



# moulton niguel water district

**ENGINEERING & OPERATIONS  
BOARD OF DIRECTORS' MEETING  
MOULTON NIGUEL WATER DISTRICT**

**27500 La Paz Road, Laguna Niguel**

**September 12, 2016**

**8:30 AM**

**Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER

2. 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**

3. 14-Inch Oso Creek Pipeline Repair

## **DISCUSSION ITEMS**

4. Crown Valley Reservoirs Re-coating Construction Contract Award

5. Turf Removal Program Policy Update

6. Amendment No. 2 to the Turf Removal Inspection Agreement with WaterWise Consulting

## **INFORMATION ITEMS**

7. Operations Center Consolidation Improvement Project Update

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

9. 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]

### **CLOSED SESSION**

#### 10. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation and initiation of litigation pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9

One potential case

### **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](http://www.mnwd.com).



**moulton niguel water district**

**STAFF REPORT**

**TO: Board of Directors                      MEETING DATE: September 12, 2016**

**FROM: Marc Serna, Director of Engineering and Operations**  
**Todd Dmytryshyn, Senior Engineer**

**SUBJECT: Crown Valley Reservoirs Re-coating Construction Contract Award**

**DIVISION: 2**

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**SUMMARY:**

Issue: Board action is required for the Notice Inviting Sealed Proposals (Bids) for the Rehabilitation of the Crown Valley No. 1 and No. 2 Recycled Water Reservoirs and Painting of the Crown Valley No. 3 Reservoir, Project Nos. 2015.004 and 2015.022.

Recommendation: It is recommended that the Board of Directors award the construction services contract to J. Colon Coatings, Inc. in the amount of \$1,426,040; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

Fiscal Impact: Project Nos. 2015.004 and 2015.022 are budgeted in Fund 7, Rehabilitation and Replacement with a current combined project budget of \$1,950,000.

**BACKGROUND:**

The Crown Valley No. 1 and No. 2 Reservoirs were constructed in 1963. The Crown Valley No. 3 Reservoir was constructed in 1988. The Crown Valley No. 1 and No. 2 Reservoirs are each 1.5 million gallon (MG) steel tanks and serve the District’s 450-zone recycled water system. The Crown Valley No. 3 Reservoir is a 4.3 MG steel tank and serves the District’s 450-zone potable water system. The reservoirs are located at the easternmost end of Rancho Niguel Road in the City of Laguna Niguel (as shown in Exhibit A).

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### Crown Valley Reservoirs Re-coating Construction Contract Award

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The District's steel reservoirs are coated to protect the steel shell, floor, and roof. The District inspects all reservoirs every 5 to 10 years to determine if and when repairs to the coating or steel surfaces are necessary or if a complete re-coating is appropriate. The interiors of the Crown Valley No. 1 and No. 2 Reservoirs were last re-coated in 1996 and 1997. The interior of the Crown Valley No. 3 Reservoir was last re-coated in 2007.

The proposed work at the Crown Valley No. 1 and No. 2 Reservoirs includes structural and corrosion repairs, tank operation and safety improvements (including spiral stairways and full perimeter guardrails), cathodic protection systems, and re-coating of the interior and exterior of the reservoirs. The proposed work at the Crown Valley No. 3 Reservoir includes tank operation improvements and re-painting of the exterior of the reservoir. The interior coating of the Crown Valley No. 3 Reservoir has significant life remaining and does not need to be re-coated at this time.

#### **DISCUSSION:**

A request for bids was issued to six qualified construction contractors. The District received three sealed bids for the subject contract on August 18, 2016. The table below summarizes the bids received:

<b>Firm</b>	<b>Bid</b>
J. Colon Coatings, Inc.	\$1,426,040
Advanced Industrial Services	\$1,436,900
Blastco Inc.	\$1,571,832
<b>Engineer's Estimate</b>	<b>\$1,371,500</b>

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

Staff intends to procure specialty inspection services related to the coating and improvements under the existing As-Needed Coating Inspection Services Agreements. These services are anticipated to be \$150,000.

