attn: Purchasing
(949) 831-2500

Any notice to Contractor’s surety (or any other person) shall be addressed to the addresses provided in the Agreement or such substitute addresses in accordance with the terms provided herein. Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be fully delivered and received 24 hours after mailing as provided above.

18. INTEGRATION; ATTACHMENTS. This Agreement supersedes any and all agreements between the parties hereto which are prior in time to this Agreement. Neither District nor Contractor shall be bound by any understanding, agreement, promise, representation or stipulation expressed or implied not specified herein. The Exhibits attached hereto are incorporated herein as part of this Agreement.

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

20. AMENDMENTS. No addition to or modification of any provision contained in the Agreement shall be effective unless fully set forth in a writing signed by both District and Contractor.

21. GOVERNING LAW; VENUE. The Agreement shall be construed in accordance with and governed by the laws of the State. In the event of any legal action to enforce or interpret the 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.

22. DUE AUTHORITY OF SIGNATORIES; COUNTERPARTS. Each person signing this Agreement represents and warrants that he or she has been duly authorized by appropriate action of the party he or she represents to execute, and thereby bind such party to, this Agreement. This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and both of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

23. NO THIRD PARTY RIGHTS. The parties intend not to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant,

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obligation, or undertaking established herein.

24. INTERPRETATION. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if both parties prepared this Agreement.

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

“DISTRICT”: MOULTON NIGUEL WATER DISTRICT
By: _____
Title: General Manager

DATE: _____

“CONTRACTOR”:
KB MIRAMONTES, INC.
By: _____
Title: Authorized Officer/Representative*

DATE: _____

* Complete and attach one of the following: Corporate Certificate executed by Corporate Secretary; or, Notarization of Authorized Officer/Representative signature

CORPORATE CERTIFICATE*

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

[_____] , Secretary

(CORPORATE SEAL)

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

EXHIBIT 1

**SCOPE OF WORK
SPOILS REMOVAL SERVICES**

In General:

Contractor shall provide on-call services to separate, load and haul spoil material offsite from the District's 2A location, located at 26161 Gordon Road, Laguna Hills, CA 92653.

Services Detail:

The spoil material, mixed quantities of wet clay/sand, concrete and AC pavement, is not contaminated and is considered non-hazardous. All spoil material shall become the property of the contractor once it leaves the District's location. The spoils material bin is a concrete block structure that measures 20' X 25' X 6' (approximately 111 cubic yards) when completely full. At a minimum, the District fills the bin each month. It is estimated that the spoil material will need to be removed at least once a month; however, the removal services are subject to the needs of the District and may require multiple removals or no removals in any one month. The contractor shall provide, at its expense, the equipment and labor necessary to separate, load and remove the spoil material from the District spoil bin. Contractor shall dispose of the spoil material at legally permitted disposal sites only, in accordance with any applicable laws and/or regulations, including State, Federal, County, municipal or other applicable government requirements. Contractor shall retain receipts from such disposal sites when applicable. Contractors services shall take place during regular business hours only, with no after-hours or holiday pick-ups.

EXHIBIT 2
FEE SCHEDULE

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**EXHIBIT B: FEE PROPOSAL FORM
SPOILS REMOVAL SERVICES**

QUANTITY	UNIT	DESCRIPTION	COST
1	EA	Separate, load and dispose of a Full Bin of spoil material from MNWD Plant 2A Yard	\$ 6198 ⁻
		Estimated quantity of 16 disposals for 2015-16 Fiscal Year.	x 16
TOTAL ESTIMATED ANNUAL COST			\$ 99168 ⁻

Total Estimated Annual Cost, Written in Words:

NINETY NINE THOUSAND ONE HUNDRED SIXTY EIGHT

EXHIBIT 3

**MOULTON NIGUEL WATER DISTRICT
SPOILS REMOVAL
(Fiscal Year 2015-16, 2016-17)**

WORKERS' COMPENSATION DECLARATION

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

(ONE OF THE BOXES BELOW MUST BE CHECKED, AND FORM SIGNED BELOW)

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

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

Carrier _____

Policy Number _____

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

Date: _____

Contractor: _____

Authorized Officer/ Representative

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



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

FROM: Marc Serna, Director of Engineering and Operations
Todd Novacek, Assistant Director of Operations

SUBJECT: Dump Truck Purchase for Fiscal Year 2015-16

DIVISION: District-wide

SUMMARY:

Issue: Purchase of a 2016 Peterbilt Model 365 Dump Truck.

