



**ENGINEERING & OPERATIONS
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
May 18, 2015
8:30 AM
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE APRIL 13, 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.

PRESENTATION ITEMS

4. Water Loss Control Program Update

DISCUSSION ITEMS

5. Research Partnership on Rebate Program Incentives
6. On-Call Asphalt and Concrete Repair Services
7. Agreement for Landscape Maintenance Services for Fiscal Years 2015-18

INFORMATION ITEMS

8. Update on Water Usage
9. Operations Center Consolidation Update

10. Laguna Niguel Courthouse Development Project
11. Quarterly Capital Improvement Program Report
12. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
13. 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**

April 13, 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 April 13, 2015. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President/Chair
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President (8:45 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
Eva Plajzer	Assistant Director of Engineering
Todd Novacek	Assistant Director of Operations
Ruth Zintzun	Finance Manager
Matt Weber	Downey Brand
Paige Gulck	Board Secretary
Drew Atwater	MNWD
Todd Dmytryshyn	MNWD
Megan Geer	MNWD
Ray McDowell	MNWD
Megan Schneider	MNWD
Leah VanDerMaatan	MNWD
Kelly Winsor	MNWD
Rod Woods	MNWD

Stu Luce
Tim Strader Jr.

CAC Member
Starpointe Ventures

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 MARCH 16, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY GARY KURTZ, MINUTES OF THE MARCH 16, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

3. PUBLIC COMMENTS - CLOSED SESSION

None.

CLOSED SESSION

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

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

Brian Probolsky arrived at 8:45 a.m.

5. RETURN TO OPEN SESSION

The Board of Directors returned to open session at 9:00 a.m. Scott Colton stated that there was no reportable action on the closed session item.

6. PUBLIC COMMENTS - OPEN SESSION

None.

14. Operations Facility Update

Scott Colton stated that item 14 would be taken at this time. Joone Lopez and Matt Collings reviewed the timeline for construction of the Operations facility.

PRESENTATION ITEMS**7. Capital Improvement Program and Joint Powers Authorities FY 2015-16 Budget Review**

Marc Serna and Eva Plajzer presented the Capital Improvement Program Budget Review (CIP). Discussion ensued regarding the ten-year CIP, the Fiscal Year 2015-16 budget, and the CIP document. The 10-year cash flow model was handed out. Ruth Zintzun presented the Joint Powers Authorities Budget Review. The budgets for South Orange County Wastewater Authority (SOCWA), Joint Regional Water Supply System (JRWSS), San Juan Basin Authority (SJBA), and Santiago Aqueduct Commission (SAC) were discussed.

8. Recycled Water System Update

Eva Plajzer presented the Recycled Water System Update. Major topics included the existing system, sales of recycled water, map of the recycled water system, and the recycled water master plan.

DISCUSSION ITEMS**9. Proposed Framework by State Water Resources Control Board for Implementation of Governor's Executive Order**

Joone Lopez provided background on the SWRCB proposed framework in response to the Governor's Executive Order to decrease the water usage 25% statewide. Staff provided comments in response to the proposed framework. Further updates will be provided.

16. Quarterly Communications License Program Report

Scott Colton stated that item 16 would be taken at this time. Joone Lopez introduced Tony Ingegneri, President of ATS. ATS negotiates terms with cell providers to ensure the district's requirements are met. Questions regarding the market for cell sites were answered.

10. Update on Water Usage

Drew Atwater gave the Water Usage update.

11. Plant 3A Operating Agreement

Matt Collings presented the Plant 3A Operating Draft Agreement. Staff recommends approval of the Operating Agreement designating Santa Margarita Water District as the operator of 3A starting July 1, 2015, subject to non-substantive changes approved by the General Manager and Legal Counsel.

12. Recycled Water System Extension Initial Study

Joone Lopez provided a background on the recycled water system initial study. Staff recommends approval of the resolution entitled, "Approving the Mitigated Negative Declaration and the Mitigation, Monitoring, and Reporting Program for the Recycled Water System Extension Project 2014.011."

Gary Kurtz and Brian Probolsky left the meeting at 11:30 a.m.

13. SOCWA Pretreatment Ordinance

Matt Collings provided background on the item. Staff recommends posting of a public hearing for May 21, 2015, to start the process in updating the District's ordinance.

INFORMATION ITEMS

15. Quarterly Construction Progress Report

The construction progress report is available in the packet for review.

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

None.

18. Late Items (Appropriate Findings to be Made)

None.

ADJOURNMENT

The meeting was adjourned at 11:38 a.m.

Respectfully submitted,

Paige Gulck
Board Secretary



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** May 18, 2015

FROM: Drew Atwater, Senior Financial and Resource Analyst

SUBJECT: Research Partnership on Rebate Program Incentives

DIVISION: District-Wide

SUMMARY:

Issue: The District's rebate programs are a core component of maintaining reliable water supplies. It is imperative to understand customer motivations and water use response to further encourage program participation. Additionally, levels of financial incentives need to be determined to maximize participation and ensure appropriate funding amounts.

Recommendation: It is recommended that the Board of Directors approve the research Agreement with the University of California Riverside, for an amount not-to-exceed \$184,392; and authorize the General Manager to execute change orders up to 10% of the Agreement value.

Fiscal Impact: The project will be budgeted and funded over the next two years from the Water Efficiency Fund.

BACKGROUND:

In November, 2011, after the implementation of the Water Budget Based Rate Structure (WBBRS), the District established rebate programs to offer financial incentives for customers to install water efficient devices and remove lawns with revenue generated from water use in the upper tiers. Funding levels for the various programs were established based on a review of programs and industry practices. Subsequently, the program has been advertised to our customers through different communications and platforms, i.e. website, collaterals. After several years of managing these programs, staff has identified the need to evaluate the funding incentives to ensure maximum conservation efforts and fiduciary use of public funds. With the current drought, the need to increase customer participation in these program is critical in achieving the 20% reduction target for the District's service area. As the awareness of the drought and communications with our customers has increased, so has the participation and interest in the rebate programs offered by the

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Research Partnership on Rebate Program Incentives

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District. In order to ensure the programs and funding levels are optimal for achieving maximum water savings, additional analysis is required to answer critical questions.

Since the program was established in 2011, Metropolitan Water District and the Municipal Water District of Orange County have completed high-level analyses of water savings achieved by water efficient devices and market penetration of various devices, including high efficiency toilets/washing machines. These studies will support the specific questions of how each device can generate water savings. However, they do not inform specific levels of savings achieved through the programs by the District's customers. Our customer base is unique to the Southern California region from many perspectives, including land use, economics, past conservation efforts. Additionally, those studies do not account for behavioral response after the installation of the efficient devices or changes to outdoor landscaping.

As the District plans for the future and evaluates future water supply reliability projects, it is equally important to look at the other side of the equation: customer water demand. The following are critical issues requiring evaluation to establish the most effective rebate programs for continued demand reductions:

- analysis of the water use impacts of our rate structure at the account level
- analysis of the water saved from each of the various rebate programs offered by the District
- how each rebate program impacts participation and savings of the others (in economic terms, the complementarity and substitutability of the programs)
- how to effectively target our programs through marketing efforts
- how to design the rebate programs to optimize funding incentives, customer participation and water savings

The District has been transitioning towards making demand side management a core function. The purpose of this research partnership is to provide answers to these issues in two critical demand management programs: rebate funding, and marketing levels to maximize rebate program participation.

DISCUSSION:

The District discussed our rate structure, rebate programs, and concerns with Professors Kurt Schwabe and Ken Baerenklau, of the University of California Riverside. They are leaders in the field of water demand economic modeling and in survey design to get the information needed to inform optimal rebate program design. They have done work for both Western Municipal Water District and Eastern Municipal Water District to evaluate the account level savings from the implementation of water budget rate structures as well as the program savings of conservation rebates. The study for Eastern Municipal Water District is commonly referenced across California water utilities and public policy circles as one of the premier water demand models. Professors Kurt Schwabe and Ken Baerenklau's research experience provides them with a unique, detailed level of understanding of

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both Southern California water agencies' conservation rebate programs and water budget rate structures.

The attached research proposal provides three phases of scope to ultimately answer how the District can best target customers with rebates and marketing as cost effectively as possible. The first phase of scope will build an account level water demand model to look at how each customer's water usage behavior evolves over time in response to District policies and external forces like the economy. The second phase of scope will perform a customer survey to evaluate how to maximize rebate program participation through both incentives and targeted marketing. The final phase of scope will integrate Phase 1 & 2 to inform District rebate policies and aid in planning for customer response to rate changes. The overarching goals of the project are:

- to provide staff a unique opportunity to learn about customer motivations through focus groups and surveys
- provide independent academic support for rebate program funding and marketing strategies
- to create tools for staff to utilize into the future to understand how different groups use water in response to rates, rebate program design and marketing to inform planning and policy

Attachments:

1. Scope of Work
2. Draft Agreement

THIS DRAFT RESEARCH AGREEMENT IS PROVIDED FOR INFORMATION ONLY. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA ARE NOT OBLIGATED IN ANY MANNER BY VIRTUE OF YOUR RECEIPT OF THIS INFORMATION. ALL TERMS AND CONDITIONS OF ANY ACTUAL AGREEMENT REMAIN NEGOTIABLE UNTIL THE EXECUTION OF A WRITTEN AGREEMENT BY THE PARTIES.

RESEARCH AGREEMENT

THIS RESEARCH AGREEMENT (hereinafter "Agreement"), is made and entered into by and between MOULTON NIGUEL WATER DISTRICT, a California corporation, having its principal place of business at 27500 La Paz Road, Laguna Niguel, CA 92677 (hereinafter "MNWD") and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF ITS RIVERSIDE CAMPUS, having offices at 200 University Office Building, Riverside, CA 92521-0217 (hereinafter "University").

WHEREAS, University is a constitutional public corporation that enters into agreements with sponsors to provide University's faculty the opportunity to gain experience and knowledge of value to their teaching and research, to make noteworthy contributions to knowledge and as an appropriate public service;

WHEREAS, Dr. Kurt Schwabe (hereinafter "Principal Investigator") conducts research in the area of water economics (hereinafter "Field"), and MNWD has an interest in the University conducting further research in the Field, in anticipation of potential benefit to MNWD and its ratepayers from such research; and

WHEREAS, MNWD desires to financially support such research; and, University desires to conduct such research on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions set forth below, the parties agree as follows:

Section 1

RESEARCH

1.1 Scope of Research. Subject to the terms and conditions of this Agreement, University will use reasonable efforts to perform research in accordance with its proposal entitled, "An Analysis of Water Conservation Drivers for Effective Water Management in the Moulton Niguel Water District" (hereinafter "Research"), which is attached as Exhibit A, and incorporated herein solely for the purpose of describing the Research.

1.2 Implementation of Research. University's relationship to MNWD in the performance of Research is that of an independent contractor. University shall have the right to identify and implement the method, details, and means of performing the Research for MNWD.

1.3 Principal Investigator. University's performance of the Research shall be under the direction of Principal Investigator, who shall be responsible for the administration, direction, and content of the Research. In the event that the Principal Investigator becomes unable or unwilling to continue work under the Research, University will use reasonable effort to name an alternate

#5.

Principal Investigator to perform the Research, subject to MNWD's consent. If the University is unable to identify an alternate Principal Investigator or if the MNWD does not provide consent to such named alternate, then MNWD may terminate this Agreement in accordance with Section 7 below.

1.4 Technical Contact of MNWD. The MNWD shall designate an individual who shall coordinate with the University's Principal Investigator and each shall have the responsibility in respect to the Research to (i) serve as the interface between the parties regarding the conduct of the Research; (ii) obtain and provide technical information, data, decisions or approvals; and (iii) resolve deviations in information and data provided for the Research, and assist in resolving issues either party may have in connection with the terms of this Agreement and the Research.

Section 2

RESEARCH FUNDS

2.1 Research Funds. This Agreement is a cost-reimbursement contract with a fixed payment schedule. In accordance with Section 2, Paragraph 2.2 of this Agreement, MNWD shall pay University the applicable funds and expenses for performing the Research set forth in Exhibit B "Budget", which funds shall include without limitation, the direct and indirect costs of the Research, supplies, equipment, and a proportionate share of the Principal Investigator's salary (hereinafter, "Funds"). Principal Investigator shall have the sole discretion to reallocate any portion of the Funds, in furtherance of the Research. During the term of the Research, if University discovers that the expenditures are expected to exceed the amount of Funds, University may request additional Funds from MNWD which MNWD may elect to provide in its reasonable discretion. Should MNWD elect not to provide such additional Funds, University shall not be obligated to continue performance under the Research beyond the agreed upon amount of Funds, and University shall provide MNWD with the results of the Research performed up to such point in a form reasonably acceptable to MNWD.

2.2 Payment Method.

The total estimated cost of this Agreement is \$184,392. MNWD shall pay University in accordance with the following schedule and upon thirty (30) days' receipt of University's invoice:

1 st Payment:	Upon full execution of this Agreement	50% of the amount of Year 1 Funds, as defined in Exhibit B
2 nd Payment:	Upon MNWD's receipt of the Phase I Summary Report	25% of the amount of Year 1 Funds
3 rd Payment:	Upon completion of Year 1	25% of the amount of Year 1 Funds
4 th Payment:	Upon one year from the execution of this Agreement	50% of the amount of Year 2 Funds
5 th Payment	Upon MNWD's receipt of the Phase II Summary Report	25% of the amount of Year 2 Funds

6 th Payment	Upon MNWD’s receipt of the Phase III Summary Report	25% of the amount of Year 2 Funds
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Payment must be made payable to "The Regents of the University of California", reference the name of the Principal Investigator, and be sent to:

University of California, Riverside
 Main Cashier's Office
 900 University Avenue
 Student Services Bldg., Room 1111
 Riverside, CA 92521

2.3 Accounting. Within ninety (90) days of the end of each Year, University will submit its customary statement of actual expenditures by major cost categories incurred during the preceding Year. Notwithstanding the foregoing, the Principal Investigator shall have the right to rebudget expenses and carry forward unexpended Funds to the following year. In addition, upon the expiration or termination of this Agreement, University shall submit to MNWD a statement of actual expenditures for any Funds accrued under this Agreement prior to the effective date of termination. MNWD shall pay any such Funds due within sixty (60) days from receipt of such statement, or if in the case of a balance of Funds, University shall refund any such amounts.

2.4 Supplies and Equipment. In the event that University purchases supplies and equipment under this Agreement, title to such supplies and equipment shall vest in University.

Section 3

RIGHTS IN DATA

3.1 Data. University shall, in accordance with established University policies and practice, keep notes and records of data and information generated in the performance of the Research under this Agreement (hereinafter "Data"). During the term of this Agreement, University shall provide MNWD with a summary report within ninety (90) days of the completion of each of the three phases of the Research, as set forth in Exhibit A, setting forth a summary and analysis of Data developed hereunder (hereinafter “Summary Reports”).

3.2 University Rights to Data. University shall own all right, title and interest in and to any and all Data developed from and arising out of the Research. Subject to Sections 4 and 5 below, University shall have the unrestricted right to copyright, publish, disclose, disseminate and use, in whole or in part, all such Data.

3.3 MNWD Rights to Data. Subject to the provisions of Sections 4 and 6 below, MNWD shall have the right to use all written Summary Reports provided to MNWD.

Section 4

PUBLICATION

4.1 University Rights to Publish. MNWD acknowledges and agrees that University's fundamental consideration in performing the Research under this Agreement shall be University's right to first publish the results of such Research for academic and scientific purposes. University shall submit any proposed manuscript for publication to MNWD thirty (30) days prior to the submission for publication, and any proposed abstract to MNWD seven (7) days prior to submission for publication ("Review Period"). In the event MNWD identifies any Confidential Information (as defined in Section 5 below) contained in such proposed publication or abstract, MNWD shall notify University during the applicable Review Period and specifically identify the Confidential Information. University shall delete such Confidential Information from the proposed publication or abstract. In the event MNWD identifies any patentable subject matter contained in the proposed publication, MNWD shall notify University of such matter during the Review Period and University shall either (i) delay the proposed publication for a period of up to sixty (60) days from the date of receipt of MNWD's notification in order to obtain appropriate patent protection thereon, or (ii) delete the enabling portion from the proposed publication and proceed with publication. University shall acknowledge MNWD's support of the Research performed under this Agreement in scientific publications and other scientific communications.

Section 5

CONFIDENTIAL INFORMATION

5.1 Confidentiality. MNWD acknowledges that University as a public, non-profit educational institution would prefer not to accept any confidential information of MNWD. However, should MNWD find it necessary to disclose to University any proprietary or confidential information of MNWD in order to accomplish the objectives of the Research, MNWD shall do so in accordance with the requirements of this Section 5.

5.2 Definition of Confidential Information. Any information considered proprietary or confidential by MNWD shall be provided to University's Principal Investigator in writing and clearly identified as such, or if orally disclosed, identified as proprietary or confidential at the time of disclosure and reduced to writing within thirty (30) days by MNWD (hereinafter, "Confidential Information").

5.3 Exclusions. Notwithstanding the foregoing, Confidential Information shall not include any information which is: a) published or otherwise available to the public other than by breach of this Agreement by University; b) rightfully received by University from a third party without confidential limitations; c) independently developed by University; d) known to University prior to its first receipt from MNWD; e) hereinafter disclosed by MNWD to a third party without restriction on disclosure; f) approved for release by written authorization of MNWD; or (g) required to be disclosed to the extent mandated by legal, accounting or regulatory requirements.

5.4 Standard of Care. University shall use reasonable efforts, in accordance with University's treatment of its own confidential information to maintain its confidentiality, to prevent the disclosure of Confidential Information to third parties during the term of this Agreement and for three (3) years thereafter. .

Section 6

INTELLECTUAL PROPERTY RIGHTS

6.1 Patentable Inventions. All rights to inventions or discoveries made in the performance of Research conducted under this Agreement shall belong to University and shall be disposed of in accordance with University policy. To the extent University has the legal right to do so and to the extent MNWD pays all direct and indirect costs of the Research, including a proportionate share of the Principal Investigator's salary, University shall offer to MNWD, in accordance with the provisions of the following paragraph, a time-limited first right to negotiate an exclusive, royalty-bearing license to make, have made, use, sell, offer to sell, and import any patentable inventions in the Field that are made in the direct performance of the Research under this Agreement.

6.2 License to Patentable Inventions. University shall promptly and confidentially disclose to MNWD any patentable invention that falls under the preceding paragraph. MNWD shall hold such disclosure on a confidential basis and shall not disclose the information to any third party or use the information except in accordance with this Section, without the prior written consent of University. MNWD shall advise University in writing within sixty (60) days following University's disclosure to MNWD whether or not MNWD elects to secure a commercial license. Upon such election, MNWD shall assume all costs associated with the filing and maintaining patent protection for such invention(s) in those countries requested by MNWD, whether or not Letters Patent issue. MNWD shall have ninety (90) days from the date of election to conclude a license agreement with University. Said license agreement shall contain reasonable terms and shall require diligent performance by MNWD for the timely commercial development and early marketing of such invention(s), and shall include MNWD's continuing obligation to pay for patent costs. If such license agreement is not concluded within the ninety (90) day period, University shall have no further obligations to MNWD, and MNWD's obligation to pay for costs associated with patent protection shall cease. If MNWD elects not to secure a license, the right to any such invention(s) hereunder shall be disposed of in accordance with University policies, with no further obligation to MNWD.

6.3 No implied licenses. Nothing contained in this Agreement shall be deemed to grant either directly or by implication, estoppel, or otherwise any rights under any patents, patent applications or other proprietary interests, whether dominant or subordinate, of any other invention, discovery or improvement of either party, other than the specific patent rights covering inventions arising under this Agreement.

6.4 Publication. Notwithstanding any other provision of this Agreement, the right of publication on the part of University personnel shall not be affected by any license to any patentable or non-patentable inventions or discoveries except as provided for in Section 4 above.

Section 7

TERM AND TERMINATION

7.1 Term. The term of this Agreement shall commence on July 1, 2015 ("Effective Date") and shall continue through March 31, 2017. At the end of such term, this Agreement may be renewed upon mutual written agreement of the parties.

7.2 Termination for Cause. This Agreement may be terminated by either party, if the other party breaches any material obligation provided hereunder and the breaching party fails to cure such breach within thirty (30) days from receipt of notice outlining the nature of the breach. In the event such material breach is not cured within the applicable period of time noted above, then the non-breaching party may immediately terminate this Agreement by providing written notice to the other party. Reconciliation of Research expenditures and MNWD's payments shall be in accordance with Section 2, Paragraph 2.3 of this Agreement. University shall make good faith efforts to avoid incurring additional costs following either party's notice of termination.

7.3 Termination for Convenience. This Agreement may be terminated by either party with sixty (60) days written notice to the other party for any reason. Reconciliation of Research expenditures and MNWD's payments shall be in accordance with Section 2, Paragraph 2.3 of this Agreement. Such reconciliation shall also take into account University's non-cancellable obligations incurred prior to the effective date of termination of the Agreement, including without limitation, any support for any student of University for the duration of the then current academic quarter.

7.4 Survival. The following provisions shall survive any expiration or termination of this Agreement: Sections 3, 4, 5, 6, 8, 9, 10 and 11.

Section 8

NOTICES

8.1 Notices. All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and shall be deemed given upon actual receipt Notices shall be sent to the parties at the addresses described below or such other address as either party may designate for itself in writing.

For Scientific/Technical Matters:

University University of California,
Riverside
Attn: Dr. Kurt Schwabe
900 University Avenue
2460E Geology
Riverside, CA 92521
Phone: (951) 827-2361

MNWD Moulton Niguel Water District
Attn:
27500 La Paz Road
Laguna Niguel, CA 92677
Phone:

For Contractual/Agreement Matters:

University UCR Office of Research and
Economic Development
Attn: Ms. Teeny Ellis
200 University Office Building
Riverside, CA 92521-0217
Phone: (951) 827-5535
Fax: (951) 827-4483

MNWD Moulton Niguel Water District
Attn:
27500 La Paz Road
Laguna Niguel, CA 92677
Phone:
Fax:

Section 9

LIMITATION OF LIABILITY

9.1 Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OF USE, INTERRUPTION OF BUSINESS, OR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS) REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT, (INCLUDING NEGLIGENCE), STRICT PRODUCT LIABILITY, OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.2 Limit on Direct Damages. EXCLUDING EACH PARTY'S INDEMNITY OBLIGATIONS UNDER SECTION 10 BELOW, IN NO EVENT SHALL EACH PARTY'S LIABILITY TO THE OTHER PARTY UNDER THIS AGREEMENT EXCEED THE AMOUNT OF FUNDS HEREUNDER.

9.3 No Warranties. ANY AND ALL DATA, MATERIALS, TECHNOLOGY, INVENTIONS, DISCOVERIES, AND TANGIBLE RESEARCH PRODUCTS DEVELOPED BY UNIVERSITY UNDER THE RESEARCH ARE PROVIDED "AS IS" AND UNIVERSITY MAKES NO WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT. ANY AND ALL DATA, MATERIALS, AND INFORMATION PROVIDED BY MNWD UNDER THIS AGREEMENT ARE PROVIDED "AS IS" AND MNWD MAKES NO WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, AND EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT.

Section 10

INDEMNIFICATION

10.1 University Indemnification.

#5.

University agrees to indemnify, defend, and hold MNWD, its officers, employees and agents, harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of University, its officers, agents, or employees.

10.2 MNWD Indemnification.

MNWD agrees to indemnify, defend, and hold University, its officers, employees and agents, harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of MNWD, its officers, agents, or employees.

Section 11

MISCELLANEOUS

11.1 Governing Law and Forum. This Agreement shall be governed in all respects by the laws of the State of California without regard to conflicts of law principles. All disputes arising under this Agreement shall be brought, as permitted by law, in the state courts in the State of California. Such courts shall have exclusive jurisdiction over disputes under this Agreement. Each party consents to the personal jurisdiction of the above courts.

11.2 Force Majeure. University shall be excused from performance required under this Agreement if such performance is rendered impossible or unfeasible due to any events beyond its reasonable control, including without limitation, war, riot, natural disasters, weather, labor disputes or strike, acts of governmental officials or agencies, or any other cause beyond the reasonable control of University. The excusable delay is allowed for the period of time affected by the delay, and the parties will revise the Research performance or other provisions hereunder as appropriate.

11.3 Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole.

11.4 Use of Name. Neither party will use the name of the other party or its employees in any advertisement or press release without the prior written consent of the other party. MNWD acknowledges that the California Education Code section 92000 provides that the name "University of California" is the property of the State of California and that MNWD's use of the name "University of California" must also comply with such section. MNWD acknowledges that University maintains a list of all Research projects, which list shall contain the name of MNWD and the title of the Research, and that University may make use of such list consistent with its obligations as an academic institution.

11.5 Headings. The section headings appearing in this Agreement are inserted only as a matter

of convenience and in no way define, limit, construe, or describe the scope or extent of such section or in any way affect this Agreement.

11.6 Assignment. Neither party may delegate, assign or transfer this Agreement, the rights or duties hereunder without the other party’s express prior written consent. Notwithstanding the foregoing, MNWD may assign this Agreement without University's prior written consent in the event of a merger, reorganization or acquisition of MNWD in which MNWD is the surviving entity.