Crown Valley Reservoirs Re-coating Construction Contract Award

September 12, 2016

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SUMMARY OF PROJECT BUDGET:

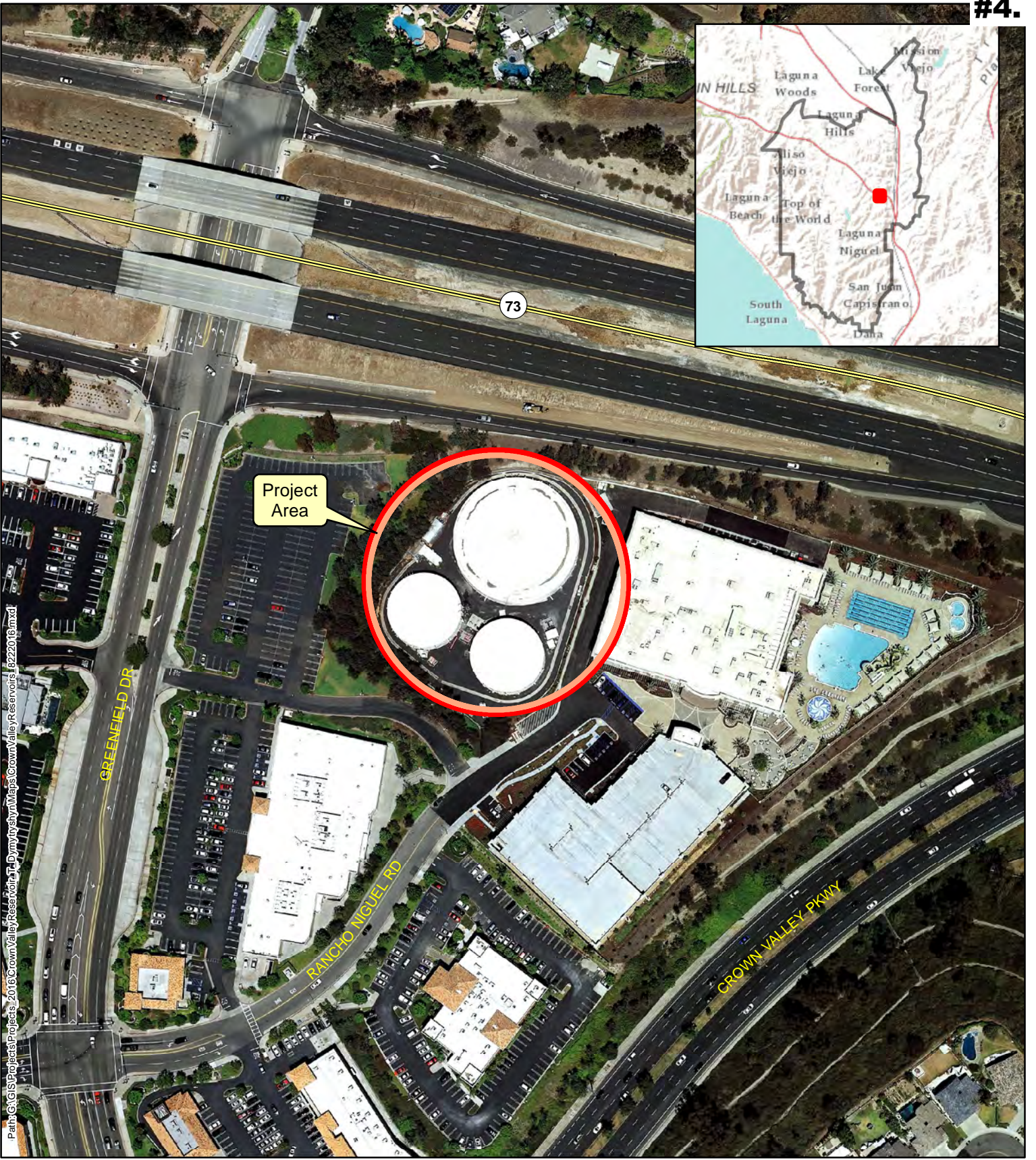
	<b>Project Budget</b>	<b>Proposed / Approved Contract</b>	<b>Proposed / Authorized Contingency</b>	<b>Total Proposed / Authorized Amount</b>
<b>Project Items</b>				
Engineering	\$45,000*	\$45,000	\$0	\$45,000
Construction	\$1,750,000	\$1,426,040	\$142,604	\$1,568,644
Specialty Inspection	\$150,000	\$150,000	\$0	\$150,000
Legal & District Labor	\$5,000	\$5,000	\$0	\$5,000
<b>Totals</b>	<b>\$1,950,000</b>	<b>\$1,626,040</b>	<b>\$142,604</b>	<b>\$1,768,644</b>

\*\$19,677 has been expended to date.