Recommendation: It is recommended that the Board of Directors approve the purchase of a 2016 Peterbilt Model 365 Dump Truck from Rush Truck Center for the amount of \$153,460.

Fiscal Impact: Sufficient funds are included in the adopted Fiscal Year (FY) 2015-16 Budget for the purchase of the new dump truck.

BACKGROUND:

Moulton Niguel Water District (District) currently owns one ten-wheel dump truck in its equipment fleet. The District’s Street Crew utilizes this dump truck on a daily basis to accomplish its required work load. The dump truck is typically used to carry spoils and material between job sites and pull the backhoe and backhoe trailer to and from work sites.

The purchase of a new dump truck is necessary in order to expand Street Crew operations and ensure all work is completed efficiently. This additional dump truck is necessary to provide Street Crew with the equipment resources to repair larger line breaks, split the crew to enable completion of multiple jobs in a single day, and carry more spoils per load, while staying in compliance with Federal weight standards.

DISCUSSION:

Requirements and specifications for the new dump truck were developed by staff to meet anticipated service needs. A request for quotation was issued to five (5) heavy duty equipment dealers. Quotes from the dealers are listed below:

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Dump Truck Purchase for Fiscal Year (FY) 2015-2016

July 13, 2015

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VEHICLE DEALER	MODEL	QUOTE
Rush Truck Center	Peterbilt	\$153,460
Freightliner	Freightliner	\$154,937
Quinn CAT	Caterpillar	\$176,614
The Inland Group	Kenworth	\$182,997
TEC Equipment	Mack	\$205,403

Staff is recommending the purchase of a 2016 Peterbilt Model 365 Dump Truck from Rush Truck Center based on cost, reliability and satisfaction of District's requirements. The FY 2015-16 Budget for this Capital Outlay item is \$200,000.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

FROM: Marc Serna, Director of Engineering and Operations
Todd Novacek, Assistant Director of Engineering and Operations

SUBJECT: Backhoe Purchase for Fiscal Year 2015-16

DIVISION: District-wide

SUMMARY:

Issue: Purchase of a new 2014 Caterpillar 420F2 Backhoe Loader.

Recommendation: It is recommended that the Board of Directors approve the purchase of a 2014 Caterpillar 420F2 Backhoe Loader from Quinn Company in the amount of \$125,118.43.

Fiscal Impact: Sufficient funds are included in the adopted Fiscal Year (FY) 2015-16 budget.

BACKGROUND:

Moulton Niguel Water District (District) currently owns two backhoes in its equipment fleet; one is used in the field and one is used at the District's 2A yard. MNWD's Street Crew utilizes these backhoes on a daily basis to accomplish its daily work load.

With the increase of Street Crew repairs and projects, staff has determined a critical need for an additional backhoe to be utilized in the field. A second field backhoe will allow Street Crew to complete a greater number of repairs and projects by enabling the performance of work at two jobsites simultaneously. Requirements and specifications for the new backhoe were developed by staff based on equipment needs to support essential District field functions.

DISCUSSION:

Comparative price analysis for this equipment purchase was performed through the National Joint Powers Alliance (NJPA), which is a public agency that enters into cooperative purchasing contracts for the benefit of its members. NJPA contracts are

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Backhoe Purchase for Fiscal Year 2015-2016

July 13, 2015

Page 2 of 2

competitively solicited nationally, reviewed, evaluated by committee, and recommended to the NJPA Board of Directors for award.