11.7 Entire Agreement and Modification. This Agreement constitutes the entire agreement between MNWD and University and supersedes in their entirety any and all oral or written agreements previously existing between MNWD and University with respect to the subject matter. The terms and conditions of any purchase order or other instrument issued by MNWD in connection with this Agreement which add to or differ from the terms and conditions of this Agreement shall be of no force or effect. This Agreement may only be amended or supplemented by a writing that refers explicitly to this Agreement and that is signed by duly authorized representatives of MNWD and University. In the event of any conflict between the terms and conditions set forth in this Agreement and the Exhibits, the parties agree that the terms and conditions of the Agreement shall take precedence.

11.8 No Third Party Beneficiaries. The parties do not intend 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 in this Agreement.

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

**The Regents of the University of California,
on behalf of its Riverside campus**

By:

Name: Teeny Ellis

Title: Sr. Contract and Grant Officer

Date:

Moulton Niguel Water District

By:

Name:

Title:

Date:

EXHIBIT A

Scope of Research

Title

Analysis of Water Conservation Drivers for Effective Water Management

Project Objectives

The objectives of this project are to identify agency, household, environmental and community-level drivers that influence water conservation decisions and outcomes among residential single-family households in the Moulton Niguel Water District (MNWD) service area. Developing effective water conservation strategies requires information on past, current, and anticipated future household-level decisions regarding water conservation. It also requires an understanding of how agency programs and customer actions interact with one another, with current and future potential pricing and rebate policies, and with characteristics of residential households and their surrounding social, demographic, and physical environment. Consequently, we will provide an analysis of the drivers of residential single-family household participation in water conservation programs offered by MNWD, an evaluation of program characteristics to increase participation rates in particular programs, estimates of the overall impacts of such programs and customer actions on residential water use and water bills, and an evaluation of individual program costs and benefits of individual programs to the agency.¹

The main programs that will be evaluated include, but may not be limited to turf removal, synthetic turf installation, high efficiency/front load clothes washers, and high efficiency/low flow toilets. Given widespread interest in encouraging households to replace turf grass, and with acknowledgement that turf grass programs to date have experienced low participation rates, we will maintain a special focus on turf removal throughout the project.

Project Phases and Tasks

The project will consist of three phases carried out over less than 2 years. The sequencing is such that the 2nd and 3rd phases of the project will be informed by the 1st and 2nd phases, respectively, so as to most effectively develop, collect, analyze, and interpret the data to achieve the objectives specified above. Each phase, along with the tasks and data requirements are described in turn.

Phase I: Revealed Preference / Behavioral Models of Water Usage and Conservation. Phase I will consist of using current and past agency data (“revealed preference data”), coupled with external data sources (e.g., CIMIS, US Census, MWDOC), to estimate drivers of conservation program participation and water use. Similar to past and ongoing research with Eastern and Western Municipal Water Districts, statistical models of participation and water use employing readily available data can be estimated to highlight the relative contributions of a wide range of factors to program participation and water demand. Data to inform this analysis include:

- Agency-level factors (*Data Sources: MNWD and other water agencies*)
 - Water pricing policy (i.e., structure and level)
 - Rebate levels
 - Conservation program participation
 - Outreach / media efforts
- Household-level factors (*Data Sources: MNWD and US Census*)

¹ Many customers may take conservation actions independently of water district conservation programs. This research differentiates between these two decisions and will identify the effectiveness of each on household-level water savings and expenditures.

- Socio-economic factors (e.g., income, education)
- Demographic factors (e.g., ethnicity, household size)
- Property characteristics (e.g., lot size, age of house, irrigated area)
- Customer awareness (through identifying district-level awareness campaigns)
- Community / Environmental Factors (*Data Sources: MNWD, CIMIS*)
 - Neighborhood participation levels, if available
 - Outreach efforts from other agencies, if available
 - Methods of community outreach and engagement (e.g., newspapers, MNWD website, social media, community newsletters, HOA meetings, Chamber of Commerce events, etc.)
 - Biophysical factors (e.g., precipitation, temperature, evapotranspiration)

Phase I Tasks

- Collect, organize, clean, and generate a statistical dataset from the sources listed above
- Estimate a statistical model of participation as a function of factors listed above
- Estimate a statistical model of water demand as a function of factors listed above
- Write a summary report and present results to agency personnel and board members

Phase I Deliverables

At the end of Phase I, the following deliverables will be provided to MNWD:

- Statistical model, dataset, and results identifying main drivers of water conservation program participation by single-family residential customers within the MNWD service area.
 - District-level averages as well as results for various socio-economic and demographic groupings (e.g., income, education, household size, lot size, ethnicity, and location), environmental conditions (e.g., evapotranspiration) and neighborhood characteristics.
- Statistical model, dataset, and results identifying main drivers of water use by single-family residential customers within MNWD service area
 - District-level averages as well as results for various socio-economic and demographic groupings, environmental characteristics, and neighborhood characteristics.
- Impact of water conservation programs on residential single-family home water usage and bills
- Aggregate impact of individual water conservation programs on agency water demand and revenues
- Comparison of conservation program revenue effects and operating costs
- Summary report and presentation slides

Phase II: Survey of Customer Attitudes, Actions, Preferences and Values. The objectives of this phase of the project are four-fold:

- Collect household-level information on customer attitudes towards conservation, programs, pricing, and water-related issues locally, regionally, and statewide
- Better understand the specific water conservation actions of customers (e.g., what programs have they participated in, what practices have they adopted)
- Through the use of a choice experiment², collect data on customer preferences for particular water conservation programs the district has offered or may consider offering, along with

² A choice experiment is a well-accepted valuation method used by economists and both social and cognitive psychologists that presents respondents with a series of hypothetical side-by-side plans (programs) that are characterized by different levels of attributes that make up each plan. For instance, customers could be presented with a side-by-side comparison of two different turf grass replacement programs which differ by the rebate level,

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information on how different combinations of program attributes and levels—some of which may not have yet been offered to customers—can enhance program participation in a cost-effective manner to the agency.

- Identify customers' preferred means of receiving information for outreach and engagement.

Phase II Tasks

- Develop the choice experiment and related survey questions to collect information on attitudes, actions, preferences and values of customers
 - Conduct focus groups (four six-person meetings managed and developed by UCR and MNWD staff)
 - Conduct cognitive interviews (four agency staff and 10 single-family residential customers).
 - Pretest the survey instrument (50 households)
 - Design a sampling strategy
- Implement the survey
 - Train agency staff to handle call-in questions
 - Roll-out web-based choice experiment and survey questions
 - Store data securely
- Clean and organize data
- Generate summary statistics

Phase II Deliverables

At the end of Phase II, the following deliverables will be provided to MNWD:

- Fully cleaned and organized survey dataset
- Evaluation of the survey (e.g. response rates, characteristics of respondents)
- Summary of customer attitudes toward water use, MNWD, and water conservation programs
- Summary of customer actions and participation in water conservation programs (e.g., identification of the water conservation actions they have already employed)
- Comparison of survey data with MNWD customer records of program participation
- Summary report and presentation slides

Phase III: Analysis of Drivers of Water Conservation Actions and Water Use. Phase I develops a water demand model using the available, though likely incomplete, customer conservation data held by MNWD. Phase II generates a complete conservation dataset that includes participation in wholesaler and retailer conservation programs and voluntary (non-program) adoption of conservation technologies. Phase III utilizes all of this information to better understand the drivers of conservation actions by households (whether through program participation or otherwise) and how conservation actions affect water demand.

Phase III Tasks

- Estimate a statistical model of water conservation actions
 - Expand analysis in Phase I to include additional information in Phase II (e.g., more accurate information on other water conservation programs each customer has participated in; environmental attitudes / water-related preferences)
- Estimate a statistical model of water demand accounting for conservation actions water savings achieved, design, and expected maintenance. By offering a series of these pair-comparisons to a suitable and sufficient sample of respondents, the importance of each attribute and its level can be estimated in terms of program choice. The optimal levels of each attribute can be estimated as well that provide the greatest probability of program adoption within the district, or for different types of users within the district. See Louivere et al. (2000).

- Expand analysis in Phase I to include additional information in Phase II
 - Write a summary report and present results to agency staff and board members.

Phase III Deliverables

- An analysis of how different conservation program attributes (e.g. rebate levels, marketing / outreach, water rates) influence water conservation actions
- An analysis of the drivers that influence customer decisions to participate in various water conservation programs
 - Identification of how different attributes and their levels—particularly the rebate level— influence program adoption and the expected cost per unit of water saved
 - Identification of impacts of different program attribute levels on expected customer uptake for the district as a whole, and for particular subgroups of customers.
 - Identification of the relationship between outdoor and indoor water conservation choices (e.g., are they substitutes or complements) while controlling for other confounding factors
- An analysis of the water saved by each program compared to what would have been saved through voluntary customer actions in the absence of the program
- A statistical analysis of the drivers of water demand accounting for conservation actions
 - Impact of water conservation actions on single-family residential water use and expenditures
 - Aggregate impact of individual water conservation programs on agency water demand and revenues
 - Identification of district-level averages, as well as outcomes across different subgroups of customers (e.g., income, education, household size, lot size, ethnicity, location), and the role of role of agency, household, and community-level factors.
- Comparison of conservation program revenue effects and operating costs Summary report and presentation slides

Summary of Deliverables

At the completion of the project, we will have estimated a water conservation program participation model and a water demand model, and identified the main drivers that influence each. Analyses will consist of identifying district-level averages, as well as outcomes across different socio-economic and demographic customer groupings (e.g., income, education, household size, lot size, ethnicity, location). The role of agency actions will be identified when possible (e.g., pricing policies, conservation rebate program characteristics, marketing strategy), along with the role of environmental, household, and community-level characteristics. The impacts of these programs on water expenditures at the household and agency levels will be estimated, as will the overall impact of these programs on agency revenues and water use. Consequently, we can provide a comparison between program costs and program benefits, as well as the complementarities and substitutability across programs.

Project Schedule

The proposed project will require less than two years to complete.

Year 1

- July 1, 2015 to December 31, 2015. Phase I Started and Completed
- October 1, 2015 to June 30, 2016. Phase II Started

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Year 2

- July 1, 2016 to September 2016. Phase II Completed
- September 2016 to March 31, 2017. Phase III Started and Completed

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EXHIBIT B

Budget

			Year 1	Year 2	Total
			07/01/15 - 06/30/16	07/01/16 - 03/31/17	
Category	Description				
Schwabe, Kurt	PI	Summer salary ¹	14,200	14,626	28,826
Baerenklau, Ken	Co-PI	Summer salary ¹	12,730	13,112	25,843
Graduate Student	Tuition, fees, stipend, benefits ²		32,555	34,105	66,660
Travel	Riverside to MNWD		690	483	1,173
Supplies	Software, data storage		800	800	1,600
Surveys/Interviews	Incentives		3,450	3,050	6,500 ⁴
Total Direct			64,425	66,176	130,601
Indirect	54%	IDC ³	26,594	27,197	53,791
Total Award			\$91,019	\$93,373	\$184,392

¹ Covers 1 summer month of salary and benefits annually for each Co-PI

² Covers 6 months during the academic year (2 quarters) and 3 months during the summer

³ IDC (indirect cost) will be 54% from 07/01/15-06/30/16 then 55% from 07/01/16-03/31/17.

⁴ Surveys/Interview costs are itemized in **Appendix A** below.

Appendix A. Itemized Survey/Survey Participant Compensation Focus Groups

Room Charge	MNWD	\$ -
Participate Compensation	6 people x 4 groups @ \$100/person	\$ 2,400
Food / Beverages	4 events @ \$100 / event	\$ 400
Supplies/Materials		\$ 100
Cognitive Interviews		
Room Charge	MNWD	\$ -
Participate Compensation	10 people @ \$100/person	\$ 1,000
Food / Beverages	\$10/person	\$ 100
Pretests		
Participate Compensation	50 households x \$10/household	\$ 500
Main Survey		
Participate Compensation	Lottery-like Offerings	\$ 2,000
Survey Software	Included in "Supplies" category	\$ -
Total		\$ 6,500



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** May 18, 2015

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

SUBJECT: On-Call Asphalt and Concrete Repair Services

DIVISION: District-wide

SUMMARY

Issue: Staff requires authorization to enter into an agreement for Asphalt and Concrete Repair Services for the remainder of the Fiscal Year (FY) 2014-15 through FY 2015-16 with A&Y Asphalt Contractors, Inc. (“A&Y”).

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute the On-Call Asphalt and Concrete Repair Agreement with A&Y, for a not-to-exceed amount of \$87,500 to perform asphalt and concrete repair services during the remainder of FY 2014-15 and a not-to-exceed amount of \$450,000 for FY 2015-16 for a total agreement amount of \$537,500.

Fiscal Impact: Sufficient funds will be requested in FY 2015-16 Budget.

BACKGROUND:

Following excavation for each service line, hydrant, or other line repairs by the District’s Street Crew or other contractors working on behalf of the District, city streets and concrete curbs/sidewalks need to be repaired or replaced per city standard specifications and requirements. The District has historically contracted those services to an outside contractor. Expenditures for asphalt and construction repairs are budgeted based on past services and projected work required for each fiscal year. Due to continued increases in hydrant, service line, and line break repairs, asphalt and concrete repair needs have correspondingly increased significantly each year and are currently projected at \$900,000 for next Fiscal Year.

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On-Call Asphalt and Concrete Repair Services

May 18, 2015

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DISCUSSION:

In March of 2015, the Board authorized the General Manager to enter into agreements for asphalt and concrete repair services with GM Sager Construction Co., Inc. ("GM Sager"), and Hardy & Harper, Inc. ("Hardy & Harper"), in the amounts of \$87,500 each for the remaining months of FY 2014-15 and \$450,000 each for FY 2015-16, for a total agreement amount of \$537,500 with each contractor.

Per the Board's authorization, the General Manager entered into an agreement with Hardy & Harper. However, GM Sager ultimately chose to not enter into an agreement with the District due to the reduced contract term. Staff has determined it is in the best interest of the District to have two contractors on-call for asphalt and concrete services, and is requesting that an agreement be awarded to the next qualified contractor identified during the RFP process.

Below is a summary of the proposals.

Pricing Summary - Asphalt and Concrete Repair Services	
Contractor	Pricing ⁽¹⁾
Hardy & Harper, Inc.	\$6,070
GM Sager Construction Co, Inc.	\$6,200
A&Y Asphalt Contractors, Inc.	\$7,682
Sanders Paving, Inc.	\$9,200
Ben's Asphalt, Inc.	\$9,850
Caliber Paving Company, Inc.	\$10,085
Note: 1. Pricing consists of the top five most common projects, including asphalt patching and concrete repair.	

Staff recommends the Board authorize the General Manager to enter into an agreement with A&Y Asphalt Contractors, Inc., in the amount of \$87,500 for the remaining months of FY 2014-15 and \$450,000 for FY 2015-16, for a total agreement amount of \$537,500.

Legal has reviewed and approved the agreement, which is attached for reference. The District's standard ten day termination clause is included as a provision in the agreement.

Attachment: On-Call Service Agreement – Asphalt and Concrete Repair with A&Y Asphalt Contractors, Inc.

ON-CALL SERVICE AGREEMENT

**MOULTON NIGUEL WATER DISTRICT
ASPHALT AND CONCRETE REPAIR SERVICES
(Fiscal Year 2014-15 – Fiscal Year 2015-16)
Agreement No. OM14-15.028**

This ON-CALL SERVICES AGREEMENT (the “Agreement”) is approved and entered into as of _____, 2015 (the “Effective Date”), by and between the MOULTON NIGUEL WATER DISTRICT, hereinafter called “District”, and A&Y ASPHALT CONTRACTORS, INC. a corporation under the laws of California, 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 individual asphalt and concrete repair projects to be performed in certain areas throughout the District on an on-call basis, as needed, during the fiscal year 2014-15 through fiscal year 2015-16. This Agreement, as well as each Work Order issued pursuant to Section 1, establish the terms and procedures that will apply to this Work.
- B. Contractor has submitted a cost proposal and schedule of work items to District asphalt and concrete repair projects, and Contractor is willing to provide the services in accordance with that proposal.
- C. The objective of this Agreement is for District to authorize Contractor to provide services/work on an on-call basis related to asphalt and concrete repair projects.

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

1. **SCOPE OF SERVICES; PRICE; PERFORMANCE STANDARDS.**

a. Contractor shall perform the asphalt and concrete repair services (the “Work”) in accordance with the general scope of work, repair standards and the District’s General Provisions set forth in attached **Exhibit 1** (“construction standards”) and the other terms of this Agreement from time to time as directed by District pursuant to a work order for specific repair work during the contract term (“Work Order”).

b. As the need for services/work arises, as determined by District, District’s representative may issue Contractor a written Work Order indicating: (a) Contractor’s availability to perform the services/work; (b) the not-to-exceed price to perform the services/work requested in accordance with the rate schedule (“Rate Schedule”) shown in **Exhibit 2** hereto and incorporated herein by this reference; and (c) the estimated time for performance of the services/work. A Notice to Proceed (“NTP”) will be issued by District to Contractor, following the acceptance of the Work Order as set forth in **Exhibit 3** by Contractor’s authorized representative in writing.

c. For emergency services/work, as determined by District, circumstances may not allow time to perform the Work Order process described above. In such cases, a District

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representative will contact Contractor and request that Contractor perform emergency services/work on a time and materials basis in accordance with the Rate Schedule in Exhibit 2 and the terms and conditions of this Agreement, followed by the later issuance of the corresponding Work Order for performance.

d. Contractor's Rate Schedule pricing includes all labor, supervision, materials, equipment, supplies, tools, incidentals, taxes, profit, overhead, bonding and insurance necessary to mobilize, complete the services/work, demobilize and provide cleanup and restoration of construction and work sites.

e. Contractor acknowledges and agrees that District does not guarantee any minimum or maximum amount of Work, and District may use other contractors for the Work, in its sole discretion. This Agreement, including all attached Exhibits, as well as the terms and conditions of any municipal permits or licenses issued or applicable in connection with the Work, if any, form the Agreement between the parties. Contractor shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Work, subject to compliance with the Agreement requirements, and complete all Work in a thorough, professional and workmanlike manner, and in accordance with the District's General Provisions (attached on Exhibit 1), generally accepted industry standards, and to the satisfaction of District.

f. The Work shall be done in accordance with the construction standards, the Work Order issued for each individual repair project during the term of this Agreement, and the permitting or other requirements of any governmental entity within whose jurisdiction the Work is performed, 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 Work performed under this Agreement, including acquisition of necessary permits and licenses by municipalities related to repair work in public right of way and payment of the fees or costs thereof.

2. PUBLIC SAFETY.

a. Contractor shall be solely and completely responsible for conditions of the Work sites, including safety of all persons and property during performance of the Work. Contractor's operations for the Work shall be conducted so as to provide maximum safety to Contractor's employees, to the general public and 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 Work under this Agreement.

b. Contractor shall so conduct its operations as to offer the least possible obstruction and inconvenience to the public, and shall have under construction no greater length or amount of work that it can prosecute properly with due regard to the rights of the public. Convenient access to driveways, houses and buildings along the line of the Work shall be maintained and temporary crossings shall be provided and maintained in good condition. Not more than one crossing or intersecting street or road shall be closed at any one time. Contractor shall provide and maintain such fences, barriers, directional signs, lights and flagmen as are necessary to give adequate warning to the public at all times of any dangerous conditions to be encountered as a result of the Work and to give directions to the public. Contractor shall comply with all terms of any permits issued by public agencies for the Work.

3. COMPLIANCE WITH LAW, LICENSE; STATUS.

a. Contractor shall at all times observe and comply with, and cause its agents, employees and representatives to observe and comply with, all State, federal, and local existing and future laws, rules, regulations and orders in the performance of the Work or this Agreement, including any permits issued for the Work. Contractor shall hold, maintain and keep current a valid California Contractors' State License Board (CSLB) type "A" General Engineering Contractor's License or type "C-12", Earthwork and Paving License, and meet all current licensing and registration requirements as may be required by the CSLB, the California Department of Industrial Relations (DIR) and the cities of Laguna Niguel, Aliso Viejo, Mission Viejo, Laguna Hills and Dana Point. A current copy of any required licenses will be kept on file by District.

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.

c. It is expressly understood that Contractor is an independent contractor and not an employee or agent of District. No permitted or required approval of District's 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 Work. Such approvals and investigations are intended only to give District the right to satisfy itself with the quality of work performed by Contractor. Contractor warrants that it will not represent, at any time or in any manner, that Contractor is an employee or agent of District. Contractor shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of District. Contractor shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance Contractor, as an independent contractor, is responsible for paying under federal, state or local law. Contractor is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS.

4. TIME FOR COMPLETION.

Each Work Order shall be completed in an expeditious manner from the date the Work Order and NTP is issued to Contractor, and in any event no later than the completion date listed on the Work Order. Time is of the essence in the performance and completion of the Work. Any delay in performance by Contractor of Work as scheduled shall constitute a material breach of this Agreement. Performance of any Work must be coordinated with District and local municipality to ensure minimal disruption both to the public use of right of way and to the operation of District's facilities.

5. DISTRICT OBSERVATION.

Contractor's performance of Work is subject to observation by District's representatives and inspection by local municipalities. The observation, if any, by the District's representative of the Work shall not relieve Contractor of any of obligations under the Agreement as prescribed, or Contractor's obligations to perform the Work in accordance with all terms and provisions required by municipal permits and municipal inspection standards. District shall require written evidence

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of municipal inspection and approval prior to District's acceptance and payment for Work under each Work Order.

6. AGREEMENT PRICE; PAYMENT; TERM.

a. MNWD agrees to compensate Contractor for Work under any Work Order at the corresponding "unit prices" in the schedule of work items attached as **Exhibit 3**, which establishes unit prices for components of the repair work listed under "description" 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 Contract requirements for any Work Order; provided, (i) if any repair work is outside the scope of work listed under "description" in the schedule of work items, or (ii) if the Contractor produces written confirmation, satisfactory to District, that the price of asphalt has increased by greater than 15% from the effective date of the Contract, then District and Contractor shall utilize the unit prices listed in the schedule of work items as the basis for any adjustment of compensation for such repair work. The total compensation paid to Contractor during the term of this Agreement shall not exceed **Five Hundred Thirty-Seven Thousand Five Hundred Dollars (\$537,500)** (the "Agreement Maximum Amount"). Notwithstanding the foregoing, the total compensation paid for Work pursuant to separate Work Orders during the District's 2014-15 Fiscal Year shall not exceed **Eighty-Seven Thousand Five Hundred Dollars (\$87,500)** and for the 2015-16 Fiscal Year, compensation shall not exceed **Four Hundred Fifty Thousand Dollars (\$450,000)**. The Contractor is responsible for and shall pay all sales, consumer, use, and other taxes.

b. Payments under a Work Order will be made based on submittal of invoices by Contractor, including sufficient detail on work items under the Contract pricing. Contractor's invoice will account for the location of the Work performed in addition to sufficient cost details as required by District. Subject to District's "final acceptance" of repair work under a Work Order, District will make payment to the Contractor within thirty (30) calendar days of receipt and approval of a Work Order 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; and amounts claimed by District as forfeiture due to delay or offsets. "Final acceptance" shall be defined as the formal action by District accepting the repair work under a Work Order as being complete, as evidenced by District's executed acceptance on the Work Order form. No certificate given or payment made under the Contract shall be conclusive evidence of performance of the Contract and no payment shall be an acceptance of any defective work or improper materials.

c. Invoices will include the date or period of Work, the number of hours worked by various labor categories, the hourly billing rate per individual, a complete description of the Work performed, the total amount due and, when requested by MNWD, any support documentation sufficient to validate the charges for each invoice item. Only one bill per month shall be submitted by Contractor, showing amounts due for Contractor and each subcontractor utilized during the monthly billing period. Incomplete invoices will be returned unpaid to Contractor. Each Work Order shall be billed on a separate invoice.

d. District may withhold from each payment an amount equal to five percent (5%) of such payment amount ("Retention") as security for adequate performance for work exceeding five thousand dollars (\$5,000) in cost. Notwithstanding the foregoing, after the Work is at least fifty percent (50%) complete, if the District's Director of Engineering and Operations determines that the Work is satisfactorily progressing, District, in its sole discretion, may pay some or all of the

remaining payments in full to the Contractor.

e. Acceptance and payment by District for the Work will not in any way relieve Contractor of its responsibility to perform the Work and the Agreement in strict accordance with State, Federal, and local law. Neither District's acceptance of, nor payment for, any Work 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.

f. Summary of Public Contract Code Section 20104.50. If a local public agency fails to pay an undisputed and properly submitted payment request within thirty (30) days, the agency must pay interest at the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure. Each agency must review payment requests as soon as practicable to determine if they are proper and suitable for payment. If a payment request is not proper, the agency must return it to the contractor within seven (7) days, specifying in writing the reasons why it is not proper. If the agency returns an improper payment request to the contractor more than seven (7) days after receipt, the number of days available to the agency to make payments without incurring interest will be reduced by the number of days by which the agency exceeds the seven (7)-day return requirement.

g. The term of the Agreement is from the Effective Date to and including June 30, 2016 (“expiration”), unless otherwise terminated earlier by either party pursuant to Section 14.