 Currently Proposed Amount

Attachment: Exhibit A – Location Map





Path City GIS Projects \Projects\_2016\Crown Valley Reservoirs\16222016.mxd



Scale = 1:2,000

**Exhibit "A" Location Map**  
**Crown Valley Reservoirs Re-coating**  
**2015.004 & 2015.022**







**moulton niguel** water district

**STAFF REPORT**

**TO:** Board of Directors                      **MEETING DATE:** September 12, 2016  
**FROM:** Drew Atwater, Director of Planning  
**SUBJECT:** Turf Removal Program Policy Update  
**DIVISION:** District-wide

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**SUMMARY:**

Issue: Review of the current turf program policy is warranted due to the projected Water Efficiency Fund balance.

Recommendation: It is recommended that the Board of Directors approve the updated Turf Program Policy

Fiscal Impact: Turf Program funding is included in the FY 2016-17 Water Efficiency Fund Budget.

**Background:**

The District offers rebates to qualified customers who remove their turf grass and replace it with plants or other approved material that reduces their water consumption. Since November 2011, the District has used the Water Efficiency Fund to provide turf rebates for qualified customers within the District. The highly popular turf rebate program has resulted in over 4,000,000 square feet of turf grass removed from within the District.

Turf Rebates are financed through the Water Use Efficiency Fund, as well as funding from the Metropolitan Water District of Southern California (MET) and the Municipal Water District of Orange County (MWDOC).

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### Turf Removal Program Policy Update

September 12, 2016

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#### **Discussion:**

Customers who qualify for a turf rebate are eligible to receive up to \$2.00 per square foot of turf removed, not to exceed the actual project cost. It is the District's goal to keep the amount of rebate available per square foot at a consistent level, regardless of the fluctuating levels of grant funding that is available from MET and MWDOC. The District's contribution to the \$2.00 per square foot incentive will vary as the grant amounts change, allowing the amount to our customer to remain constant. Due to the interest in the program, staff is recommending that recycled water sites are no longer eligible for turf removal funding. Current financial projections show that the Water Efficiency Fund will be exhausted within 3 years at the current spending rate. Due to these factors, staff is recommending the Board approve the Turf Program Policy as set forth in Attachment 1 to target funding towards potable water use sites which provide the greatest avoided cost.

<b>Customer Type</b>	<b>Incentive Funding per Square Foot</b>	<b>Square Foot Maximum</b>
Residential (One application per property address per lifetime.)	Up to \$2.00	3,000 sf
Commercial (Potable Water) (One application per account per year.)	Up to \$2.00	25,000 sf
Public Agency (Potable Water) (One application per account per year.)	Up to \$2.00	25,000 sf

Attachment:

Turf Removal Program Policy

## **Turf Removal Program Funding Policy**

### **Purpose**

The District offers rebates to qualified customers who remove their turf grass and replace it with plants or other approved materials that reduces their water consumption in an effort to promote water conservation and increase supply reliability. Rebate limits are based on customer type which includes the following classifications: Residential, Commercial, and Public Agency.

### **Source of Funds**

Turf rebates are financed with funds from the District's Water Efficiency Fund, the Metropolitan Water District of Southern California (MET), and the Municipal Water District of Orange County (MWDOC).

### **District Funding Level**

Approved customers receive up to \$2.00 per square foot of turf removed, not to exceed the actual project cost. This rebate amount remains consistent for customers, regardless of the fluctuating levels of supplementary funding that is available from MET and MWDOC. The District's share of the \$2.00 per square foot rebate will vary as the grant amounts from our wholesalers' change, in order to keep the incentive amount to customers constant, but will not exceed \$2.00 per square foot. Only sites using potable water are eligible for the program.

<b>Customer Type</b>	<b>Incentive Funding per Square Foot</b>	<b>Square Foot Maximum</b>
Residential (One application per property address per lifetime.)	Up to \$2.00	3,000 square feet
Commercial (Potable Water Only) (One application per account per year.)	Up to \$2.00	25,000 square feet
Public Agency (Potable Water Only) (One application per account per year.)	Up to \$2.00	25,000 square feet





# moulton niguel water district

## STAFF REPORT

**TO:** Board of Directors                      **MEETING DATE:** September 12, 2016

**FROM:** Drew Atwater, Director of Planning

**SUBJECT:** Amendment No. 2 to the Turf Removal Inspection Agreement with WaterWise Consulting

**DIVISION:** District-wide

### SUMMARY:

Issue: Board approval is required to amend the current turf removal inspection agreement.