As a member of NJPA, MNWD is permitted to make purchases under NJPA contracts. MNWD is authorized by California Government Code Section 6502 and Section 4 (c) of MNWD's 2009 Purchasing Policy to participate in cooperative purchasing agreements with other public agencies. Staff evaluated backhoe models available on the market and found that the 2014 Caterpillar 420F2 Backhoe Loader best meets the requirements and specifications required by MNWD. The lowest price for this equipment is offered through the NJPA contract with Caterpillar, Inc.

Staff is recommending the purchase of a 2014 Caterpillar 420F2 Backhoe Loader from Quinn Company, in the amount of \$125,118.43, based on cost, reliability and satisfaction of District's requirements.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

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

SUBJECT: Cross-Connection Inspection Services Agreement for Project Partners, Inc.

DIVISION: District-Wide

SUMMARY:

Issue: Staff negotiated a scope of work and fee for inspection services for the Cross-Connection program for the 2015-2016 fiscal year.

Recommendation: It is recommended that the Board of Directors award the inspection services agreement to Project Partners, Inc. and authorize the General Manager to execute the agreement for a not-to-exceed fee of \$134,000 for fiscal year 2015-16.

Fiscal Impact: The funds for this agreement have been included in the fiscal year 2015-16 operating budget.

BACKGROUND:

The Moulton Niguel Water District (District) has over 1,240 recycled water use sites and an aggressive program to assist and convert as many potable irrigation sites to recycled water as possible. District staff has not been able to meet the current backlog and the increasing demands for recycled water conversions and inspections, staff is requesting an additional contract cross-connection inspector to assist with both potable and recycled water irrigation assessment, inspections, and conversions.

DISCUSSION:

The District has previously used cross-connection contract inspection services for annual inspection, potable water conversions (retrofits) and new installation of irrigation systems as needed, depending on workload and resource needs. With the increased demand for recycled water site conversions resulting from elevated

#12.

Cross-connection Inspection Services Agreement for Project Partners, Inc.

July 13, 2015

Page 2 of 2

drought concerns and implementation of the District's Water Shortage Contingency Plan, it is necessary to increase inspection service resources to facilitate this increased workload. At this time, it is recommended that contract staffing be used to meet this increased workload.

Project Partners, Inc. has provided quality contract personnel for specific technical staffing needs by the District and has a very competitive rate for inspection services when compared to other firms. Project Partners primarily provides highly qualified technical staffing that meet focused services specifically for Engineering and Operational resource needs. Staff has outlined specific job qualifications required for this position, performed preliminary interviews and resume reviews with potential inspectors, and is confident that the experience and knowledge of the prospective candidates with Project Partners will meet necessary skill set desired.

Attachment: Project Partners, Inc. Service Agreement

**PROFESSIONAL SERVICES AGREEMENT FOR TEMPORARY ENGINEERING SUPPORT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND PROJECT PARTNERS
AGREEMENT NO. OM15-16.011**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between Project Partners, 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 temporary engineering support services to MNWD in connection with its Recycled Water Cross Connection group (the "Project"). 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, AUTHORIZATION

Section 1.1 CONSULTANT proposes to provide temporary engineering support for MNWD's Recycled Water Cross Connection group. MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. Upon MNWD's request for additional or changed work, CONSULTANT shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Work, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

Section 1.2 CONSULTANT agrees to complete the consulting services described in the Scope of Work no later than **June 30, 2016**. CONSULTANT further agrees to complete all other services within the time periods set forth in the Scope of Work. Time is of the essence in this Agreement.

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**.

Section 1.3 Kimo Look CONSULTANT'S Principal, who is duly licensed in the State of California, shall be the project manager for the Project.

#12.

CONSULTANT will not subcontract any of its services without the prior written approval of MNWD.

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

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

Section 1.5 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 written consent, or as compelled by order of court.