7. PREVAILING WAGE.

Under the provisions of the California Labor Code, the Director of the California Department of Industrial Relations has determined the prevailing rate of wages for the locality in the Work is to be performed and DISTRICT has adopted said prevailing rate of 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 for the bidder to whom the Work is awarded, and upon any subcontractor under the successful bidder, to pay not less than the specified rates to all workers employed by them in the execution of the Work.

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. Bids will not be accepted after March 1, 2015, and 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. Contractors shall be responsible for ensuring that each subcontractor is registered and qualified. 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).

Contractor is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

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

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posting of notice relating to prevailing wage compliance.

The Contractor and all subcontractors shall be 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.

8. CONTRACT DOCUMENTS. The Contract includes all of the Contract documents as follows: the construction standards; this Agreement; all exhibits to the foregoing documents; and, the executed Work Orders.

9. NO SUBCONTRACTORS. Contractor agrees and represents that none of the Work will be subcontracted, and that Contractor will perform all Work. 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.

10. BONDS.

a. Before commencing performance of the Work contracted for hereunder, Contractor shall furnish Payment and Performance bonds (the "Bonds") as required by Section 9550 of the Civil Code, and as approved by District, from a single surety licensed and admitted in the State with an agent for service of process in California and acceptable to the District in the District's sole discretion.

b. Bonds shall be purchased by Contractor in increments of \$100,000.00 each (both Payment and Performance bonds), for surety coverage of the initial \$100,000.00 of Work performed. Once Work performed by Contractor reaches 80% of the bonded amounts, Contractor shall purchase subsequent Bonds to cover the next \$100,000.00 of Work, consecutively, through the Agreement term, and up to the Agreement Maximum Amount. At no time shall any Work be performed by Contractor without the required bonding in place. It shall be Contractor's responsibility to ensure that all Work performed be in compliance with the bonding requirements set forth herein.

c. Contractor shall deliver all Bonds required hereunder to the District prior to the commencement of Work, or if the Work is commenced prior thereto in response to a Work Order, the Contractor shall, submit evidence satisfactory to the District that such Bonds will be issued.

d. District agrees to reimburse 100% of the total amount of the Bond premiums paid by the Contractor under this Agreement in consideration of Contractor maintaining availability for on-call Work during the term of this Agreement. District will reimburse such premium amounts within forty-five (45) days of District's receipt of invoice and following Contractor's posting of Bonds.

e. Contractor shall use District's forms, which are attached hereto as Exhibit 4 and Exhibit 5, for the Bonds.

f. Nothing in the insurance requirements set forth in this Agreement or under the bonding terms is to be construed as limiting the liability of Contractor or Contractor's insurers or

sureties. Contractor agrees that the provisions of this Section 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. INSURANCE

a. In addition to the requirements set forth herein, 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 11. Contractor shall not commence Work 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 11 shall be provided by Contractor with the Contractor’s executed copy of this Agreement, and prior to commencement of any Work.

b. The general liability and business automobile insurance will be comprehensive in form, and extend through 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, City of Aliso Viejo, City of Dana Point, City of Laguna Hills, City of Laguna Niguel, City of Mission Viejo, and each of their directors, elected officials, officers, employees and agents, and any other public entities issuing permits for entry in public right of way to perform the Work, and owners of record of all property on which entry will be made to perform the Work as additional insureds thereunder (“Additional Insureds”).* All of the policies of insurance provided hereunder shall be primary insurance and not contribute with any other insurance maintained by 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 11 to District.

c. In the event District consents, and Contractor subcontracts any portion of the Work 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, in accordance with all of the requirements of this Section.

d. 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 11 as well as the following:

- (i) Workers Compensation Insurance and Employers Liability Insurance. Worker’s compensation insurance as required by State laws, and employer’s liability insurance with limits not less than \$1,000,000 each accident and

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\$1,000,000 for disease per employes, **which will include the subrogation and additional insured terms and endorsements described under subsection (b) above.** This insurance shall be in strict accordance with the requirements of the most current and applicable state Workers' Compensation insurance laws. In accordance with Labor Code Sections 1860 and 1861, concurrent with execution and delivery of the Agreement, Provider shall execute and deliver to District the certification form attached to this Agreement as **Exhibit 6** whereby Provider acknowledges its responsibility to secure workers' compensation insurance in conformance with the requirements of Labor Code Section 3700, et seq.

- (ii) **Commercial General Liability Insurance.** Commercial general liability in a combined limit of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate with such aggregate to apply separately to the Work. 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 12 of this Agreement, **as well as the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (b) above.** This insurance shall name the Additional Insureds using ISO endorsement CG 20 10 11 85, or both CG 20 10 and CG 23 37 forms if later revisions are used.
- (iii) **Business Automobile Insurance.** Business automobile insurance with liability limits of not less than \$1,000,000 each accident. The policy shall include coverage for owned, non-owned, and hired vehicles, **and include the subrogation, primary insurance/non-contribution and Additional Insureds terms and endorsements described under subsection (b) above.**

e. 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 11 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.

12. **INDEMNIFICATION.**

a. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend District, City of Aliso Viejo, City of Dana Point, City of Laguna Hills, City of Laguna Niguel, 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 Work 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 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 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 12. 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 Work hereunder.

13. WARRANTY.

a. Contractor shall and hereby does warranty all Work, including materials and installation, for a period of six (6) months from the District's *final acceptance (see Section 6 (b) for definition)* of the Work under this agreement ("Warranty Period"), and shall repair and replace any and all Work, together with any other work which may be displaced in so doing, that may prove defective in workmanship and/or materials, or that does not meet the requirements set forth in any applicable specifications, within the Warranty Period, without expense whatsoever to District and with ordinary wear and tear and unusual abuse or neglect excepted. In the event of Contractor's failure to comply with the above-mentioned conditions within seven (7) days after being notified in writing, District is hereby authorized to proceed to have the defects repaired or replaced and made good at the expense of Contractor who hereby agrees to pay the cost of and charges therefore immediately on demand. If, in the opinion of District, defective work creates a dangerous condition or requires immediate correction or attention to prevent further loss to District or to prevent interruption of operations of District, District will attempt to give the notice required by this Section 13. If Contractor cannot be contacted or does not comply with District's request for correction within a reasonable time as determined by District, District may, notwithstanding the provisions of this Section 13, proceed to make such correction or provide such attention, and the costs of such corrections or attention shall be charged against Contractor. Such action by District will not relieve Contractor of the guarantees provided in this Section 13 or elsewhere in the Agreement.

b. This section does not in any way limit the warranty on any items for which a longer warranty is specified or on any items for which Contractor or a manufacturer or supplier gives a warranty for a longer period. The Contractor agrees to furnish District with all appropriate warranty certificates upon completion of the Work. No warranty whether provided for in this Section 13 or elsewhere shall in any way limit the liability of Contractor or its sureties or insurers

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under the indemnity or insurance provisions of the Agreement. This warranty obligation shall survive the termination or expiration of the Agreement as to all completed Work.

14. 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 Work 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 Work 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 6. In no event, will Contractor be entitled to receive compensation in excess of the compensation specified under Section 6 of this Agreement. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

15. RECORDS.

Contractor shall preserve and retain any and all records of or related to the Work, including all records of or related to this Agreement and the Work 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 work order and 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.

16. 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.

17. 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.

18. CLAIMS RESOLUTION.

The provisions set forth in attached Exhibit 1, District General Provisions, Section 9-6, shall apply to those claims governed by Public Contract Code Section 20104 *et seq.* arising out of the Agreement.

19. DISTRICT NOTICE OF THIRD-PARTY CLAIM.

In accordance with Public Contract Code Section 9201, District shall timely notify Contractor if District receives any third-party claim relating to the Work or the Contract. District shall be entitled to recover from Contractor District’s reasonable costs incurred in providing such notification.

20. 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: A&Y Asphalt Contractors, Inc.
 1613 Industrial Avenue
 Norco, CA 92860
 Attn: Allen Giese, President

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.

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21. 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, and all executed work orders are deemed to form part of the Agreement terms upon execution.

22. 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.

23. 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.

24. 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.

25. 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.

SIGNATURE PAGE FOLLOWS

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

“DISTRICT”: MOULTON NIGUEL WATER DISTRICT

By: _____
Title: General Manager

“CONTRACTOR”: A&Y ASPHALT CONTRACTORS, INC.

By: _____
Title: Authorized Officer/Representative*

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

[Signature page for On-Call Asphalt and Concrete Repair Services Agreement]

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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, Construction Standards, General Provisions****I. Asphalt Repairs**

The majority of asphalt work will likely consist of small (5' x 5') patches. Other types of asphalt repairs will be medium (10' x 10') or large (20' x 20') patches, 36" manholes, 2' wide water valves, street valve, manhole leveling and asphalt repair, seal coat and other work related to asphalt repairs, all in accordance with respective city requirements.

II. Concrete Repairs

Concrete work will typically consist of curb & gutter replacement, sidewalk panel replacement (4' x 6' and 4' x 12'), driveway approaches and rebar work, all in accordance with respective city requirements.

III. Average Workload

The typical average amount of weekly work assigned to the Contractor is six to ten (6 -10) project sites which, ideally, have a two-day turnaround for completion.

IV. No Subcontracting

The Contractor will be responsible for self-performing the following services in-house (no subcontracting):

- Asphalt Paving
- Concrete (curb and gutter, sidewalk panels, driveway approaches, rebar work)
- Seal coat

V. Allowed Subcontracting

The Contractor will be responsible for the following work, but may use subcontractors:

- Striping
- Thermal
- Traffic Loops
- Saw Cutting
- Specialty or Patterned Concrete Work
- Road Slurry
- Other, as approved by the District

VI. REPAIR FACTORS

The work can potentially be assigned anywhere in a 37 square mile area, covering five cities. Success for this project is challenging on both a logistical and quality basis. The work must be finished within a reasonable time frame from start to completion to maintain compliance with District standards of customer service and safety. Each of the five cities has its own regulations and specifications, which must be adhered to in all stages of the work, including traffic control, types of base and asphalt, depth of repair, etc. All work has to be completed to the satisfaction of the District and the responsible city inspector of the cities mentioned above.

Contractor will be expected to perform the following scope of work within a two week period following notification of necessary repair:

1. Within two weeks of notification of necessary repairs, schedule with the District and the affected city.
2. Perform repair work to the satisfaction of the District staff and city regulations
3. Use proper traffic control devices and safety equipment per the District and city regulations.
4. Remove debris (asphalt, concrete, dirt, etc.) as necessary from work site.
5. The District will bring the excavation site to the bottom of the asphalt cement layer and compact the area to the required compaction as per the various cities. The Contractor will be responsible for removal of existing temporary patch and placement and compaction of the final asphalt cement.
6. Repair and replace asphalt in different size patches. This includes base paving using 3/4" rock asphalt followed by a 2" grind and cap using the city specified final asphalt mix, up to and including rubberized mix. Each site may differ.
7. Repair/replace concrete gutters, curbs and sidewalk panels per the District and city specifications.
8. Seal coat reservoir sites and other District facilities.
9. One (1) year warranty for material and installation.
10. Additional items may be added as necessary to each task order as site conditions require.

All construction as part of this contract shall be completed per the District standard specifications (District General Provisions, attached), the latest editions of the APWA Standard Specifications for Public Works Construction ("Greenbook") and the requirements and regulations as determined by the City having authority over the project site.

EXHIBIT 1 (CONT'D)
DISTRICT GENERAL PROVISIONS

4-1 WORK TO BE DONE

The Work to be done consists of furnishing all transportation, labor, materials, tools, equipment, services, permits, utilities and all other items which are necessary or appurtenant to construct and complete the entire project and construct the project designated in the Contract Documents, and to leave the grounds in a neat and presentable condition.

4-3 OBSTRUCTIONS

The Contractor shall remove and dispose of all structures, debris, or other obstructions of any character necessary to accommodate the Work. Where such obstructions consist of improvements not required by law to be removed by the Owner thereof, all such improvements shall be removed, maintained, and permanently replaced by the Contractor at his expense except as otherwise specifically provided in the Contract Documents.

4-4 UTILITIES

The Engineer/Architect has endeavored to determine the existence of utilities at the site of the Work from the records of the Owners of known utilities in the vicinity of the Work. The positions of these utilities as derived from such records are shown on the Plans. The service connections to these utilities are not shown on the Plans.

The Contractor shall make his own investigations, including exploratory excavations, to determine the locations and type of existing service laterals or appurtenances when their presence can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the site of the Work. If the Contractor discovers Utility facilities not identified in the Plans or Specifications or in a position different from that shown in the Plans and Specifications, he shall immediately notify in writing the Owner's Representative and the Owner of the Utility facility.

The Owner shall have the responsibility for the timely removal, relocation, protection, and temporary maintenance of existing main or trunkline Utility facilities which are not indicated in the Plans and Specifications with reasonable accuracy.

In case it would be necessary to remove, relocate, protect, or temporarily maintain a Utility because of interference with the Work, the Work on such Utility shall be performed and paid for as follows:

When it is necessary to remove, relocate, protect, or temporarily maintain an existing main or trunkline Utility facility not indicated in the Plans and Specifications with reasonable accuracy, the Owner will compensate the Contractor for the cost of locating, for the costs of repairing damage not due to the failure of the Contractor to exercise reasonable care, for the costs of removing, relocating, protecting, or temporarily maintaining such Utility facilities, and for the costs for equipment on the site necessarily idled during such Work. These costs, the Work to be done by the Contractor in locating, removing, relocating,

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protecting or temporarily maintaining such Utility facilities shall be covered by a written change order. The Owner may make changes in the alignment and grade of the Work to obviate the necessity to remove, relocate, protect, or temporarily maintain such Utility facilities or to reduce the costs of the Work involved in removing, relocating, protecting or temporarily maintaining such Utility facilities. Changes in alignment and grade will be ordered in accordance with Section 4.2, CHANGES IN THE WORK. The Contractor shall not be assessed liquidated damages for delay in completion of the project, when such delay was caused by a failure of the owner of the utility to provide for removal or relocation of such facility.

When it is necessary to remove, relocate, protect, or temporarily maintain a Utility (other than (1) existing main or trunkline Utility facilities not indicated in the Plans and Specifications with reasonable accuracy, or (2) existing service laterals or appurtenances when their presence cannot be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the site of the Work) the cost of which is not required to be borne by the Owner thereof, the Contractor shall bear all expenses incidental to the Work on the Utility or damage thereto. The Work on the Utility shall be done in a manner satisfactory to the Owner thereof; it being understood that the Owner of the Utility has the option of doing such Work with his own forces, or permitting the Work to be done by the Contractor. No representations are made that the obligations to remove, relocate, protect, or temporarily maintain any Utility and to pay the cost thereof is or is not required to be borne by the Owner such Utility, and it shall be the responsibility of the Contractor to investigate to find out whether or not said cost is required to be borne by the Owner of the Utility.

The right is reserved to governmental agencies and to Owners of utilities to enter at any time upon any street, alley, right-of-way, or easement for the purpose of making changes in their property made necessary by the Work and for the purpose of maintaining and making repairs to their property.

5-1 AUTHORITY OF THE OWNER'S REPRESENTATIVE

The Owner's Representative shall decide any and all questions which may arise as to the interpretation of the Plans and Specifications and shall have authority to disapprove or reject materials and equipment furnished and Work performed which, in his opinion, is not in accordance with the Contract Documents.

5-4 MANUFACTURER'S INSTRUCTIONS

All materials and equipment shall be applied, installed, connected, erected, used, cleaned, and conditioned in accordance with the instructions of the applicable manufacturer, fabricator, supplier or distributor, except as otherwise specifically provided in the Contract Documents.

5-7 ERRORS OR DISCREPANCIES NOTED BY CONTRACTOR

It is the duty of the Contractor to promptly notify the Owner's Representative in writing of any design, materials, or specified method that the Contractor believes may prove defective or insufficient. If the Contractor believes that a defect of insufficiency exists in design, materials, or specified method and fails

to promptly notify the Owner's Representative in writing of this belief, the Contractor waives any right to assert that defect or insufficiency in design materials, or specified method at any later date in any legal or equitable proceeding against the Owner, or in any subsequent arbitration or settlement conference between the Owner and the Contractor. The Owner's Representative, on receipt of any such notice, will promptly investigate the circumstances and give appropriate instructions to the Contractor. Until such instructions are given, any Work done by the Contractor after he comes to the belief that a defect or insufficiency exists in design, materials, or specified method which is directly or indirectly affected by such alleged defect or insufficiency in design, materials, or specified method will be at his own risk and he shall bear all cost arising therefrom.

If the Contractor, either before commencing Work or in the course of the Work, finds any discrepancy between the Specifications and the Plans or between either of them and the physical conditions at the site of the Work or finds any error or omission in any of the Plans or in any survey, he shall promptly notify the Owner's Representative of such discrepancy, error, or omission. If the Contractor observes that any Plans or Specifications are at variance with any applicable law, ordinance, regulation, order or decree, he shall promptly notify the Owner's Representative in writing of such conflict. The Owner's Representative, on receipt of any such notice, will promptly investigate the circumstances and give appropriate instructions to the Contractor. Until such instructions are given, any Work done by the Contractor after his discovery of such error, discrepancy, or conflict which is directly or indirectly affected by such error, discrepancy, or conflict will be at his own risk and he shall bear all costs arising therefrom.

5-8 SUPERVISION AND SUPERINTENDENCE

The Contractor shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. The Contractor shall be solely responsible for the means, methods, techniques, sequences and procedures of construction, but the Contractor shall not be solely responsible for the negligence of others in the design or selection of a specific means, method, technique, sequence, or procedure of construction which is indicated in and required by the Contract Documents except as otherwise provided in the Section 5.7 ERRORS OR DISCREPANCIES NOTED BY CONTRACTOR.

The Contractor shall be responsible to see that the completed Work complies with the Contract Documents.

The Contractor shall designate and keep on the Work site at all times during its progress a competent superintendent, who shall not be replaced without written notice to the Owner's Representative. The superintendent will be the Contractor's representative at the site and shall have authority to act on behalf of the Contractor. All communications given to the superintendent shall be as binding as if given to the Contractor. During periods when the Work is suspended, the Contractor shall make appropriate arrangements for any emergency Work which may be required.

Whenever the superintendent is not present on any particular part of the Work where the Owner's Representative may desire to inform the Contractor relative to interpretation of the Plans and Specifications or to disapproval or rejection of materials or Work performed, the Owner's Representative may so inform the foreman or other worker in charge of the particular part of the Work

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in reference to which the information is given. Information so given shall be as binding as if given to the superintendent.

5-10 QUALITY AND SAFETY OF MATERIALS AND EQUIPMENT

All equipment, materials, and supplies to be incorporated in the Work shall be new, unless otherwise specified. All equipment, materials, and supplies shall be produced in a good and workmanlike manner. When the quality of a material, process, or article is not specifically set forth in the Plans and Specifications, the best available quality of the material, process, or article shall be provided.

Whenever any material, process, or article is indicated or specified by grade, patent or proprietary name, or by name of manufacturer, such specification shall be deemed to be used for the purpose of facilitating description of the materials, process, or articles desired and shall be deemed to be followed by the words "or equal", and the Contractor may offer any material, process, or article which shall be substantially equal or better in every respect to that so indicated or specified; provided, however, that if the material, process or article ordered by the Contractor is not, in the opinion of the Owner's Representative, equal or better in every respect to that specified, then the Contractor must furnish the material, process, or article or one that in the opinion of the Owner's Representative is the substantial equal or better in every respect. In the event that the Contractor furnishes material, process, or article more expensive than that specified, the difference in cost of such material, process, or article so furnished shall be borne by the Contractor.

In accordance with Section 4380 of the Government Code, the Contractor shall submit data substantiating requests for substitution of "equal" items within 35 Days after award of the Contract. This 35-day period of time is included in the number of Days allowed for the completion of the Work.

All materials, equipment, and supplies provided shall, without additional charge to Owner, fully conform with all applicable state and federal safety laws, rules, regulations, and orders, and it shall be Contractor's responsibility to provide only such materials, equipment, and supplies notwithstanding any omissions in the Contract Documents therefor or that a particular material, equipment, or supply was specified.

5-11 STANDARDS, CODES, SAMPLES AND TESTS

Whenever reference is made to a standard, code, specification, or test and the designation representing the date or adoption or latest revision thereof is omitted, it shall mean the latest revision of such standard, code, specification, or test in effect on the day the Notice Inviting Sealed Proposals (Bids) is dated.

The tests shall be made in accordance with commonly recognized procedures of technical organizations and such special procedures as may be prescribed elsewhere in the Plans and Specifications. The Contractor shall furnish without charge such samples for testing as may be required by the Owner's Representative. Tests and samples may be required at the source of materials as well as at the site of the Work.

5-12 OBSERVATION OF WORK BY OWNER'S REPRESENTATIVE

The Owner's Representative shall at all times have access to the Work during construction and shall be furnished with every reasonable facility for ascertaining full knowledge respecting the progress,

workmanship, and character of materials and equipment used and employed in the Work.

Whenever the Contractor varies the normal period during which Work or any portion of it is carried on each day, he shall give timely notice to the Owner's Representative so that the Owner's Representative may, if he wishes, be present to observe the Work in progress. If the Contractor fails to give such timely notice, any Work done in the absence of the Owner's Representative will be subject to rejection.

The Contractor shall give timely notice to the Owner's Representative in advance of backfilling or otherwise covering any part of the Work so that the Owner's Representative may, if he wishes, observe such part of the Work before it is concealed.

The observation, if any, by the Owner's Representative of the Work shall not relieve the Contractor of any of his obligations to fulfill the Contract as prescribed. Defective Work shall be made good, and materials, and equipment furnished and Work performed which is not in accordance with the Contract Documents may be rejected notwithstanding the fact that such materials, equipment, and Work have been previously observed by the Owner's Representative or that payment therefor has been included in an estimate for payment.

5-13 REMOVAL OF DEFECTIVE AND UNAUTHORIZED WORK

Any Work which does not conform to the requirements of the Contract Documents shall be remedied or removed and replaced by the Contractor, together with any other Work which may be displaced in so doing, and no compensation will be allowed him for such removal, replacement, or remedial Work. All nonconforming materials shall be immediately removed from the site.

Any Work done beyond the lines and grades shown on the Plans or established by the Owner's Representative or any changes in, additions to, or deductions from the Work done without written authority will be considered as unauthorized and will not be paid for. Work so done may be ordered remedied, removed, or replaced by the Contractor.

Upon failure on the part of the Contractor to comply promptly with any order of the Owner's Representative made under the provisions of this Section, the Owner's Representative shall have authority to cause nonconforming materials, rejected Work, or unauthorized Work to be remedied, removed, or replaced at the Contractor's expense and to deduct the costs from any monies due or to become due the Contractor.

6-1 SUB-CONTRACTING

If the Contractor shall subcontract any part of Contract, the Contractor shall be as fully responsible to the Owner for the acts and omissions of his Subcontractor and of the persons either directly or indirectly employed by his Subcontractor as he is for the acts and omissions of persons directly employed by himself. Nothing contained in the Contract Documents shall create any contractual relationship between any Subcontractor and the Owner. The Contractor shall bind every Subcontractor to be bound by the terms of the Contract Documents as applicable to its Work.

The divisions and sections of any Specifications and the identifications of any Drawings shall not control

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Contractor in dividing the Work among Subcontractors or suppliers or delineating work to be performed by any specific trade. The divisions of the Specifications are complementary, and anything mentioned or shown in a division of the Specifications or in a specific trade drawing shall be of like effect as if shown in all divisions of the Specifications and in all Drawings.

Contractor is prohibited from performing any of the Work with a Subcontractor who is ineligible to perform such Work pursuant to Section 1777.1 or 1777.7 of the Labor Code. Contractor agrees that in accordance with Public Contract Code Section 6109, a subcontract with an ineligible Subcontractor is void as a matter of law, amounts paid to the Subcontractor shall be returned to Owner, and Contractor is responsible for paying wages of the Subcontractor's employees if the Subcontractor is allowed to perform any part of the Work.

Contractor shall not award work to Subcontractors in excess of 50% percent of the Contract amount without prior written approval of Owner. Except as provided by law, Contractor shall not employ any Subcontractor, supplier, or other person or organization (including but not limited to those who are to furnish the principal items of materials or equipment), whether initially or as a substitute, against whom Owner may have reasonable objection.

Contractor shall give prompt written notice to Owner as to the identity and qualifications of any Subcontractor, supplier, or other person or organization to whom Contractor intends to award work, and of Contractor's intent to remove or replace a Subcontractor, supplier, or other person.

All Work performed for Contractor by a Subcontractor, supplier or other person or organization will be in accordance with an appropriate sub-agreement between Contractor and the Subcontractor, supplier, or other person or organization which specifically binds the Subcontractor, supplier, or other person or organization to the applicable terms and conditions of the Contract Documents for the benefit of Owner.

If requested in writing by Owner, Contractor shall deliver to Owner a copy of each sub-agreement with a Subcontractor, supplier, or other person or organization performing a part of the Work within seven days of Owner's request.

6-2 ASSIGNMENT

The performance of the Contract shall not be assigned, except upon the written consent of the Owner. Consent will not be given to any proposed assignment which would relieve the original Contractor or his surety of their responsibilities under the Contract, nor will the Owner consent to any assignment of a part of the Work under the Contract.