Recommendation: It is recommended that the Board of Directors approve Amendment No. 2 to the Turf Removal Inspection Agreement with WaterWise Consulting to increase the contract by \$71,250 to an amount not-to-exceed \$146,250 through June 30, 2017; and authorize the General Manager to execute Amendment No. 2.

Fiscal Impact: Sufficient funds are budgeted in the Fiscal Year 2016-2017 Water Efficiency Fund Budget.

### BACKGROUND:

More than half of the water used at the District is for outdoor landscapes. Water efficient landscapes can decrease water use up to 70 percent through a combination of proper plant selection and irrigation technology. However, the cost of installing climate-applicable plants is sometimes an obstacle to turning traditional grass landscapes into more water-efficient environments. The District’s turf replacement program is designed to help residents, businesses, and public agencies make that conversion.

In the summer of 2015, turf applications soared to over 300 per month. Current average application activity varies from between 40 and 60 per month. As activity levels escalate, it becomes challenging to adjust resources internally to maintain consistently high levels of customer service and provide timely processing of rebates.

## #6.

Amendment No. 2 to the Turf Removal Inspection Agreement with WaterWise Consulting

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With the backlog in the fall of 2015, applications took almost 3 months to do the initial pre-inspection until WaterWise Consulting was brought on board through a Request for Proposals to support the backlog. Waterwise provided the lowest cost as shown in Table 1.

Table 1

Firm	Cost per Inspection
Blue Watchdog Conservation Inc.	\$115
ConserVision Consulting LLC	\$100
WaterWise Consulting	\$95

Conservation staff monitor and shadow a sample of turf inspections by WaterWise Consulting to verify District customer service standards are adhered to. To date, WaterWise Consulting has met the District's high customer service standards.

### **DISCUSSION:**

Turf application activity is challenging to predict. With the upcoming permanent regulations looming from the state and the potential for a dry winter with La Nina, having an inspection consultant under contract provides District staff the resources to adapt to uncertainty as well as to maintain fast customer service response times for interest in the turf removal program. Staff is recommending the Board approve the contract amendment with WaterWise Consulting.

Attachments:

1. Original Agreement
2. Amendment No. 1
3. Amendment No. 2

**INSPECTION SERVICES AGREEMENT BETWEEN  
MOULTON NIGUEL WATER DISTRICT AND WATERWISE CONSULTING, INC.  
MNWD PROJECT: RESIDENTIAL TURF REMOVAL INSPECTIONS  
CONTRACT NO. OM15-16.016**

THIS AGREEMENT (the "Agreement") is dated as of October 20, 2015 (the "Effective Date"), by and between WaterWise Consulting, Inc., hereinafter referred to as the "CONTRACTOR" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of turf removal inspection services to MNWD by CONTRACTOR. MNWD and CONTRACTOR may sometimes be referred to in this Agreement individually as "party" and together as "parties."

**RECITALS**

CONTRACTOR proposes to provide turf removal inspection services to MNWD in connection with its turf removal rebate program (the "Project"). The scope of work to be performed by CONTRACTOR under this Agreement is described in **Exhibit A** hereto, which is incorporated herein (the "Scope of Work").

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

**AGREEMENT**

**SECTION I - CONTRACTING SERVICES, AUTHORIZATION**

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

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

Section 1.3 CONTRACTOR shall provide all personnel necessary to properly perform the services and duties required under this Agreement, and shall at all times direct such personnel in the performance of such services and duties. Ajay Dhawan shall serve as CONTRACTOR's principal liaison between MNWD and CONTRACTOR. Without prior written approval of MNWD, CONTRACTOR will not make any changes in CONTRACTOR's representative, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Work.

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Section 1.4 CONTRACTOR shall not subcontract any of the Services without the prior written consent of MNWD.

Section 1.5 MNWD shall provide or make available to CONTRACTOR at no cost, all information, data, records, maps, reports, plans, equipment, or other material in its possession and other information reasonably required by CONTRACTOR for carrying out the services and duties contemplated under this Agreement.

Section 1.6 All original drawings and other documents, including detailed calculations developed for the Project shall, upon payment in full for the services described in this Agreement or as otherwise provided in SECTION II herein, be furnished to and become the property of MNWD. CONTRACTOR will furnish to MNWD the agreed upon number of reports and supporting documents including video and photographs and all other deliverables as listed in the Scope of Work. These instruments of service are furnished for MNWD's use in connection with the services provided for in this Agreement and shall become MNWD's property upon receipt. All such documents and deliverables generated by CONTRACTOR and any of CONTRACTOR's subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONTRACTOR to any third parties other than with MNWD's written consent, or as compelled by order of court. CONTRACTOR may retain a copy of all reports and documents for their files.