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

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

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

SECTION II – FEES AND PAYMENT

Section 2.1 In consideration for providing the temporary engineering services referred to in SECTION I herein, MNWD agrees to compensate CONSULTANT on an hourly rate basis, with a not-to-exceed maximum amount of **One Hundred Thirty-Four Thousand (\$134,000)** (which maximum amount is inclusive of labor costs and direct expenses, as detailed on **Exhibit A**).

Section 2.2 Labor costs shall be the total number of hours worked on the job by each employee multiplied by the applicable hourly billing rate. The Rate Schedule set forth in **Exhibit A** sets forth the current billing rates of CONSULTANT.

Section 2.3 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the number of hours worked by various labor categories, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by CONSULTANT.

SECTION III - WARRANTY

Section 3.1 In performing 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 3.2 The services will be performed in a professional and workmanlike manner.

Section 3.3 No part of services or this Agreement is or will be inconsistent with any obligation CONSULTANT may have to others.

SECTION IV - INSURANCE AND INDEMNIFICATION

Section 4.1 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 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 4.2 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 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 4.3 Worker's Compensation. By its signature hereunder, 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.

#12.

CONSULTANT and subconsultants/subcontractors shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 4.4 Requirements of All Policies. All policies of insurance required under this Section 4 shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of 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 subconsultant's/subcontractor's) insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the 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 4.5 Indemnity.

(a) To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend District, City of Mission Viejo, and their directors, elected officials, officers, employees and agents from and against all claims, damages, losses and expenses, and costs including costs of defense and attorneys' fees, arising out of, in connection with, or resulting from, or alleged to have arisen out of or resulted from, the performance of the Services hereunder, provided that any such claim, damage, losses and expenses is: (a) attributable to bodily injury, personal injury, sickness, disease, or death, or for damage to, or loss or destruction of, property including the loss of use resulting therefrom, and (b) caused or alleged to have been caused in whole or in part by any act or omission of the CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or anyone whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder (except, to the extent of the sole negligence, active negligence or willful misconduct of such indemnified party, in which case CONSULTANT's indemnification obligation shall be reduced in proportion to the indemnified party's share of liability for its sole or active negligence or willful misconduct, if any); or (c) due to failure, neglect or refusal of the CONSULTANT to faithfully perform the Services and any of the CONSULTANT's obligations under the Agreement. Such obligation shall not be construed to negate,

abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this Section 4.5. It is expressly acknowledged by the CONSULTANT that the foregoing obligations of CONSULTANT include the duty to defend the indemnified parties against any claims, proceedings and demands within the scope of the foregoing indemnity terms.

(b) In any and all claims against the indemnified parties by any employee of the CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the CONSULTANT, or any subcontractor, or other person under workers' compensation acts, disability benefit acts, or other employee acts.

(c) The foregoing provisions of this Section are intended to be, and shall be interpreted in a manner that is, consistent with Civil Code Section 2782.8 as it exists as of the date of this Agreement. The 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 V - TERMINATION OR ABANDONMENT

Section 5.1 This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Work under this Agreement by providing written notice to CONSULTANT at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, CONSULTANT shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 5.2 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 II of this Agreement.

Section 5.3 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 VI - GENERAL

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

#12.

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

Section 6.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

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

To CONSULTANT - Attn: Kimo Look, Principal
Project Partners
23195 La Cadena Drive, Suite 101
Laguna Hills, CA 92653

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

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

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

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

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 6.8 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall

be made by CONSULTANT without prior written consent of MNWD.

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

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

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

CONSULTANT – Project Partners

By: _____

Title: _____

#12.

EXHIBIT A
SCOPE OF WORK



**Project
Partners**

June 18, 2015

John Banoczi
Moulton Niguel Water District
26161 Gordon Rd
Laguna Hills, CA 92653

SUBJECT: Estimate for Contract Recycled Water Cross Connection Technician

Dear Mr. Banoczi,

Project Partners is pleased to submit this proposal and is excited about the opportunity to provide engineering technical assistance to Moulton Niguel Water District. Project Partners is a civil engineering staffing firm that specializes in providing water professionals to public sector organizations.