Upon obtaining a prior written consent of the Owner, the Contractor may assign monies due or to become due him under the Contract, to the extent permitted by law, but any assignment of monies shall be subject to all proper setoffs in favor of the Owner and to all deductions provided for in the Contract, and particularly all money withheld, whether assigned or not, shall be subject to being used by the Owner for the completion of the Work in the event that the Contractor should be in default therein.

No assignment of this Contract will be approved unless it shall contain a provision that the funds to be paid to the assignee under the assignment are subject to a prior lien for services rendered or materials

supplied for performance of the Work called for under the Contract in favor of all persons, firms, or corporations rendering such services or supplying such materials and that the Owner may withhold funds due until all Work required by the Contract Documents is completed to the Owner's satisfaction.

6-5 EXTENSION OF TIME

The time specified for completion of all of the Work or any part of the Work may be extended only by a written change order executed by the Owner or other written form executed by the Owner.

Requests for an extension of time must be delivered to the Owner's Representative within ten consecutive Days following the date of the occurrence which caused the delay. The request must be submitted in writing and must state the cause of the delay, the date of the occurrence causing the delay, and the amount of additional time requested. Requests for extensions of time shall be supported by all evidence reasonably available or known to the Contractor which would support the extension of time requested. Requests for extensions of time failing to include the information specified in this Section and requests for extensions of time which are not received within the time specified above shall result in the forfeiture of the Contractor's right to receive any extension of time requested.

If the Contractor is requesting an extension of time because of weather, he shall supply daily written reports to the Owner's Representative describing such weather and the Work which could not be performed that day because of such weather or conditions resulting therefrom and which he otherwise would have performed.

The Owner's acceptance of the daily reports shall not be deemed an admission of the Contractor's right to receive an extension of time or a waiver of the Owner's right to strictly enforce the time provisions contained in the Contract Documents.

When the Contractor has submitted a request for an extension of time in accordance with the procedures of this Section and the Section on TIME FOR COMPLETION AND FORFEITURE DUE TO DELAY, the Owner will ascertain the facts and extent of the delay and extend the time for completing the Work if, in its judgment, the findings of fact justify such an extension, and its findings of facts thereon shall be final and conclusive. An extension of time may be granted by the Owner after the expiration of the time originally fixed in the Contract or as previously extended, and the extension so granted shall be deemed to commence and be effective from the date of such expiration.

Any extension of time shall not release the sureties upon any bond required under the Contract.

6-6 USE OF COMPLETED PORTIONS

When the Work or any portion of it is sufficiently complete to be utilized or placed into service, the Owner shall have the right upon written notification to the Contractor to utilize such portions of the Work and to place the operable portions into service and to operate same.

Upon said notice and commencement of utilization or operation by the Owner, the Contractor shall be relieved of the duty of maintaining the portions so utilized or placed into operation; provided, however, that nothing in this Section shall be construed as relieving the Contractor of the full responsibility for

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completing the Work in its entirety, for making good defective Work and materials, for protecting the Work from damage, and for being responsible for damage, and for the Work as set forth in the General Provisions and other Contract Documents nor shall such action by the Owner be deemed completion and Acceptance, and such action shall not relieve the Contractor, its sureties, or insurers of the provisions of the Sections on CONTRACTOR'S INSURANCE, INDEMNITY, and GUARANTEES.

7-1 OBSERVING LAWS AND ORDINANCES

The Contractor shall keep himself fully informed of all existing and future laws, ordinances, and regulations which in any manner affect those engaged or employed in the Work or the materials used in the Work or which in any way affect the conduct of the Work and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over same. If any discrepancy or inconsistency is discovered in the Plans, Specifications, or Contract for the Work in relation to any such law, ordinance, regulation, order, or decree, he shall forthwith report the same to the Owner's Representative in writing and cease operations on that part of the Work until the Owner's Representative has given him appropriate instructions as provided for in the Section on ERRORS OR DISCREPANCIES NOTED BY CONTRACTOR.

The Contractor shall at all times observe and comply with and shall cause all his agents, employees, Subcontractors, and suppliers to observe and comply with all such existing and future laws, ordinances, regulations, orders, and decrees, and shall hold harmless, indemnify, and defend the Owner, the Engineer/Architect, the Owner's Representative, and their consultants, and each of their directors, officers, employees, and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, by the Contractor, his employees, agents, Subcontractors, or suppliers.

7-2 PERMITS AND LICENSES

The Contractor shall procure all permits and licenses, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the Work.

7-3 INVENTIONS, PATENTS, AND COPYRIGHTS

The Contractor shall pay all royalties and assume all costs arising from the use of any invention, design, process, materials, equipment, product, or device which is the subject of patent rights or copyrights.

The Contractor shall hold harmless, indemnify, and defend the Owner, the Engineer/Architect, the Owner's Representative, and their consultants, and each of their directors, officers, employees, and agents from and against all claims, damages, losses, expenses, and other costs, including costs of defense attorneys' fees, arising out of any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, materials, equipment, product or device, and shall defend all such claims in connection with any alleged infringement of such right.

7-4 PUBLIC CONVENIENCE AND SAFETY

The Contractor shall so conduct his operations as to offer the least possible obstruction and inconvenience to the public, and he shall have under construction no greater length or amount of Work that he can prosecute properly with due regard to the rights of the public. Convenient access to driveways, houses and buildings along the line of Work shall be maintained and temporary crossings shall be provided and maintained in good condition. Not more than one crossing or intersecting street or road shall be closed at any one time.

The Contractor shall provide and maintain such fences, barriers, directional signs, lights and flagmen as are necessary to give adequate warning to the public at all times of any dangerous conditions to be encountered as a result of the construction Work and to give directions to the public.

7-5 RESPONSIBILITY FOR LOSS, DAMAGE, OR INJURIES

The Contractor shall be responsible for all claims demands, or liability from any cause arising out of or resulting from or in connection with the performance of the Work, excepting only those as may be caused solely and exclusively by the fault or negligence of the Owner, Engineer/Architect, the Owner's Representative, or their consultants, or their directors, officers, employees, and agents. Such responsibility shall extend to claims, demands, or liability for loss, damage, or injuries occurring after completion of the Work as well as during the progress of the Work.

7-6 CONTRACTOR'S RESPONSIBILITY FOR THE WORK

Until the Acceptance of the Work, the Contractor shall have the responsible charge and care of the Work and of the materials to be used therein (including materials for which he has received partial payment or materials which have been furnished by the Owner) and shall bear the risk of injury, loss, or damage to any part thereof by the action of the elements or from any other cause, whether arising from the execution or from the non-execution of the Work.

The Contractor shall rebuild, repair, restore, and make good all injuries, losses, or damages to any portion of the Work or materials occasioned by any cause before its completion and Acceptance and shall bear the expense thereof. Where necessary to protect the Work or materials from damage, the Contractor shall at his expense provide suitable drainage and erect such temporary structures as are necessary to protect the Work or materials from damage. The suspension of the Work or the granting of any extension of time from any cause whatever shall not relieve the Contractor of his responsibility for the Work and materials as herein specified.

In an emergency affecting the safety of life or property, including adjoining property, the Contractor, without special instructions or authorizations, is authorized to act at his discretion to prevent such threatened loss or injury.

Notwithstanding the foregoing provisions of this Section, the Contractor shall not be responsible for the cost of repairing and restoring damage to the Work, which damage is determined to have been proximately caused by an Act of God, in excess of 5% of the contracted amount, provided that the Work damaged is built in accordance with accepted and applicable building standards and the Plans and Specifications. For

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the purposes of this paragraph, "Acts of God" shall include only the following occurrences or conditions and effect: earthquakes in excess of a magnitude of 3.5 on the Richter Scale and tidal waves.

7-7 PRESERVATION OF PROPERTY

The Contractor shall exercise due care to avoid injury to existing improvement or facilities, Utility facilities, adjacent property, and trees and shrubbery that are not to be removed.

All trees, shrubbery, and landscaping that are not to be removed, and pole lines, fences, signs, survey markers and monuments, buildings and structures, conduits, pipelines under or above ground, sewer and waterlines, all highway or street facilities, and any other improvements or facilities within or adjacent to the Work shall be protected from injury or damage, and the Contractor shall provide and install suitable safeguards to protect such objects from injury or damage. If such objects are injured or damaged by reason of the Contractor's operation, they shall be replaced or restored at the Contractor's expense to a condition as good as when the Contractor entered upon the Work or as good as required by the Plans and Specifications if any such objects are a part of the Work being performed.

The fact that any such pipe or other underground facility is not shown on the Plans shall not relieve the Contractor of his responsibility under this Section.

In addition to any requirements imposed by law, the Contractor shall shore up, brace, underpin, and protect as may be necessary, all foundations and other parts of all existing structures adjacent to and adjoining the site of the Work which are in any way affected by the excavations or other operations connected with the performance of the Work. Whenever any notice is required to be given by the Owner or the Contractor to any adjacent or adjoining landowner or other party before commencement of any Work such notice shall be given by the Contractor.

In any emergency affecting the safety of life or property, including adjoining property, the Contractor, without special instructions or authorizations, is authorized to act at his discretion to prevent such threatened loss or injury.

7-8 EXCAVATION AND/OR DIGGING TRENCHES

As required by Labor Code Section 6705, if the total amount of the Contract is in excess of \$25,000, the Contractor shall submit to the Owner for Acceptance, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of any trench or trenches 5 feet or more in depth. The plan shall be prepared by a registered civil or structural Engineer. As a part of the plan, a note shall be included stating that the registered civil or structural Engineer certifies that the plan complies with the CAL-OSHA Construction Safety Orders, or that the registered civil or structural Engineer certifies that the plan is not less effective than the shoring, bracing, sloping, or other provisions of the Safety Orders.

The Owner or the Engineer/Architect or their consultants may have made investigations of the subsurface conditions in areas where the Work is to be performed. If so, these investigations are identified in the Special Provisions and the records of such investigations are available for inspection at the office of the Engineer/Architect. The detailed plan showing the design of shoring, etc., which the Contractor is

required to submit to the Owner for Acceptance in advance of excavation will not be accepted by the Owner if the plan is based on subsurface conditions which are more favorable than those revealed by the investigations made by the Owner or the Engineer/Architect or their consultants; nor will the plan be accepted if it is based on soils related design criteria which is less restrictive than the criteria set forth in the report on the aforesaid investigations of subsurface conditions.

The detailed plan showing the design of shoring, etc., shall include surcharge loads for nearby embankments and structures, for spoil banks, and for construction equipment and other construction loadings. The plan shall indicate for all trench conditions the minimum horizontal distances from the side of the trench at its top to the near side of the surcharge loads.

Nothing contained in this Section shall be construed as relieving the Contractor of the full responsibility for providing shoring, bracing, sloping, or other provisions which are adequate for worker protection.

As required by Public Contracts Code Section 7104, in any Contract which involves digging trenches or other excavations that extend deeper than four feet below the surface, the Contractor shall promptly, and before the following conditions are disturbed, notify the Owner, in writing, of any:

- (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- (2) Subsurface or latent physical conditions at the site differing from those indicated.
- (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

Owner shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the Work, shall issue a change order under the procedures described in the Contract.

In the event that a dispute arises between the Owner and the Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided either by the Contract or by law which pertain to the resolution of disputes and protests between the parties.

7-9 SAFETY

In accordance with generally accepted construction practices, the Contractor shall be solely and completely responsible for conditions of the job site, including safety of all persons and property during performance of the Work, and the Contractor shall fully comply with all state, federal and other laws, rules, regulations, and orders relating to safety of the public and workers.

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The right of the Engineer/Architect or the Owner's Representative to conduct construction review or observation of the Contractor's performance will not include review or observation of the adequacy of the Contractor's safety measure in, on, or near the construction site.

7-10 PERSONAL LIABILITY

No director, officer, employee, or agent of the Owner, the Engineer/Architect, the Owner's Representative, or their consultants shall be personally responsible for any liability arising under or by virtue of the Contract.

7-12 HOURS OF LABOR

The Contractor shall forfeit as a penalty to the Owner \$25.00 for each worker employed in the execution of the Contract by the Contractor or any Subcontractor under him for each calendar day during which such worker is required or permitted to Work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of the Labor Code and, in particular, Section 1810 to Section 1815 thereof, inclusive, except that Work performed by employees of Contractor in excess of 8 hours per day and 40 hours during any one week shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half times the basic rate of pay as provided in said Section 1815.

7-13 PREVAILING WAGE

- A. The Contractor shall comply with Labor Code Section 1775. In accordance with said Section 1775, the Contractor shall forfeit as a penalty to the Owner \$200.00 for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such Work or craft in which such worker is employed for any Work done under the Contract by him or by any Subcontractor under him in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.
- B. For all contracts for which bids are opened on or after March 1, 2015, or contracts are awarded on or after April 1, 2015, the Contractor and any subcontractor shall be registered with the Department of Industrial Relations and qualified to perform work pursuant to Sections 1725.5 and 1771.1 of the California Labor Code. Pursuant to Sections 1725.5 and 1771.1, as applicable, the Contractor shall be responsible for providing proof of current registration for both the Contractor and any subcontractor prior to performing any work. Notwithstanding anything to the contrary, if at any time during the performance of the Work, the Contractor or any of its subcontractors, which is otherwise required by law to be registered with DIR, is not duly registered pursuant to Labor Code Section 1725.5 (including, without limitation, if the DIR revokes the registration), the DISTRICT may cancel the Contract and/or replace the Contractor or subcontractor with a contractor or subcontractor that is duly registered pursuant to Labor Code Section 1725.5.

- C. The Contractor acknowledges that this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- D. The Contractor and all subcontractors shall be responsible for posting appropriate job site notices, pursuant to the requirements set forth in the Labor Code and related regulations. Furthermore, the Contractor and all subcontractors shall be responsible for furnishing the 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.

7-14 TRAVEL AND SUBSISTENCE PAYMENTS

Each worker needed to execute the Work must be paid travel and subsistence payments as defined in the applicable collective bargaining agreements filed in accordance with Labor Code Section 1773.8.

7-15 APPRENTICES

Attention is directed to the provisions in Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any Subcontractor under him.

The Contractor and any Subcontractor under him shall comply with the requirements of Sections 1777.5 and 1777.6 of the Labor Code in the employment of apprentices.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex-officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

Willful violations of Section 1777.5 will result in a forfeiture of up to \$100 for each calendar day of non-compliance (or up to \$300 per day if prior violation(s)) which shall be withheld from progress payments by Owner upon notice from the Department of Industrial Relations. (Labor Code Section 1777.7)

7-16 WARRANTY OF TITLE

No materials, supplies, or equipment for the Work under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale Contract or other agreement by which an interest therein or any part thereof is retained by the seller or supplier. The Contractor warrants clear and good title to all materials, supplies, and equipment installed and incorporated in the Work and agrees upon completion of all Work to deliver the premises together with all improvements and appurtenances constructed or placed thereon by him to the Owner free from any claims, liens, encumbrances, or charges and further agrees that neither he nor any person, firm, or corporation furnishing any material or labor for any Work covered by the Contract shall have any right to a lien upon the premises or any improvement or appurtenance thereon, provided that this shall not preclude the Contractor from installing metering devices or other equipment of Utility companies or of municipalities, the title of which commonly retained by the Utility company or the municipality. Nothing contained in this Section, however, shall defeat or impair the right of such persons furnishing materials or labor under any bond given by the Contractor for their protection, or any right under any law permitting such persons to look to funds due the Contractor in the hands of the Owner.

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The provisions of this Section shall be inserted in all subcontracts and material contracts, and notices of its provision shall be given to all persons furnishing materials for the Work when no formal Contract is entered into for such materials.

7-17 PROPERTY RIGHTS IN MATERIALS

Nothing in the Contract shall be construed as vesting in the Contractor any right of property in the materials used after they have been attached or affixed to the Work or the soil, or after payment has been made for materials delivered to the site of the Work, or stored subject to or under the control of the Owner.

All such materials shall become the property of the Owner upon being so attached or affixed or upon payment for materials delivered to the site of the Work or stored subject to or under the control of the Owner.

Soil, stone, gravel, and other materials found at the site of the Work and which conform to the Plans and Specifications for incorporation into the Work may be used in the Work. No other use shall be made of such materials except as may be otherwise described in the Plans and Specifications.

7-18 MUTUAL RESPONSIBILITY OF CONTRACTORS

Nothing in the Contract shall be interpreted as granting to the Contractor exclusive occupancy of the site of the project. The Contractor must ascertain to his own satisfaction the scope of the project and the nature of any other Contracts that have been or may be awarded by the Owner in the construction of the project, to the end that the Contractor may perform this Contract in the light of such other Contracts, if any.

The Contractor shall not cause any unnecessary hindrance or delay to any other Contractor working on the project. If the performance of any Contract for the project is likely to be interfered with by the simultaneous performance of some other Contract or Contracts, the Owner's Representative shall decide which Contractor shall cease Work temporarily and which Contractor shall continue or whether the Work under the Contracts can be coordinated so that the Contractors may proceed simultaneously. On all questions concerning conflicting interest of Contractors performing related Work, the decision of the Owner's Representative shall be binding upon all Contractors concerned and the Owner, the Engineer/Architect, the Owner's Representative, and their consultants shall not be responsible for any damages suffered or extra costs incurred by the Contractor resulting directly or indirectly from the award or performance of attempted performance of any other Contract or Contracts on the project or caused by a decision or omission of the Owner's Representative respecting the order of precedence in the performance of the Contracts.

If through acts of neglect on the part of the Contractor, any other contractor or any Subcontractor shall suffer loss of damage on the Work, the Contractor agrees to settle with such other contractor or Subcontractor by agreement or arbitration, if such other contractor or Subcontractor will so settle. If such other contractor or Subcontractor shall assert any claim against the Owner, the Engineer/Architect, the Owner's Representative, or their consultants, on account of any damage alleged to have been so sustained, the Owner shall notify Contractor who shall hold harmless, indemnify, and defend the Owner, the Engineer/Architect, the Owner's Representative, and their consultants and each of their directors,

officers, employees, and agents against any such claim, including all attorneys' fees and any other costs incurred by the indemnified parties relative to any such claim.

7-23 LANDS AND RIGHTS-OF-WAY

The lands and rights-of-way for the facility to be constructed will be provided by the Owner. The Contractor shall make his own arrangements and pay all expenses for additional area required by him outside the limits of the Owner's lands and rights-of-way.

Work in public right-of-way shall be done in accordance with the requirements of the permit issued by the public agency in whose right-of-way the Work is located in addition to conforming to the Plans and Specifications. If a permit is not required, the Work shall conform to the standards of the public agency involved in addition to conforming to the Plans and Specifications.

7-25 TAXES

The Contractor shall pay all sales, consumer, use, and other taxes.

NOTICE OF TAXABLE POSSESSORY INTEREST - The terms of this document may result in the creation of a possessory interest. If such a possessory interest is vested in a private party to this document, the private party may be subjected to the payment of personal property taxes levied on such interest.

7-26 ASSIGNMENT OF ANTI-TRUST ACTIONS

In entering into a public works Contract or subcontract to supply goods, services, or materials pursuant to a public works Contract, the Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works Contract or the subcontract. This assignment shall be made and become effective at the time the Owner tenders final payment to the Contractor, without further acknowledgment by the parties.

In submitting a bid to a public purchasing body, the Bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the Bidder.

7-27 PAYROLL RECORDS

It shall be the responsibility of the Contractor to maintain an accurate payroll record showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each employee in accordance with Labor Code Section

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1776, and to ensure that each Subcontractor also complies with all provisions of Labor Code Section 1776 and this Contract.

All payroll records shall be certified as accurate by the applicable Contractor or Subcontractor or its agent having authority over such matters.

The Contractor shall ensure that all payroll records are available for inspection at the Contractor's principal office during normal business hours and shall notify the Owner, in writing, of the place where all payroll records are located from time to time.

The Contractor shall furnish a copy of all payroll records, upon request, to employees or their authorized agents, to the Owner, to the Division of Labor Standards Enforcement, and to the Division of Apprenticeship Standards of the Department of Industrial Relations. The Contractor shall also furnish a copy of payroll records to the general public upon request provided the public request is made through the Owner, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement of the Department of Industrial Relations. In no event shall members of the general public be given access to payroll records at the Contractor's principal office.

Records made available to the general public in accordance with the prior paragraph shall be marked or obliterated in such a manner that the name and address of the Contractor and/or Subcontractor and the name, address, and telephone number of all employees does not appear on the modified record.

The Contractor shall file a certified copy of any requested payroll records with the entity that requested such records within ten Days of the date a written request for payroll records has been received.

Failure of the Contractor to comply with any provisions of this Section or Labor Section Code 1776 within ten Days of the date a written request for compliance is received shall result in a forfeiture of \$100.00 per calendar day or portion thereof, for each worker, until strict compliance is obtained. Upon notification by the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement of the Department of Industrial Relations, the Owner shall withhold penalties under this Section or Labor Code Section 1776 from the Contractor's payments then due.

9-4 OWNER'S RIGHT TO WITHHOLD CERTAIN AMOUNTS AND MAKE APPLICATION THEREOF; RETENTION OF PROCEEDS

In addition to the amount which the Owner may retain under Section 9.2 PROGRESS PAYMENTS, the Owner may withhold a sufficient amount or amounts from any payment otherwise due to the Contractor as in his judgment may be necessary to cover:

Payments which may be past due and payable for properly filed claims against the Contractor or any Subcontractors for labor or materials furnished in or about the performance of the Work on the project under the Contract.

Estimated or actual costs for correcting defective Work not remedied.

Amounts claimed by the Owner as forfeiture due to delay or other offsets.

The Owner may apply such withheld amount or amounts to the payment of such claims in his discretion. In so doing, the Owner shall be deemed the agent of the Contractor and any payments so made by the Owner shall be considered as a payment made under the Contract by the Owner to the Contractor, and the Owner shall not be liable to the Contractor for such payment made in good faith. Such payments may be made without prior judicial determination of the claim or claims. The Owner will render to the Contractor a proper account of such funds disbursed on behalf of the Contractor.

Pursuant to Section 7107 of the Public Contract Code, within 60 days after the date of completion of the Contract, the retention proceeds withheld from any payment by the Owner to the Contractor shall be released. In the event of a dispute between the Owner and the Contractor, the Owner may withhold from the final payment an amount not to exceed 150 percent of the disputed amount.

Within seven days from the time that all or any portion of the retention proceeds are received by the Contractor, the Contractor shall pay each of its subcontractors from whom retention has been withheld, each subcontractor's share of the retention received. However, if a retention payment received by the Contractor is specifically designated for a particular subcontractor, payment of the retention shall be made to the designated subcontractor if the payment is consistent with the terms of the subcontract. The Contractor may withhold from a subcontractor its portion of the retention proceeds if a bona fide dispute exists between the subcontractor and the Contractor. The amount withheld from the retention payment shall not exceed 150 percent of the estimated value of the disputed amount.

In the event that retention payments are not made within the time periods specified above, the Owner or Contractor withholding the unpaid amounts shall be subject to a charge of 2% per month on the improperly withheld amounts in lieu of any interest otherwise due. Additionally, in any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to attorney's fees and costs.

9-5 SUBSTITUTION OF SECURITIES FOR AMOUNTS WITHHELD

Pursuant to Section 22300 of the Public Contract Code, the Contractor may substitute securities for any money withheld by the Owner to ensure performance of the Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the Owner or with a state or federally chartered bank as the escrow agent, who shall release such securities to Contractor following the expiration of 40 Days from the date of filing of a Notice of Completion of the Work by the Owner, to the extent such securities have not previously been utilized by Owner for purposes as provided hereinafter or are not then subject to withholding by Owner to satisfy stop notices or other claims and costs associated therewith.

The request for substitution of securities to be deposited with the Owner, or with a state or federally chartered bank as escrow agent, shall be submitted on the form set forth in this Contract, which when executed by the Contractor and the Owner shall constitute a Supplemental Agreement forming a part of this Contract. The Owner shall have 30 Days from receipt of any such written request, properly completed and signed by the Contractor and, if applicable, accompanied by an escrow agreement in a form acceptable to Owner, to approve said request and effect the substitution. Owner shall not unreasonably withhold approval of said request. Owner shall determine the value of any security so deposited. Such Supplemental Agreement and any escrow agreement shall provide for the release of the securities to Contractor as set forth herein and shall also set forth the manner in which Owner may convert the securities

#6.

or portions thereof to cash and apply the proceeds to the accomplishment of any purposes for which monies may be withheld and utilized as described in the Contract, including but not limited to the completion of the Contract, correction of defective Work and the answering of any stop notice claims and litigation cost thereof.

Securities eligible for investment under this section shall be those listed in Government Code Section 16430 or bank or savings and loan certificates of deposit.

The Contractor shall be the beneficial Owner of any securities substituted for monies withheld and shall receive any interest thereon.

9-6 RESOLUTION OF CONSTRUCTION CLAIMS

This Section is intended as a summary of the provisions of Section 1.5 (commencing with Section 20104) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code (“Claims Resolution Statute”) and is subject to the actual provisions of the Claims Resolution Statute. This Section shall govern the resolution of any claim of \$375,000 or less which may be made by the Contractor hereunder.