### **SECTION II – FEES AND PAYMENT**

Section 2.1 CONTRACTOR shall perform all services pursuant to the Agreement at the price listed in the Fee Schedule attached hereto and incorporated herein as **Exhibit B**, which includes the cost of all labor, materials, tools and equipment necessary or incidental to complete the Project in a complete and workmanlike manner, and all taxes as applicable. There shall be no increase to the price if an adjustment to the number of CONTRACTOR'S staff or service hours is needed to meet the Agreement requirements for the Project. The total compensation paid for services pursuant to the Agreement cannot exceed **Seventy-One Thousand Two Hundred Fifty Dollars (\$71,250.00)**. CONTRACTOR is responsible for and shall pay all sales, consumer, use, and other taxes in connection with materials for the services performed.

Section 2.2 MNWD will compensate CONTRACTOR based on the timely and qualitatively accurate delivery of all services and items set out in the Scope of Work of this Agreement. Invoices must contain the location service performed, type of service performed, deliverables provided, purchase order number, and dollar amount.

### **SECTION III - DISTRICT OBSERVATION**

Section 3.1 CONTRACTOR's performance of the services is subject to observation and inspection by MNWD's representatives. The observation, if any, by the MNWD'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.

### **SECTION IV – COMPLIANCE WITH LAWS; SAFETY; WARRANTY**

Section 4.1 CONTRACTOR shall be solely and completely responsible for the safety of all CONTRACTOR personnel and subcontractors during performance of the services. CONTRACTOR shall fully comply with all state, federal and other laws, rules, regulations and



orders relating to safety of the public and workers. CONTRACTOR will comply with all applicable safety practices during performance of the services, and to comply with any other safety rules, regulations and policies specified in the Scope of Work.

Section 4.2 CONTRACTOR shall so conduct its operations as to offer the least possible obstruction and inconvenience to MNWD, its customers, and the general public and shall have no greater length or amount of services than it can prosecute properly with due regard to the safety of the MNWD and the public. Convenient access to driveways, houses and buildings in proximity to the services shall be maintained.

Section 4.3 In performing the services under this Agreement, CONTRACTOR shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD. CONTRACTOR represents and warrants to MNWD that CONTRACTOR and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature required by a State License Board or any other regulatory body that are legally required to perform the services. CONTRACTOR shall provide proof of such licensure to MNWD prior to any performance of the services. CONTRACTOR represents and warrants to MNWD that CONTRACTOR and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

Section 4.4 CONTRACTOR represents that the inspection services will be performed in a professional and workmanlike manner and will conform to generally accepted industry standards.

Section 4.5 No part of the services or this Agreement is or will be inconsistent with any obligation CONTRACTOR may have to others.

**SECTION V - INSURANCE AND INDEMNIFICATION**

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

- (a) The retroactive date of the policy must be shown and must be before the date of this Agreement.
- (b) Insurance must be maintained and evidence of insurance must be provided for at least two (2) years after completion of this Agreement or the services hereunder.
- (c) If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONTRACTOR must provide extended reporting coverage for a minimum of five (5) years after completion of the services. MNWD shall have the right to exercise at the CONTRACTOR's cost any extended reporting provisions of the policy should the CONTRACTOR cancel or not renew the coverage.
- (d) A copy of the claims reporting requirements must be submitted to MNWD prior to

## #6.

the commencement of any services under this Agreement.

Section 5.2 General / Automobile Liability Insurance. CONTRACTOR and each of its subcontractors shall maintain throughout the term of this Agreement a commercial general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the services under this Agreement by CONTRACTOR and its subcontractors, and each of their agents, representatives, or employees. Such commercial liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this Section. Such liability and property damage insurance shall include contractual liability for the assumption of liability through the indemnity in this Agreement, and products and completed operations of CONTRACTOR and its sub-consultants/subcontractors.

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

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

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

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

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD.

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

Section 5.5 Indemnity.

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

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

**SECTION VI - TERMINATION OR ABANDONMENT**

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

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

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

**SECTION VII - GENERAL**

Section 7.1 CONTRACTOR represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the contracting services hereunder, or which would impact its objectivity in performing such services hereunder.