Project Partners proposes to provide MNWD a Contract Recycled Water Cross Connection Technician to assist the engineering department's implementation of Moulton Niguel Municipal Water Districts Recycle Water conversion Program.

HOURLY BILLING RATES AND ESTIMATED BUDGET

Project Partners hourly billing rates and estimated budget for the proposed Contract Engineering Staff is shown below.

<u>Classification</u>	<u>Hourly Billing Rate</u>
Recycled Water Technician	\$67.00
<u>Annual Budget</u>	<u>Estimated Budget</u>
	\$134,000*

**Billing will be generated only for hours worked by Contract Engineering Staff.*

Again I would like to thank you for considering our services and should you have any questions or desire additional information, please do not hesitate to call at any time. We look forward to working with you and your staff.

Sincerely,

Kimo Look, P.E.
Project Partners




Breakdown of Fees and Direct Expenses


	Hourly rate	Hours	Total
Recycled Water Cross Connection Technician			
Fees	\$ 67.00	1990	\$ 133,330
Expenses			\$ 670
		Total	\$ 134,000

"Direct Expenses" are costs Project Partners incurred during in the performance of services and that were not provided by the District.

These cost include but not limited to reproduction, freight, messenger service, travel (in accordance with established District policies), approved equipment rented by Project Partners. Also such items as specialty reproduction and CAD. All our employees assigned to the District have cell phone which are included in our billing rate and thus will not charged as Direct cost.

AS OF 06/17/2015


<p>Project : Lower Salada & Regional Lift Ventilation Contract No 2012.007 & 2012.008 Contractor : Acco Engineered Systems Engineer : AKM Consulting Engineers</p>	<p>LOWER SALADA AND REGIONAL LIFT STATION VENTILATION UNIT REPLACEMENT</p>												
<p>SCOPE OF WORK : Replace portions of the existing ventilation system to maintain proper Operation.</p>													
<p>DETAILS :</p> <table border="0"> <tr> <td>Fund</td> <td>07 Replace and Refurbishment</td> </tr> <tr> <td>Contract Award</td> <td>10/16/14</td> </tr> <tr> <td>Est. Completion Date</td> <td>06/30/15</td> </tr> <tr> <td>Authorized Expense</td> <td>\$ 189,288</td> </tr> <tr> <td>Paid To Date</td> <td>\$ 35,065</td> </tr> <tr> <td>Percent Constructed</td> <td>100%</td> </tr> </table>		Fund	07 Replace and Refurbishment	Contract Award	10/16/14	Est. Completion Date	06/30/15	Authorized Expense	\$ 189,288	Paid To Date	\$ 35,065	Percent Constructed	100%
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Authorized Expense	\$ 189,288												
Paid To Date	\$ 35,065												
Percent Constructed	100%												
<p>NOTES : All work has been completed. Final billing is currently being processed. Notice of completion filed 06/04/2015</p>	<p>Regional Lift Station Ventilation System</p>												


<p>Project: Upper Salada Lift Station Header Replacement Contract No: 2014.006 Contractor : Schuler Engineering Corporation Engineer : AKM Consulting Engineers</p>	<p>UPPER SALADA LIFT STATION HEADER REPLACEMENT</p>												
<p>SCOPE OF WORK : Replace Existing Header, this work will require the station to go off-line with District personnel performing a sewer by-pass.</p>													
<p>DETAILS :</p> <table border="0"> <tr> <td>Fund</td> <td>07 Replace and Refurbishment</td> </tr> <tr> <td>Contract Award</td> <td>01/15/15</td> </tr> <tr> <td>Est. Completion Date</td> <td>05/15/15</td> </tr> <tr> <td>Authorized Expense</td> <td>\$ 133,363</td> </tr> <tr> <td>Paid To Date</td> <td>\$ 102,893</td> </tr> <tr> <td>Percent Constructed</td> <td>100%</td> </tr> </table>		Fund	07 Replace and Refurbishment	Contract Award	01/15/15	Est. Completion Date	05/15/15	Authorized Expense	\$ 133,363	Paid To Date	\$ 102,893	Percent Constructed	100%
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Est. Completion Date	05/15/15												
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Paid To Date	\$ 102,893												
Percent Constructed	100%												
<p>NOTES : All work has been completed. Notice of completion filed 05/28/2015.</p>	<p>Upper Salada Lift Station</p>												