As used in this Section, “claim” is defined as a separate demand by the Contractor for (a) a time extension, (b) payment of money or damages arising from the Work, payment for which is not otherwise expressly provided for or Contractor is not otherwise entitled to, or (c) an amount, the payment of which is disputed by the Owner.

The Contractor shall make all claims in writing and include the documents necessary to substantiate the claims. Any claim by the Contractor which is intended to invoke the procedures under the Claims Resolution Statute shall specify that the claim is being made pursuant to the Claims Resolution Statute. All claims by the Contractor must be filed on or before the date of final payment; provided, however, nothing in this Section is intended to extend the time limits or supersede notice requirements which may otherwise be provided within the Contract Documents for the filing of claims by the Contractor including, but not limited to, those provided in Section 6-4 (Time for Completion and Forfeiture Due to Delay), Section 6-5 (Extension of Time) and Section 4-2 (Changes in the Work).

Claims Less Than \$50,000.

The Owner shall respond in writing within 45 Days of receipt of the claim, or the Owner may request, in writing, within 30 Days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the Owner may have against the Contractor. If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the Owner and the Contractor. If the Owner requests additional documentation, the Owner’s written response to the claim shall be submitted to the Contractor within 15 Days after receipt of the additional documentation, or within the same time period as used by the Contractor in producing the additional documentation, whichever is greater.

Claims Over \$50,000 But Less Than \$375,000.

The Owner shall respond in writing within 60 Days of receipt of the claim, or may request, in writing,

within 30 Days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the Owner may have against the Contractor. If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the Owner and the Contractor. If the Owner requests additional documentation, the Owner's written response to the claim shall be submitted to the Contractor within 30 Days after receipt of the additional documentation, or within the same time period as used by the Contractor in producing the additional information, whichever is greater.

Procedure Following Owner's Response

If the Contractor disputes the Owner's written response, or the Owner fails to respond within the time prescribed, the Contractor may, by giving written notice to the Owner within 15 Days of receipt of the Owner's response (or within 15 Days of the Owner's failure to respond), demand an informal conference to meet and confer for settlement of the issues in dispute. Upon such demand, the Owner shall schedule a meet and confer conference within 30 Days.

If after the meet and confer conference, any portion of the claim remains in dispute, the Contractor may file a claim pursuant to Government Code Section 900 et seq. If a court action is thereafter filed to resolve the claim, the court must, within the time specified by law, submit the matter to nonbinding mediation unless waived by mutual stipulation of the Owner and the Contractor. If after the mediation process, the matter remains in dispute, the case must then be submitted to judicial arbitration pursuant to the applicable law.

EXHIBIT 2**Rate Schedule
ASPHALT AND CONCRETE REPAIRS**

ITEM NO.	QTY	DESCRIPTION	UNIT PRICE
1	1	ASPHALT REPAIR 5' X 5' (6" Thickness)	\$ 975.00
2	1	ASPHALT REPAIR 10' X 10' (6" Thickness)	\$ 1,500.00
3	1	ASPHALT REPAIR 20' X 20' (6" Thickness)	\$ 3,277.00
4	1	ASPHALT REPAIR 36-INCH MANHOLE	\$675.00
5	1	ASPHALT REPAIR 2' WATER VALVE CAN	\$ 500.00
7	1	4 x 6 FT. CONCRETE SIDEWALK PANEL (4" Thickness)	\$ 800.00
8	1	4 x 12 FT. CONCRETE SIDEWALK PANEL (4" Thickness)	\$1,130.00
9	1	SEAL COAT 1,000 FT2	\$ 0.45 Per 1 Coat
10	1	SEAL COAT 10,000 FT2	\$ 0.25 Per 1 Coat
11	100 LF	STRIPING (WHITE)	\$ 4.00 Per LF
12	100 LF	STRIPING (THERMAL)	\$ 15.00 Per LF
13	1	PAYMENT/PERFORMANCE BOND	\$ 2% or \$2,000.00 Per each \$100,000

Project requests by the District under this Agreement may vary, but will be based on the descriptions and pricing above. Contractor's compensation will be computed upon the basis of the actual quantities of the completed Work in accordance with the applicable Work Order and the terms of this Agreement.

EXHIBIT 3

Work Order Form

[To be executed by DISTRICT and CONTRACTOR prior to commencement of job; again by DISTRICT for formal acceptance of completed work]

This Work Order is executed pursuant to the “AGREEMENT FOR ON-CALL ASPHALT AND CONCRETE REPAIR SERVICES BETWEEN MOULTON NIGUEL WATER DISTRICT AND _____ (Contract No. _____)” dated _____, 20__ (“Agreement”). The Agreement terms are fully incorporated in this Work Order. Terms used in this Work Order have the same meanings given in the Agreement.

Work Order No.: _____

Work Order Scope of Work: _____

Work Cost: \$ _____ [where not-to-exceed quote given]

Work Location: (address/intersection, City)

City Permit No.: _____

Bond Number/Date Issued: _____

Time for Completion: _____

Notice to Proceed Given: [Date] _____

EXECUTED, ACKNOWLEDGE AND AGREED:

District’s Representative /Title

Contractor’s Authorized Representative- (print name here)

II. DISTRICT’S ACCEPTANCE:

Pursuant to Section 6(b) of the Agreement, District accepts all work completed under this Work Order on the date below, subject to all terms of the Agreement.

_____ Date: _____

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EXHIBIT 4
Payment Bond

PAYMENT BOND

We, _____, as Principal, and _____, as Surety, jointly and severally bind ourselves, our heirs, representatives, successors and assigns, as set forth herein, to the MOULTON NIGUEL WATER DISTRICT (herein called "Owner") for payment of the penal sum of _____ Dollars (\$_____), lawful money of the United States. Owner has awarded Principal a Contract for the construction of:

ON-CALL ASPHALT AND CONCRETE REPAIR SERVICES

**(Fiscal Year 2014-15, 15-16)
Agreement No. OM14-15.028**

If principal or any of his subcontractors fails to pay any of the persons named in Section 3181 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department Franchise Tax Board from the wages of employees of the Contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, then Surety will pay the same in an amount not exceeding the sum specified above, and also will pay, in case suit is brought upon this bond, such reasonable attorney's fees as shall be fixed by the court.

This bond shall insure to the benefit of any of the persons named in Section 3181 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or the work to be performed thereunder or the plans and specifications accompanying the name shall in any way affect its obligation on this bond. Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or the plans and specifications.

Principal and Surety agree that should Owner become a party to any action on this bond, with or without suit, that each will also pay Owner reasonable attorney's fees incurred therein in addition to the sum above set forth.

NOTICE

No substitution or revision to this bond form will be accepted. Sureties must be admitted and authorized to do business in and have an agent for service of process in California. A Certified copy of Power of Attorney must be attached.

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Executed in three original counterparts on _____, 20__.

Principal

By _____

(CORPORATE SEAL)

Title

* (ATTACH ACKNOWLEDGMENT OF AUTHORIZED REPRESENTATIVE OF PRINCIPAL)

Any claims under this bond may be addressed to:

(Name and address of Surety) _____

(Name and address of agent or representative in California if different from above) _____

(Telephone number of agent/Surety in California) _____

* (ATTACH ACKNOWLEDGMENT) _____

Surety

Attorney-in-Fact

APPROVED AS TO FORM:

(Attorney for Owner)

EXHIBIT 5

Performance Bond

PERFORMANCE BOND

We, _____, as Principal, and _____, as Surety, jointly and severally bind ourselves, our heirs, representatives, successors and assigns, as set forth herein, to the MOULTON NIGUEL WATER DISTRICT (herein called "Owner") for payment of the penal sum of _____ Dollars (\$_____), lawful money of the United States. Owner has awarded Principal a Contract for the construction of:

ON-CALL ASPHALT AND CONCRETE REPAIR SERVICES

**(Fiscal Year 2014-15, 15-16)
Agreement No. OM14-15.028**

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall in all things abide by and well and truly keep and perform the covenants, and agreements in the said Contract, and any alteration thereof made as therein provided, on his part to be kept and performed at the time and in the manner therein specified, and shall indemnify and save harmless the Owner, the engineer/architect, the Construction Manager, the Owner's representative, and their consultants, and each of their directors, officers, employees and agents, as therein stipulated, this obligation shall become null and void, otherwise, it shall be and remain in full force and effect.

Surety agrees that no change, extension of time, alteration, or addition to the terms of the Contract, or the work to be performed thereunder, or the plans and specifications shall in any way affect its obligation on this bond, and it does hereby waive notice thereof.

Principal and Surety agree if the Owner is required to engage the services of an attorney in connection with the enforcement of this bond, each shall pay Owner's reasonable attorney's fees incurred, with or without suit, in addition to the above sum.

NOTICE

No substitution or revision to this bond form will be accepted. Sureties must be admitted and authorized to do business in and have an agent for service of process in California. A Certified copy of Power of Attorney must be attached.

Executed in three original counterparts on _____, 20__.

Principal

By _____

(CORPORATE SEAL)

Title

* (ATTACH ACKNOWLEDGMENT OF AUTHORIZED REPRESENTATIVE OF PRINCIPAL)

Any claims under this bond may be addressed to:

(Name and address of Surety)

(Name and address of agent or representative in California if different from above)

(Telephone number of agent/Surety in California)

* (ATTACH ACKNOWLEDGMENT)

Surety

Attorney-in-Fact

APPROVED AS TO FORM:

(Attorney for Owner)

EXHIBIT 6

**MOULTON NIGUEL WATER DISTRICT
ASPHALT AND CONCRETE REPAIR SERVICES
(Fiscal Year 2014-15)**

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:** May 18, 2015

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

SUBJECT: Agreement for Landscape Maintenance Services for Fiscal Years 2015-18

DIVISION: District-wide

SUMMARY:

Issue: The existing service agreement for landscape maintenance services expires June 30, 2015.

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute a three year Landscape Maintenance Services Agreement with Sunset Landscape Maintenance, Inc., in the amount of \$161,094 per year, with a total not-to-exceed agreement amount of \$483,282.

Fiscal Impact: Sufficient funds will be requested in the Fiscal Year 2015-18 budgets.

BACKGROUND:

The District maintains 32 acres of landscape, 15 acres of hardscape, and roughly 2,700 trees at 72 sites. The sites vary in levels of maintenance requirements and are typically maintained either weekly, bimonthly, quarterly, or biannually. The agreement for landscape maintenance covers 46 sites and is inclusive of all necessary activities, such as mowing, trimming, pruning, fertilization, aeration, weed control for both landscaped and hardscape areas and cultivation, pest control, de-thatching and cleanup of drainage facilities. The irrigation system repair needs and planting needs are completed as directed by District staff and have a fixed annual budget of \$50,000 for plantings and \$25,000 for irrigation repairs.

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Agreement for Landscape Maintenance Services for Fiscal Years 2015-18

May 18, 2015

Page 2 of 3

DISCUSSION:

Staff compiled a list of contractors with experience performing similar services and contacted each contractor to establish interest in providing the landscape maintenance services to the District. The complete list of contractors contacted for the RFP is attached hereto as Exhibit 1, Contractor Sourcing Detail.

Staff issued a Request for Proposal (RFP) to five (5) landscape contractors that were fully qualified, capable and interested in submitting a proposal. The table below summarizes the proposals received:

Contractor	Annual Total
Sunset Landscape Maintenance, Inc.	\$161,094
Merchants Landscape Services, Inc.	\$180,002
The Soto Company Inc.	\$230,800
Spectrum Care	\$237,926
Nieves Landscape	Did Not Submit

(1) Total price includes fixed annual budget of \$75,000 for planting and irrigation repairs.

Staff recommends the Board authorize the General Manager to enter into a three (3) year agreement with Sunset Landscape Maintenance, Inc., in the amount of \$161,094 per year with a total not-to-exceed agreement amount of \$483,282.

The Landscape Maintenance Services Agreement is a public works agreement and 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: Landscape Maintenance Services Agreement

Exhibit 1**Contractor Sourcing Detail**

The list of potential contractors was compiled from several sources; known contractors, participants in RFPs for other public agencies in Orange County, and the California Landscape Contractors' Association. Initially, twenty-three contractors were contacted by staff to gauge an interest in participating in the RFP. Of these, six contractors expressed interest and received the RFP. One contractor (Midori Gardens) did not attend the mandatory pre-proposal meeting and one did not submit a proposal (Nieves), which left four active participants.

Sourced Contractor List

A Cut Above Landscape Maintenance, Inc.
 Complete Landscape Care, Inc.
 Cresta Verde Landscape, Inc.
 Haynes Landscaping
 Hanano Landscape Services, Inc.
 JL Landscape Services
 Kanaio Enterprises
 Kato Construction & Landscape
 Land Mechanics, Inc.
 Merchants Landscape Services, Inc.
 Midori Gardens
 Nakae & Associates
 Nieves Landscape
 O'Connell Landscape Maintenance
 Professional Landscape Maintenance, Inc.
 Richard Cohen Landscape & Construction, Inc.
 Spectrum Care
 Sunset Landscape Maintenance, Inc.
 Terra Firma Landscape Mgmt., Inc.
 The Soto Company, Inc.
 Top Tier Landscaping
 Villa Park Landscape
 Westbrooke Landscape, Inc.

Participating Contractors

Sunset Landscape Maintenance, Inc.
 Merchants Landscape Services, Inc.
 Spectrum Care
 The Soto Company, Inc.

**AGREEMENT BETWEEN
MOULTON NIGUEL WATER DISTRICT
AND SUNSET LANDSCAPE
FOR LANDSCAPE MAINTENANCE SERVICES
FISCAL YEAR 2015-16, 2016-17 and 2017-18
OM15-16.001**

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 SUNSET LANDSCAPE MAINTENANCE, 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 landscape maintenance services for 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, land, 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 based on District’s accounting of the amount of landscaping needed throughout the District facilities. Some Services will be a regularly scheduled and some will be periodic and provided on an as needed basis, to be determined by Contractor in consultation with District representatives. Contractor acknowledges and agrees District does not guarantee any minimum or maximum amount of work for the Services to be provided under this Agreement and District may use other Contractors for the Services throughout the fiscal year, 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.

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(b) The Services shall be done 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 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 landscape maintenance services. Such approvals and investigations are intended only to give District the right to satisfy itself with the quality of work performed by Contractor.

(d) No work shall be performed on days observed as "District Holidays" listed below (9 days per year), except with written permission of District representatives.

New Year's Day – January 1
Presidents Day – Third Monday in February
Memorial Day – Last Monday in May
Independence Day – July 4
Labor Day – First Monday in September
Veterans Day – November 11
Thanksgiving Day in November
Day following Thanksgiving Day in November
Christmas Day – December 25

2. PUBLIC SAFETY; SAFETY REQUIREMENTS.

(a) Contractor shall be solely and completely responsible for conditions at the Services sites, including 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.

(b) Contractor shall conduct its operations and perform the Services so as to offer the least possible obstruction and inconvenience to the public, and shall have no greater length or amount of Services than it can prosecute properly with due regard to the safety of the public. Convenient access to driveways, houses and buildings in proximity to the Services sites shall be maintained. Contractor shall provide and maintain such fences, barriers, directional signs, and lights as are necessary to give adequate warning to the public at all times of any conditions to be encountered as a result of the Services and to give directions to the public.

(c) Contractor shall have OSHA certification of aerial equipment and the most recent California Highway Patrol Commercial Vehicle Inspection report for equipment to be used throughout the term of this Agreement. All personnel performing work under this Agreement must be qualified and trained in the landscape maintenance industry. Contractor’s staffing manager shall be fluent in the English language. At all times during the Services, the Contractor shall have work crews on site that are represented by supervisor(s) who can communicate instructions given by District representatives, and other authorities as applicable.

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 shall maintain and keep current a C-27 Landscape Contractors License issued by the State of California and all other applicable licenses and permits as required by City, County, State and/or federal regulations to perform the Services during the term of this Agreement

(c) 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 Four Hundred Eighty-Three Thousand Two Hundred Eighty-Two Dollars (\$483,282.00) (the “Agreement Maximum Amount”). Notwithstanding the foregoing, the total compensation during each fiscal year of the Agreement term shall not exceed One Hundred Sixty-One Thousand Ninety-Four Dollars (\$161,094.00) per year. Contractor is responsible for and shall pay all sales, consumer, use, and

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other taxes in connection with materials for the Services, except for those materials provided by District in accordance with **Exhibit 1**, if any.

(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, 2018** ("expiration"), unless otherwise terminated earlier by either party pursuant to Section 13.

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 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

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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, any other public entities issuing permits for entry in public right of way to perform the Services, and "owners of record of all property on which entry will be made to perform the Services and related work" and each of their 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:

- (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 employes, **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, any other public entities issuing permits for entry in public right of way to perform the Services, and the *"owners of record of all property on which entry will be made to perform the Services and related work,"* and each of their 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

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Agreement and the completion of the Services and work hereunder.

12. WARRANTY.

(a) Contractor shall and hereby does warranty all Services and work, including materials and installation, for a period of six (6) months from the date of substantial completion of the services and/or installation took place (“Warranty Period”), and shall repair and replace any and all work, together with any other work which may be displaced in so doing, that may prove defective in workmanship and/or materials, or that does not meet the requirements set forth in any applicable specifications, within the Warranty Period, without expense whatsoever to District and with ordinary wear and tear and unusual abuse or neglect excepted. In the event of Contractor’s failure to comply with the above-mentioned conditions within seven (7) days after being notified in writing, District is hereby authorized to proceed to have the defects repaired or replaced and made good at the expense of Contractor who hereby agrees to pay the cost of and charges therefore immediately on demand. If, in the opinion of District, defective work creates a dangerous condition or requires immediate correction or attention to prevent further loss to District or to prevent interruption of operations of District, District will attempt to give the notice required by this Section 12. If Contractor cannot be contacted or does not comply with District’s request for correction within a reasonable time as determined by District, District may, notwithstanding the provisions of this Section 12, proceed to make such correction or provide such attention, and the costs of such corrections or attention shall be charged against Contractor. Such action by District will not relieve Contractor of the guarantees provided in this Section 12 or elsewhere in the Agreement.

(b) This section does not in any way limit the warranty on any items for which a longer warranty is specified or on any items for which Contractor or a manufacturer or supplier gives a warranty for a longer period. The Contractor agrees to furnish District with all appropriate warranty certificates upon completion of the Services. No warranty whether provided for in this Section or elsewhere shall in any way limit the liability of Contractor or its sureties or insurers under the indemnity or insurance provisions of the Agreement. This warranty obligation shall survive the termination or expiration of the Agreement as to all completed Services.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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: Sunset Landscape Maintenance, Inc.
 Matt Brooks, Vice President, Operations
 27201 Burbank Avenue
 Foothill Ranch, CA 92610

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

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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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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”:

SUNSET LANDSCAPE MAINTENANCE, 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

[Signature page for Landscape Maintenance Services Agreement]

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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

EXHIBIT 1, SCOPE OF WORK

I. SCOPE

A. Personnel Standards

1. The Contractor shall provide personnel fully trained in all phases of landscaping and irrigation systems operation, maintenance, adjustment, and repair. Contractor's personnel shall be experienced with all types of irrigation components to include irrigation controllers, valves, moisture sensing devices, and sprinkler heads. Contractor's personnel shall have a working knowledge of all brands and models of irrigation equipment used within the District. The Contractor shall have expertise in irrigation water management, turf management, entomology, pest control, soils, and fertilizers. This will include staffing a manager who shall have experience in landscape maintenance supervision. At all times during contracted landscape maintenance activities, the firm shall have work crews on site that are represented by a supervisor who can receive and carry out instructions, either verbal or written, given by proper authorities.
2. The District requires the Contractor to employ experienced and professional Supervisory staff for the active oversight and direction of Contractor's personnel who will be involved in maintenance activities for the District. This Supervisory staff must be able to easily and accurately receive and carry out instructions, either verbal or written, as issued from the District's staff.

B. Work Standards

The Contractor will be required to thoroughly perform the proposed landscape and hardscape maintenance work in a professional manner, providing tools, equipment, materials, and supplies necessary for the timely completion of all work, in order to meet the District's requirements. In order to keep the sites in a state of healthy, vigorous growth, all maintenance work will be performed on a regular schedule.

II. MAINTENANCE AREAS, ACTIVITIES, COMPENSATION

A. Maintenance Locations, Schedule

The District has prepared a Fee Proposal Form (EXHIBIT 2), Site Details (EXHIBIT 1, Attachment 1) and Aerial Maps (EXHIBIT 1, Attachment 2) to identify the name and maintained area of the District facilities requiring landscape and hardscape maintenance. The Fee Proposal Form, specifically identifies the frequency to which the District expects the Contractor to visit each site to comply with the maintenance program. The proposed program schedule was developed based on the experience of the District Landscape Manager and is subject to modifications during the course of the service agreement. Adjustments to the schedules outlined in the Fee Proposal Form shall be coordinated with the District's Landscape Manager. The Contractor shall not modify any part of the Scope of

Work or Fee Proposal Form schedules without written notification of a change and before any variances to the service agreement have been formerly approved by the Landscape Manager in accordance with the provisions of this Request for Proposal.

B. Summary of Maintenance Activities

Standard maintenance activities at each site shall include, but not be limited to: mowing, trimming, pruning, fertilization, aeration, weed control (both in hardscape and landscaped areas), cultivation, pest control, de-thatching, renovation, and cleanup of drainage facilities as described further in this scope of work items, Subsection F.

C. Compensation

The fee to complete the necessary site maintenance in its entirety, per the Scope of Work, should be incorporated in the Fee Proposal Form for site maintenance of each site.

The Contractor shall be compensated for any additional plantings as directed by the District Landscape Manager per the pricing entered on the Fee Proposal Form section for Planting. This section of the Fee Proposal Form is for invoicing purposes only. The location and specific type of the plantings shall be provided by the District's Landscape Manager and coordinated with the Contractor.

Irrigation maintenance shall include mandatory monthly operation and testing of the irrigation systems, any minor adjustments, review of irrigation coverage and run-off. The fee to complete these items in their entirety should be entered in the Fee Proposal Form also under the section for Irrigation Repair Breakdown. This section of the Fee Proposal Form is for invoicing purposes only. Any repairs necessary to the irrigation system shall be performed as directed by the Landscape Manager and the Contractor shall be compensated from the not-to-exceed fee based on the unit price for Irrigation System Repairs as identified in the Fee Proposal Form.

III. STANDARDS: GRASS, PLANT AND TREE MAINTENANCE

A. Turf Grass

The District maintains turf at two facilities, the Main Office and the Plant 2A Operations Yard. The Contractor shall be required to provide landscape maintenance service to the turf at those locations per the following standards:

1. Aeration

Mechanically aerate all turf areas as often as required, four (4) times annually, to reduce compaction/stress conditions, which will offer greater water penetration and reduce runoff. In those areas when soil condition is poor, top dress may be required as directed by the Landscape Manager. Use a plug aeration with ¾" tines. Any areas that show excessive compaction shall receive additional treatment as required to alleviate this condition. Removal of sod plugs may be required.

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2. **Mowing**

Mow and edge turf grass per the Scope of Work and as directed by the schedules contained in the Fee Proposal Form and/or by the Landscape Manager. Cut cool season turf grass 2½" during warm season and reduce to 2" during winter or cooler seasons. Avoid damage to trees and other obstacles located within the turf areas such as electrical boxes or fixtures. Do not mow areas that are wet. Alternate mowing patterns whenever possible to prevent wheel ruts. If ruts are made, contractor will make repairs at their expense.

3. **Height**

In warm seasons, common Bermuda shall be mowed to not exceed 1", hybrid Bermuda ½" to ¾". Mixed turf grasses will be cut at Landscape Manager's recommended height. This will depend on a site-by-site evaluation as necessary. Avoid removing more than one-third of the leaf area blade at any one time.

4. **Trimming and Edging**

Trim around walls, buildings, curbs, header boards, valve boxes, quick couplers, and paved areas per the Scope of Work and schedules contained in the Fee Proposal Form to present a neat, clean appearance. Chemically edge around trees within an 8" radius from the trunk using care not to damage tree trunk or roots.

5. **Refurbishment of Turf Grass**

Turf areas that are affected by disease, rabbits, etc. thinning out due to shading effect of trees, structures, and foot traffic will be reseeded or sodded with an approved grass seed to restore thinning areas. All turf areas shall be with perennial winter rye grass annually. Coordinate with Landscape Manager.

B. **Weed Control**

Contractor shall maintain a weed free turf at all times by chemical and/or mechanical means. Pre-emergent herbicide applications shall be required to control crabgrass in all turf areas. The Contractor shall be especially careful if applying chemicals to control weeds because of possible damage to the lawn. Before such applications are made, the turf should be well established and in a vigorous condition. The Contractor shall immediately remove all noxious weeds and plant materials listed by the local cities, the County of Orange and the State of California from all District facilities upon discovery.

C. **String Trimmers (Weed Eaters)**

Care shall be exercised with regard to the use of string trimmers to prevent damage to building surfaces, walls, header board, light fixtures, signage, etc. No weed eaters shall be used around trees or wooden sign posts. A 48" bare soil buffer zone shall be maintained around the circumference at the base of all trees.