Section 7.2 This Agreement represents the entire understanding of MNWD and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONTRACTOR proposal document, this Agreement shall control.

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

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

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

To CONTRACTOR – WaterWise Consulting, Inc.  
1147 S. Grand Avenue  
Glendora, CA 91740  
Attn: Ajay Dhawan, President

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

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

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

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

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

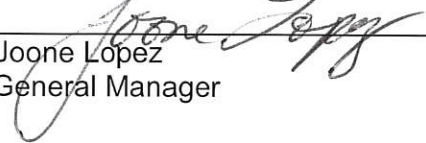
Section 7.8 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by either party without prior written consent of the other party.

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

**#6.**

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

Moulton Niguel Water District

By:   
Joone Lopez  
General Manager

CONTRACTOR – WaterWise Consulting, Inc.

By: Ajay Dhawan, AJAY DHAWAN  
Title: PRESIDENT

EXHIBIT A  
RESIDENTIAL TURF REMOVAL INSPECTION  
SCOPE OF WORK

**#6.**

**EXHIBIT B  
RESIDENTIAL TURF REMOVAL INSPECTION  
FEE SCHEDULE**

<b>QUANTITY</b>	<b>UNIT</b>	<b>DESCRIPTION</b>	<b>COST</b>
1	EA	Turf Removal Inspection	\$95.00
		Quantity of inspections	x 750
<b>TOTAL COST</b>			\$71,250

It is understood that the foregoing quantities are approximates only. Contractor's compensation will be computed upon the basis of the actual quantities in the completed services whether they be more or less than those shown.



AMENDMENT NO. 1 TO THE INSPECTION SERVICES AGREEMENT  
BETWEEN MOULTON NIGUEL WATER DISTRICT  
AND WATERWISE CONSULTING, INC.  
RE: RESIDENTIAL TURF REMOVAL INSPECTIONS  
CONTRACT NO. OM15-16.016

This Amendment No. 1 (this "Amendment") is entered into and effective as of July 1, 2016, amending the Inspection Services Agreement, dated October 20, 2015 (the "Agreement") by and between the Moulton Niguel Water District ("MNWD"), Waterwise Consulting, Inc. ("Consultant") (collectively, the "Parties").

RECITALS

A. WHEREAS, on October 20, 2015, the Parties executed the Agreement with a completion date of June 30, 2016.

B. WHEREAS, the parties desire to extend the Agreement for an additional four (4) month term.

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

1. The Agreement term is hereby extended through October 31, 2016.

2. All other provisions of the Agreement will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.

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

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

WATERWISE CONSULTING, INC.

MOULTON NIGUEL WATER DISTRICT, a California Water District

By: Ajay Dhawan  
(sign here)

By: [Signature]  
General Manager

AJAY DHAWAN / PRESIDENT  
(print name/title)

7/14/16  
Date

6/28/16  
Date



**AMENDMENT NO. 2 TO THE INSPECTION SERVICES AGREEMENT  
BETWEEN MOULTON NIGUEL WATER DISTRICT AND  
WATERWISE CONSULTING, INC.; CONTRACT NO. OM15-16.016**

This Amendment No. 2 (this "Amendment") is entered into and effective as of \_\_\_\_\_, 2016 (the "Amendment Effective Date"), amending the Inspection Services Agreement, dated October 20, 2015 (the "Agreement"), as amended, by and between Moulton Niguel Water District ("MNWD"), and Waterwise Consulting, Inc. ("Consultant") (collectively, the "Parties").

**RECITALS**

A. WHEREAS, on July 1, 2016, the Parties executed Amendment No. 1 to the Agreement to extend the Agreement term through October 31, 2017; and

B. WHEREAS, the Parties have negotiated and agreed to a further extension of the Agreement through June 30, 2017, for an additional not-to-exceed amount of \$75,000.

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

1. The Agreement term is hereby extended through June 30, 2017.
2. The Parties agree that the total Agreement amount, including this Amendment, shall not exceed One Hundred Forty-Six Thousand Two Hundred Fifty Dollars (\$146,250).
3. All other provisions of the Agreement will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and this Amendment, the terms of this Amendment shall control.
4. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement will include coverage for this Amendment.
5. The individual executing this Amendment on behalf of the Consultant represents and warrants to have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

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

WATERWISE CONSULTING, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

MOULTON NIGUEL WATER DISTRICT, a  
California Water District

By: Joone Lopez

\_\_\_\_\_

General Manager

Date: \_\_\_\_\_