AS OF 06/17/2015


<p>Project : Mathis-Oso Bypass Relocation Contract No 2010.018 Contractor : Paulus Engineering Engineer : Tetra Tech</p>	<p>MATHIS-OSO BYPASS PRESSURE REDUCING STATION RELOCATION</p>
<p>SCOPE OF WORK : Relocation of existing Pressure Reducing Station and upgrades to meet existing District standards.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 11/22/14</p> <p>Est. Completion Date 08/31/15</p> <p>Authorized Expense \$ 778,670</p> <p>Paid To Date \$ 51,054</p> <p>Percent Constructed 15%</p>	
<p>NOTES : Construction started in late May.</p>	
<p>Project: Del Avion Wet Well Coating Rehabilitation Contract No: 2014.003 Contractor : National Coatings & Lining Co. Engineer : AKM Consulting Engineers</p>	<p>DEL AVION WET WELL COATING REHABILITATION</p>
<p>SCOPE OF WORK : Remove existing coating, repair damaged concrete surfaces and apply new coating Raven 405.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 02/26/15</p> <p>Est. Completion Date 06/31/15</p> <p>Authorized Expense \$ 145,000</p> <p>Paid To Date \$ 21,116</p> <p>Percent Constructed 100%</p>	
<p>NOTES : Work began 06/08/2015, with the station in bypass mode for two weeks. Awaiting final billing.</p>	


AS OF 06/17/2015

<p>Project: Regional Lift Station Pump Replacement Contract No: 2012.021 Contractor: Schuler Engineering Corp. Engineer: Psomas</p>	<p>REGIONAL LIFT STATION PUMP REPLACEMENT</p>
<p>SCOPE OF WORK : Replacement of two pumps and motors.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 02/21/14</p> <p>Est. Completion Date 07/31/15</p> <p>Authorized Expense \$ 317,185</p> <p>Paid To Date \$ 291,935</p> <p>Percent Constructed 100%</p>	
<p>NOTES : Work is completed. Notice of completion filed 04/17/2015.</p>	



<p>Project : East Aliso Creek Reservoir Coating Contract No: 2013.001 Contractor : J. Colon Coating Engineer : Harper and Associates</p>	<p>EAST ALISO CREEK RESERVOIR COATING</p>
<p>SCOPE OF WORK : Recoat interior and exterior, replace roof plates, install spiral stair case and safety improvements.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 05/15/14</p> <p>Est. Completion Date 10/31/15</p> <p>Authorized Expense \$ 2,550,000</p> <p>Paid To Date \$ 1,436,360</p> <p>Percent Constructed 60%</p>	
<p>NOTES : Structural work and interior coating completed. Commenced exterior work.</p>	