D. Shrubs/Grasses

1. Shrubs shall be pruned as required for safety, removal of broken or diseased branches, general containment, or appearance.
2. Prune shrubs to retain as much of the natural informal appearance as possible, consistent with intended use. Coordinate with the District Landscape Manager.
3. Shrubs used as formal hedges or screens shall be pruned as required to present a neat appearance.
4. Remove any spent blossoms or dead flower stalks as required to present a neat, clean appearance.
5. Shrubs and mounding shall not exceed two feet (2') in height within areas requiring vehicular sight distance due to roadway topography.

E. Vines

1. Vines and espalier plants shall be checked and retied as required. Secure vines with appropriate ties to promote directional growth on supports.
2. Do not use nails to secure vines on masonry walls.
3. Deep water vines in pockets not provided with sprinklers as required to promote optimum growth.
4. Pruning of vines will be in accordance with good horticultural practices.

F. Ground Cover

1. Trim ground cover adjacent to walks, walls and/or fences as required for general containment to present a neat, clean appearance.
2. Main Office and Operations Facility; mulch all planted areas two (2) times per year with District approved mulch.
3. Cultivate and/or apply approved herbicide to remove broad-leafed and grass weeds as required. Weeds shall be controlled and not allowed to reach an objectionable height. The Landscape Manager shall be responsible for determining objectionable height. Remove weeds by chemical or mechanical means as approved by the District.
4. Prevent soil compaction by cultivating regularly all ground cover areas.
5. Keep ground cover trimmed back from all controller units, valve boxes, quick couplers, or other appurtenances or fixtures. Do not allow ground covers to grow

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up trees, into shrubs, or on structures, fences, or walls. Keep trimmed back approximately twelve inches (12") from structures, fences, or walls. Coordinate trimming around base of shrubs/trees with the Landscape Manager.

6. Bare soil areas shall be cultivated a minimum of once per month.

G. Pest Control

1. The Contractor shall provide complete and continuous control and/or eradication of all plant pests or diseases. The Contractor shall obtain any necessary permits to comply with City, County, State, or Federal regulations or laws.
2. Contractor will assume responsibility and liability for the use of all chemical controls. Pests and diseases to include, but not limited to, all insects, aphids, mites, other invertebrates, pathogens, and nematodes.
3. All material use shall be in strict accordance and applied within the most current EPA regulations and the California Food and Agricultural Code.
4. Pesticides
 - a. **Timing:** Pesticides shall be applied at times, which limit the possibility of contamination from climatic or other factors and at the proper life cycle of the pests. Early morning application shall be used when possible to avoid contamination from draft. Applicator shall monitor forecast weather conditions to avoid making application prior to inclement weather to eliminate potential runoff of treated areas.
 - b. **Watering:** Irrigation water applied after treatment shall be reduced to eliminate runoff. When water is required to increase pesticide efficiency, it shall be applied only in quantities of which each area is capable of receiving without excessive runoff.
 - c. **Handling of Pesticides:** Care shall be taken in transferring and mixing pesticides to prevent contaminating areas outside the target area. Application methods shall be used which ensure that materials are confined to the target area. Spray tanks containing leftover materials shall not be drained on the site to prevent any contamination. Disposal of pesticides and tank rinsing materials shall be within the guidelines established in the State of California Food and Agricultural Code or EPA regulations.
 - d. **Equipment and Methods:** Spray equipment shall be in good operating condition, quality, and design to efficiently apply materials to the target area. Drift will be minimized by avoiding high-pressure applications, windy conditions, and using water-soluble drift agents.

- e. **Selection of Materials:** Pesticides shall be selected from those materials that characteristically have the lowest residual persistence. Use of emulsifiable concentrates shall be used when possible to limit windblown particles. The use of adjuvant will be to increase pesticide efficiency thereby reducing the total amount of technical material required to gain control.
- f. **Substitutions:** Wherever a specific type of material is specified, no substitutions shall be allowed without the written consent of a District representative.
- g. **Certification of Materials:** All materials shall be delivered on the site in original unopened containers. Materials shall be subject to inspection by the Landscape Manager.
- h. **MSDS:** Contractor shall supply the District with a list of chemicals to be used (with MSDS sheet), prior to start of work.
- i. All areas of the landscapes and facilities shall be inspected for infestations of harmful pests such as ants, insects, mites, snails, sow bugs, etc. Plants shall be observed closely for leaves that may be blotched, blighted, deformed, mildewed, rusted, scorched, discolored, defoliated, wilted, or show signs of mold or fungi. The Contractor shall notify the Landscape Manager of any infestations and deal with appropriately.
- j. Turf and other plants harmed as a result of Contractor actions, shall be replaced at the Contractor's expense. All replacements must be made within fourteen (14) days after receiving notice from the District.

H. Drainage Facilities

1. The Contractor shall be responsible for monthly inspections of all surface and sub-surface drains (i.e., bench drains, v-ditches, drainage piping, flow structures), that capture and convey storm waters and irrigation system incidental run-off, from District facilities and properties. Surface and sub-surface drains shall be checked and maintained free of obstruction and debris at all times to assure proper drainage. Remove any soils, debris or vegetation offsite that might accumulate to prevent proper flow of water. The Contractor shall notify the District of any cracks or damage to the existing drainage facilities.
2. The Contractor shall be responsible for complying with Best Management Practices (BMP's) of the city where work is being performed, to minimize the impact to dry-weather urban runoff, storm water runoff, and receiving water quality. All drains are to be covered during granular applications of fertilizer and herbicides. Covers are to be removed after application is complete and material reclaimed.

I. Fertilization**1. Scheduling**

Fertilization will be applied as approved by the District Landscape Manager. Contractor shall submit a fertilization schedule for approval with a minimum of four applications per year. The fertilization schedule shall indicate the fertilizer used and frequency applied and the landscape material applied to (i.e., turf, trees, shrubs, ground cover, etc.).

2. General

Fertilizers shall be inorganic, dry, pelletized formulation. Application shall be in accordance with manufacturer specifications.

3. Method of Application

In making application of fertilizer granules, precautions shall be taken to contain these materials in the planting areas. Caution should be used when using a cyclone spreader, which tends to throw material onto paved areas. The use of constant flow P.T.O. driven spreaders will keep materials contained in planting areas, eliminating sidewalk stains. The Contractor will be responsible for removing all fertilizer stains from concrete caused by his application. Fertilizer shall be applied at manufacturer's recommended rate. All drains shall be covered to prevent the broadcast of fertilizer entering storm drains. Covers shall be removed after broadcast and excess fertilizer collected.

4. Timing of Application

When climatic factors cause problems of the general use of fertilizers, an adjustment of the fertilizer schedule may be necessary. After fertilizer application, monitor watering schedule to eliminate runoff or leaching of fertilizer materials.

5. Trees and Shrubs

Fertilizers, pre-approved by the District Representative, shall be applied to trees and shrubs that require supplemental feeding. Annual spring feeding shall be done in accordance with the rate indicated by the manufacturer. Fertilization may require deep root feeding. Foliar micronutrient applications will be required as needed.

J. Plant Additions/Replacements

1. The Contractor may be requested to replace damaged or destroyed shrubs, vines, ground cover, or flowers. Such work will be paid for as unit costs by the contract as identified in the Fee Proposal Form. The amount and location of all plantings shall be properly identified by the District to the Contractor prior to commencing work. Work in excess of the not-to-exceed fee total for planting will require an approved variance from the District prior to the Contractor proceeding with the additional planting. Exceptions will be replacements due to Contractor's neglect as determined by the Landscape Manager.

2. All new plant material shall be guaranteed for a period of one calendar year except due to "Acts of God," i.e., damage or death of plant material due to wind or storm, or vandalism, theft, or other willful acts over which the maintenance contractor has no control. Existing plants shall be replaced by Contractor if it is determined by Landscape Manager they died due to Contractor's negligence.

K. Tree Removals

1. The District will prepare a list of trees to be removed, marks trees, notify homeowners as necessary, and submit lists to Contractor. Contractor calls Underground Service Alert (USA) and prepares internal work order. Crew removes tree and hauls all debris. Upon request, crew shall grind stumps to a depth of eighteen inches. All holes to be backfilled; all debris shall be cleaned up and hauled away. Special projects that are difficult to access with equipment, or require the need for a crane or an aerial tower over ninety-five feet (95') would fall under Crew Rental rates. Removals shall be conducted in good workmanlike manner in accordance with the standards of the arboricultural profession.
2. All wood from removed trees is the property of the District and shall be disposed of at the direction of the Landscape Manager. Any wood within the public right-of-way shall be removed by the end of the workday. No wood shall be left on any District property unless approved by the Landscape Manager. All tree parts are to be loaded into transport vehicles or containers. The vehicles or containers must have the front, sides and rear solid and the top shall be tarped or otherwise tightly enclosed. The transporting of tree parts must be made so that no debris escapes during the transport. Branches, suckers, bark and other tree parts that are chipped are to be covered while transported and hauled to the disposal site during the workday.
3. The District is responsible for marking trees so that they are easily identifiable by Underground Service Alert and the Contractor. The Contractor shall be required to call Underground Alert at least 2 days before stumps are to be ground out. All tree stumps must be removed to at least 18 inches below the lowest soil level adjacent to the stump, or until deep roots are no longer encountered. The Contractor shall grind the stump a minimum distance of one and a half (1½) feet either side of the outer circumference of the stump, or until surface roots are no longer encountered.
4. Stumps should be cut low enough to the ground where routing can be done safely. This may be accomplished by cutting the stump at the time of grinding, or at the time of tree removal except for infrastructure conflicts. Holes created by stump and root grinding must be filled with soil and adequately compacted the same day. The resultant chips from routing may be used to cover the hole to two (2") inches above normal ground level. All excess routing chips debris will be removed and loaded into transport vehicle for disposal. Any damaged paved surfaces shall be restored to their original condition.

L. Tree Planting

1. Planting includes the tree, V.I.T. brand stakes, ties and complete installation and watering for ninety (90) calendar days. Planting lists should be compiled by the Landscape Manager and submitted monthly or as needed. Contractor will guarantee the quality of the tree stock and the workmanship for a period of one year.
2. **Tree Planting Special Provisions**
 - a. Contractor shall provide all equipment, labor and materials necessary for the planting of trees throughout the District as identified by the Landscape Manager in accordance with the specifications herein.
 - b. The District shall be responsible for marking locations and the Contractor will notify Underground Service Alert (USA) prior to planting.
 - c. Planting pit shall be dug twice the width and the same depth of the root ball. Before placing the tree in the planting pit. Contractor shall examine root ball for injured roots and canopy for broken branches. Damaged roots should be cleanly cut off at a point just in front of the break. Broken branches should be cut out of the canopy making sure that the branch collar is not damaged.
 - d. Tree shall be placed in the planting pit with its original growing level (the truck flare) at the same height of the surrounding finish grade. In grass-covered parkways, the top of the root ball shall be level or slightly higher than the surrounding soil. In a concrete tree well, the root ball shall be 3-inches below the level of the finished surface of the concrete.
 - e. Backfill material should be native soil. Eliminate all air pockets while backfilling the planting pit by watering the soil as it is put into the hole.
 - f. All trees planted shall have a 4"-6" high water retention basin built around the tree capable of holding at least ten (10) gallons of water. In a concrete tree well, soil should be raked against the edge of the concrete to create a sloping basin. Immediately after planting, the tree shall be watered thoroughly by filling the water retention basin twice.
 - g. All trees shall be staked with two wooded lodge poles and two V.I.T. Brand ties per pole. Minimum size of lodge poles shall be ten (10') feet long, with a one and a half (1½") inch diameter. Tree ties shall be placed at one third (1/3") and two-thirds (2/3") of the trunk height. Stakes shall not penetrate the root ball and shall be driven into the ground approximately twenty-four to thirty (24"-30") inches below grade.

- h. Trunk protectors such as Arbor-Gards or an approved equal shall be placed at the base of the trunk of all new trees immediately after planting.
- i. In some cases, root barriers may be required. The District will make this determination. Should a root barrier be required, the Contractor will install a mechanical barrier that redirects root growth downward, eliminating the surface rooting that damages expensive hardscapes and creates a hazard. The barrier shall be twelve (12") inches in depth and at a length determined by the District and placed in a circular fashion surrounding the tree's root system. Root barriers are not included in the unit prices.
- j. Clean up all trash and any soil or dirt spilled on any paved surface at the end of each working day.
- k. All trees shall be of good nursery stock that adheres to the American Standard for Nursery Stock as described in the ANSI Z60.1-1996 Standards. Trees shall be free from pests, disease and structural defects.

IV. IRRIGATION SYSTEM

A. General

The controlling factor in the performance of water management within the landscape maintenance area is the application of water to landscape plants at a rate that closely matches the actual demands of plant material with no runoff. Roadway safety, public safety, protection of the environment and maintenance are foremost reasons why water must be strictly controlled within the District. Other important water management considerations include water conservation and plant health.

The District Landscape Manager oversees the irrigation systems as necessary to sustain the landscape areas as directed by the District Board of Directors. The irrigation system is maintained utilizing a RainMaster® centralized irrigation system. The Contractor shall become familiar with the water schedule for each site. Any recommended modifications to the watering schedule shall be provided to the District's Landscape Manager for approval.

B. System Status Review & Testing

1. The Contractor shall assign a water manager and additional personnel who are directly responsible for maintaining, operating, adjusting, and responding to all parameters, set points, functions, and alarms on a daily basis or more frequently, if necessary. The Contractor shall utilize current "Best Management Practices" of the city where work is being performed, to properly apply water at minimum application rates that support all facility planting materials. The Contractor shall, under no circumstances, violate any current laws, rules and regulations, or guidelines regarding the application of water used for irrigation. The Contractor

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shall be responsible to address and pay for any fines, damage, and/or violations levied by the City, County of Orange, or any other jurisdictional agency.

2. The Contractor's water manager shall log onto RainMaster's® iCentral website daily, no later than 8:00 a.m. Pacific Standard time. All the District's irrigation controllers and systems shall be reviewed for system status and proper operation. Daily adjustments shall be made if necessary to ensure proper operation and daily application of water. Any and all system alarms and transmissions to and from the controllers, and all changes within the iCentral program shall be documented by submitting a monthly report listing the transmission information and the response to the transmissions and/or alarms. Include date, time and repairs made by site name, controller, station, and actions taken to eliminate the condition or alarm. RainMaster® iCentral alarms and notifications that require action by utilizing RainMaster® online website shall be accomplished immediately. Alarms and notifications that require field action shall be addressed and/or repaired within forty eight (48) hours.
3. The Contractor will be required to test the performance of the irrigation system during each monthly visit to the respective sites in accordance with the Fee Proposal Form and/or as directed by the District Landscape Manager. During the test of the system, Contractor shall confirm the efficient operation and necessary irrigation maintenance as required per the service agreement. Flood irrigation is prohibited. Contractor shall perform a mandatory RainMaster® Irrigation System Auto Learn Update after verifying proper system operation each month.

C. Irrigation System Operation

1. The entire irrigation system to include all components from connection at meters shall be maintained in an operational state at all times. This coverage shall include but not limited to the following: all controllers, remote control valves, gate valves, backflow devices, main and lateral lines, sprinkler heads, moisture-sensing devices, and all related equipment. Contractor is required to notify Landscape Manager of main line failures and any other irrigation system deficiencies within twenty-four (24) hours of occurrence. All systems shall be adjusted in order to:
 - a. Provide adequate coverage of all landscape areas.
 - b. Prevent runoff and/or erosion or "flood irrigation", misting, direct overspray, or ponding.
 - c. Eliminate hazardous conditions.
 - d. All sprinkler heads shall be adjusted to maintain proper coverage. Adjustment shall include, but not be limited to, actual adjustments to heads, cleaning and flushing heads and lines, and removal of obstructions, i.e. plant materials. Costs for adjustment shall be included in costs for operation and maintenance of the irrigation system.

- e. For all District sites with irrigations systems, the Contractor shall inspect and test the irrigation system monthly. Contractor shall utilize the **Irrigation Systems Testing Form, (EXHIBIT 1, Attachment 3, Forms)**. This particular form shall be issued to the District on a monthly basis with the monthly invoices.
- f. Controller enclosure maintenance: Remove dirt, debris, spider webs, etc., vacuum enclosure. Inspect wiring; utilizing spray contact cleaner, spray clean all exposed wiring contacts and terminals, etc.
- g. Comply with local, state, and federal laws, rules and regulations, and guidelines with respect to application of water to District facilities, including all District water conservation methods and procedures.

2. Irrigation Repairs

- a. All system malfunctions, damage, and obstructions shall be recorded and timely corrective action taken. In addition to testing required per the Scope of Work, all irrigation systems shall be tested and inspected as necessary when damage is suspected, observed or reported, daily if necessary.
- b. Repairs to the irrigation system shall be completed within 24 hours after approval by Landscape Manager on major component damage such as broken irrigation lines, defective or broken valves and sprinkler heads, sprinkler head relocations, malfunctioning controllers, quick couplers, manual or automatic valves, and other modifications as necessary. Any repairs \$300.00 or greater shall have prior verbal or written approval by the District's Landscape Manager.
- c. Correct deficient irrigation systems and equipment as necessary following verbal notification from the Landscape Manager.
- d. All damage resulting from the Contractor's operations shall be repaired or replaced prior to the end of the workday at the Contractor's expense. The Contractor shall notify the Landscape Manager of any damage.
- e. All replacements shall be with original type and model materials unless a substitute is approved by the Landscape Manager.
- f. Contractor shall maintain an adequate stock of medium and high usage items for repair of the irrigation system.
- g. Contractor shall implement repairs in accordance with all effective warranties and no separate payment will be made for repairs on equipment covered by warranty.

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- h. Contractor shall pay for all excessive utility usage due to failure to repair malfunctions on a timely basis.

3. Irrigation Materials

All materials are to be new and identical to existing materials, unless directed otherwise by the District. The unit pricing provided in the Fee Proposal Form shall reflect all costs, including labor and materials, required to complete the specific repair. Any material that is not considered standard to complete the repair and requires adjustment to the unit price for additional materials requires approval by the District Landscape Manager prior to securing the additional materials.

V. WEED ABATEMENT

A. Requirements

1. Contractor shall be responsible for the periodic mowing and weed removal of unwanted weeds in undeveloped portions of District landscape sites as identified in the Scope of Work. Contractor shall not allow weeds to exceed 6" in height at any time or as determined by the Landscape Manager.
2. The Contractor shall immediately remove all noxious weeds and plant materials listed by the local cities, County of orange, and the State of California, from all District Facilities upon discovery. Annual weed abatement shall begin no later than March 1st of each year, and be completed no later than May 15th of each year. Any fines or fees incurred shall be the sole responsibility of the Contractor.

VI. FACILITY MAINTENANCE

A. General

1. All animal feces or other materials detrimental to human health shall be removed from District facilities during the site visits per the Scope of Work.
2. All broken glass and sharp objects shall be removed during the site visits per the Scope of Work.
3. All sidewalk areas abutting maintained areas shall be cleaned when dirtied by Contractor's operations and at other times as required.
4. All leaves, paper, construction materials, debris, domestic animal feces, on the ground or in bags, and trash in general shall be removed from landscaped areas and disposed of offsite.
5. All other drainage facilities shall be cleaned of all soils, vegetation, and debris. All grates shall be tested for security and refastened as necessary. Missing or damaged grates shall be reported to Landscape Manager. All materials shall be removed

offsite the same day the work was performed and disposed of in an appropriate manner.

B. Clean-up

1. At no time will grass cuttings/debris be allowed to blow into public streets or gutters without being swept or vacuumed clean. All debris generated from adjacent maintained landscape areas shall be the responsibility of the contractor to remove (i.e. parking lots, access roads, sidewalks, streets, gutters).
2. Contractor shall remove all debris resulting from the maintenance operations and dispose of it off-site at the time of occurrence. All grass clippings shall be picked up after each mowing or trimming operation.
3. All debris resulting from any of the Contractor's operations shall be removed and disposed of legally at the Contractor's expense. No debris will be allowed to remain at the end of the workday.
4. The Contractor shall provide general clean-up during site visits for the purpose of picking up papers, trash or debris which may accumulate in the landscape and hardscape areas and around all facilities adjacent to any landscape areas and open spaces, caused by winds or normal conditions.
5. The Contractor shall complete and submit the monthly Facility Hardscape Report (**EXHIBIT 1, Attachment 3, Forms**) for each District facility shown on the Fee Proposal Form.

VII. LANDFILL DIVERSION

Contractor shall be responsible for the recycling of all green waste generated from maintenance operations within the District. Green wastes shall be diverted from County Landfill to an approved reclamation site and processed for recycling. Contractor shall submit a report outlining the landfill diversions on a monthly basis. Reports shall accompany monthly invoice. Failure to provide reports in their entirety will result in delay of processing invoice.

VIII. PRESERVATION OF PROPERTY

The Contractor shall exercise due care to avoid injury to existing improvements or facilities, adjacent property, trees, shrubbery, groundcovers, and grasses that are not to be removed. If such objects are injured or damaged by reason of the Contractor's operation, they shall be replaced or restored at the Contractor's expense to a condition as good as when the Contractor entered upon the work within forty-eight (48) hours of notification by the District's representative.

IX. SCHEDULING OF OPERATIONS

Normal work hours are from 7:00 a.m. to 5:00 p.m., Monday through Friday. The Contractor shall perform the work at such times as to minimize disturbance or interference to residences or

businesses. The Contractor shall submit a weekly maintenance schedule describing maintenance operations, location of work, and when work will be accomplished. The schedule shall be submitted prior to starting any maintenance operations.

X. TRAFFIC CONTROL

A. Traffic Control Standards

1. Contractor shall conform to all applicable traffic safety requirements and operating rules at all times while this contract is in effect. The Contractor shall provide traffic control when applicable or as directed by the District Landscape Manager or designated representative or City representative per the latest edition of the Work Area Traffic Control Handbook (**WATCH Manual**).
2. Contractor will be responsible for supplying and using all safety equipment necessary to close or delineate traffic lanes to through traffic. This is to include a high visibility Arrow Board(s) as necessary. Prior to use, the City in which the work will be performed must approve all traffic safety equipment. The Contractor will obtain any encroachment permits that may be required to proceed with work within the City right-of-way. The Contractor will provide any necessary insurance documentation required by the appropriate City to procure necessary encroachment permits.
3. The Contractor shall be responsible at all times for supplying and using all safety equipment, signage, etc. to close or delineate pedestrian and vehicular traffic areas or to close a specific area to protect pedestrians and vehicular traffic from all potential hazards within the scope of the Contractor's work. Any requests made by the District's Landscape Manager to provide additional equipment or delineation shall be addressed immediately

XI. INSPECTIONS

The District's Landscape Manager or his designated representative, shall, at all times, have access to the work and shall be furnished with every reasonable accommodation for ascertaining full knowledge respecting the progress, workmanship, and character of materials and equipment used and employed in the work. Upon request, the Contractor shall provide a staffing manager/superintendent for the purpose of site/facility walks to determine site conditions and to ascertain compliance with the landscape maintenance service agreement requirements.

If, at any time, the District's Landscape Manager feels work is not being performed as required per these specifications and the service agreement, a Performance Deficiency Notification (**EXHIBIT 1, Attachment 3, Forms**) shall be provided to the Contractor. The Contractor shall take corrective actions within one (1) week from receipt of the notification. If corrective action is not made, the District shall withhold payment for work performed until the situation identified in the Performance Deficiency Report is remedied. If the deficiency is of such a nature as failure to perform irrigation system repairs, daily RainMaster® ICentral monitoring, adjustments, alarms, Auto Learn functions, and/or failure to submit reports, shall have an appropriate dollar amount deducted from the monthly invoice.

XII. MINOR MODIFICATIONS AND/OR ADDITIONAL WORK

The District may modify these specifications, including adjustments to the maintenance schedule contained in the Fee Proposal Form and reporting forms, with the joint approval of the Contractor and the District's Landscape Manager. All modifications shall be in writing. Any modifications that affect the contract price shall be submitted in writing within seven (7) days of notification from the District of the change in scope of work. No work on the proposed change in scope shall proceed until the Contractor receives written approval of the change in scope of work from the District's Landscape Manager.

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ATTACHMENT 1 to
EXHIBIT 1

SITE DETAILS AND AERIAL MAPS

Attachment 1 to Exhibit 1

List of Sites	
Aliso Creek Lift Station	Laguna Heights Reservoir
Aliso Hills Reservoir	Main Office
Aliso Summit Reservoir	Marguerite Pump Station
Aliso Viejo RW Pump Station	Marguerite Reservoir
Aliso Viejo RW Reservoir	Mathis-Nellie Gail Reservoirs
Audobon LS	Moulton Lift Station
Beacon Hill Pump Station	Moulton Peak Reservoirs
Bear Brand Reservoir	National Park PS
Bridlewood Takeout Structure	Pacific Island Dr. Res. #2-PS #3
Cabot Takeout Structure	Pacific Island PS #1
Casa de Oso Pump Station	Pacific Park Metering Station
Country Village PS	Pacific Park Reservoir-Pump Station
Crown Point RW Pump Station	Paseo de Valencia LS
Crown Valley Reservoir	Rancho Reservoirs
Del Avion LS	Regional Lift Station
District Operations Facility (2A)	Rolling Hills Reservoirs-Pump Station
East Aliso Creek Reservoir	Saddleback Reservoir-Pump Station
El Dorado Reservoir - Pump Station	Saddleback RW Pump Station
Galivan Reservoir-Pump Station	San Joaquin Hills LS
Golden Lantern RW Pump Station	Seville Reservoirs
Golden Lantern RW Res	Sheep Hills Reservoir-Pump Station
Highlands Pump Station	Southridge-Wood Canyon Res-RW Pump Station
La Paz Reservoir-Pump Station	Upper Boundary Oak LS

Maps may be accessed using the following FTP link:

[ftp.mnwd.com/pub/PHOTOS/](ftp://mnwd.com/pub/PHOTOS/)

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ATTACHMENT 2 to
EXHIBIT 1

FORMS

PERFORMANCE DEFICIENCY NOTIFICATION

Date Report Prepared: _____ Report By: _____
Landscape Manager

Facility Name(s): _____

Notification Date: _____ Time: _____ Contractor’s Representative: _____

Method of Contact: In Person: _____ Phone: _____ Voice Mail: _____ Email: _____ US Mail: _____

Irrigation System Repairs/Adjustments – Mainline: _____ Lateral Lines: _____
Sprinkler Heads/Assemblies: _____ Backflow Assemblies: _____ Wye/Basket Strainers: _____
Ball/Gate Valves: _____ Quick Coupling Valves: _____ Other: _____

Comments: _____

Centralized and Stand Alone Irrigation Controller:
Station Run Times: _____ Alarms: _____ Settings: _____ Operation: _____

Comments: _____

Failure to submit MNWD Irrigation Systems Testing Form:

Site/Facility Name: _____
Comments: _____

Failure to submit MNWD Facility Hardscape Report:

Site/Facility Name: _____
Comments: _____

Failure to submit MNWD Facility Hardscape Report:

Site/Facility Name: _____
Comments: _____

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Moulton Niguel Water District – Contract: OM15-16.001, Landscape Maintenance Services
Exhibit 1 – Attachment 2, Forms: Performance Deficiency Notification

Failure to perform work as directed:

Comments: _____

Trim: Groundcover: _____ Shrubs: _____ Grasses: _____

Comments: _____

Turf: Mow: _____ Edge: _____ Weed: _____ Aerate: _____ Fertilize: _____
ReSeed: _____ ReSeed bare spots: _____ Sod bare spots: _____

Comments: _____

Remove Weeds: Turf Areas: _____ Groundcover areas: _____ Shrub/Tree areas: _____ Shrub/Grass areas: _____
Open Space Areas: _____

Comments: _____

Fertilize: Turf Areas: _____ Groundcover areas: _____ Shrub/Tree areas: _____ Shrub/Grass areas: _____

Comments: _____

Planting, eliminating molds, fungus, blights, scale, etc:

Turf Areas: _____ Groundcover areas: _____ Shrub/Tree areas: _____ Shrub/Grass areas: _____

Comments: _____

Planting, pest control, eliminate: Ants: _____ Beetles: _____ Moths: _____ Insects: _____ Mites: _____

Snails: _____ Sow Bugs: _____ Aphids: _____ White Flies: _____ Leaf Hoppers: _____ Mealy Bugs: _____

At: Turf Areas: _____ Groundcover areas: _____ Shrub/Tree areas: _____ Shrub/Grass areas: _____

Open Space Areas: _____

Comments: _____

Moulton Niguel Water District – Contract: OM15-16.001, Landscape Maintenance Services
Exhibit 1 – Attachment 2, Forms: Performance Deficiency Notification

Drainage devices, v-ditches/swales, etc., clear, remove all:

Soils _____ Debris: _____ Trash: _____ Weeds: _____ Plant Materials: _____

Comments: _____

Hardscape areas, remove all:

Soils _____ Debris: _____ Trash: _____ Papers: _____ Weeds: _____ Plant Materials: _____

Comments: _____

Contractor damage to planting:

Turf Areas: _____ Groundcover areas: _____ Shrub/Tree areas: _____ Shrub/Grass areas: _____

Comments: _____

Contractor damage to facilities: Hardscape: _____ Roadways/Access roads: _____ Structures: _____

Drainage devices: _____ Conduits/Wiring: _____ Enclosures: _____ Buildings: _____

Comments: _____

Failure to comply with all City, County, State, Federal and San Diego Regional Water Control Board laws, rules, regulations and guidelines:

Comments: _____

Violation of MNWD Landscaping Maintenance Contract:

Comments: _____

Other Concerns:

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Moulton Niguel Water District, Contract: OM15-16.001: Landscape Maintenance Services, FY 2015-18, EXHIBIT 1 - Attachment 2, Forms

Irrigation Systems Testing Form (page 1 of 2)
ONSITE TESTING AND MAINTENANCE REPORT/PRUEBA Y MANTENIMIENTO DEL LUGAR

Owner/Dueño:		Phone ### Teléfono:	
Address/Domicilio:		Fax #:	
Date of Test: Fecha de Prueba	Time of Test: Hora de Prueba	From/De:	To/A:
Association/Asociacion:		Phone ### Teléfono:	
Address/Domicilio:		Fax #:	
Account ### de Cuenta:	Use Site ### Numero de Sito:	Identification Letter/Letra de Identificación:	
Maintenance Contractor/Contratista de Mantenimiento:		Phone ### Teléfono:	
Onsite Supervisor/Supervisor del Lugar:		Fax #:	
Address/Domicilio:			
Site Location/Direccion del Sitio o Lugar:			
Two Major Cross Streets/Calles Principales Que Pasen Cerca:			
1. Controller Operational Reloj Trabajando	12. Moisture Sensors Operational Sensor de Humedad Trabajando		
2. Hours of Operation Horas de operación	13. RW Identification Tags Attached Etiquetas de advertencia de RW		
3. Strainer Operational Coladera Trabajando	14. All Valve Box Lids Branded Tapaderas de cajas marcadas		
4. Master Valve Operational Válvula Maestra Trabajando	15. All Valve Box Lids Bolted Down Tapaderas de cajas atornilladas		
5. Flow Sensor Operational Sensor de Coriente Trabajando	16. RW Identification Sign On Site Anuncios de Advertencia de RW en el Lugar		
6. Booster Pump Operational Bomba Auxiliar Trabajando	17. Backflows Operational Backflows Trabajando		
7. Pressure Regulator Operational Regulador de Presión Trabajando	18. Drinking Fountains Protected Fuentes de agua protegidas		
8. PSI Static/Dynamic	19. Potable Identification Tags Attached Etiquetas de agua potable puestas		
9. Fertilizer Injector Operational Injector de Fertilizante Trabajando	20. Any Cross Connections Alguna conexión cruzada		
10. Quick Couplers Operational Quik Cuplers Trabajando	21. Approximate Temperature Temperatura aproximada		
11. QC Identification Tags Attached Etiquetas de advertencia pegadas a los QC	22. Approximate Wind Speed Velocidad del viento aproximado		
Repairs or Adjustments Performed/Reparaciones o Ajustes Hechos:			
Print name of person performing test Nombre inreso de la persona que hizo la prueba			
Signature of person performing test Firma de la persona que hizo la prueba			

Irrigation Systems Testing Form (Page 2 of 2)

COVERAGE TEST/PRUEBA DE CUBRIMIENTO

Controller Identification Letter/Letra de Identificación del Reloj: _____
 Place a YES or NO in each box as needed/Ponga SI or NO en la cada cuadro segun sea necesario

Control Valve	Overspray	Corrected	Run Off	Corrected	Ponding	Corrected			Minutes of Run Time	Cycles Per Day
Válvula de Control	Cubra de mas	Corregida	Se tira Mucha Aqua	Corregida	Agua Estancada	Corregida	Check Valves at Base of Heads	(Anti Drain Valves) Operational	Minutos Que Riega	Tiempos Que Prende en un Dia
1										
2										
3										
4										
5										
6										
7										
8										
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#7.

FACILITY HARDSCAPE REPORT

Owner/Dueno: Moulton Niguel Water District	Phone/Telefono: 949-425-3573
Address/Domicilio: 27500 La Paz Road, Laguna Niguel, CA 92677	Email: ATASSO@MNWD.COM
Date Work Performed:	Time Work Performed: From/De: To/A:
Site Name:	
Address/Domicilio:	
Maintenance Contractor:	Phone/Telefono:
	Email:
Onsite Supervisor:	
Address/Domicilio:	
Facility Name:	
Facility Address:	

FACILITY HARDSCAPE INSPECTED FOR:

Soils: **Weeds:** **Trash:** **Papers:** **Debris:**
Plant Materials: (Overhanging limbs, shrubs, groundcover intruding onto facility):

Materials removed from site:
Soils: **Weeds:** **Trash:** **Papers:** **Debris:**
Plant Materials: (Overhanging limbs, shrubs, groundcover intruding onto facility):

FACILITY HARDSCAPE DIRT AND MULCHED AREAS:

Chemically treated for weed and noxious plant materials:
Name of chemical/herbicide applied: _____ Quantity used: _____
List any safety hazards found onsite: _____
Facility comments: _____

Company Name: _____
Print name of person submitting report: _____
Signature of person submitting report: _____

EXHIBIT 2
FEE SCHEDULE

#7.

Sunset Landscape

\$86,094

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18

CATEGORY NUMBER	ITEM DESCRIPTION	ANNUAL QUANTITY OF VISITS	UNIT COST PER VISIT	TOTAL COST (Qty of Visits x Unit Cost)	
	Site Maintenance - Per Scope of Work, to include landscape, hardscape, and irrigation system				
	Main Office	52	\$ 109	\$ 5668	✓
	Operations Facility (Plant 2A)	52	\$ 321	\$ 16692	✓
	Aliso Viejo R.W. Reservoir	12	\$ 650	\$ 7800	✓
	El Dorado Reservoir/Pump Station	12	\$ 260	\$ 3120	✓
	Laguna Heights Reservoir	12	\$ 610	\$ 7320	✓
	La Paz Reservoir/Pump Station	12	\$ 388	\$ 4656	✓
	Mathis/Nellie Gail Reservoirs	12	\$ 490	\$ 5880	✓
	Moulton Peak Reservoirs	12	\$ 311	\$ 3732	✓
	Southridge/Wood Canyon Reservoir	12	\$ 311	\$ 3732	✓
	Rolling Hills Reservoir/Pump Station	6	\$ 300	\$ 1800	✓
	Saddleback Reservoir/Pump Station	6	\$ 311	\$ 1866	✓
	Sheep Hills Reservoir	6	\$ 311	\$ 1866	✓
	Aliso Viejo R.W. Pump Station	6	\$ 105	\$ 630	✓
	Golden Lantern R.W. Pump Station	6	\$ 200	\$ 1200	✓
	Aliso Hills Reservoir	4	\$ 200	\$ 800	✓
	East Aliso Creek Reservoir	4	\$ 610	\$ 2440	✓
	Bear Brand Reservoir	4	\$ 610	\$ 2440	✓
1	Crown Valley Reservoir	4	\$ 105	\$ 420	✓
	Highlands Reservoir/Pump Station	4	\$ 206	\$ 824	✓
	Galivan Reservoir/Pump Station	4	\$ 195	\$ 780	✓
	Marguerite Reservoir	4	\$ 210	\$ 840	✓
	Pacific Island Drive Reservoir #2/Pump Station #3	4	\$ 108	\$ 432	✓
	Seville Reservoirs	4	\$ 268	\$ 1072	✓
	Pacific Park Reservoir and Pump Station	4	\$ 200	\$ 800	✓
	Marguerite Pump Station	4	\$ 105	\$ 420	✓
	Regional Lift Station	4	\$ 200	\$ 800	✓
	Saddleback R.W. Pump Station	4	\$ 200	\$ 800	✓
	Upper Boundary Oak Lift Station	4	\$ 105	\$ 420	✓
	Bridlewood Takeout Structure	4	\$ 105	\$ 420	✓
	Pacific Park Metering Station	4	\$ 160	\$ 640	✓
	Aliso Creek Lift Station	4	\$ 80	\$ 320	✓
	Beacon Hill Pump Station	4	\$ 80	\$ 320	✓
	Casa Del Oso Pump Station	4	\$ 105	\$ 420	✓
	Golden Lantern R.W. Reservoir	4	\$ 270	\$ 1080	✓
	Moulton Lift Station	4	\$ 50	\$ 200	✓
	San Joaquin Hills Lift Station	4	\$ 80	\$ 320	✓
	Rancho Reservoirs (April & October)	2	\$ 311	\$ 622	✓
	Crown Point R.W. Pump Station (April & October)	2	\$ 105	\$ 210	✓

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43,002

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18

CATEGORY NUMBER	ITEM DESCRIPTION	ANNUAL QUANTITY OF VISITS	UNIT COST PER VISIT	TOTAL COST (Qty of Visits x Unit Cost)
1	San Joaquin Hills Lift Station	4	\$ /	\$ /
	Rancho Reservoirs (April & October)	2	\$ /	\$ /
	Crown Point R.W. Pump Station (April & October)	2	\$ /	\$ /
	Cabot Takeout Structure (April & October)	2	\$ 340	\$ 680
	Audubon Lift Station (April & October)	2	\$ 80	\$ 160
	Country Village Pump Station (April & October)	2	\$ 105	\$ 210
	Del Avion Lift Station (April & October)	2	\$ 80	\$ 160
	Pacific Island Drive Pump Station #1 (April & October)	2	\$ 330	\$ 660
	Paseo de Valencia Lift Station (April & October)	2	\$ 80	\$ 160
	Aliso Summit Reservoir (April & October)	2	\$ 105	\$ 210
	National Park Pump Station (May)	1	\$ 52	\$ 52
	TOTAL ANNUAL COST			

Dup (nk)

2292

ANNUAL COST
WRITTEN IN WORDS:

Eighty-six thousand ninety-four dollars

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18

Schedule below is for billing reference only. Pricing entered will not be added to Proposal Fee Totals. Invoicing for Planting Services will use this pricing for the entire term of Contract. Annual Not To Exceed Amount for this Service is \$50,000, to be included in resulting Contract.

CATEGORY NUMBER	ITEM DESCRIPTION	QUANTITY *	UNIT COST
2	Planting		
	4-Inch Pot Color Planting (Pots)	1	\$ 2.10
	Ground Cover Flats (Flats)	1	\$ 25
	1-Gallon Ground Cover (Plants)	1	\$ 9.20
	1-Gallon Shrubs (Plants)	1	\$ 9.20
	5-Gallon Shrubs (Plants)	1	\$ 24
	15-Gallon Shrubs (Plants)	1	\$ 90
	5-Gallon Vines (Vines)	1	\$ 35
	1-Gallon Grasses (Plants)	1	\$ 9.20
	5-Gallon Grasses (Plants)	1	\$ 23.75
	5-Gallon Trees (Trees)	1	\$ 33
	15-Gallon Trees (Trees)	1	\$ 98
	24-Inch Box Trees (Trees)	1	\$ 304
	36-Inch Box Trees (Trees)	1	\$ 747

* actual quantity of plantings to be determined

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18

Schedule below is for billing reference only. Pricing entered will not be added to Proposal Fee totals. Invoicing for Irrigation Systems Repairs will use this pricing for the entire term of Contract. Annual Not To Exceed Amount for this Service is \$25,000, to be included in resulting Contract.

CATEGORY NUMBER	Irrigation Repair Cost Breakdown		
3	Irrigation System Repairs	As Required	
Item No.	Item Description	Unit Cost	
1	Replace Line Size Gate Valve and Related Parts/Materials		
	1/2" Gate Valve	\$	47.50
	1" Gate Valve	\$	58
	1-1/4" Gate Valve	\$	69
	1-1/2" Gate Valve	\$	81.50
	2" Gate Valve	\$	93
	2-1/2" Gate Valve	\$	125
2	Replace Line Size Ball Valve and Related Parts/Materials		
	1/2" Gate Valve	\$	35
	1" Gate Valve	\$	45
	1-1/2" Gate Valve	\$	57
	2" Gate Valve	\$	81.50
	2-1/2" Gate Valve	\$	103
	3" Gate Valve	\$	144
3	Replace Meter Tail Piece or Flange and Related Parts/Materials		
	1/2" Gate Valve	\$	57
	1" Gate Valve	\$	67
	1-1/2" Gate Valve	\$	88
4	Replace Schedule 40 Brass Piping and Related Parts/Materials	Cost Per Linear Foot (LF)	
	3/2" Pipe	\$	7.5
	1" Pipe	\$	9.30
	1-1/4" Pipe	\$	11.50
	1-1/2" Pipe	\$	13.50
	2" Pipe	\$	15.50
5	Replace/Repair FEBCO Reduced Pressure Principle Backflow Prevention Device and Related Parts/Materials	Replace	Repair
	1/2" RPPD	\$ 721	\$ 309
	1" RPPD	\$ 773	\$ 320
	1-1/4" RPPD	\$ 825	\$ 330
	1-1/2" RPPD	\$ 1134	\$ 340
	2" RPPD	\$ 1443	\$ 360
	2-1/2" RPPD	\$ 2900	\$ 464

#7.

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18			
Item No.	Item Description	As Required	
		Replace	Repair
6	Replace/Repair 80 Mesh Bronze Wye or Basket Strainer and Related Parts/Materials		
	3/4" size	\$ 62	\$ 36/hr
	1" size	\$ 57	\$ 36/hr
	1-1/4" size	\$ 62	\$ 36/hr
	1-1/2" size	\$ 113.50	\$ 36/hr
	2" size	\$ 134	\$ 36/hr
	2-1/2" size	\$ 165	\$ 36/hr
7	Replace/Repair Bronze Dirty Water Master Valve and Related Parts/Materials		
	1" valve	\$ 541	\$ 196
	1-1/4" valve	\$ 541	\$ 206
	1-1/2" valve	\$ 623	\$ 232
	2" valve	\$ 701	\$ 258
	2-1/2" valve	\$ 851	\$ 301
8	Replace/Repair Flow Sensor and Related Parts/Materials		
	1" Flow Sensor	\$ 567	\$ 67/hr
	1-1/4" Flow Sensor	\$ 670	\$ 67/hr
	1-1/2" Flow Sensor	\$ 747	\$ 67/hr
	2" Flow Sensor	\$ 758	\$ 67/hr
	2-1/2" Flow Sensor	\$ 876	\$ 67/hr
9	Repair/Replace Pressure Regulator and Related Parts/Materials		
	3/4" size	\$ 335	\$ 36/hr
	1" size	\$ 350	\$ 175
	1-1/4" size	\$ 588	\$ 291
	1-1/2" size	\$ 624	\$ 307
	2" size	\$ 660	\$ 327
	2-1/2" size	\$ 768	\$ 379
10	Repair/Replace Remote Control Valves and Related Parts/Materials		
	3/4" valve	\$ 156	\$ 74.50
	1" valve	\$ 175	\$ 84.50
	1-1/4" valve	\$ 222	\$ 108
	1-1/2" valve	\$ 287	\$ 140
	2" valve	\$ 361	\$ 177
	2-1/2" valve	\$ 412	\$ 201
11	Replace Quick Coupling Valves and Related Parts/Materials	Replace	
	3/4" potable water valve	\$ 113.50	
	1" potable water valve	\$ 114.50	
	3/4" recycled water valve	\$ 139	
	1" recycled water valve	\$ 170	

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18

Item No.	Item Description	Unit Cost
12	Replace Standard Size Rectangular Valve Box and Bolt Down Cover, including Related Parts/Materials	
	Green PW Box	\$ 30
	Magenta RW Box	\$ 40
13	Replace 9" Standard Size Round Valve Box and Bolt Down Cover, including Related Parts/Materials	
	Green PW Box	\$ 24
	Magenta RW Box	\$ 26
14	Replace Irrigation System Controller (Rainmaster Z4 Station I-Card and Antenna) and Related Parts	
	Wall Mount	\$ 5070
	Pedestal Mount	\$ 6701
15	Replace Irrigation System Controller Enclosure and Related Parts/Materials	
	Wall Mount	\$ 1856
	Pedestal Mount	\$ 2268
16	Replace On-Grade UV Resistant Sch 40 PVC Pipe and Related Parts/Materials	Cost Per LF
	3/4" Pipe	\$ 2.01
	1" Pipe	\$ 2.52
	1-1/4" Pipe	\$ 2.68
	1-1/2" Pipe	\$ 3.81
	2" Pipe	\$ 6.70
	2-1/2" Pipe	\$ 7.98
3" Pipe	\$ 10.05	
17	Replace On-Grade Sch 40 Galvanized Pipe and Related Parts/Materials	Cost Per LF
	3/4" Pipe	\$ 4.22
	1" Pipe	\$ 4.74
	1-1/4" Pipe	\$ 6.03
	1-1/2" Pipe	\$ 7.31
	2" Pipe	\$ 9.58
	2-1/2" Pipe	\$ 16.18
3" Pipe	\$ 20.26	
18	Replace Below-Grade Sch 40 PVC Pipe and Related Parts/Materials	Cost Per LF
	3/4" Pipe	\$ 3.09
	1" Pipe	\$ 3.60
	1-1/4" Pipe	\$ 3.71
	1-1/2" Pipe	\$ 3.86
	2" Pipe	\$ 6.75
	2-1/2" Pipe	\$ 10.10
	3" Pipe	\$ 12.37
	3/4" Pipe	\$
	1" Pipe	\$
1-1/4" Pipe	\$	

#7.

Exhibit B: FEE PROPOSAL FORM - Landscape Maintenance, 2015-18

Item No.	Item Description	
18	Replace Below-Grade Sch 40 PVC Pipe and Related Parts/Materials	Cost Per LF
	1-1/2" Pipe	\$
	2" Pipe	\$
	2-1/2" Pipe	\$
	3" Pipe	\$
19	Replace Below-Grade Rotor Style Sprinkler Head with Check Valve and Related Parts/Materials	Unit-Cost
	6" Pop-Up	\$ 39.10
	12" Pop-Up	\$ 39.10
	18" Pop-Up	\$ 49.50
20	Replace On-Grade Rotor Style Sprinkler Head with Check Valve and Related Parts/Materials	
	6" Pop-Up	\$ 36
	12" Pop-Up	\$ 39
	18" Pop-Up	\$ 49.50
21	Replace Below-Grade Pop-up Style 1800 Sprinkler Head with Check Valve and Related Parts/Materials	
	4" Pop-Up	\$ 13.50
	6" Pop-Up	\$ 21
	12" Pop-Up	\$ 23
	18" Pop-Up	\$ 34
22	Replace On-Grade Pop-up Style 1800 Sprinkler Head with Check Valve and Related Parts/Materials	
	6" Pop-Up	\$ 16.50
	12" Pop-Up	\$ 21
	18" Pop-Up	\$ 26
23	Replace Below-Grade Sch. 80 Riser and Nozzle Head with Check Valve and Related Parts/Materials	
	6" Riser and Nozzle	\$ 11.50
	12" Riser and Nozzle	\$ 15.50
	18" Riser and Nozzle	\$ 19
	24" Riser and Nozzle	\$ 22
	36" Riser and Nozzle	\$ 26
24	Replace On-Grade Sch. 80 Riser and Nozzle Head with Check Valve and Related Parts/Materials	
	6" Riser and Nozzle	\$ 10.50
	12" Riser and Nozzle	\$ 13.50
	18" Riser and Nozzle	\$ 16.50
	24" Riser and Nozzle	\$ 19
	36" Riser and Nozzle	\$ 22

Exhibit B: FEE PROPOSAL FORM -Landscape Maintenance, 2015-18

Item No.	Item Description	Unit Cost
25	Replace Lodge Pole Stakes and Related Parts/Materials	
	6' Stake	\$ 14.50
	8' Stake	\$ 16.50
	10' Stake	\$ 18.75
26	Troubleshoot/Evaluate Booster Pump Operation and Create Report to Repair or Replace Booster Pump	
	Troubleshoot/Evaluate	\$ 510
27	Exercise Booster Pump Valves, Grease all Fittings, Clean out Pump and Vent Screens (Evaluate & record suction and discharge pressures and motor amperages-at start-up and when operational.)	
	Pump Service	\$ 567
28	Laborer/Hourly Rate	\$ 20
29	Irrigator/Hourly Rate	\$ 30
30	Dump Fees per Truck Load	\$ 242

EXHIBIT 3

**MOULTON NIGUEL WATER DISTRICT
LANDSCAPE MAINTENANCE
(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:** May 18, 2015

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

SUBJECT: Quarterly Capital Improvement Program Report

DIVISION: District-wide

SUMMARY:

Issue: District staff is responsible for executing the Capital Improvement Program (CIP) as adopted by the Board of Directors. This quarterly report is for January, February, and March of Fiscal Year (FY) 2014-15.

Recommendation: This is an information item only.

Fiscal Impact: The fiscal impact for each project is presented to the Board of Directors on a project by project basis. The collective impact for FY 2014-15 is \$47,444,870 if fully expensed.

DISCUSSION:

The Moulton Niguel Water District (District) Board of Directors approved a FY 2014-15 budget in June 2014 (see Table 1). Several of the projects in this fiscal year budget, such as SOCWA, JRWSS, and the Baker Water Treatment Plant, are managed by other entities, with the District providing funding through a project agreement or joint powers entity. For these projects, staff primarily assesses capital expenditures and reviews deliverables and invoices, but does not actively manage them. These projects totaled \$27.9 million for FY 2014-15 budget. The remainder of the budget, \$19.5 million, is executed by District staff. After completion of the third quarter of the fiscal year, approximately 80% of CIP budget has been committed and 30% has been expended to date. Table 1 summarizes the expenditures and contractual obligations for the fiscal year.