AS OF 06/17/2015

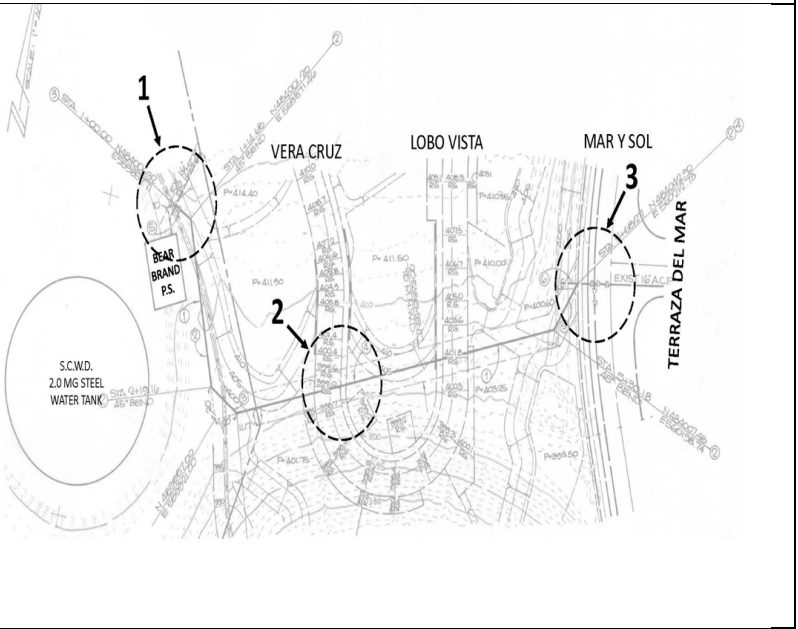
Project : La Siena Mainline Replacement Contract No 2014.007 Contractor : T.E Roberts Inc. Engineer : Lee & Ro Inc.	LA SIENA MAINLINE REPLACEMENT
SCOPE OF WORK : Removal and replacement of all ductile iron pipe. Slip-line easement sections and replace all valves within the tract.	
DETAILS : Fund 07 Replace and Refurbishment Contract Award 12/18/14 Est. Completion Date 06/31/15 Authorized Expense \$ 699,165 Paid To Date \$ 504,259 Percent Constructed 100%	
NOTES : All work has been completed. Notice of completion filed in June.	


Project: Generator Installation at Five Sites Contract No: 2012.028-029-030-031-033 Contractor : S.S Mechanical Corporation Engineer : Psomas	GENERATOR INSTALLATION AT FIVE SITES
SCOPE OF WORK : Installation of propane fuel standby generators, automatic transfer switches and new propane storage tanks.	
DETAILS : Fund 14 Planning and Construction Contract Award 01/15/15 Est. Completion Date 08/31/15 Authorized Expense \$ 370,265 Paid To Date \$ 14,399 Percent Constructed 20 %	
NOTES : Construction started in May. Estimated completion in late August.	

AS OF 06/17/2015

<p>Project : FY 2014-15 Valve Replacements Contract No 2014.008 Contractor : Paulus Engineering Engineer : AKM Consulting Engineers</p>	<p>FY 2014-15 VALVE REPLACEMENTS</p>
<p>SCOPE OF WORK : Replacement of key valves that currently do not perform as required. Work will include multiple valves on the potable and recycled system and one sewer force main valve.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 12/18/14</p> <p>Est. Completion Date 09/30/15</p> <p>Authorized Expense \$ 655,037</p> <p>Paid To Date \$ 29,833</p> <p>Percent Constructed 20%</p>	
<p>NOTES : Construction on this project began in mid-May and is scheduled to be complete by the end of August.</p>	
<p>Project: Beacon Hill Pump Replacement Contract No: 2012.009 Contractor : Pascal & Ludwig Constructors Engineer : Psomas</p>	<p>BEACON HILL PUMP REPLACEMENT</p>
<p>SCOPE OF WORK : Installation of a tier 4 diesel engine with pump. Retrofit the existing building to accommodate new equipment and site improvements.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 03/19/15</p> <p>Est. Completion Date 12/31/15</p> <p>Authorized Expense \$ 582,054</p> <p>Paid To Date \$ 96,618</p> <p>Percent Constructed 0%</p>	
<p>NOTES : Notice to proceed issued in May.</p>	

AS OF 06/17/2015

<p>Project: Encantamar Pipeline Abandonment Contract No: 2014.004 Contractor: Ferreira Construction Co. Inc. Engineer: District Staff</p>	<p>ENCANTAMAR PIPELINE ABANDONMENT</p>
<p>SCOPE OF WORK : Removal of existing valves and fittings and the abandonment of 500 ft of 16” ductile iron pipe.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 06/18/15 Est. Completion Date 09/31/15 Authorized Expense \$ 75,000 Paid To Date \$ 0 Percent Constructed 0%</p>	
<p>NOTES : Contract execution pending.</p>	