#11.

Table 1 Adopted Budget by Fund Fiscal Year: July 2014 to June 2015			
Item/Fund	Fiscal Year Adopted Budget	Awarded Contracts Through Third Quarter	Payments Through Third Quarter
Replacement and Refurbishment Project - Fund 07	\$11,259,664	\$9,515,447	\$2,885,493
SOCWA & JRWSS - Fund 07	\$12,745,932	\$11,890,181	\$2,168,061
Water Supply Reliability Projects - Fund 12	\$15,452,106	\$15,152,106	\$8,207,361
Planning and Construction - Fund 14	\$7,987,168	\$895,343	\$776,375
Total	\$47,444,870	\$37,453,082	\$14,037,290

Staff has prioritized CIP projects to maximize the resources available to effectively execute the projects. Table 2 lists the projects in the 10-year Capital Improvement Program and their implementation status (see attached). To date, all projects in the current fiscal year have been addressed and are either in design or construction.

During the third quarter of FY 2014-15, these major activities were performed within the Capital Improvement Program:

- Four projects were completed
 - 2009.167 – Geodatabase Redevelopment
 - 2012.021 – Regional Lift Station Pumps 2 and 4 Replacement
 - 2013.003 – South Ridge Recycled Water Reservoir Recoat and Improvements
 - 2013.007 – 3A ETM Replacement – County of Orange Phase VII

- 24 projects are under construction
 - The following construction projects have recently been awarded:
 - 2014.006 – Upper Salada Lift Station Header Replacement
 - 2012.009 – Beacon Hill Pump Station Pump and Engine Replacement
 - 2014.003 – Del Avion Lift Station Wet Well Coating Rehabilitation
 - 2012.028 – Generator at Bear Brand Reservoir

Quarterly Capital Improvement Program Report

May 18, 2015

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- 2012.029 – Generator at Bridlewood Takeout
 - 2012.030 – Generator at Marguerite Reservoir
 - 2012.031 – Generator at Mathis Reservoir Pump Station
 - 2012.033 – Generator at Seville Reservoir
- Design work continued on 24 additional projects
 - Issued 8 task orders utilizing the On-Call Professional Engineering Services Agreements. Table 3 summarizes the expenditures for the program. Task Orders were issued for these projects:
 - 3013.001 – Gallup Circle Sewer Replacement
 - 2013.002 – Mathis Recycled Water Reservoir Recoat and Improvements
 - 2014.001 – Bear Brand Reservoir No. 1 Recoat and Improvements
 - 2014.002 – Del Avion Lift Station Auxiliary Generator Replacement
 - 2014.012 – Hidden Hills Village Easement Rehabilitation
 - 2014.013 – Pradera 850 Zone Loop
 - O&M – Lower and Upper Salada Odor Systems Mitigation Study
 - O&M – Operations and Maintenance Technical Support
 - O&M – Trabuco Creek Crossing Preliminary Evaluation

Table 3 On-Call Professional Engineering Services Agreement Expenditure Summary				
Consultant	Contracted Amount	Number of Task Orders Issued	Total Value of Task Orders	Remaining Contractual Amount
AKM Consulting Engineers	\$500,000	6	\$197,605	\$302,395
Lee & RO, Inc	\$500,000	6	\$295,849	\$204,151
Tetra Tech, Inc	\$500,000	12	\$369,404	\$130,050
Total	\$1,500,000	24	\$863,404	\$636,596

Attachment: Table 2 Quarterly CIP Report

TABLE 2
QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT
MOULTON NIGUEL WATER DISTRICT
QUARTERLY PROJECT STATUS - THIRD QUARTER - JANUARY THROUGH MARCH
FISCAL YEAR: JULY 2014 TO JUNE 2015

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED	FY 2014-15 ADOPTED BUDGET	FY 2014-15 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
					FROM INCEPTION TO DATE			
COMPLETED PROJECTS								
2009167	7	GEODATABASE REDEVELOPMENT	2009	\$150,000	\$85,987	\$68,338	\$0	Completed
2010003	14	KITE HILL P.R. RELOCATION	2010	\$400,000	\$327,354	\$106,254	\$0	Completed
2011011	7	INSPECT 54 CIP LINE ANTONIA-BRIDL	2011	\$268,788	\$248,788	\$20,000	\$0	Completed
2011031	7	EL NIGUEL RW LINE REHABILITATION	2011	\$400,000	\$436,603	\$142,959	\$4,915	Completed
2012004	7	STONEHILL MH REHAB PROGRAM	2012	\$190,925	\$155,046	\$151,107	\$62	Completed
2012021	7	REGIONAL LIFT STATION PUMPS 2&4 REPLACEMENT	2012	\$358,640	\$254,324	\$320,000	\$212,784	Completed
2012034	14	LA PAZ/MOLTON PW SYSTEM RECONFIGURATION	2012	\$530,000	\$476,450	\$330,000	\$447,309	Completed
2013003	7	SOUTH RIDGE RW RES RECOAT & IMPROV	2013	\$600,000	\$378,204	\$587,361	\$363,980	Completed
2013007	7	3A ETM REPLACEMENT - COUNTY OF ORANGE PHASE VII	2013	\$246,372	\$22,437	\$246,372	\$22,437	Completed
2013011	7	WOOD CANYON POTABLE RES RECOAT & IMPR	2013	\$800,000	\$582,190	\$800,000	\$582,190	Completed
2014016	14	ROLLING HILLS CATHODIC PROTECTION	2014	\$21,565	\$21,565	\$21,565	\$21,565	Completed
2014017	14	DUNKIN DONUT VALVE INSTALLATION	2014	\$20,000	\$18,850	\$20,000	\$18,850	Completed
Subtotal				\$3,836,290	\$2,921,811	\$2,813,955	\$1,674,091	
PROJECTS UNDER CONSTRUCTION								
2006071	12	BAKER PIPELINE REGIONAL TREATMENT PLANT	2006	\$32,598,645	\$17,658,063	\$15,152,106	\$8,085,427	6/30/16
2006099	12	ETWD/MNWD INTERTIE W/30 DIEMER PI	2006	\$503,140	\$10,772	\$501,184	\$8,816	12/31/15
2006099	12	ETWD/MNWD INTERTIE W/30 DIEMER PI REIMBURSEMENT	2006	(\$503,140)		(\$501,184)		Reimbursement
2010018	7	MATHIS-OSO BY-PASS	2010	\$778,670	\$51,101	\$749,930	\$0	12/31/15
2010033	7	NEW DISTRICT ENTERPRISE SOFTWARE	2010	\$3,375,000	\$2,437,613	\$1,308,768	\$223,632	6/30/15
2011016	7	PLC PANEL REPLACEMENT	2011	\$632,000	\$284,229	\$221,136	\$67,389	12/31/15
2011038	14	E ALISO CRK RES RECIRCULATION SYST	2011	\$141,000	\$89,019	\$51,981	\$0	12/31/15
2012007	7	LOWER SALADA LS VENTILATION UNIT REPLACEMENT	2012	\$96,131	\$17,695	\$92,882	\$14,447	12/31/15
2012008	7	REGIONAL LS VENTILATION UNIT REPLACEMENT	2012	\$93,157	\$17,695	\$89,908	\$14,447	12/31/15
2012009	7	BEACON HILL PS PUMP/GENERATOR REPLACEMENT	2012	\$611,098	\$93,069	\$75,000	\$50,596	6/30/16
2012013	7	FIELD GIS - VALVE TURNING DATA SOFTWARE	2012	\$40,000	\$0	\$40,000	\$0	6/30/14
2012028	14	GENERATOR AT BEAR BRAND RESERVOIR	2012	\$72,029	\$14,131	\$67,576	\$7,539	11/30/15
2012029	14	GENERATOR AT BRIDLEWOOD TAKEOUT	2012	\$75,440	\$14,131	\$71,287	\$7,539	11/30/15
2012030	14	GENERATOR AT MARGUERITE RESERVOIR	2012	\$92,825	\$14,131	\$88,672	\$7,539	11/30/15
2012031	14	GENERATOR AT MATHIS RES PS	2012	\$61,403	\$14,131	\$57,250	\$7,539	11/30/15
2012033	14	GENERATOR AT SEVILLE RESERVOIR	2012	\$68,568	\$14,131	\$64,415	\$7,539	11/30/15
2012037	7	OSO PKWY 12"RW MAIN RELOCT	2012	\$244,898	\$0	\$244,898	\$0	6/30/15
2013001	7	EAST ALISO CREEK RES RECOAT & IMPROV	2013	\$2,550,000	\$1,132,451	\$2,538,315	\$1,115,104	9/30/15
2014003	7	DEL AVION LS WET WELL COATING REHAB	2014	\$70,000	\$20,459	\$70,000	\$20,459	12/31/15
2014004	7	ENCANTAMAR 16" ABANDONMENT	2014	\$75,000	\$0	\$75,000	\$0	8/31/15
2014006	7	UPPER SALADA LS HEADER REPLACEMENT	2014	\$133,363	\$14,869	\$133,363	\$14,869	12/31/15

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FISCAL YEAR: JULY 2014 TO JUNE 2015

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED		FY 2014-15 ADOPTED BUDGET	FY 2014-15 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
					FROM INCEPTION TO DATE				
2014007	7	LA SIENA MAINLINE REPLACEMENT	2014	\$699,165	\$49,170		\$699,165	\$49,170	12/31/15
2014008	7	2014-15 VALVE REPLACEMENT	2014	\$655,037	\$28,129		\$655,037	\$28,129	12/31/15
2014009	7	2014-15 MH REHABILITATION	2014	\$350,000	\$1,476		\$350,000	\$1,476	6/30/15
Subtotal				\$43,513,429	\$21,976,462		\$22,896,688	\$9,731,654	
PROJECTS IN PROGRESS/UNDER DESIGN									
2006038	7	REPLACE DIGITAL LINES W/WIRELESS N	2006	\$2,100,781	\$1,531,377		\$400,000	\$30,596	12/31/15
2009115	7	SAN JUAN CREEK 30 EFFLUENT TM	2009	\$2,900,000	\$176,975		\$311,530	\$10,760	3/31/16
2009115	7	SAN JUAN CREEK 30 EFFLUENT TM - SMWD REIMBURSEMENT	2009	(\$550,000)			(\$275,000)	(\$48,071)	Reimbursement
2011010	7	HILLARY PRS REPLACEMENT	2011	\$350,000	\$36,889		\$100,000	\$0	6/30/16
2011012	7	LARGO PRS REPLACEMENT	2011	\$350,000	\$36,697		\$100,000	\$0	6/30/16
2011014	7	SEISMIC & STRUCTURAL ASSESS STEEL	2011	\$217,192	\$198,841		\$34,223	\$12,218	6/30/15
2011015	7	WILKES PRS REPLACEMENT	2011	\$350,000	\$36,697		\$100,000	\$0	6/30/16
2011033	7	ASSET MANAGEMENT PROGRAM/CMMS	2011	\$350,000	\$0		\$70,000	\$0	6/30/18
2011034	7	GIS VIEWER AND CONFIGURATION	2011	\$60,000	\$0		\$60,000	\$0	6/30/16
2012024	7	UPPER SALADA LF AUX. GENERATOR REPLACEMENT	2012	\$401,102	\$31,672		\$375,000	\$2,222	12/31/16
2013002	7	MATHIS RW RES RECOAT & IMPROVE	2013	\$800,000	\$0		\$50,000	\$0	6/30/16
2013004	7	REGIONAL LS FORCE MAIN REPLACEMENT	2013	\$2,500,000	\$59,990		\$100,000	\$25,530	12/30/16
2013005	7	LOWER SALADA LS FORCE MAIN REPLACEMENT	2013	\$2,500,000	\$40,000		\$100,000	\$22,580	12/30/15
2013010	7	GALLUP SEWER REPLACEMENT	2013	\$340,000	\$3,475		\$40,000	\$0	12/30/15
2014001	7	BEAR BRAND RES RECOATING & SAFETY	2014	\$770,000	\$0		\$20,000	\$0	6/30/16
2014002	7	DEL AVION LS AUXILIARY GENERATOR REPLACEMENT	2014	\$630,000	\$0		\$50,000	\$0	6/30/17
2014005	7	UTILITY MAIN BREAKERS REPLACEMENTS	2014	\$100,000	\$43,573		\$100,000	\$43,573	12/31/15
2014010	12	FY 2014-15 RW RETROFITS	2014	\$150,000	\$54,389		\$150,000	\$54,389	6/30/15
2014015	14	DISTRICT HEADQUARTERS	2014	\$23,000,000	\$270,251		\$7,000,000	\$270,251	6/30/19
2014011	12	RECYCLED WATER SYSTEM EXTENSION	2014	\$3,080,000	\$58,729		\$150,000	\$58,729	6/30/17
2014012	14	TESSIER WATER LOOP	2014	\$240,000	\$0		\$50,000	\$0	6/30/16
2014013	14	PRADERA 850 ZONE LOOP	2014	\$240,000	\$0		\$50,000	\$0	6/30/16
2014014	14	RECYCLED MASTER PLAN	2014	\$300,000	\$0		\$150,000	\$0	12/31/16
2014018	14	FLORES AVE 8-INCH WATER INST	2014	\$125,000	\$2,273		\$25,000	\$2,273	6/30/16
Subtotal				\$41,304,075	\$2,581,828		\$9,310,753	\$485,049	

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TABLE 2
QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT
MOULTON NIGUEL WATER DISTRICT
QUARTERLY PROJECT STATUS - THIRD QUARTER - JANUARY THROUGH MARCH
FISCAL YEAR: JULY 2014 TO JUNE 2015

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED	FY 2014-15 ADOPTED BUDGET	FY 2014-15 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
					FROM INCEPTION TO DATE			
FUTURE PROJECTS								
								Project Priority
2008049	12	SOUTH ORANGE COASTAL OCEAN DESAL	2008	\$700,000	\$690,640	\$0	\$0	On-hold
2010013	12	LA PAZ BRIDGE CROSSING RW PIPELINE	2010	\$370,000	\$56,736	\$0	\$0	On-hold
	7	CORROSION CONTROL PROGRAM		\$150,000	\$0	\$0	\$0	81%
	7	RESERVOIR WQ MANAGEMENT REFURBISHMENT		\$6,200,000	\$0	\$0	\$0	81%
2012012	7	FIELD GIS - SEWER LINE CLEANING & MH	2012	\$40,000	\$0	\$0	\$0	76%
	7	NORTH ALISO CREEK LS BYPASS REPLACEMENT		\$160,000	\$0	\$0	\$0	73%
2009010	14	MISSION HOSPITAL SECONDARY FEED	2009	\$380,000	\$0	\$0	\$0	73%
2011028	7	VALENCIA LS REFURBISHMENT	2011	\$200,000	\$0	\$0	\$0	70%
	7	SADDLEBACK PS AUXILIARY ENGINE REPLACEMENT		\$800,000	\$0	\$0	\$0	70%
	14	WATER MASTER PLAN		\$700,000	\$0	\$0	\$0	70%
	7	54-INCH CIP IMPROVEMENTS		\$500,000	\$0	\$0	\$0	65%
	7	ALISO CREEK LS AUXILIARY GENERATOR REPLACEMENT		\$530,000	\$0	\$0	\$0	65%
	7	LINDA VISTA DR SEWER LINING		\$302,000	\$0	\$0	\$0	65%
	7	NATIONAL PARK SEWER LINING		\$253,000	\$0	\$0	\$0	65%
	14	WASTEWATER MASTER PLAN		\$500,000	\$0	\$0	\$0	64%
	7	LOWER BOUNDARY OAK LS UPGRADE		\$400,000	\$0	\$0	\$0	64%
	7	I.D. 1 MASTER METER RELOCATION		\$400,000	\$0	\$0	\$0	63%
	12	SOUTH COUNTY PIPELINE TAKEOUT FACILITY		\$2,200,000	\$0	\$0	\$0	61%
2011077	14	MOULTON PEAK RADIO TOWER IMPROVEME	2011	\$115,000	\$0	\$0	\$0	60%
	7	SOUTHWING LS AUXILIARY ENGINE REPLACEMENT		\$580,000	\$0	\$0	\$0	59%
	7	STEEL TANKS SEISMIC & STRUCT RETROFITS - PW		\$1,800,000	\$0	\$0	\$0	58%
	7	STEEL TANKS SEISMIC & STRUCT RETROFITS - RW		\$1,200,000	\$0	\$0	\$0	58%
	7	3A ETM CREEK BANK STABILIZATION		\$2,000,000	\$0	\$0	\$0	58%
	7	3A ETM REPLACEMENT - AVE DE LA VISTA		\$2,100,000	\$0	\$0	\$0	58%
	7	3A ETM REPLACEMENT - CAMINO CAPO		\$3,300,000	\$0	\$0	\$0	58%
	7	3A ETM SJ CREEK-COUNTY OF ORANGE PHASE VIII		\$900,000	\$0	\$0	\$0	58%
	7	3A ETM IMPROVEMENTS - SMWD REIMBURSEMENT		(\$4,150,000)	\$0	\$0	\$0	Reimbursement
2012011	7	EASEMENT REHABILITATION PROGRAM - Phase 1	2012	\$7,850,000	\$0	\$0	\$0	58%
	7	EASEMENT REHABILITATION PROGRAM - Phase 2		\$6,000,000	\$0	\$0	\$0	58%
2011037	7	MISSION VIEJO HS LINE/VAULT REFURB	2011	\$160,000	\$0	\$0	\$0	56%
	14	SADDLEBACK PS GENERATOR EMERGENCY CONNECTION		\$35,000	\$0	\$0	\$0	55%
	12	ALISO VILLAGE RW EXTENSION		\$50,000	\$0	\$0	\$0	55%
	14	LS GENERATOR EMERGENCY CONNECTIONS		\$300,000	\$0	\$0	\$0	55%
2011043	14	3A OUTFALL LINE VALVES	2011	\$410,000	\$0	\$0	\$0	53%
2011043	14	3A OUTFALL LINE VALVES - REIMBURSEMENT	2011	(\$205,000)	\$0	\$0	\$0	Reimbursement

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QUARTERLY PROJECT STATUS - THIRD QUARTER - JANUARY THROUGH MARCH
FISCAL YEAR: JULY 2014 TO JUNE 2015

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED	FY 2014-15 ADOPTED BUDGET	FY 2014-15 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
					FROM INCEPTION TO DATE			
FUTURE PROJECTS								
								Project Priority
	7	PACIFIC PARK PS ENGINE REPLACEMENT		\$505,000	\$0	\$0	\$0	53%
	7	ROLLING HILLS PS ENGINE & PUMP REPLACEMENT		\$565,000	\$0	\$0	\$0	53%
	7	SHEEP HILL PS ENGINE& PUMP REPLACEMENT		\$565,000	\$0	\$0	\$0	53%
	14	SECONDARY FEED FOR 1050 ZONE		\$600,000	\$0	\$0	\$0	50%
2012010	7	CVP 16-INCH PW LINE REHABILITATION	2012	\$650,000	\$0	\$0	\$0	47%
2011024	7	DOCUMENT MANAGEMENT	2011	\$389,000	\$110,931	\$0	\$0	46%
2010001	14	650-ZONE NIGUEL ROAD INTERTIE	2010	\$640,000	\$0	\$0	\$0	45%
2011040	14	RES&PUMP LS SITE ACCESS	2011	\$170,000	\$0	\$0	\$0	44%
	14	MARGUERITE/OSO CIP TAKEOUT		\$2,500,000	\$0	\$0	\$0	44%
	14	OSO CREEK SEWER PARALLEL PIPELINE		\$1,200,000	\$0	\$0	\$0	44%
2012016	7	LITTLE NIGUEL PS ROOF REPLACEMENT	2012	\$20,000	\$0	\$0	\$0	43%
	7	BEAR BRAND PS PUMP REPLACEMENT		\$130,000	\$0	\$0	\$0	43%
-130- 2011045	14	N ALISO LS SITE IMPROVEM	2011	\$199,990	\$9,990	\$0	\$0	42%
	7	ALISO CREEK LS REHABILITATION		\$200,000	\$0	\$0	\$0	40%
	14	SECURITY ENHANCEMENTS		\$1,000,000	\$0	\$0	\$0	39%
	7	LITTLE NIGUEL PS PUMP REPLACEMENT		\$50,000	\$0	\$0	\$0	38%
	12	PRESSURE REDUCING STATION AT SADDLEBACK RW RES		\$200,000	\$0	\$0	\$0	38%
	7	CASA DE OSO PS VFD REPLACEMENT		\$50,000	\$0	\$0	\$0	37%
	14	920 ZONE LOOP PIPELINE		\$150,000	\$0	\$0	\$0	36%
2011026	7	RANCHO UNDERGROUND PWPS REFURBISHM	2011	\$250,000	\$4,815	\$0	\$0	33%
2011032	7	OLD RANCH ROAD EASEMENT REFURBISHM	2011	\$100,000	\$0	\$0	\$0	31%
	7	HIGHLAND PUMP PRESSURE RELIEF TO 650 ZONE		\$150,000	\$0	\$0	\$0	31%
	7	PZ450 ALISO CREEK POTABLE LINE RELOCATION		\$255,000	\$0	\$0	\$0	31%
	7	VAULT REMOVAL (11 SITES)		\$400,000	\$0	\$0	\$0	26%
	7	RESERVOIR SITE OVERFLOW AND DRAINAGE IMPROVEMENTS		\$400,000	\$0	\$0	\$0	25%
	7	MATHIS PUMP IMPROVEMENTS		\$400,000	\$0	\$0	\$0	20%
Subtotal				\$48,968,990	\$873,113	\$0	\$0	

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PROJECT NUMBER	FUND	PROJECT DESCRIPTION	YEAR PROJECT APPROVED	TOTAL PROJECT AMOUNT	EXPENDED FROM INCEPTION TO DATE	FY 2014-15 ADOPTED BUDGET	FY 2014-15 EXPENDED TO DATE	ESTIMATED COMPLETION DATE	
								REMAINING BALANCE	COMMITTED BALANCE
SOCWA & JRWSS PROJECTS									REMAINING BALANCE
JRWSS15	7	SCWD/JRWSS CAPITAL PROJECT	2014	\$13,912,287	N/A	\$1,406,337	\$93,687		\$1,312,650
SOCWA119	7	2014/2015 SOCWA CAPITAL PC 2(R)	2014	\$12,455,658	N/A	\$2,401,827	\$293,415		\$2,108,412
SOCWA120	7	2014/2015 SOCWA PC 5	2014	\$165,125	N/A	\$2,646,525	\$0		\$2,646,525
SOCWA121	7	2014/2015 SOCWA PC 3A(R)	2014	\$13,268,471	N/A	\$0	\$99,719		\$0
SOCWA122	7	2014/2015 SOCWA CAPITAL PC 15(R)	2014	\$6,438,826	N/A	\$695,344	\$319,169		\$376,175
SOCWA123	7	2014/2015 SOCWA CAPITAL PC 17(R)	2014	\$28,808,457	N/A	\$5,252,229	\$1,362,071		\$3,890,158
	7	2014/2015 SOCWA CAPITAL PC 21	2014	\$750,000	N/A	\$0	\$0		\$0
	7	2014/2015 SOCWA CAPITAL PC 24	2014	\$2,458,026	N/A	\$0	\$0		\$0
Subtotal				\$78,256,849		\$12,402,262	\$2,168,061		\$10,333,920
PLACEHOLDER PROGRAMS									REMAINING BALANCE
UP1415RR	7	UNANTICIPATED PROJECTS FUND 7	2014	\$250,000	N/A	\$17,777	\$232,223		\$17,777
JP1415PC	14	UNANTICIPATED PROJECTS FUND 14	2014	\$100,000	N/A	\$3,435	\$96,565		\$3,435
	7	PW PROJECTS PER ASSET MANAGEMENT MODEL	2014	\$11,546,835	N/A	N/A	N/A		N/A
	7	RESERVOIR RECOATING PROGRAM	2014	\$4,400,000	N/A	N/A	N/A		N/A
	7	VALVE REPLACEMENT PROGRAM	2014	\$2,700,000	N/A	N/A	N/A		N/A
	12	RECYCLED WATER RETROFITS	2014	\$450,000	N/A	N/A	N/A		N/A
	7	RESERVOIR RECOATING - RW PROGRAM	2014	\$3,312,000	N/A	N/A	N/A		N/A
	7	RW PROJECT PER ASSET MANAGEMENT MODEL	2014	\$7,536,000	N/A	N/A	N/A		N/A
	7	MH REHABILITATION PROGRAM	2014	\$3,150,000	N/A	N/A	N/A		N/A
	7	SEWER LINING PROGRAM	2014	\$2,100,000	N/A	N/A	N/A		N/A
	7	WW PROJECT PER ASSET MANAGEMENT MODEL	2014	\$5,962,000	N/A	N/A	N/A		N/A
Subtotal				\$41,506,835		\$21,212	\$328,788		\$21,212
TOTAL				\$257,386,468	\$28,353,214	\$47,444,870	\$14,058,855		

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