<p>Project : MNWD ETWD Inter-tie Contract No: 2006.099 Contractor : T.E Roberts, Inc. Engineer : Tetra Tech, Inc.</p>	<p>MNWD ETWD INTER-TIE</p>
<p>SCOPE OF WORK : Interconnection of the 30’ Diemer pipeline to ETWD’s 24” R-6 Reservoir fill line.</p>	
<p>DETAILS :</p> <p>Fund 07 Replace and Refurbishment</p> <p>Contract Award 12/09/14 Est. Completion Date 10/01/15 Authorized Expense \$ 503,140 Paid To Date \$ 13,728 Percent Constructed 50%</p>	
<p>NOTES : Funded by SMWD. Currently processing latest billing.</p>	

Project : Manhole Rehabilitation Program FY 14/15
 Contract No: 2014.009
 Contractor : Ayala Engineering
 Engineer : District Staff

**MANHOLE REHABILITATION PROGRAM
FY 14/15 - 15/16**

SCOPE OF WORK : FY 14-15 and 15-16 on call service agreement to rehabilitate manholes throughout the District.

DETAILS :

Fund	07 Replace and Refurbishment
Contract Award	08/21/14
Est. Completion Date	06/30/16
Authorized Expense	\$ 700,000
Paid To Date	\$ 1,354
Percent Constructed	20%



NOTES : To date 20 Manholes have been rehabilitated. Currently processing \$110,000 worth of billing.

New grade rings, frame and cover installation



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** July 13, 2015

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

SUBJECT: Quarterly Communications License Program Report

DIVISION: District-wide

SUMMARY:

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

Recommendation: This is an information item only.

Fiscal Impact: The Communication License Program has historically generated up to \$1.7 million per year.

BACKGROUND:

In the 1990s, the Moulton Niguel Water District (District) approved the first communication facility to be constructed at one of the District’s sites. As the communication industry grew, District was repeatedly approached about use of District sites for cell tower equipment installations. The District developed the Communications License Program (Program) with a primary objective to provide an economic benefit to District ratepayers through a monthly lease program. The District’s first responsibility is to provide water and wastewater service to its customers, and development of the Program should not interfere with District’s ability to provide quality service. With those objectives in place, the Board of Directors approved a Communications Lease Agreement and Lease Policy, which was implemented on January 1, 2001, and updated to a Communication License Agreement and License Policy on March 15, 2012. Since that time, the Program has grown to include 56 agreements with various amendments on several of those agreements. These communications facilities are distributed among 17 District sites. The Program currently generates about \$1.7 million in revenue for District each Fiscal Year.

#15.

Quarterly Communications License Program Report

June 5, 2015

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DISCUSSION:

During the period covered by this quarterly update (April, May, and June 2015) staff has performed various internal and external activities for the Program:

- Processed new applications for 3 site modifications.
- Worked with Metro PCS and Nextel on plans to decommission facilities.
- Continued processing 44 existing site modification applications; 4 projects were completed during this reporting period.
- Continued lease amendment negotiations; 11 leases are under amendment negotiations. Refunded amendment fees for 3 T-Mobile projects that don't required amendments.
- Inspected cell carrier improvements at various sites and identified site deficiencies. Followed up with cell carriers to make sure the deficiencies were fixed.
- Continued to work with T-Mobile to remove and relocate equipment from roof of Nellie Gail Reservoir.
- Continued to work with cell carriers to prepare for license renewals. 30 leases expire in late 2015/early 2016. Rather than renew the leases, they will be issued new license agreements in accordance with the 2012 Communication Facilities License Program Policies and Procedures.
- Worked with ATS to draft revisions to the License Agreement template and 2012 Communication Facilities License Program Policies and Procedures.